

# Year-end Report — Q4 2020

Cibus Nordic Real Estate AB (publ)

# Speakers



**Sverker Källgård**

Chief Executive Officer



**Pia-Lena Olofsson**

Chief Financial Officer



# Summary

Q4 2020

- **Rental income** amounted to EUR 17,616 thousand (13,170).
- **Net operating income** totalled EUR 16,662 thousand (12,559).
- **Profit from property management** was EUR 9,325 thousand (6,984).
- **Profit for the period** amounted to EUR 9,139 thousand (5,645), corresponding to EUR 0.24 (0.18) per share. Unrealised changes in property values totalling EUR 1,344 thousand (33) were included in profit.

## Dividend

The Board follows Cibus' dividend policy and proposes to the 2021 Annual General Meeting that the dividend be increased by over 5% to a total of **EUR 0.94 per share**, divided into twelve monthly dividends. A complete proposal with monthly amounts and record days will be published in connection with the convening of the Annual General Meeting.

# Significant events during the period

On 7 October, it was announced that the Nomination Committee in preparation for the next Annual General Meeting had been appointed.

During the fourth quarter, 11 properties were acquired. In November, a property was acquired in Kalajoki, Finland for EUR 12.4 million and another two properties were acquired in Helsinki and Lahti, Finland for EUR 1.5 million. In December, a portfolio of seven properties was acquired in Finland for EUR 102 million, as well as an individual property in Jönköping, Sweden for EUR 1 million.

On 1 December, Cibus completed a directed new issue of 2,680,000 shares, raising proceeds of approximately SEK 418 million (EUR 41 million).

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



# What is Cibus?

## Portfolio diversification

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

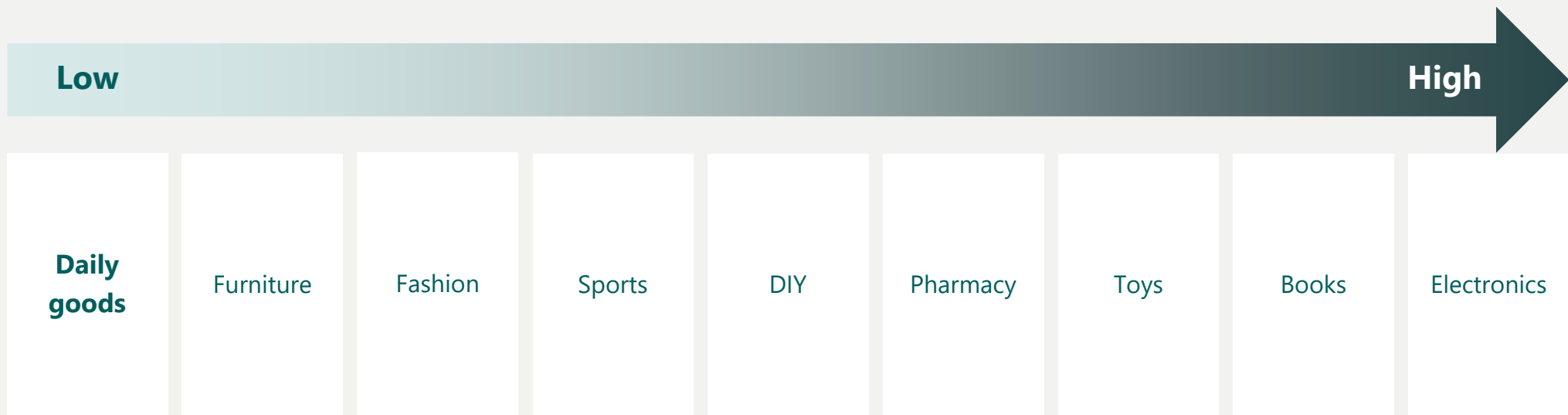
- High risk concentration
- Weak negotiation position with tenants
- Low bankability
- High risk / high return

### 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 26 of our properties** have solar panels. The annual CO<sub>2</sub> reduction they generate is about 382 tCO<sub>2</sub>. This corresponds to the electricity consumption for about 1 353 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 lifted the restrictions and allowed these smaller players to reopen their operations in June 2020 so no additional rental discounts in Q3 and Q4.

**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
- Approximately 99% of our invoiced rents for Q4 have been paid and more than 99% for the full-year 2020.
- During the fourth quarter the impact on profit was negative in the amount of less than 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/hybrid bond to secure LTV within company financial target



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

## Cibus Nordic Real Estate

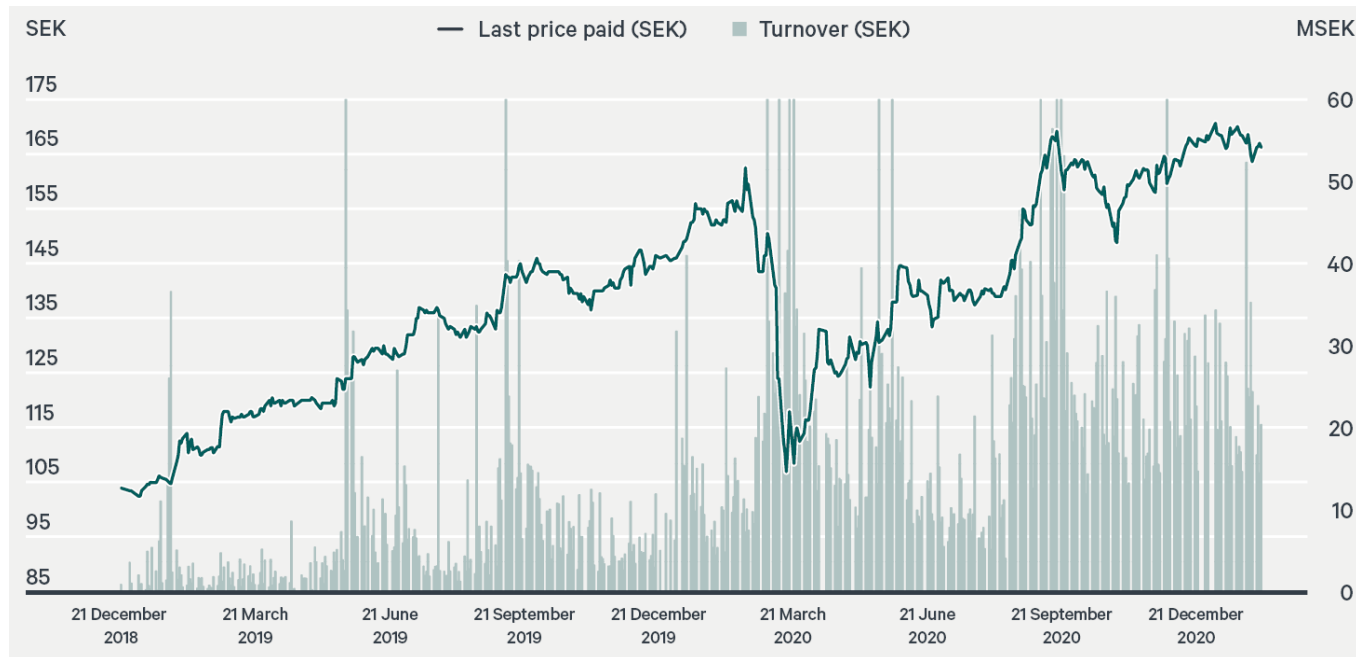
Name	No. of shares	Percentage
Fjärde AP-fonden	3 568 253	8,9
Marjan Dragicevic	1 820 000	4,5
Dragfast AB	1 570 000	3,9
BMO Global Asset Management	1 500 088	3,8
Avanza Pension	1 314 088	3,3
Svenska Handelsbanken	1 294 526	3,2
Länsförsäkringar Fonder	1 288 632	3,2
Sensor Fonder	946 000	2,4
Nordnet Pensionsförsäkring	858 885	2,1
Patrick Gylling	600 000	1,5
Säästöpankki Fonder	596 661	1,5
Blackwell Partners LLC	550 455	1,4
Göran Gustafssons Stiftelser	522 000	1,3
Nuveen Asset Management	511 050	1,3
Degroof Petercam	397 939	1,0
<b>Summa 15 största aktieägare</b>	<b>17 338 577</b>	<b>43,4</b>
Aktieägare, övriga	22 661 423	56,6
<b>Totalt</b>	<b>40 000 000</b>	<b>100</b>

### December 31st:

Cibus has 27 000  
shareholders

# Cibus share price performance

Average daily volume SEK 24 million with about 2 100 transactions per day



## December 31st:

Cibus operational results negligible impacted by the Coronavirus

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

- Share price SEK 167,60
- Total share return since IPO\* +84% (SEK)

\*First day of trading 2018-03-09



# — Financial overview Q4 2020

# Q4 2020 in brief

EUR THOUSAND	Q4 2020	Q4 2019	Full-year 2020	Full-year 2019
Rental income	17,616	13,170	65,033	51,530
Net operating income	16,662	12,559	61,395	48,618
Profit from property management	9,325	6,984	33,488	28,667
Earnings after tax	9,139	5,645	34,597	30,279
Earnings per share EUR	0.24	0.18	0.95	0.97

# P&L Highlights Q4 2020

- Non-recurring costs of slightly more than -500 TEUR is included in administration costs. These comprises of cost for the planned change of listing to Nasdaq main list, cost for conducting an inventory of equipment in the Swedish property portfolio, which will increase ongoing cash flow over the upcoming years, and also increasing cost in connection with liquidating two dormant subsidiaries.
- Net financial items includes an unrealized exchange rate loss of -508 TEUR (0).
- Unrealized changes in value of investment properties was 1,344 TEUR Q4 2020 compared to 33 Q4 2019.
- The inventory of equipment in the Swedish property portfolio has resulted in higher taxable depreciation which gave a positive current tax in Q4 of 534 TEUR (157).

EUR, Thousands	Q4 2020	Q4 2019
<b>Net Operating income</b>	<b>16,662</b>	<b>12,559</b>
Administration costs	-1,818	- 1,962
Net financial items	-5,519	-3,613
<b>Profit from property management</b>	<b>9,325</b>	<b>6,984</b>
Unrealized change in value of investment properties	1,344	33
Unrealized changes in value of Interest-rate derivatives	-294	-291
Realized change in value of investment properties	29	-4
<b>EBT</b>	<b>10,404</b>	<b>6,722</b>
Current tax	534	157
Deferred tax	-1 799	-1,234
<b>Profit for the quarter</b>	<b>9,139</b>	<b>5,645</b>
<b>Earnings per share (before and after dilution)</b>	<b>0.24</b>	<b>0.18</b>

# Current earnings capacity

EUR thousand

	31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020	31 Dec 2020*	Change (Dec '20/Dec '19)
Rental income	54,110	64,600	68,371	69,411	76,581	
Property expenses	-3,450	-3,580	-3,841	-3,771	-3,981	
<b>Net operating income</b>	<b>50,660</b>	<b>61,020</b>	<b>64,530</b>	<b>65,640</b>	<b>72,600</b>	
Central administration	-3,700	-4,270	-4,295	-4,310	-4,895	
Net financial expenses**	-14,000	-17,150	-19,920	-20,370	-21,811	
<b>Profit from property management</b>	<b>32,960</b>	<b>39,600</b>	<b>40,315</b>	<b>40,960</b>	<b>45,894</b>	
<b>Profit from property management, EUR/share***</b>	<b>1.06</b>	<b>1.06</b>	<b>1.08</b>	<b>1.10</b>	<b>1.15</b>	<b>8%</b>

\*Includes all transactions where Cibus has taken possession of the property prior to and during December 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 and, in December 2020, another was implemented encompassing 2,680,000 shares. The number of shares subsequently totalled 40,000,000.

# Our properties Q4 2020

290

Properties

1,273

MEUR property value

72,6

MEUR NOI

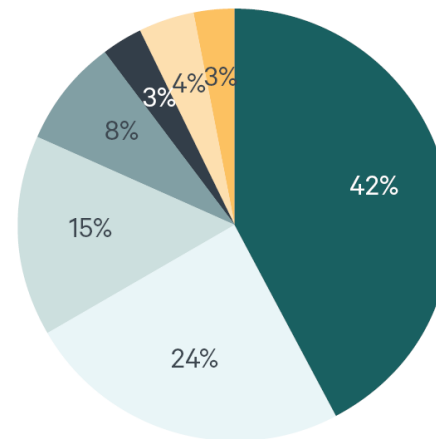
Current earnings capacity

744

Thousand SQM

## Tenants

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

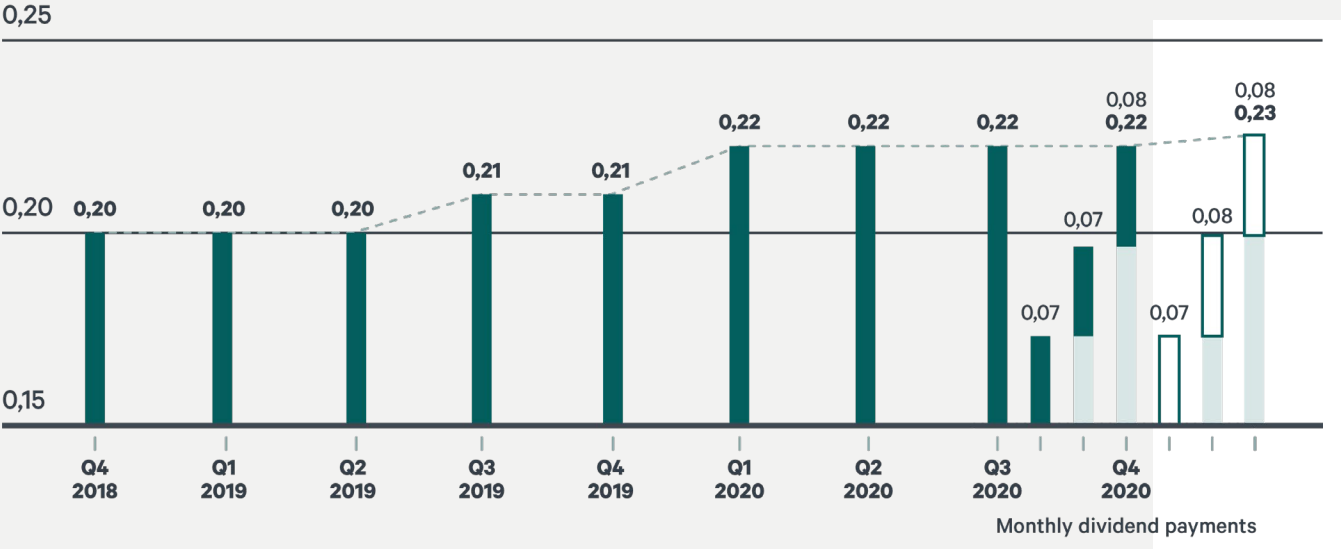


# Segments Jan-Dec 2020

Segment	Finland	Sweden	Total
Rental income	56,210	8,823	65,033
Service income	8,832	514	9,346
Operating expenses	-10,017	-6	-10,023
Property expenses	-2,397	-564	-2961
<b>Net operating income</b>	<b>52,628</b>	<b>8,767</b>	<b>61,395</b>
 <b>Investment properties</b>	 <b>1,070,370</b>	 <b>202,144</b>	 <b>1,272,514</b>

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

## Decided dividends



5.3%

Dividend yield  
share price\*

+5%/year

Dividend policy

\* Based on 0.89 EUR per share  
and share price 167.60 SEK

The Board follows Cibus’ dividend policy and proposes to the 2021 Annual General Meeting that the dividend be increased by over 5% to a total of **EUR 0.94 per share**, divided into twelve monthly dividends.

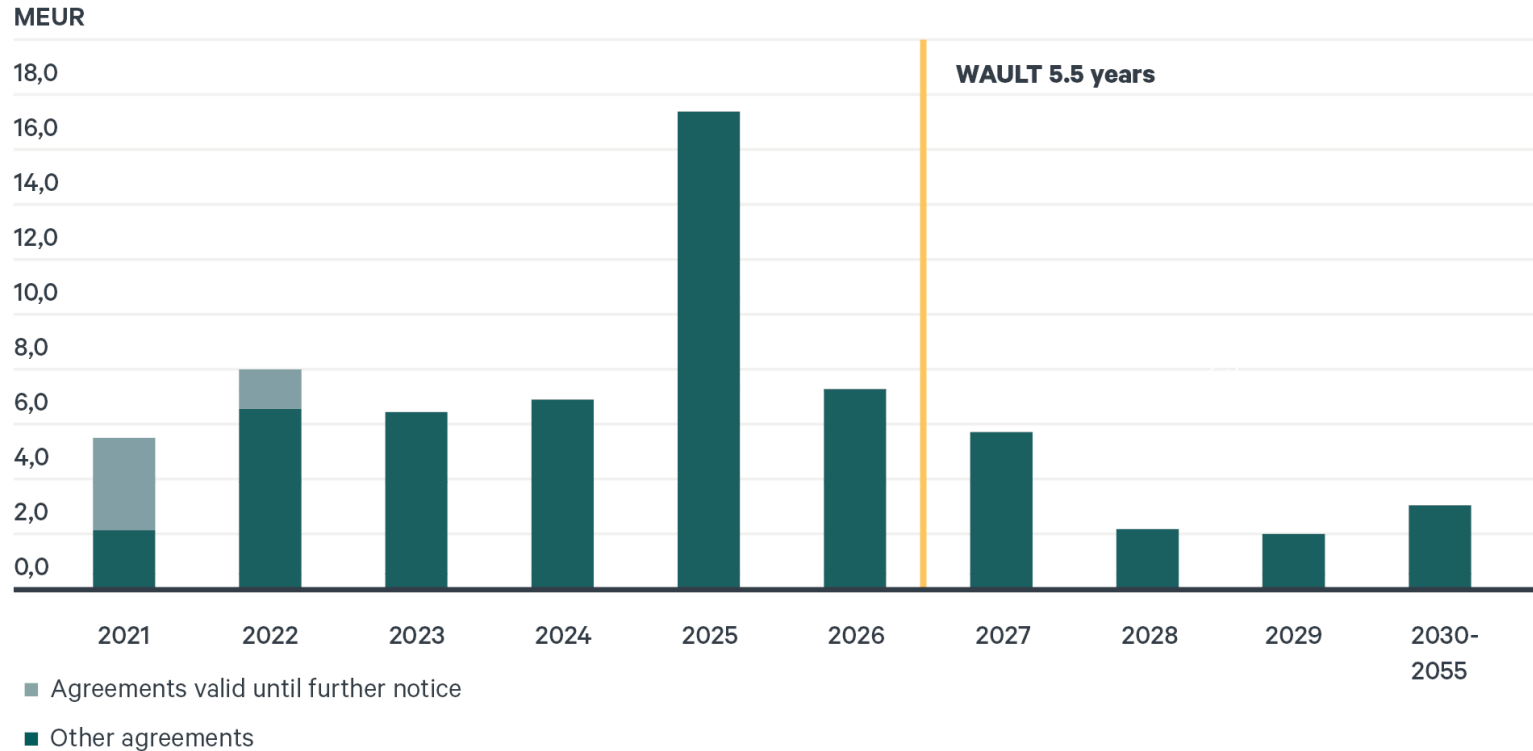
# Balance sheet (NRV & LTV)

Balance sheet (31 December 2020)	€'m (unless otherwise stated)	LTV, %	
Property value	1,273		} Net LTV 61.3%
Senior secured debt (-)	-622	49%	
Senior unsecured bond (-)	-195		
Other net assets(+)/liabilities(-) <sup>(1)</sup>	29		
EPRA NRV	485		
EPRA NRV / Share (€)	12.1		

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

- 5 different loans from large Nordic banks and institutions in total 622 MEUR.
- Average floating interest margin 3m EURIBOR/STIBOR + 1.7% with floor 0%.
- Weight average tenor 2.9 years
- 61% of bank loans are hedged with interest-rate derivatives.
- The first maturity of a loan take place in 2.1 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 a sign for 'Alko' and a sign for 'TAVUT & KURUT'. The word 'Future' is written in large, bold, black letters, with a horizontal orange 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

- Cibus strives to earn a high and stable yield for shareholders. From the outset, Cibus has never lowered its dividend in EUR per share from one quarter to the next.

## 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

- Since October 2020, Cibus pays dividends monthly.
- Dividend policy says dividend should increase with 5% per year