

# Interim report

1 January 2020 – 30 June 2020



# Cibus Interim Report

1 JANUARY – 30 JUNE 2020

## SUMMARY OF THE PERIOD

### Q2 2020 (compared with Q2 2019)

- Rental income amounted to EUR 16,366 thousand (12,552).
- Net operating income totalled EUR 15,100 thousand (11,459).
- Profit from property management was EUR 7,801 thousand (6,773).
- Earnings after tax amounted to EUR 8,883 thousand (10,247), corresponding to EUR 0.24 (0.33) per share. Unrealised changes in property values totalling EUR 3,002 thousand (5,013) were included in profit.

### Jan – Jun 2020 (compared with Apr – Jun 2019)

- Rental income amounted to EUR 30,406 thousand (25,207).
- Net operating income totalled EUR 28,103 thousand (23,583).
- Profit from property management was EUR 14,642 thousand (14,398).
- Earnings after tax amounted to EUR 15,980 thousand (19,159), corresponding to EUR 0.45 (0.62) per share. Unrealised changes in property values totalling EUR 4,611 thousand (7,784) were included in profit.

## SIGNIFICANT EVENTS DURING THE PERIOD

At the Annual General Meeting on 24 April 2020, Stefan Gattberg was elected as a new Board member. The other Board members were re-elected.

On 6 May it was announced that Peter Lövgren had been recruited as the new CIO Sweden. Peter Lövgren took up his position on 10 August.

On 29 May, it was announced that Cibus had acquired a portfolio of 18 properties in Finland. All of these properties have the S-Group, Kesko or Tokmanni as their anchor tenants.

On 3 June, Cibus issued a senior unsecured green bond for SEK 600 million with variable interest and a three-year term.

On 8 June, Cibus announced a voluntary redemption offer for its outstanding EUR bonds and its intention to issue new EUR bonds.

On 11 June, Cibus announced that it had issued bonds of EUR 135 million and announced the results of its early redemption offer and the amount for which existing bonds had been redeemed. The Company is now fully refinanced.

On 29 June, Cibus acquired a portfolio containing 5 properties in the Oulu region of Finland for EUR 14.5 million. The properties are fully let with the S-Group as the anchor tenant.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

On 19 August, it was announced that Cibus will hold an Extraordinary General Meeting by means of a postal voting procedure on 14 September. The Board of Directors will be proposing to the Extraordinary General Meeting that dividends be paid to shareholders on a monthly basis.

## DIVIDEND

The Board intends that the dividend for the 12 months following the Annual General Meeting on 24 April shall be EUR 0.89 per share. The Board also intends for the Company to switch to a monthly dividend at some point within the next 12 months. Because all of the practicalities in this regard were not in place for the Annual General Meeting, the Board of Directors only proposed an initial quarterly dividend of EUR 0.22 to the Annual General Meeting.

The Board of Directors has called an Extraordinary General Meeting, to be held on 14 September 2020, prior to which it will propose a dividend of EUR 0.67 per share. This means that the total dividend for the 12-month period will be EUR 0.89 per share. For the remainder of the year, the Board proposes monthly dividend payments.

### Coronavirus

The Coronavirus has had a limited impact on the results of Cibus's operations. During the second quarter, the impact on profit was negative in the amount of approximately EUR 0.2 million. Slightly more than 99% of our invoiced rent for the second quarter was paid. Of our income, about 90% derives from the largest grocery chains in the Nordic countries. During the pandemic, these have successfully provided people with the food they need. In uncertain times, local grocery stores are needed more than ever.

KEY FIGURES <sup>1</sup>	Q2 2020	Q2 2019	Jan-Jun 2020	Jan-Jun 2019
Market value of properties, EUR million	1,124	862	1,124	862
NOI, current earnings capacity, EUR million	64.1	49.9	64.1	49.9
Lettable area, thousand sq.m.	664	499	664	499
Proportion grocery and daily goods stores, %	96	95	96	95
Number of properties with solar panels	15	3	15	3
Senior debt LTV ratio, %	49.0	45.4	49.0	45.4
Net debt, LTV ratio, %	60.5	59.0	60.5	59.0
Interest coverage ratio, multiple	3.6	3.4	3.5	3.4
EPRA NRV/share, EUR	11.8	11.3	11.8	11.3
Approved dividend per share paid for the period, EUR	0.22	0.20	0.44	0.40

<sup>1</sup>Refer to page 28 for alternative performance measures and definitions.

By acquiring, refining and developing our properties in the food, grocery and daily-goods segments, we provide a stable and increasing dividend, irrespective of economic fluctuations, to our shareholders.





# Business and operations as usual in a changed world

CEO'S COMMENTS



— “Despite the pandemic, it’s business  
as usual at Cibus.”

— Sverker Källgård, CEO



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## **BUSINESS AND OPERATIONS AS USUAL IN A CHANGED WORLD**

Cibus's business concept is non-cyclical and intended to function regardless of the economic situation, as was proved true during the quarter. About 90% of our income stems from the Nordic region's leading food and grocery chains, which experienced record sales during the quarter. Groceries are essential and during this pandemic the significance of grocery stores in society has truly been demonstrated.

We have also demonstrated Cibus's strength and attractiveness by opening up the of Corona pandemic closed Nordic bond market for high-yield companies with our first launch of a new green SEK bond in the market and shortly thereafter our refinancing of our outstanding EUR bond. In addition to now being fully refinanced, we also have a strong cash balances and, combined with our continued highly favourable bank contacts, this gives us reason to view for the second half of the year with confidence. Despite the pandemic, it's business as usual at Cibus.

### **EFFECTS OF THE CORONAVIRUS**

The impact of the Coronavirus on our operations remained very limited, although there was a marginal effect of EUR 0.2 million on earnings in the second quarter. Early in the quarter, some smaller-scale tenants in Finland were hit hard by the decision of the authorities to close restaurants, pubs and other gathering places. We maintained an ongoing dialogue with these tenants, providing them with conditions enabling them to restart operations on 1 June when the authorities eased their restrictions. With the restrictions have now been lifted, we believe that the effect of the Corona pandemic on earnings in the second half of the year will continue to be very limited.

## **MARKET**

We continued to invest in attractive grocery stores during the quarter. We acquired a total of 18 properties in Finland during the quarter and another five after the end of the period. Our partner banks remain positive on Cibus's business model and have partially financed all of these acquisitions.

We continue to receive numerous inquiries and continuously assess the prospectuses we receive. In our view, the market for food, grocery and daily goods stores did not slacken in the second quarter. We benefit from being a well-known and attractive buyer of properties of this type, being known in the market for completing transactions into which we have entered. Now being fully refinanced and having strong cash balances, we look forward to the autumn and the opportunities it may bring in Finland and Sweden.

## **TRANSITION TO MONTHLY DIVIDENDS**

We have now announced an Extraordinary General Meeting at which it will be proposed that we transition to paying dividends to our shareholders on a monthly basis. This would suit our cash flow very well and it would also be exciting to be the first company listed on Nasdaq Stockholm to pay a monthly dividend. We believe this will be appreciated by our shareholders, further increasing the appeal of Cibus's shares.

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Stockholm, 20 August 2020

**Sverker Källgård**



# Operations



# Earnings capacity

The current earnings capacity for the coming 12 months is based on the property portfolio owned by Cibus as of 31 July 2020.

Current earnings capacity is not a forecast but should instead be considered a theoretical snapshot for the purpose of presenting income and expenses on an annual basis given the property holding, financing costs, capital structure and organisation at a given point in time. Earnings capacity does not include estimations for the forthcoming period regarding the development of rent, occupancy rate, property expenses, interest rates, changes in value or other items affecting earnings.

## CURRENT EARNINGS CAPACITY, EUR THOUSAND

	30 Jun 2019	30 Sep 2019	31 Dec 2019	31 Mar 2020	30 Jun 2020	31 July 2020*	Change (Jun'20/Jul'19)
Rental income	53,350	53,350	54,110	64,600	69,360	70,480	
Property expenses	-3,450	-3,450	-3,450	-4,000	-5,250	-5,370	
<b>Net operating income</b>	<b>49,900</b>	<b>49,900</b>	<b>50,660</b>	<b>60,600</b>	<b>64,110</b>	<b>65,110</b>	
Central administration	-3,700	-3,700	-3,700	-3,850	-3,875	-3,900	
Net financial expenses**	-13,550	-13,550	-14,000	-17,150	-19,920	-20,370	
<b>Profit from property management</b>	<b>32,650</b>	<b>32,650</b>	<b>32,960</b>	<b>39,600</b>	<b>40,315</b>	<b>40,840</b>	
<b>Profit from property management, EUR/share***</b>	<b>1.05</b>	<b>1.05</b>	<b>1.06</b>	<b>1.06</b>	<b>1.08</b>	<b>1.09</b>	<b>4%</b>

\*Includes all transactions where Cibus has taken possession of the property prior to and during July 2020.

\*\*In accordance with IFRS16, site leasehold fees are included among financial expenses. Financial expenses also include prepaid arrangement fees not affecting future cash flow.

\*\*\*In March 2020, a new share issue was implemented encompassing 6,220,000 shares. The number of shares subsequently totalled 37,320,000.

The following information forms the basis for the estimated earnings capacity:

Rental income based on signed leases on an annual basis (including service charges and potential rental discounts) as well as other property-related income as of 31 July 2020 according to current lease agreements.

Property expenses based on a normal operating year with maintenance. Operating costs include property-related administration. Property tax is calculated based on the current tax values of the properties. Property tax included in the item "Property expenses".

Central administration costs are calculated based on the current organisation, independent of Sirius, and the current size of the property portfolio.

A fixed exchange rate of SEK 10.75/EUR has been used in translating the figures for the Swedish operations.

## COMMENTS REGARDING CURRENT EARNINGS CAPACITY

As of 31 July 2020, the earnings capacity for the next 12 months improved by 4% compared with the 12-month perspective as of 30 June 2019. This was a result of the acquisitions carried out by the Company and rent increases due to indexation.

# Financial development

## EARNINGS ANALYSIS JANUARY – JUNE 2020

### Income

Consolidated rental income for the first half of 2020 amounted to EUR 30,406 thousand (25,207). The Swedish acquisition of the Coop portfolio is included as of 10 March 2020. Service income totalled EUR 4,121 thousand (4,286) and consisted largely of re-invoiced expenses. The economic occupancy rate was 95.1% (94.3). At 30 June 2020, the total annual rental value amounted to EUR 72,113 thousand (53,000).

### Net operating income

The operating expenses for the reporting period totalled EUR 4,992 thousand (4,892) and net operating income amounted to EUR 28,103 thousand (23,583), resulting in a surplus ratio of 92.4% (93.6). As many leases are triple-net leases, whereby the tenants cover the majority of the expenses, net operating income is one of the most important comparative figures. Depending on the terms of the lease, expenses may be charged to tenants directly or via Cibus. This means that gross rents, expenses and service income may vary over time, even if net operating income remains relatively stable.

### Net financial items

Net financial items amounted to an expense of EUR 10,440 thousand (7,233) and consisted mainly of interest expenses for the period of EUR 6,840 thousand (6,087) but also of items affecting comparison of a negative EUR 2,869 thousand pertaining to redemption premiums for the early redemption of the EUR bond and arrangement fees and a positive exchange rate difference of EUR 519 thousand (0). Net financial items also include arrangement fees, expenses for interest rate derivatives and site leasehold fees in accordance with IFRS 16. In addition to secured loans of EUR 551 million, there are two unsecured bonds issued of SEK 600 million and EUR 135 million, as well as EUR 21 million of the old EUR bond that was redeemed on July 9, 2020. At the end of the period, average interest rate in the loan portfolio, including margins and expenses for interest rate hedging, was 2.5% (2.4).

### Profit from property management

For the reporting period, profit from property management amounted to EUR 14,642 thousand (14,398), corresponding to EUR 0.42 per share (0.46).

### Changes in property values

Including acquisitions, changes in property values amounted to EUR 249,349 thousand (45,747) from the opening balance of EUR 874,813 thousand (816,478) to the closing balance of EUR 1,124,162 thousand (862,225). Of the value changes, EUR 4,611 thousand (7,784) was unrealised. During the period, disbursements for acquisitions of properties were made in the amount of EUR 242,576 thousand (39,733). In addition, investments have been made in the properties for EUR 2,162 thousand (300).

### Tax

The nominal rate of corporation tax in Finland is 20%. Through fiscal depreciation on the buildings and the utilisation of loss carryforwards, a low tax expense arose for the reporting period. The nominal rate of corporation tax in Sweden is 21.4%. The loss carryforwards are estimated at about EUR 8,285 thousand (7,801).

Tax assets attributable to these loss carryforwards have been recognised in the consolidated balance sheet in an amount of EUR 1,773 thousand (1,662) and in the Parent Company's balance sheet in an amount of EUR 1,047 thousand (1,555). Cibus recognised total tax for the reporting period of negative EUR 3,099 thousand (3,157), of which current tax and deferred tax amounted to negative EUR 757 thousand (1,453) and negative EUR 2,342 thousand (1,704) respectively. The effective tax rate was 16.2%.

### Net profit after tax

Earnings after tax for the period amounted to EUR 15,980 thousand (19,159), corresponding to EUR 0.45 per share (0.62). Unrealised changes in property values totalling EUR 4,611 thousand (7,784) were included in profit.

## SECOND QUARTER 2020

Consolidated rental income increased by 30% to EUR 16,366 thousand (12,552) in the second quarter of 2020. The second quarter included a non-recurring effect of about a negative EUR 200 thousand from rent reductions granted to our smallest tenants in Finland, whose operations were closed during the Corona pandemic. Net operating income increased by 32% to EUR 15,100 thousand (11,459).

Administration costs amounted to EUR 1,532 thousand (1,169). The administration costs are affected by an item affecting comparability of about a negative EUR 200 thousand for consultancy fees in connection with our two new bonds and the redemption of the outstanding EUR bond, as well as the final costs for the restructuring of the Finnish part of the Group. Net financial items for the second quarter amounted to an expense of EUR 5,767 thousand (3,686) and consisted mainly of interest expenses but also included limit fees, expenses for interest rate derivatives, prepaid arrangement fees and site leasehold fees in accordance with IFRS 16. Net financial items also include an item affecting comparability of a negative EUR 2,869 thousand pertaining to redemption premiums of EUR 114 million and arrangement fees for the previously listed EUR bonds. The remaining EUR 21 million of the former EUR bond will be redeemed on 9 July 2020. Net financial items also include a positive exchange rate difference of EUR 1,378 thousand (0). Profit from property management for the second quarter was EUR 7,801 thousand (6,773), corresponding to EUR 0.21 (0.22) per share.

Changes in property values amounted to EUR 3,002 thousand (5,013). Total tax amounted to EUR 1,687 thousand (2,098), of which current tax amounted to EUR 501 thousand (906) and deferred tax to EUR 1,186 thousand (1,192).

Profit after tax for the second quarter amounted to EUR 8,883 thousand (10,247), corresponding to EUR 0.24 (0.33) per share. Unrealised changes in property values totalling EUR 3,002 thousand (5,013) were included in profit.

## CASH FLOW AND FINANCIAL POSITION

Consolidated cash flow from operating activities amounted to EUR 19,880 thousand (11,657), corresponding to EUR 0.57 (0.37) per the average number of shares outstanding. Cash flow from investing activities was negative in the amount of EUR 244,918 thousand (38,140) and mainly involved acquisitions of properties during the reporting period. Cash flow from financing activities amounted to EUR 283,347 thousand (18,619).

At the end of the period, cash and cash equivalents amounted to EUR 84,506 thousand (17,678), corresponding to EUR 2.26 per share (0.57). Redemption of the remainder EUR 21 million of the old EUR-bond has been settled at the end of the period, on 9 July 2020. At 30 June 2020, Cibus had net interest-bearing liabilities, after deduction of cash and cash equivalents, of EUR 680,155 thousand (508,935). Capitalised borrowing costs amounted to EUR 4,642 thousand (3,157).



## PARENT COMPANY

Cibus Nordic Real Estate AB (publ) is the Parent Company of the Group and owns no properties directly. Its operations comprise owning shares, managing stock market-related issues and Group-wide business functions such as administration, transactions, management, legal issues, project development and finance. The Parent Company's earnings after tax for the period amounted to EUR 55 thousand (loss 1,131).

## SEGMENT REPORTING

Cibus reports its operations in the two national segments of Finland and Sweden. For the first half of 2020, 89% of net operating income was attributable to Finland and 11% to Sweden. Of the total value of the properties, EUR 939,191 thousand was attributable to Finland and EUR 184,971 thousand to Sweden. See page 27 of this report for more information.

## SUSTAINABILITY

Cibus is driven by the conviction that the decisions we make regarding our property portfolio can contribute to responsible social development. In our acquisitions and management of properties, we seek to foster sustainable development, both for our tenants, as well as for vibrant local communities, and for this to contribute to a favourable long-term profit trend for our shareholders. For Cibus, sustainability entails helping create accessible and climate-smart marketplaces for end-consumers. We achieve this alongside our anchor tenants, who are leading players in the food, grocery and daily-goods segment in the Nordic region. An example of this is that we grant our tenants access to our large and often flat roofs so that they can install solar panels. Today, 15 of our properties have solar panels. The electricity they generate annually corresponds to the electricity consumption for about 920 apartments or for driving 9 million kilometres in an electric car. The annual CO<sub>2</sub> reduction is about 260 tCO<sub>2</sub>. Additional solar panels have already been planned and discussions are in progress with several tenants about installing more.

Another example is that we have chosen to provide support for our smallest-scale tenants during the pandemic to strengthen the local community. During the second quarter, this support entailed rent reductions of approximately EUR 200 thousand. The Finnish government has now lifted the restrictions and allowed these smaller players to reopen their operations in June 2020.

In the second quarter, we are proud to have issued our first green bond to finance our energy-efficient buildings. We have issued SEK 600 million, corresponding to approximately EUR 57 million of a portfolio of energy-efficient properties valued at a total EUR 184 million.

## GENERAL INFORMATION

Cibus Nordic Real Estate AB (publ) ("Cibus"), corporate registration number 559135-0599, is a public limited company registered in Sweden and domiciled in Stockholm. The Company's address is Kungsgatan 56, SE-111 22 Stockholm, Sweden. The operations of the Company and its subsidiaries ("the Group") encompass owning and managing grocery and daily-goods properties.

## RISKS AND UNCERTAINTIES

Cibus is exposed to a number of risks and uncertainties. The Company has procedures in place to minimise these risks. Cibus also has a strong financial position. Beyond the risks and uncertainties described below, refer to Cibus's 2019 Annual Report under "Risks and risk management" on pages 25-29.

## Properties

### Changes in property values

The property portfolio is measured at fair value. Fair value is based on a market valuation performed by an independent valuation institute, which was Newsec for this reporting period.

The value of the properties was largely influenced by the cash flows generated in the properties in terms of rental income, operating and maintenance expenses, administration costs and investments in the properties. Therefore, a risk exists in terms of changes in property values due to changes in cash flows as well as changes in yield requirements and the condition of the properties. Risk to the Company includes the risk of vacancies in the portfolio as a consequence of tenants terminating existing leases and the financial position of the tenants.

In turn, the underlying factors influencing cash flows stem from current economic conditions as well as local external factors in terms of competition from other property owners and the geographic location that may affect the supply and demand equilibrium.

Cibus's focus on offering active, tenant-centric management with the aim of creating good, long-term relationships with tenants creates favourable preconditions for sustaining a stable value trend for the property portfolio. The Company's property development expertise enables the proactive management of risks pertaining to the properties' values by securing the quality of the holdings.

### Rental income

Cibus's results are affected by the portfolio's vacancy rate, customer losses and possibly by the loss of rental income. The (economic) occupancy rate for the portfolio at the end of the period was 95% and the weighted average unexpired lease term (WAULT) was 5.5 years. Of the Company's income, 96% stems from properties rented to tenants in the grocery and daily-goods sector. The risk of vacancies, lost customers and a loss of rental income is impacted by tenants' inclination to continue renting the property and by tenants' financial positions as well as other external market factors.

To manage the risks, Cibus is creating a more diversified contract base but is also continuing to retain and improve existing relationships with the Group's largest tenants, which are leaders in the grocery and daily-goods sector in the Nordic region.

### Operating and maintenance expenses

The Group runs a risk of increased expenses that are not compensated by regulation in the lease. This risk is limited, however, as more than 90% of all leases are triple-net agreements or net leases, meaning that, in addition to the rent, the tenant pays most of the expenses incurred in the property. Even unforeseen maintenance needs pose a risk to operations. Active and ongoing maintenance is conducted to retain and improve the properties' standard and to minimise the risk of needs for repair.

### Financing

The Group is exposed to risks associated with financial activities in the form of currency and interest-rate risks. Currency risk arises when agreements are signed in currencies other than the euro. Interest-rate risk pertains to the impact on consolidated earnings and cash flow from changes in interest rates.

To reduce the risk of interest-rate increases, the Group has interest-rate derivatives in the form of interest-rate caps.

### Taxes and legislative amendments

On 1 January 2019, the new rules limiting interest deductibles came into effect in Sweden. The regulations entail a right to deduction of 30% of taxable EBITDA and a reduction of corporate income tax from 22% to 20.6%. The reduction in corporation taxation is being implemented in two stages, with a decrease in the first two years, 2019 and 2020, to 21.4%. The maximum interest expense that can always be deducted at Group level is EUR 500 thousand.

Similar rules concerning interest-rate restrictions also came into force in Finland, although with certain differences. The right to deduction is limited to 25% of taxable EBITDA and the maximum amount of net interest expense that can always be deducted will be EUR 500 thousand per company.

The new rules concerning limits on interest deductibles are not assessed to have affected to Group during the reporting period.

## ACCOUNTING POLICIES

Cibus Nordic Real Estate AB (publ) applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting. Disclosures according to IAS 34 16A are presented in the financial statements and related notes as well as in other parts of the report.

Assets and liabilities are recognised at cost, other than investment properties and interest-rate derivatives, which are measured at fair value. Refer to pages 50-54 of the most recent annual report for information about fair value measurement.

In preparing the interim report, management must make a number of assumptions and judgements that affect the Group's earnings and financial position. The same assessments and accounting and valuation policies have been applied as those used in the annual report – refer to the 2019 Annual Report for Cibus Nordic Real Estate AB (publ).

The company publishes five reports each year: three interim reports, a year-end report and an annual report.

## CORONAVIRUS

The Coronavirus has had a very limited negative impact on Cibus's operations. Naturally we act with caution in our contacts with other companies, preferring to hold meetings by phone or video link, and keeping travel to a minimum. All international travel is cancelled until further notice.

For our foremost tenants, grocery retailers, volumes have increased since the virus emerged because more people are eating at home. Grocery retail volumes are at normal levels and nothing indicates that our tenants will encounter difficulty paying their rent. Just over 99% of our invoiced rents for Q2 are paid. Of our income, approximately 90% derives from the largest grocery chains in the Nordic countries.

Early in the second quarter, some smaller-scale tenants in Finland were hit hard by the decision of the authorities to close restaurants, pubs and other gathering places. We maintained an ongoing dialogue with these tenants, providing them with conditions enabling them to restart operations on 1 June when the authorities eased their restrictions. We reduced these smaller tenants' rent by a total of EUR 200 thousand during the quarter. With the restrictions have now been lifted, we believe that the effect of the Corona pandemic on earnings in the second half of the year will continue to be very limited.

## RELATED-PARTY TRANSACTIONS

During the period January-June 2020, Cibus disbursed a fee of EUR 1,021 thousand to Sirius Retail Asset Management. The agreement with Sirius has been terminated and runs until 30 September 2020. For more information, see Note 22 in the 2019 Annual Report from Cibus Nordic Real Estate AB (publ).

At the Annual General Meeting on 11 April 2019, a resolution was taken to establish a warrant programme allotting 186,600 warrants to CEO Sverker Källgård. The subscription price is set at the average price for the Cibus share on 16-29 May 2019 and amounts to EUR 10.70 per share. Subscription may take place no earlier than 15 April 2022. The purpose of the warrants programme is to strengthen the connection between the work of the CEO and shareholder value.

The Annual General Meeting of 24 April 2020 resolved to initiate a warrants programme comprising 160,000 options for Cibus's management, excluding the Company's CEO, who already participates in a warrants programme established by the 2019 Annual General Meeting. The subscription price is set at the average price for the Cibus share on 18-25 May 2020 and amounts to EUR 12.20. Subscription may take place no earlier than 17 April 2023. The purpose of the warrants programme, and the reasons for deviating from the preferential rights of existing shareholders, is to strengthen the connection between management and the shareholder value generated. In this way, the shared interests of Cibus's management and its shareholders are considered to increase.

The intention is for the warrants programme to recur on an annual basis.

## AUDIT

This report has not been subject to review by the Company's auditors.

## THE CIBUS SHARE

Cibus Nordic Real Estate (publ) is listed on Nasdaq First North Premier Growth Market. The Company transferred to Premier on 1 July 2019. The last price paid for the share on 30 June 2020 was SEK 139, corresponding to a market value of approximately SEK 5.2 billion. At the end of the period, there were slightly more than 12,500 shareholders. A private placement was implemented on 5 March 2020, giving 6,220,000 new shares. On 30 June 2020, there were 37,320,000 ordinary shares outstanding. The Company has one (1) class of shares. Each share entitles the holder to one vote at the Annual General Meeting.

## DIVIDEND

The Board intends that the dividend for the 12 months following the Annual General Meeting on 24 April shall be EUR 0.89 per share. The Board also intends for the Company to switch to a monthly dividend at some point within the next 12 months. Because all of the practicalities in this regard were not in place, the Board proposed to the Annual General Meeting only a dividend for the first quarter of EUR 0.22 per share with 18 June 2020 as the record date and 29 June 2020 as the payment date.

The Board has now called an Extraordinary General Meeting, to be held by means of a postal voting procedure on 14 September 2020 prior to which it has proposed a dividend of EUR 0.67 per share. This means that the total dividend for the 12-month period will be EUR 0.89 per share. For the remainder of the year, the Board proposes monthly dividend payments.

## EXTRAORDINARY GENERAL MEETING 2020

An Extraordinary General Meeting will be held by means of a postal voting procedure on 14 September 2020. The Board intends to propose to the Extraordinary General Meeting that dividends be paid monthly.

More information is available at [www.cibusnordic.com](http://www.cibusnordic.com).

## EVENTS AFTER THE END OF THE PERIOD

On 19 August, it was announced that Cibus will hold an Extraordinary General Meeting by means of a postal voting procedure on 14 September.

## PRESENTATION FOR INVESTORS, ANALYSTS AND MEDIA

A live teleconference will be held at 10 a.m. (CET) on 20 August 2020, at which CEO Sverker Källgård and CFO Pia-Lena Olofsson will present the report. The presentation will be held in English and will be broadcast live at <https://tv.streamfabriken.com/cibus-nordic-real-estate-q2-2020>. To attend the teleconference, call in on +46 8 50558356. The exchange will open at 9:55 a.m. The presentation will subsequently be available at [www.cibusnordic.com](http://www.cibusnordic.com).



## DECLARATION BY THE BOARD

The Board of Directors and the CEO hereby certify that the report provides a fair and accurate overview of the Company's and the Group's operations, financial position and results, and describes the material risks and uncertainties faced by the Company and the companies included in the Group.

The interim report for Cibus Nordic Real Estate AB (publ) was adopted by the Board as of 20 August 2020.

Stockholm, 20 August 2020  
Cibus Nordic Real Estate AB (publ)  
Corporate registration number 559135-0599

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### PATRICK GYLLING

Chairman

### ELISABETH NORMAN

Board member

### JOHANNA SKOGESTIG

Board member

### JONAS AHLBLAD

Board member

### STEFAN GATTBERG

Board member

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### SVERKER KÄLLGÅRDEN

CEO

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This interim report has been published in Swedish and English. In case of any discrepancy between versions, the Swedish version is to take precedence.

## REPORTING CALENDAR

### 12 November 2020

Interim report for the third quarter

The Company's Certified Adviser is FNCA Sweden AB

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### 25 February 2021

Year-end report

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## FOR FURTHER INFORMATION, PLEASE CONTACT

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# The share and shareholders

## CIBUS'S SHARES ARE LISTED ON NASDAQ FIRST NORTH PREMIER GROWTH MARKET

On 30 June 2020, market capitalisation amounted to approximately EUR 500 million.

### PRIMARY REASONS TO INVEST IN THE CIBUS SHARE

#### High and stable yield

Cibus strives to earn a high and stable yield for shareholders. Since the listing, the share's yield has been about 7% and, from the outset, Cibus has never lowered its dividend in EUR per share from one quarter to the next.

#### Gradually rising quarterly dividends. Board proposes monthly dividends

Cibus pays dividends quarterly and aims to gradually increase them by 5% annually. The Board is examining the possibility of switching to monthly dividends. The Board of Directors has announced an Extraordinary General Meeting that will be held in September and at which it will be proposed that the Company transition to monthly dividends.

#### Potential for favourable value growth

Cibus's investment strategy of acquiring individual properties or property portfolios with a higher yield requirement than the existing portfolio, combined with planned annual investments of EUR 50 million, generates potential for favourable long-term growth in share value. The investment target of EUR 50 million was achieved in 2018 and 2019, and it has already been achieved in 2020.

#### A segment with long-term resilience and stability

The grocery and daily-goods sector has experienced stable, non-cyclical growth over time. Historically, the grocery sector has grown by approximately 3% annually, even during periods of recession. It also shows strong resilience to the growing e-commerce trend that has made the stores into a distribution network for goods purchased online.





## CIBUS'S SHAREHOLDERS

Cibus is listed on Nasdaq First North Premier Growth Market Stockholm under ISIN SE0010832204. As of 30 June 2020, the Company had about 12,500 shareholders. The 15 largest shareholders hold approximately 45% of the votes. None of these shareholders has a holding amounting to 10% or more of the votes in Cibus as of 30 June 2020. Following the new issue of 6,220,000 shares on 5 March, the number of shares outstanding as of 31 March is 37,320,000 shares.

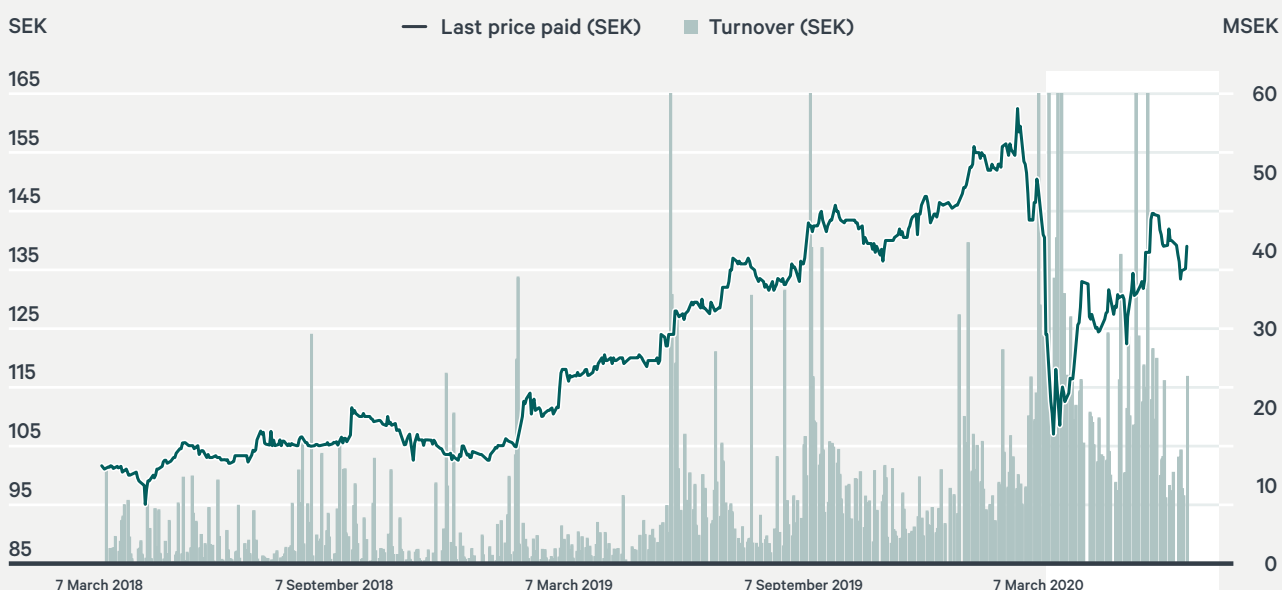
### SHAREHOLDERS AS OF 30 JUNE 2020

Name	No. of shares	Percentage
Fjärde AP-fonden	3,389,521	9.1
Marjan Dragicevic	1,704,000	4.6
Länsförsäkringar Fonder	1,509,575	4.0
BMO Global Asset Management	1,345,636	3.6
Svenska Handelsbanken	1,299,126	3.5
Dragfast AB	1,200,000	3.2
Avanza Pension	953,036	2.6
Sensor Fonder	906,000	2.4
Säästöpankki Fonder	771,900	2.1
Nordnet Pensionsförsäkring	731,404	2.0
Nuveen Asset Management	724,500	1.9
Patrick Gylling	600,000	1.6
Blackwell Partners LLC	550,455	1.5
Goran Gustafssons stiftelser	522,000	1.4
Nordea Liv & Pension	446,043	1.2
<b>Total, 15 largest shareholders</b>	<b>16,653,196</b>	<b>44.6</b>
Other	20,666,804	55.4
<b>Total</b>	<b>37,320,000</b>	<b>100</b>

Source: Modular Finance

## SHARE PRICE PERFORMANCE

Like most others, Cibus's share has been affected by the stock market unease following in the wake of the Coronavirus. Although Cibus's operations have not been significantly impacted by the Coronavirus, the share tracked the general downward trend. We are now seeing a stabilising trend and a rising share price again, however, demonstrating that the market recognises the strength of Cibus's business concept. The liquidity of the share has also increased significantly and in the second quarter of 2020 share turnover averaged approximately SEK 27 million per day.

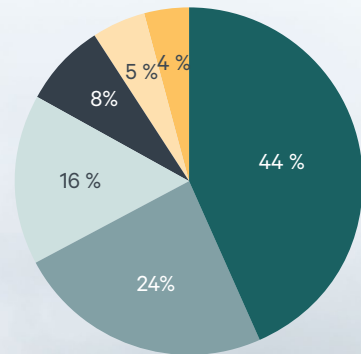


# Tenants and lease structure

## TENANTS

More than 90% of Cibus's net operating income comes from properties anchored by Kesko, Tokmanni, Coop or S-Group. Other grocery and daily-goods tenants include Lidl and independent traders. The graph below shows how net operating income is distributed among properties where the different grocery and daily-goods chains are the anchor tenants.

- Kesko
- Tokmanni
- Coop
- S-Group
- Other daily goods
- Other retail

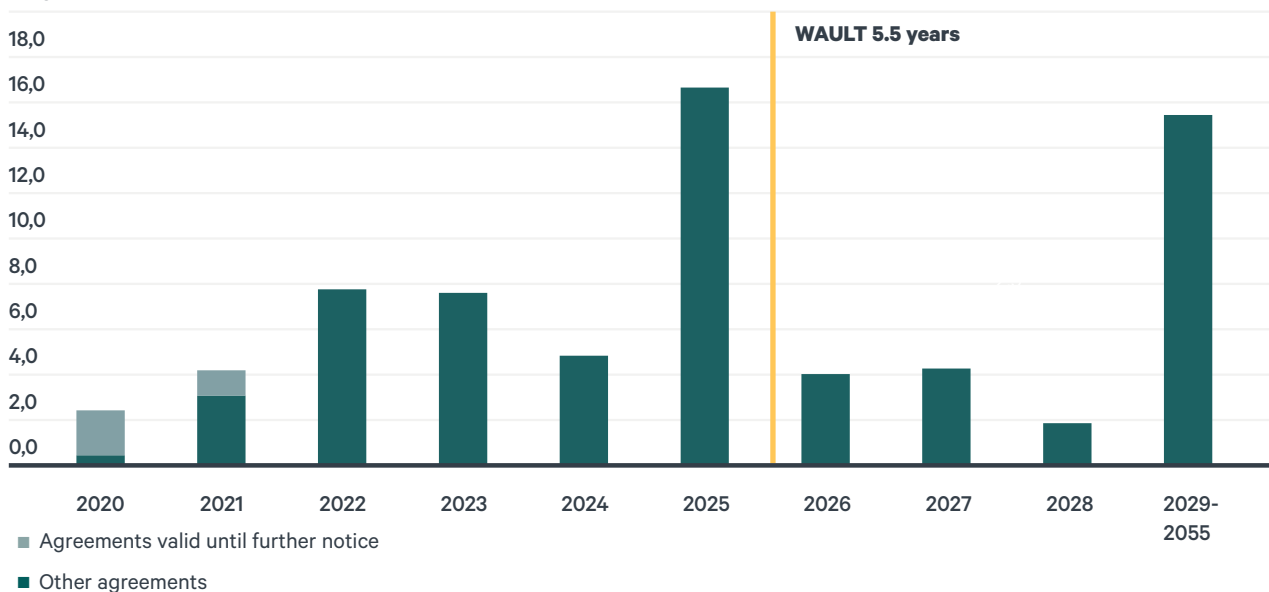




## SUMMARY OF LEASES

The information below shows that the maturity structure of the leases is well distributed over the coming years. The typical lease contains a renewal option clause allowing the tenant to renew the lease, generally for three or five years, under the same terms as the current lease. This occurs in most cases. The table below presents the maturity of the leases if no such options are exercised by the tenant. Since the options generally are exercised, and approximately the same number of leases are extended each year, average lease terms have, to date, been relatively stable over time and are likely to remain so in the future. As of 30 June 2020, the weighted average unexpired lease term (WAULT) in the portfolio was 5.5 years.

MEUR



**Approximately 83%** of the lease agreements that would expire in 2020 are valid until further notice, meaning that both the landlord and the tenant have the opportunity to terminate them. Such leases are typical for smaller tenants and this agreement structure provides flexibility for developing the property if, for example, the anchor tenant seeks to expand its premises. In the vast majority of cases, agreements valid until further notice have already continued for quite some time and it can be assumed that neither the landlord nor the tenant will terminate the agreement within the near future.

**More than 90%** of the leases are classified as net leases, meaning that the risk associated with operating costs is very low for the property owner.

# The property portfolio

## GENERAL OVERVIEW

As of 30 June 2020, Cibus's property portfolio comprised 275 relatively modern store properties, located in various growth regions across Finland and Sweden. Approximately 84% of the portfolio's net operating income on a yearly basis stems from properties in Finland and 16% from properties in Sweden.

More than 90% of the total rental income is derived from properties anchored by four market-leading tenants: Kesko, Tokmanni, Coop and S-Group. All major tenants perceive the properties as well suited to their operations. Anchor tenants account for 89% of rental income from grocery and daily goods retail properties and have an average unexpired lease term of 5.9 years.

Anchor tenant	No. of properties	Lettable area, sq.m.	Remaining term, years	Anchor tenant's remaining term, years	Anchor tenant's share of rent
Kesko	82	236.896	4.3	4.6	91%
Tokmanni	42	193.026	5.1	5.5	88%
Coop	111	118,159	9.5	9.8	98%
S-Group	23	44,355	6.8	8.0	75%
Other daily goods	8	33,103	4.6	4.7	71%
Other retail	9	38,241	4.0	n/a	n/a
<b>Portfolio total</b>	<b>275</b>	<b>663.780</b>	<b>5.5</b>	<b>5.9</b>	<b>89%</b>



# Geographic locations

The portfolio is diversified with good coverage in both Finland and Sweden.

It is, however, strongly concentrated in growing communities, and most of the properties are located in southern and southwestern Finland and in southern and central Sweden. The properties generally enjoy highly favourable microlocations, close to developed areas central to each community. As in many other developed countries, both Finland and Sweden are experiencing nationwide urbanisation, with rural areas becoming depopulated as the larger cities expand.

The map below shows the geographic locations of the properties.





## PORTFOLIO DIVERSIFICATION

No single property in the portfolio accounts for a larger share than 2.5% of the portfolio's total net operating income, eliminating dependency on any individual property. Only three of the properties individually account for more than 2% of the portfolio's total rental income.

Supermarkets account for the majority of the grocery sales in Finland and Sweden, and represent the dominant type of store property in the portfolio.

## KEY FIGURES

Annual net operating income is estimated at about EUR 64.1 million (current earnings capacity), based on Cibus portfolio as of 30 June 2020.

Number of properties	275
Total lettable area, thousand sq.m.	664
Lettable area/property sq.m.	2,414
Net operating income (current earnings capacity), EUR million	64.1
Net operating income, EUR/sq.m (let area)	98
WAULT, years	5.5





# Financing

Cibus is financed through ordinary shares from shareholders, secured loans from reputable major Nordic banks and institutes, as well as two unsecured bonds.

As of 30 June 2020, the Group had secured bank loans of EUR 551 million with a weighted average floating interest margin of 1.7% and a weighted average loan maturity of 3.3 years. Cibus has pledged mortgages in the properties as collateral for the interest-bearing liabilities. In Cibus's assessment, the collateral agreements have been entered on market terms.

Cibus has issued an unsecured green bond for EUR 600 million. The bond matures on 12 June 2023 and carries a floating coupon rate of 4.75% + 3m STIBOR.

Cibus has issued an unsecured bond for EUR 135 million. The bond matures on 18 September 2023 and carries a floating coupon rate of 4.5% + 3m EURIBOR.

Both bonds have been listed on the Nasdaq Stockholm Corporate Bond list since 20 July 2020.

Of the old EUR bond maturing on 26 May 2021, EUR 21 million remained at the end of June 2020. These will have been fully redeemed as of 9 July 2020.

- The Group's total tenor amounted to 3.2 years.
- The first maturity of a loan take place in 2.6 years.
- Of the Group's bank loans, around 67% are hedged using interest-rate derivatives in the form of interest-rate caps.
- The LTV ratio including the bonds is 60.5%.
- The secured bank loan has an LTV of 49.0%.





A person's hand is pointing at a laptop screen. In the foreground, a small dog is sleeping on a desk. The background is a blurred office setting with shelves and papers. The entire image has a light blue overlay.

# — Financial statements



## CONSOLIDATED INCOME STATEMENT

Amounts in thousand euro (EUR thousand)	2020 Q2	2019 Q2	Jan-Jun 2020	Jan-Jun 2019	2019 Full-year
Rental income	16,366	12,552	30,406	25,207	51,530
Service income	1,813	1,599	4,121	4,286	8,661
Operating expenses	-2,285	-2,194	-4,992	-4,892	-8,950
Property tax	-794	-498	-1,432	-1,018	-2,623
<b>Net operating income</b>	<b>15,100</b>	<b>11,459</b>	<b>28,103</b>	<b>23,583</b>	<b>48,618</b>
Administration expenses	-1,532	-1,169	-3,021	-2,121	-5,294
Other operating income	-	169	-	169	169
Financial income	3	176	9	352	16
Financial expenses	-5,770	-3,862	-10,449	-7,585	-14,842
<b>Profit from property management</b>	<b>7,801</b>	<b>6,773</b>	<b>14,642</b>	<b>14,398</b>	<b>28,667</b>
Unrealised change in value of investment properties	3,002	5,013	4,611	7,784	7,034
Unrealised change in value of interest-rate derivatives	-204	129	-145	-296	-730
Realised change in value of investment properties	-29	430	-29	430	425
<b>Earnings before tax</b>	<b>10,570</b>	<b>12,345</b>	<b>19,079</b>	<b>22,316</b>	<b>35,396</b>
Current tax	-501	-906	-757	-1,453	-543
Deferred tax	-1,186	-1,192	-2,342	-1,704	-4,574
<b>Earnings after tax</b>	<b>8,883</b>	<b>10,247</b>	<b>15,980</b>	<b>19,159</b>	<b>30,279</b>
Average No. of shares outstanding	37,320,000	31,100,000	35,132,747	31,100,000	31,100,000
Earnings per share before and after dilution, EUR	0.24	0.33	0.45	0.62	0.97

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousand euro (EUR thousand)	2020 Q2	2019 Q2	Jan-Jun 2020	Jan-Jun 2019	2019 Full-year
Earnings after tax	8,883	10,247	15,980	19,159	30,279
Other comprehensive income – differences arising on translation of operations in other currencies	3,017	-	1,450	-	-
<b>Total comprehensive income*</b>	<b>11,900</b>	<b>10,247</b>	<b>17,430</b>	<b>19,159</b>	<b>30,279</b>

\*Profit for the year and comprehensive income are entirely attributable to Parent Company shareholders.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousand euro (EUR thousands)	30 June 2020	30 June 2019	31 Dec 2019
<b>Non-current assets</b>			
Investment properties	1,124,162	862,225	874,813
Right-of-use assets	3,389	-	5,878
Equipment	45	-	31
Intangible assets	14	-	-
Deferred tax assets	1,773	1,662	1,304
Other non-current receivables	3,104	5,762	224
<b>Total non-current assets</b>	<b>1,132,487</b>	<b>869,649</b>	<b>882,250</b>
<b>Current assets</b>			
Rental receivables	593	569	431
Other current receivables	2,157	1,113	3,384
Prepaid expenses and accrued income	2,440	2,479	1,931
Cash and cash equivalents	84,507	17,678	24,746
<b>Total current assets</b>	<b>89,697</b>	<b>21,839</b>	<b>30,492</b>
<b>TOTAL ASSETS</b>	<b>1,222,184</b>	<b>891,488</b>	<b>912,742</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Parent Company shareholders</b>			
Share capital	373	311	311
Other contributed capital	382,216	300,794	300,794
Translation reserve	1,450	-	-
Retained earnings	22,185	1,483	1,485
Earnings after tax	15,980	19,159	30,279
<b>Total equity</b>	<b>422,204</b>	<b>321,747</b>	<b>332,869</b>
<b>Non-current liabilities</b>			
Borrowings	759,450	523,455	535,212
Deferred tax liabilities	16,358	10,956	13,565
Interest rate derivatives	2,155	1,525	2,163
Other non-current liabilities	6,350	5,997	6,162
<b>Total non-current liabilities</b>	<b>784,313</b>	<b>541,933</b>	<b>557,102</b>
<b>Current liabilities</b>			
Current portion of borrowing	570	-	-
Accounts payable	547	192	218
Current tax liabilities	735	1,440	34
Other current liabilities	3,817	21,848	17,362
Accrued expenses and deferred income	9,998	4,328	5,157
<b>Total current liabilities</b>	<b>15,667</b>	<b>27,808</b>	<b>22,771</b>
<b>Total liabilities</b>	<b>799,980</b>	<b>569,741</b>	<b>579,873</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,222,184</b>	<b>891,488</b>	<b>912,742</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euro (EUR thousands)	Share capital	Other contributed capital	Translation reserve	Retained earnings capital including earnings after tax	Total equity*
<b>Opening equity, 1 Jan 2019</b>	<b>311</b>	<b>300,762</b>	<b>-</b>	<b>27,607</b>	<b>328,680</b>
<b>Comprehensive income</b>					
Earnings after tax	-	-	-	30,279	30,279
<b>Total comprehensive income 1 Jan 2019 – 31 Dec 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,279</b>	<b>30,279</b>
<b>Transactions with shareholders</b>					
Issue of warrants	-	32	-	-	32
Dividend	-	-	-	-26,122	-26,122
<b>Total transactions with shareholders</b>	<b>-</b>	<b>32</b>	<b>-</b>	<b>-26,122</b>	<b>-26,090</b>
<b>Closing equity, 31 Dec 2019</b>	<b>311</b>	<b>300,794</b>	<b>-</b>	<b>31,764</b>	<b>332,869</b>
<b>Opening equity, 1 Jan 2020</b>	<b>311</b>	<b>300,794</b>	<b>-</b>	<b>31,764</b>	<b>332,869</b>
<b>Comprehensive income</b>					
Earnings after tax	-	-	-	15,980	15,980
Other comprehensive income	-	-	1,450	-	1,450
<b>Total comprehensive income 1 Jan 2020 – 30 Jun 2020</b>	<b>-</b>	<b>-</b>	<b>1,450</b>	<b>15,980</b>	<b>17,430</b>
<b>Transactions with shareholders</b>					
New share issue	62	82,546	-	-	82,608
Issue expenses	-	-1,481	-	-	-1,481
Tax effect of issue costs	-	317	-	-	317
Issue of warrants	-	40	-	-	40
Dividend	-	-	-	-9,579	-9,579
<b>Total transactions with shareholders</b>	<b>62</b>	<b>81,422</b>	<b>-</b>	<b>-9,579</b>	<b>71,905</b>
<b>Closing equity, 30 Jun 2020*</b>	<b>373</b>	<b>382,216</b>	<b>1,450</b>	<b>38,165</b>	<b>422,204</b>

\*Equity is entirely attributable to Parent Company shareholders



## CONSOLIDATED CASH-FLOW STATEMENT

Amounts in thousand euro (EUR thousands)	2020 Q2	2019 Q2	Jan-Jun 2020	Jan-Jun 2019	2019 Full-year
<b>Operating activities</b>					
Earnings before tax	10,571	12,345	19,079	22,316	35,396
Adjustments for:					
Financial items	448	412	800	-1,359	1,114
Unrealised changes in value, investment properties	-3,002	-5,013	-4,611	-7,784	-7,034
Unrealised changes in value, interest-rate derivatives	204	-129	145	296	730
Unrealised exchange rate differences	-905	-	-3,732	-	-
Tax paid	-901	-90	-775	-847	-930
<b>Cash flow from operating activities before changes in working capital</b>	<b>6,415</b>	<b>7,525</b>	<b>10,906</b>	<b>12,622</b>	<b>29,276</b>
<b>Cash flow from changes in working capital</b>					
Increase/decrease in other current receivables	857	-5	-165	-317	-2,528
Increase/decrease in accounts payable	235	-126	329	2	28
Increase/decrease in other current liabilities	101	-1,622	8,811	-650	325
<b>Cash flow from operating activities</b>	<b>7,607</b>	<b>5,772</b>	<b>19,880</b>	<b>11,657</b>	<b>27,101</b>
<b>Investing activities</b>					
Property acquisitions	-67,095	-36,549	-242,576	-37,831	-51,948
Disposals of properties					2,070
Investments in current buildings	-1,318	-263	-2,162	-309	-1,424
Other investments	-167	-	-180	-	-60
<b>Cash flow from investing activities</b>	<b>-68,580</b>	<b>-36,812</b>	<b>-244,918</b>	<b>-38,140</b>	<b>-51,362</b>
<b>Financing activities</b>					
New share issue	-45	-	81,434	-	-
Issue of warrants	40	32	40	32	32
Borrowings	253,457	36,702	379,450	111,848	263,348
Loan arrangement fees	-1,765	-	-2,355	-455	-492
Repayment of debt	-152,128	-	-152,270	-74,146	-214,232
Dividend	-8,210	-12,440	-22,952	-18,660	-25,191
<b>Cash flow from financing activities</b>	<b>91,349</b>	<b>24,294</b>	<b>283,347</b>	<b>18,619</b>	<b>23,465</b>
<b>Cash flow for the year</b>	<b>30,377</b>	<b>-6,746</b>	<b>58,310</b>	<b>-7,864</b>	<b>-796</b>
<b>Cash and cash equivalents at the start of the financial year</b>	<b>51,850</b>	<b>24,424</b>	<b>24,746</b>	<b>25,542</b>	<b>25,542</b>
<b>Exchange rate difference in cash and cash equivalents</b>	<b>2,309</b>	<b>-</b>	<b>1,450</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the close of the financial year</b>	<b>84,506</b>	<b>17,678</b>	<b>84,506</b>	<b>17,678</b>	<b>24,746</b>

## PARENT COMPANY INCOME STATEMENT

Amounts in thousand euro (EUR thousands)	2020 Q2	2019 Q2	Jan-Jun 2020	Jan-Jun 2019	2019 Full-year
Net sales	81	-	162	-	588
Administration expenses	-720	-473	-1,260	-752	-1,997
<b>Operating loss</b>	<b>-639</b>	<b>-473</b>	<b>-1,098</b>	<b>-752</b>	<b>-1,409</b>
Profit/loss from financial items					
Financial income	-	-	-	-	3
Interest income from Group companies	3,437	1,402	6,874	2,830	8,506
Financial expenses	-3,002	-1,607	-5,428	-3,209	-6,406
Unrealised change in value of interest-rate derivatives	-281	-	-281	-	-
<b>Loss after financial items</b>	<b>-485</b>	<b>-678</b>	<b>67</b>	<b>-1,131</b>	<b>694</b>
Appropriations					
Group contributions	-	-	-	-	1,198
<b>Earnings before tax</b>	<b>-485</b>	<b>-678</b>	<b>67</b>	<b>-1,131</b>	<b>1,892</b>
Tax	101	-	-12	-	-496
<b>Earnings after tax</b>	<b>-384</b>	<b>-678</b>	<b>55</b>	<b>-1,131</b>	<b>1,396</b>

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousand euro (EUR thousands)	2020 Q2	2019 Q2	Jan-Jun 2020	Jan-Jun 2019	2019 Full-year
Earnings after tax	-384	-678	55	-1,131	1,396
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-384</b>	<b>-678</b>	<b>55</b>	<b>-1,131</b>	<b>1,396</b>

## PARENT COMPANY BALANCE SHEET

Amounts in thousand euro (EUR thousands)	30 June 2020	30 June 2019	31 Dec 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Equipment	20	-	23
Intangible assets	14	-	-
<b>Total non-current assets</b>	<b>34</b>	<b>-</b>	<b>23</b>
<b>Financial fixed assets</b>			
Shares in subsidiaries	184,096	128,485	128,544
Deferred tax assets	1,047	1,555	1,059
Non-current receivables from Group companies	271,953	283,073	271,953
Interest rate derivatives	341	-	-
Other non-current receivables	20	-	20
<b>Total financial fixed assets</b>	<b>457,457</b>	<b>413,113</b>	<b>401,576</b>
<b>Current assets</b>			
Receivables from Group companies	26,440	-	1,198
Other current receivables	463	79	148
Prepaid expenses and accrued income	100	711	81
Cash and cash equivalents	76,785	1,177	9,709
<b>Total current assets</b>	<b>103,788</b>	<b>1,967</b>	<b>11,136</b>
<b>TOTAL ASSETS</b>	<b>561,279</b>	<b>415,080</b>	<b>412,735</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	373	311	311
<b>Total restricted equity</b>	<b>373</b>	<b>311</b>	<b>311</b>
<b>Unrestricted equity</b>			
Share premium reserve	382,216	300,794	300,794
Retained earnings	-48,753	-41,700	-40,570
Earnings after tax	55	-	1,396
<b>Total unrestricted equity</b>	<b>333,518</b>	<b>259,094</b>	<b>261,620</b>
<b>Total equity</b>	<b>333,891</b>	<b>259,405</b>	<b>261,931</b>
<b>Non-current liabilities</b>			
Borrowings	211,570	133,696	134,036
<b>Total non-current liabilities</b>	<b>211,570</b>	<b>133,696</b>	<b>134,036</b>
<b>Current liabilities</b>			
Current liabilities	15,781	1,290	2,500
Accounts payable	97	22	34
Other current liabilities	24	19,930	13,393
Accrued expenses and deferred income	538	737	841
<b>Total current liabilities</b>	<b>16,440</b>	<b>21,979</b>	<b>16,768</b>
<b>TOTAL LIABILITIES</b>	<b>227,388</b>	<b>155,675</b>	<b>150,804</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>561,279</b>	<b>415,080</b>	<b>412,735</b>



## SEGMENT DATA

Jan-Jun 2020

Amounts in thousand euro (EUR thousands)	Finland	Sweden	Unallocated	Total
Rental income	26,905	3,501	-	30,406
Service income	4,121	-	-	4 121
Operating expenses	-4,815	-177	-	-4,992
Property expenses	-1,211	-221	-	-1,432
<b>Net operating income</b>	<b>25,000</b>	<b>3,103</b>	-	<b>28,103</b>
<b>Carrying amount, investment properties</b>	<b>939,191</b>	<b>184,971</b>	-	<b>1,124,162</b>

The Swedish portfolio was acquired on March 10, 2020. Prior to that, the real estate portfolio was entirely in Finland.

Since many of the leases are so-called "Triple-net" agreements, where the tenants bear most of the costs, the net operating income is one of the most important comparative figures and the level at which the board monitors operations at per segment.

## KEY FINANCIAL RATIOS, GROUP

Unless otherwise stated all amounts are in thousand euro (EUR thousand).	2020 Q2	2019 Q2	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year
Rental income	16,366	12,552	30,406	25,207	51,530
Net operating income	15,100	11,459	28,103	23,583	48,618
Profit from property management	7,801	6,773	14,642	14,398	28,667
Net profit after tax	8,883	10,247	15,980	19,159	30,279
Earnings per share <sup>1</sup> , EUR	0.24	0.33	0.45	0.62	0.97
Total assets	1,222,184	891,488	1,222,184	891,488	912,742
Cash and cash equivalents	84,507	17,678	84,507	17,678	24,746
Market value of properties	1,124,162	862,225	1,124,162	862,225	874,813
EPRA NRV/share	11.8	11.3	11.8	11.3	11.4
EPRA NTA/share	11.8	11.3	11.8	11.3	11.4
EPRA NDV/share	11.3	10.3	11.3	10.3	10.7
No. of shares outstanding	37,320,000	31,100,000	37,320,000	31,100,000	31,100,000
Average No. of shares outstanding	37,320,000	31,100,000	35,132,747	31,100,000	31,100,000
Return on equity, %	8.5	12.4	8.5	11.8	9.2
Senior debt LTV ratio, %	49.0	45.4	49.0	45.4	46.1
Net debt LTV ratio, %	60.5	59.0	60.5	59.0	58.7
Interest coverage ratio, multiple	3.6	3.4	3.5	3.4	3.4
Equity ratio, %	34.5	36.1	34.5	36.1	36.5
Debt/equity ratio, multiple	1.9	1.8	1.9	1.8	1.7
Surplus ratio, %	92.3	91.3	92.4	93.6	94.3
Economic occupancy rate, %	95.2	94.3	95.1	94.3	94.7
Proportion grocery and daily goods stores, %	96	95	96	95	94

<sup>1</sup>Before and after dilution.

## FINANCIAL PERFORMANCE MEASURES

The Company presents certain financial performance measures in the interim reports that are not defined in accordance with IFRS. The Company is of the opinion that these performance measures provide valuable supplementary information to investors and the Company's management, since they enable an evaluation of the Company's performance. Since not all companies calculate financial performance measures in the same way, they are not always comparable with the performance measures used by other companies. Therefore, these performance measures are not to be considered a replacement for measures defined in accordance with IFRS. The following financial performance measures are not defined in accordance with IFRS: EPRA NRV/share, EPRA NTA/share, EPRA NDV/share, Senior debt LTV ratio; Net debt LTV ratio; Interest coverage ratio; and Economic occupancy rate. Definitions for these and other financial performance measures are presented under "DEFINITIONS" in the following section.

## DEFINITIONS

## Earnings per share

Earnings after tax divided by the average number of shares outstanding during the period.

## EPRA NRV/share

Refers to long-term net asset value. Reported equity with reversal of derivatives, deferred tax and unpaid dividends, in cases where the record date has not yet passed, divided by the number of shares outstanding.

## EPRA NTA/share

Refers to current net asset value. Reported equity with reversal of derivatives, estimated fair value of deferred tax (rather than booked) and paid dividends, in cases where the record date has not yet passed, divided by the number of shares outstanding. Since Cibus's aims to own properties long-term, this key figure does not deviate from the long-term EPRA NRV.

## EPRA NDV/share

Reported equity adjusted for any difference compared with the fair value of interest-bearing liabilities, divided by the average number of shares outstanding.

## Return on equity

Earnings after tax divided by average equity. At the end of the interim period, the return has been recalculated on an annual basis.

## Senior debt LTV ratio

Liabilities to senior creditors divided by the market value of the properties

## Net debt LTV ratio

Liabilities to credit institutions less cash and cash equivalents divided by the market value of the properties

## Interest coverage ratio

Net operating income less administration expenses and plus financial income divided by interest expenses including hedging expenses for interest rate ceiling.

## Equity ratio

Adjusted equity divided by total assets

## Debt/equity ratio

Total liabilities divided by equity

## Surplus ratio

Net operating income in relation to rental income

## Economic occupancy rate

Rental income in relation to rental value

## Proportion grocery and daily goods stores

Grocery and daily goods stores in relation to the total number of properties.