

# Interim Report — Q1 2020

Cibus Nordic Real Estate AB (publ)



Sverker Källgård

Chief Executive Officer



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Chief Financial Officer





# Summary

Q1 2020

- **Rental income** amounted to EUR 14,040 thousand (12,655).
- **Net operating income** totalled EUR 13,002 thousand (12,124).
- **Profit from property management** was EUR 6,840 thousand (7,625). Profit from property management excluding currency losses amounted to EUR 7,698 thousand (7,625).
- **Profit for the period** amounted to EUR 7,098 thousand (8,912), corresponding to EUR 0.22 (0.29) per share. Unrealised changes in property values totalling EUR 1,609 thousand (2,771) were included in profit. This profit for the period also includes a currency loss of EUR 858 thousand (0).

## Significant events during the period

On 4 March, Cibus made a **directed new issue of 6,220,000 shares**, raising SEK 886 million to partially finance acquisitions in Sweden.

On the same day, it was announced that Cibus had entered into an agreement regarding the **acquisition of a property portfolio of 111 grocery shops from Coop** for a total of approximately SEK 1,900 million.

On 18 March it was announced that Cibus **is examining its options for paying monthly dividends**. The Board intends to call an Extraordinary General Meeting once this examination has been completed.

Daily goods  
properties with  
strong tenants  
provide  
dependable  
income to our  
shareholders



# What is Cibus?

## Portfolio diversification

### Single asset / Portfolio of 2-5 assets

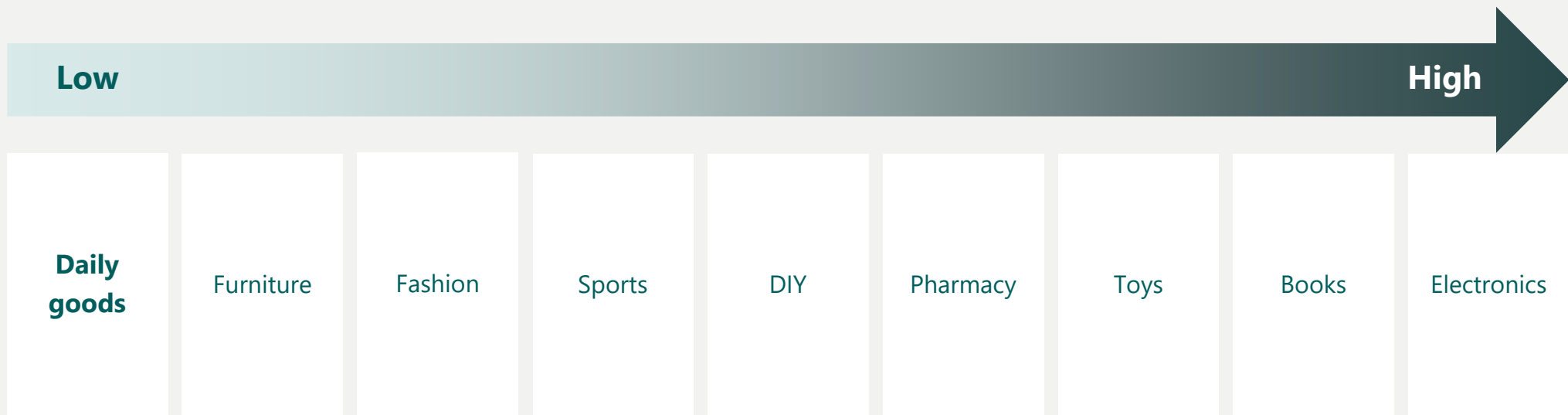
- High risk concentration
- Weak negotiation position with tenants
- Low bankability
- High risk / high return

### Large Portfolio

**Cibus**

- Diversified risk, with low concentration
- Active co-operation with tenants
- High bankability
- Low risk / same return as for single assets

# Amazon's effect on different types of retail



Source: Handelsrådet Sverige,  
HUI Research

# What sets Cibus apart?

## Resilience towards e-commerce

### Negligible negative effect

- Total volume of daily-goods market in Finland: ~€ 17 billion
- Total volume of daily-goods sold on-line: ~€ 50 million
- Share of on-line trade: <0.5%
- Very few operators worldwide make profit on online food sales

### Notable positive effect

- Existing stores work as a natural distribution network
- Non-daily goods purchased online can be delivered to supermarkets
- Strong trend
- E.g. Post offices, pharmacies, courier pick-up sites, banking services



# Corona effect on Cibus business

Cibus business model is non-cyclical

## Limited negative effect

- Grocery sales on record levels
- Tenants have handled increased demand professionally
- Approximately 90% of income from leading food chains
- We will help small additional tenants such as restaurants, pubs, hairdressers with lower rents in total maximum -0,2 MEUR during the second quarter.



# Cibus is an active property manager

What sets Cibus apart is that we have our own organization that actively works with our portfolio and new acquisitions.





# First step into Sweden

## Facts

- 111 stores all located in southern Sweden
- 10-year triple net leases with Coop
- Coop invest 3 MSEK in rebranding each store

## USP

- Modern portfolio
- Attractive locations with excellent parking facilities
- Very few other tenants, mostly food
- Perfect first footstep on a new market to continue our successful growth strategy from
  - Single assets or small portfolio added to existing portfolio



# Sustainability at Cibus

**Cibus is driven** by the conviction that we in our decisions about our real estate portfolio can contribute to a responsible social development

**In our acquisitions** and management of our properties we have the ambition to promote sustainable development for both tenants as a living community and that this contributes to a good long-term profit development for our shareholders.

**For Cibus sustainability means** to help create accessible and climate smart marketplaces for end consumers. We do this together with our anchor tenants who are leading players within the food and grocery trade. A good example of this is a project in progress with Tokmanni where we provide our roofs on our properties to build solar panels.

**Today 12 of our properties** have solar panels. The annual CO<sub>2</sub> reduction they generate is about 250 tCO<sub>2</sub>. This corresponds to the electricity consumption for about 800 apartments.





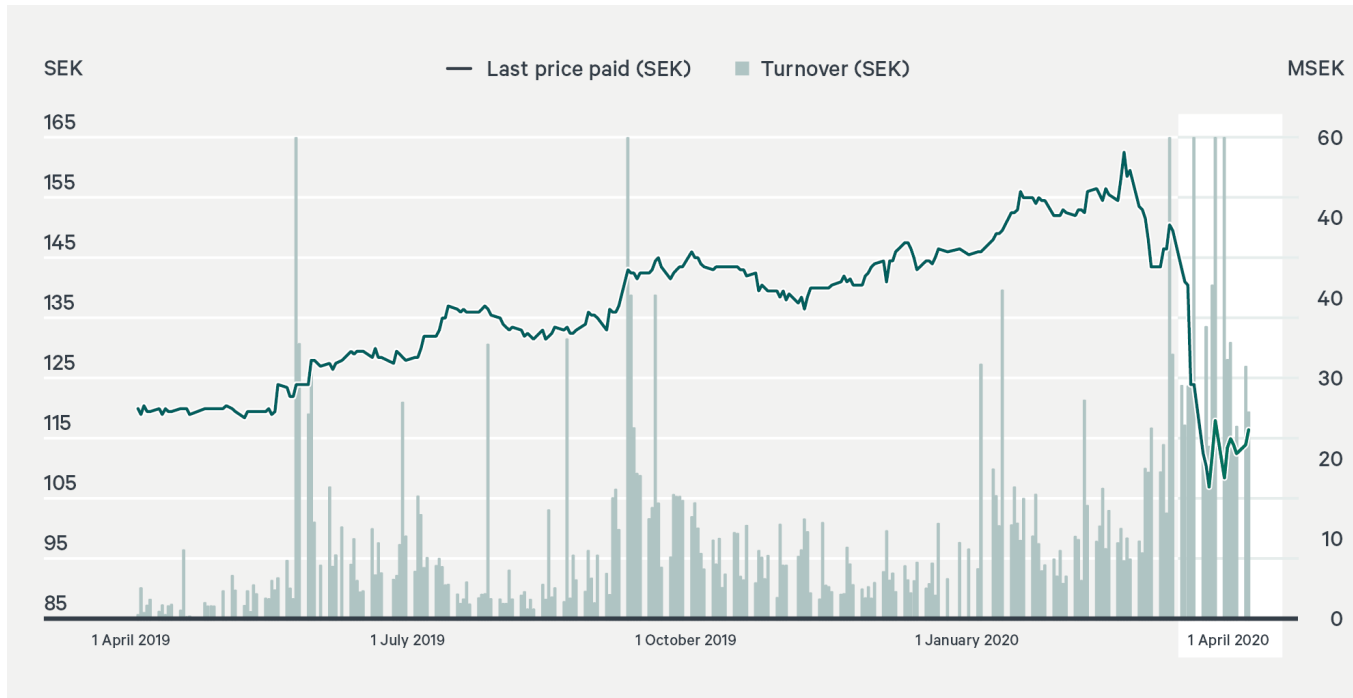
# Shareholders as of 31<sup>st</sup> of March 2020

## Cibus Nordic Real Estate

| Name                                  | No. of shares     | Percentage  |
|---------------------------------------|-------------------|-------------|
| Fjärde AP-fonden                      | 3,304,462         | 8.9         |
| SFC Holding S.à r.l.                  | 3,200,000         | 8.6         |
| Dragfast AB                           | 1,700,000         | 4.6         |
| Amiral Gestion                        | 1,510,870         | 4.0         |
| Länsförsäkringar Fonder               | 1,509,575         | 4.0         |
| Talomon Capital                       | 1,256,125         | 3.4         |
| Svenska Handelsbanken                 | 869,276           | 2.3         |
| Sensor Fonder                         | 860,000           | 2.3         |
| Avanza Pension                        | 813,603           | 2.2         |
| Marjan Dragicevic                     | 703,600           | 1.9         |
| Nordnet Pensionsforsakring            | 614,448           | 1.6         |
| Blackwell Partners LLC                | 605,291           | 1.6         |
| Säästöpankki Fonder                   | 571,900           | 1.5         |
| Sirius Capital Partners               | 500,000           | 1.3         |
| Goran Gustafssons stiftelser          | 460,000           | 1.2         |
| <b>Total, 15 largest shareholders</b> | <b>18,479,150</b> | <b>49.5</b> |
| Other                                 | 18,840,850        | 50.5        |
| <b>Total</b>                          | <b>37,320,000</b> | <b>100</b>  |

# Cibus share price performance

Average daily volume SEK 17 million with about 900 transactions per day



## March 31st:

Cibus operational results are not impacted by the Coronavirus in Q1

Cibus share is affected by the stock market unease due to the Coronavirus

- Share price SEK 116,50
- Total share return since IPO\* +32% (SEK)
- Cibus will be included in the MSCI Global Small Cap index from the 29<sup>th</sup> May 2020

\*First day of trading 2018-03-09



# — Financial overview Q1 2020



# Q1 2020 in brief

| EUR THOUSAND                                  | Q1 2020 | Q1 2019 |
|---|---------|---------|
| Rental income                                 | 14,040  | 12,655  |
| Net operating income                          | 13,002  | 12,124  |
| Profit from property management               | 6,840   | 7,625   |
| Profit from property management excl. FX loss | 7,698   | 7,625   |
| Earnings after tax                            | 7,098   | 8,912   |
| Earnings per share EUR                        | 0.22    | 0.29    |

# P&L Highlights Q1 2020

- Administrations costs are only slightly affected by items affecting comparability. Legal and advisory services in connection with the directed new issue and acquisition of the Coop-portfolio have not affected the P&L.
- Net financial items is affected by a currency loss of EUR 858 thousand (0). The currency loss is attributable to exchange rate movements in cash and cash equivalents.
- Unrealized changes in value of investment properties was 1,609 TEUR Q1 2020 compared to 2,771 Q1 2019.

| EUR, Thousands   | Q1 2020       | Q1 2019       |
|--|---------------|---------------|
| <b>Net Operating income</b>                              | <b>13,002</b> | <b>12,124</b> |
| Administration costs                                     | -1,489        | -952          |
| Net financial items                                      | -4,673        | -3,547        |
| <b>Profit from property management</b>                   | <b>6,840</b>  | <b>7,625</b>  |
| Unrealized change in value of investment properties      | 1,609         | 2,771         |
| Unrealized changes in value of Interest-rate derivatives | 59            | -425          |
| <b>EBT</b>   | <b>8,508</b>  | <b>9,971</b>  |
| Current tax  | -255          | -547          |
| Deferred tax   | -1,155        | -512          |
| <b>Profit for the quarter</b>                            | <b>7,098</b>  | <b>8,912</b>  |
| <b>Earnings per share (before and after dilution)</b>    | <b>0.22</b>   | <b>0.29</b>   |

# Current earnings capacity

EUR thousand

|   | 31 Mar 2019   | 30 Jun 2019   | 30 Sep 2019   | 31 Dec 2019   | 31 March 2020* | Change<br>(March '20/<br>March '19) |
|---|---------------|---------------|---------------|---------------|----------------|-------------------------------------|
| Rental income   | 51,100        | 53,350        | 53,350        | 54,110        | 64,600         |                                     |
| Property expenses   | -2,900        | -3,450        | -3,450        | -3,450        | -4,000         |                                     |
| <b>Net operating income</b>                               | <b>48,200</b> | <b>49,900</b> | <b>49,900</b> | <b>50,660</b> | <b>60,600</b>  | <b>26%</b>                          |
| Central administration                                    | -3,620        | -3,700        | -3,700        | -3,700        | -3,850         |                                     |
| Net financial expenses**                                  | -13,594       | -13,550       | -13,550       | -14,000       | -17,150        |                                     |
| <b>Profit from property management</b>                    | <b>30,986</b> | <b>32,650</b> | <b>32,650</b> | <b>32,960</b> | <b>39,600</b>  | <b>28%</b>                          |
| <b>Profit from property management, EUR/<br/>share***</b> | <b>1.00</b>   | <b>1.05</b>   | <b>1.05</b>   | <b>1.06</b>   | <b>1.06</b>    | <b>6%</b>                           |

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



# Our properties Q1 2020

256

Properties

1,053

MEUR property value

60,6

MEUR NOI

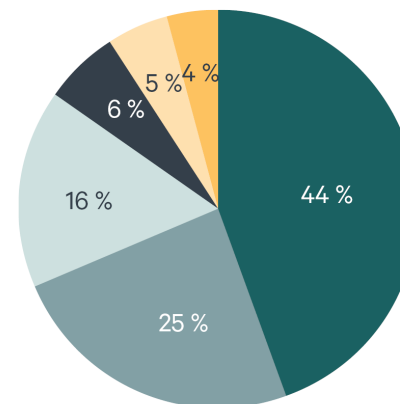
Current earnings capacity

628

Thousand SQM

## Tenants

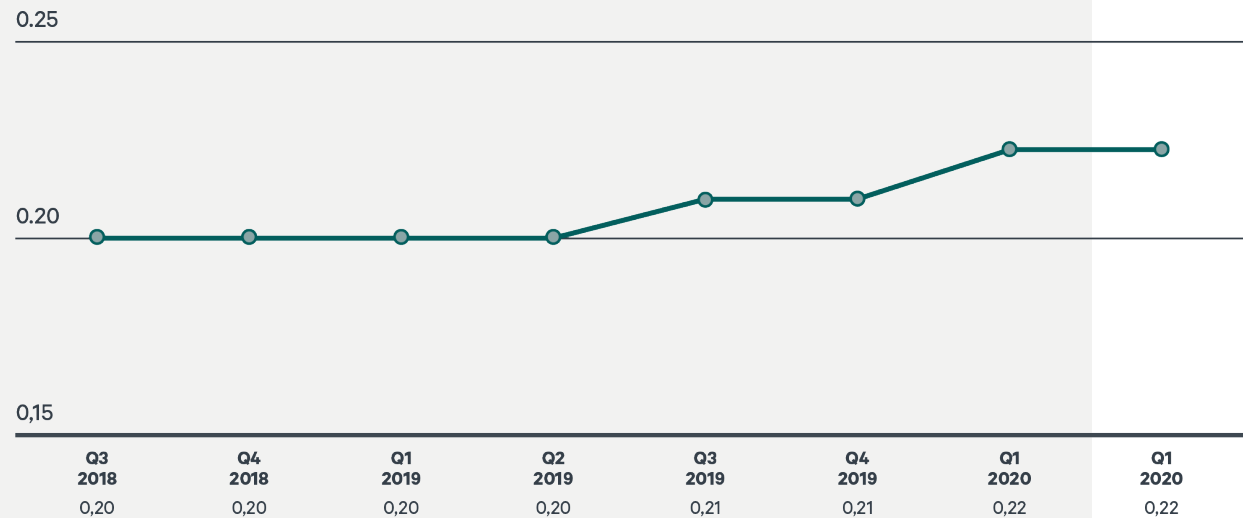
- Kesko
- Tokmanni
- Coop
- S-Group
- Other daily goods
- Other retail



# Cibus strategy is to give its Shareholders stable and reliable dividend that increases over time

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 not all of the practicalities are in place, the Board proposed to the Annual General Meeting only a dividend for the first quarter of EUR 0.22 and will call for an Extra General Meeting in September.

Decided dividends



8%

Dividend yield  
share price\*

+5%/year

Dividend policy

\* Based on 0.89 EUR per share and share price 116.50

# Balance sheet (NAV & LTV)

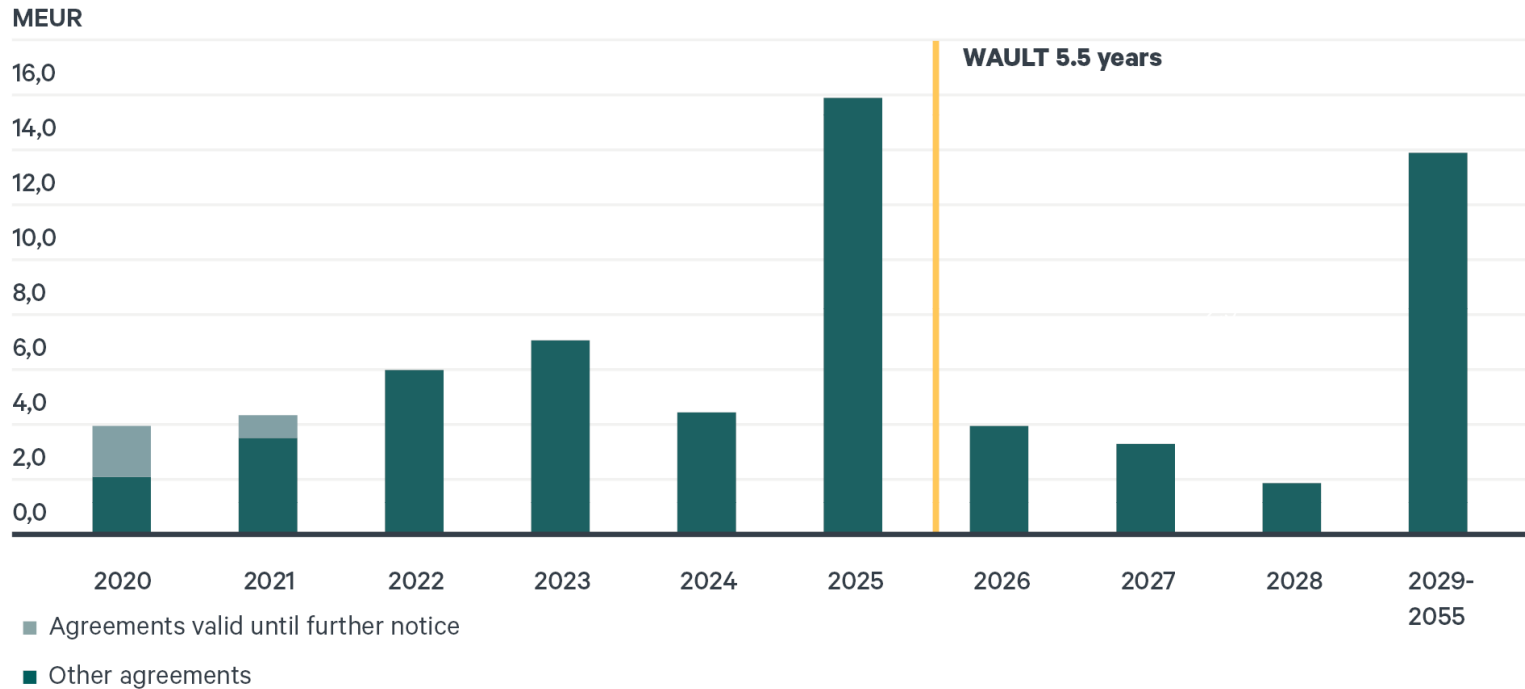
| Balance sheet (31 March 2020)                     | €'m<br>(unless otherwise<br>stated) | LTV, % |                     |
|---|-------------------------------------|--------|---------------------|
| Property value                                    | 1,053                               |        | } Net<br>LTV<br>58% |
| Senior secured debt (-)                           | -529                                | 50%    |                     |
| Senior unsecured bond (-)                         | -135                                |        |                     |
| Other net assets(+)/liabilities(-) <sup>(1)</sup> | 45                                  |        |                     |
| EPRA NRV  | 434                                 |        |                     |
| EPRA NRV / Share (€)                              | 11.6                                |        |                     |

1) Excluding deferred tax

Company finance policy allow 55-65% LTV



# WAULT likely to be sustained around 5 years



- An even number of leases up for renewal each year
- Typically leases renew at same terms for 5 years
- WAULT likely to remain at around 5 years over time

# Funding

## Bank loans

- 4 different loans from large Nordic banks and institutions
- Total 529 MEUR
- Average floating interest margin 1.7% + 3m EURIBOR/STIBOR with floor 0%
- Weight average tenor 3.4 years
- 54% of bank loans are hedged with interest-rate derivatives.
- With new interest-rate derivatives 63% hedged.

## Senior unsecured bond

- One bond of 135 MEUR
- Floating coupon rate 4.5% + 3m EURIBOR without floor
- Listed on Corporate Bond list Nasdaq Stockholm
- Matures 26 May 2021





# — Future

# Focus areas going forward

- Continue to build a professional, transparent and accessible organisation
- Prepare Cibus for change to Nasdaq Stockholm main list
- New geographies in the Nordics
- Continued growth in Finland & in Sweden
- Be more effective
- Increase return from existing portfolio



# Primary reasons to invest in the Cibus share

## High and stable yield

- Since listing, dividend yield has been about 7%

## Potential for favourable value growth

- We can buy single assets or small portfolios to a higher yield than existing portfolio
- Planned yearly investments of around 50 MEUR

## A segment with long-term resilience and stability

- The grocery and daily-goods industry has experienced stable, non cyclical growth over time.

## Quarterly dividends that increase gradually. Plans for monthly dividend.

- Decided dividends Q2: 0.22. Additional dividend to be decided on extra general meeting where also the board intends to propose monthly dividend.