

Interim Report — Q3 2020

Cibus Nordic Real Estate AB (publ)



Speakers



Sverker Källgård

Chief Executive Officer



Pia-Lena Olofsson

Chief Financial Officer



Summary

Q3 2020

- **Rental income** amounted to EUR 17,011 thousand (13,154).
- **Net operating income** totalled EUR 16,630 thousand (12,476).
- **Profit from property management** was EUR 9,521 thousand (7,285).
- **Profit for the period** amounted to EUR 9,478 thousand (5,474), corresponding to EUR 0.25 (0.18) per share. Unrealised changes in property values totalling EUR 507 thousand (-783) were included in profit.

Significant events during the period

On 14 September, an Extraordinary General Meeting was held by means of a postal voting procedure. The General Meeting resolved that, for the remaining period until the next Annual General Meeting, dividends will be paid to shareholders on a monthly basis.

Significant events after the end of the period

Q3 2020

On 7 October, it was announced that the Nomination Committee in preparation for the next Annual General Meeting had been appointed. The Nomination Committee was appointed based on the voting rights of the largest shareholders on the last trading day in September 2020.



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



What is Cibus?

Portfolio diversification

Single asset / Portfolio of 2-5 assets

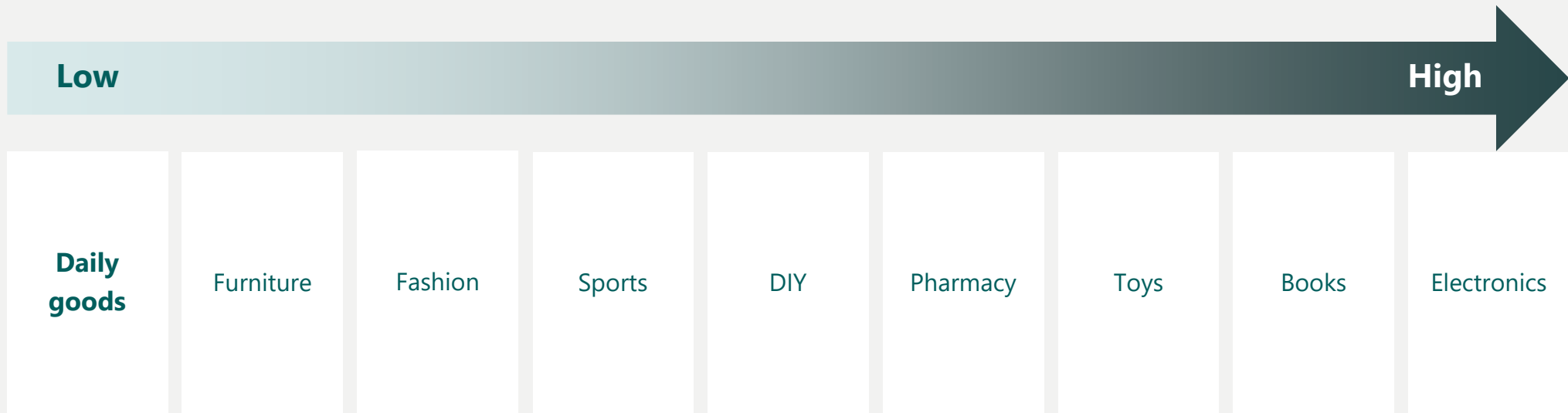
- High risk concentration
- Weak negotiation position with tenants
- Low bankability
- High risk / high return

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

- Share of on-line trade during pandemic: ~4%
- Large share of volume is clic and collect from stores
- 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

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.



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.

Today 23 of our properties have solar panels. The annual CO₂ reduction they generate is about 331 tCO₂. This corresponds to the electricity consumption for about 1 175 apartments.

To strengthen the living local community we have supported our smallest tenants during the corona pandemic with lower rents of EUR 200 thousand in Q2. The Finnish government has now lifted the restrictions and allowed these smaller players to reopen their operations in June 2020 so no additional rental discounts in Q3.

We are proud to have issued our first green bond to finance our energy-efficient buildings in Q2 2020.



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
- >99% of our invoiced rents for Q3 have been paid.
- During the third quarter the impact on profit was negative in the amount of approximately EUR 0.1 million



Growth

Growth target changed from 50 MEUR annually to 50-100 MEUR.

- Market continues to be strong, unaffected by Corona pandemic
- Finland and Sweden still main markets, other Nordic markets are monitored
- Cibus has a strong cash position
- Pipe line is strong regarding possible acquisitions
- Normal growth financed through cash and bank/bond financing
- More rapid growth may lead to an equity raise to secure LTV within company financial target



Shareholders as of 30th of September 2020

Cibus Nordic Real Estate

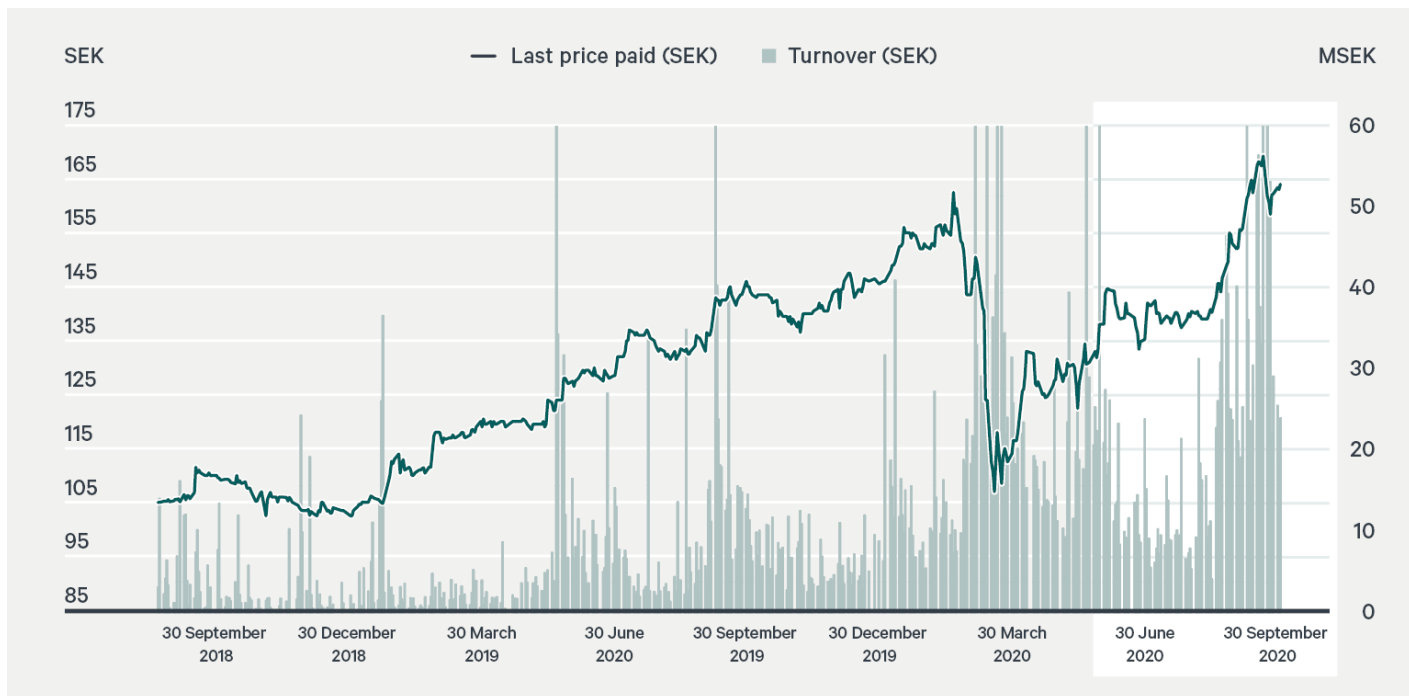
Name	No. of shares	Percentage
Fjärde AP-fonden	3,329,733	8.9
Marjan Dragicevic	1,804,000	4.8
BMO Global Asset Management	1,574,137	4.2
Länsförsäkringar Fonder	1,479,575	4.0
Dragfast AB	1,370,000	3.7
Svenska Handelsbanken	1,308,626	3.5
Avanza Pension	1,195,659	3.2
Sensor Fonder	906,000	2.4
Nordnet Pensionsförsäkring	825,983	2.2
Säästöpankki Fonder	671,900	1.8
Nuveen Asset Management	623,965	1.7
Patrick Gylling	600,000	1.6
Blackwell Partners LLC	550,455	1.5
Göran Gustafssons stiftelser	522,000	1.4
Degroof Petercam	416,939	1.1
Total, 15 largest shareholders	17,178,972	46.0
Other	20,141,028	54.0
Total	37,320,000	100

September 30th:

Cibus has 22 000
shareholders

Cibus share price performance

Average daily volume SEK 22 million with about 1 600 transactions per day



September 30th:

Cibus operational results negligible impacted by the Coronavirus

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

- Share price SEK 164
- Total share return since IPO* +81% (SEK)
- Cibus is included in the MSCI Global Small Cap index from the 29th May 2020

*First day of trading 2018-03-09



— Financial overview Q3 2020

Q3 2020 in brief

EUR THOUSAND	Q3 2020	Q3 2019	Jan-Sep 2020	Jan – Sep 2019
Rental income	17,011	13,154	47,417	38,361
Net operating income	16,630	12,476	44,732	36,058
Profit from property management	9,521	7,285	24,163	21,682
Earnings after tax	9,478	5,474	25,458	24,634
Earnings per share EUR	0.25	0.18	0.71	0.79

P&L Highlights Q3 2020

- Costs for administration and financial management of the Swedish property portfolio has been reclassified this quarter from property expenses to administration costs and thus follows the Groups' accounting principles. The adjustment has no effect on the total profit.
- The agreement on property management with Sirius Retail Asset Management has been terminated and expired on 30 September 2020. No additional costs will be incurred as of the fourth quarter of 2020.
- Net financial items is affected by items affecting comparability of EUR -564 thousand pertaining to redemption premiums of EUR 21 million and arrangement fees for repaid bankloan.
- Unrealized changes in value of investment properties was 507 TEUR Q3 2020 compared to -783 Q3 2019.

EUR, Thousands	Q3 2020	Q3 2019
Net Operating income	16,630	12,476
Administration costs	-1,681	- 1,212
Other operating income	-	-
Net financial items	-5,428	-3,979
Profit from property management	9,521	7,285
Unrealized change in value of investment properties	507	-783
Unrealized changes in value of Interest-rate derivatives	81	-144
Realized change in value of investment properties	-	-
EBT	10,109	6,358
Current tax	202	752
Deferred tax	-833	-1,636
Profit for the quarter	9,478	5,474
Earnings per share (before and after dilution)	0.25	0.18

Current earnings capacity

EUR thousand

	30 Sep 2019	31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020*	Change (Sep '20/Sep '19)
Rental income	53,350	54,110	64,600	69,360	70,600	
Property expenses	-3,450	-3,450	-3,580	-4,830	-4,960	
Net operating income	49,900	50,660	61,020	64,530	65,640	
Central administration	-3,700	-3,700	-4,270	-4,295	-4,310	
Net financial expenses**	-13,550	-14,000	-17,150	-19,920	-20,370	
Profit from property management	32,650	32,960	39,600	40,315	40,960	
Profit from property management, EUR/share***	1.05	1.06	1.06	1.08	1.10	5%

*Includes all transactions where Cibus has taken possession of the property prior to and during September 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 Q3 2020

281

Properties

1,143

MEUR property value

65,6

MEUR NOI

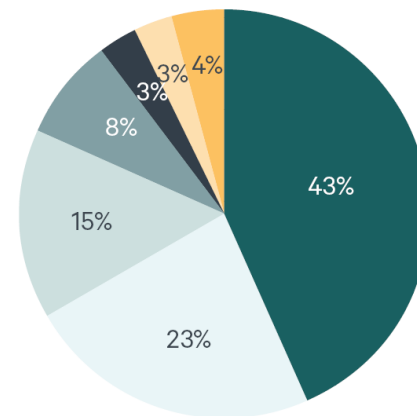
Current earnings capacity

677

Thousand SQM

Tenants

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

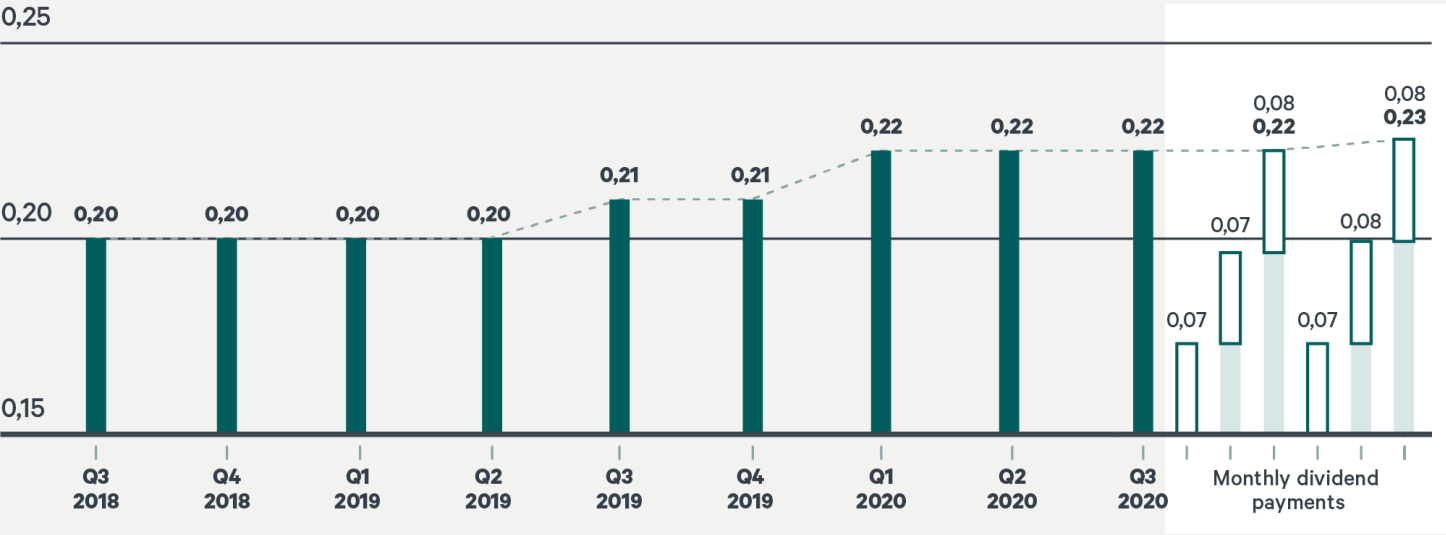


Segments Jan-Sep 2020

Segment	Finland	Sweden	Total
Rental income	41,415	6,001	47,417
Service income	6,331	380	6,711
Operating expenses	-7,145	-	-7,145
Property expenses	-1,858	-392	-2,250
Net operating income	38,743	5,989	44,732
 Investment properties	 957,421	 185,426	 1,142,847

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

Decided dividends



6%

Dividend yield
share price*

+5%/year

Dividend policy

* Based on 0.89 EUR per share and share price 164 SEK

The Extraordinary General Meeting on 14 September 2020 approved 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, it was determined that dividends be paid monthly.**

Balance sheet (NRV & LTV)

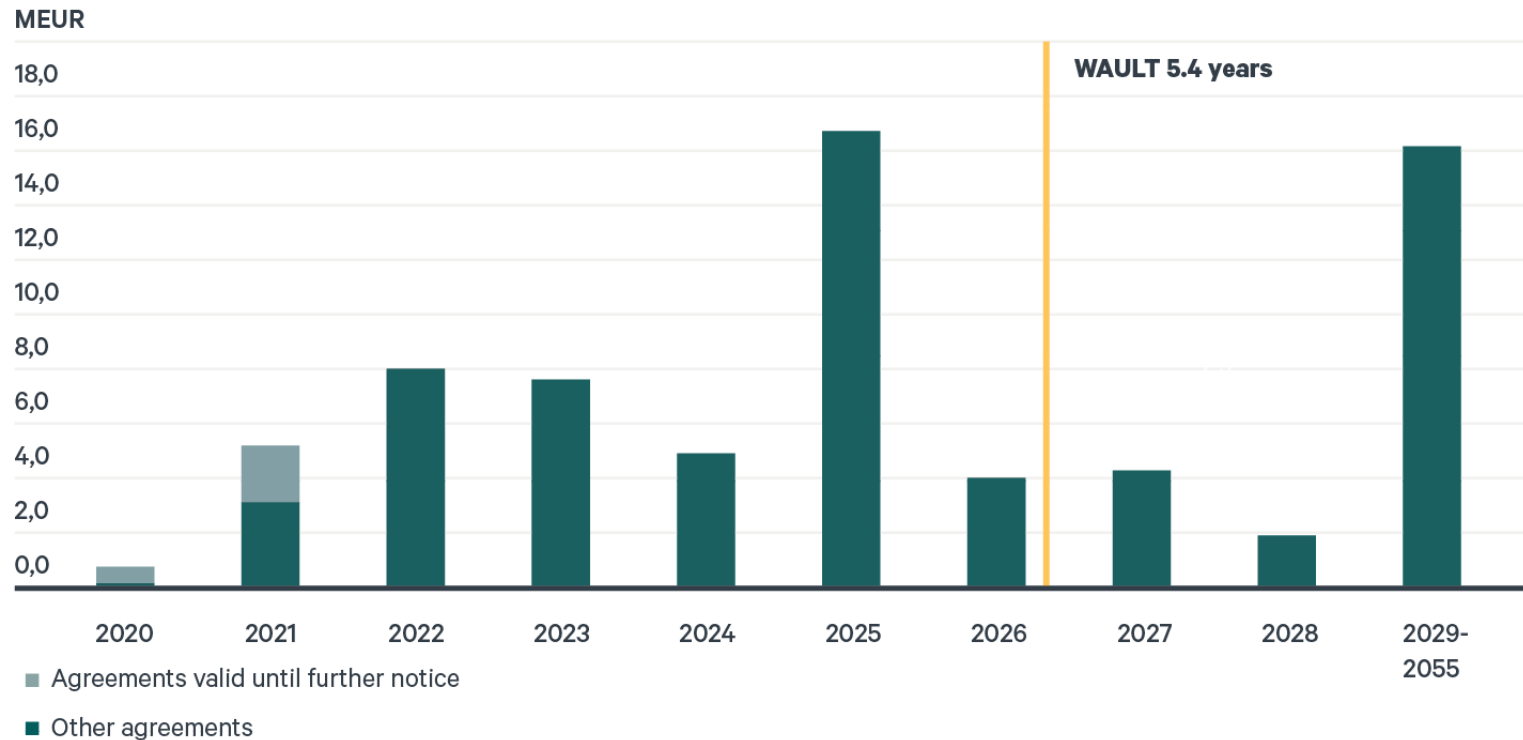
Balance sheet (30 September 2020)	€'m (unless otherwise stated)	LTV, %
Property value	1,143	
Senior secured debt (-)	-561	49%
Senior unsecured bond (-)	-192	
Other net assets(+)/liabilities(-) ⁽¹⁾	50	
EPRA NRV	440	
EPRA NRV / Share (€)	11.8	

Net
LTV
61.3%

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 in total 561 MEUR.
- Average floating interest margin 3m EURIBOR/STIBOR + 1.7% with floor 0%.
- Weight average tenor 3.0 years
- 67% of bank loans are hedged with interest-rate derivatives.
- The first maturity of a loan take place in 2.4 years.

Senior unsecured bonds

Green SEK bond

- 600 MSEK
- Floating coupon rate 3m STIBOR + 4.75% without floor
- Listed on Corporate Bond list Nasdaq Stockholm
- Matures 12 June 2023

EUR bond

- 135 MEUR
- Floating coupon rate 3m EURIBOR + 4.5% without floor
- Listed on Corporate Bond list Nasdaq Stockholm
- Matures 18 September 2023



A person is standing in a grocery store aisle, interacting with a smartpost locker. The locker is a large, grey, modular unit with many compartments. The person is wearing a dark jacket and dark pants. The locker has a screen and a keypad. The background shows shelves stocked with various products, including wine. The word "Alko" is visible on a sign in the background. The word "Future" is overlaid on the image in a large, bold, black font, with a horizontal line to its left.

— Future

Focus areas going forward

- Work with Cibus change to Nasdaq Stockholm main list
- New geographies in the Nordics
- Continued growth in Finland & in Sweden to become the leading daily goods Real Estate company
- 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 between 50 – 100 MEUR

A segment with long-term resilience and stability

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

Monthly dividends that increase gradually

- Monthly dividend decided on Extra General Meeting 14 September
- Dividend policy says dividend should increase with 5% per year