Cibus
Converting food into yield

Annual Report

1 January 2019 – 31 December 2019

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This is Cibus Nordic

Cibus' business concept is to acquire, refine and develop high-quality properties in the Nordic region, with reputable daily goods and supermarket chains as anchor tenants, to provide stable, cyclically resilient and increasing dividends for our shareholders.

875

PROPERTY VALUE, EUR MILLION

506

LETTABLE AREA, THOUSAND SQ.M.

0.84

DIVIDEND PER SHARE, EUR

6.0

YIELD, %

As of 31 December 2019, the Company owned a portfolio of 142 properties in Finland, with 506,000 square metres of lettable area. The main tenants were Kesko (54% of net operating income), Tokmanni (28%) and S-Group (7%). An additional 5% of the properties are leased to other daily goods retailers, including Lidl.

The property portfolio was spread out in strategic locations, mainly in southern and southwestern Finland, and the portfolio is to a large extent located in regions with healthy population growth.

The Company specialises in daily-goods anchored properties, which in general have two main characteristics that distinguish them from most other types of retail properties. These characteristics are the non-cyclical nature of the business and the resilience towards e-commerce. The portfolio forms a strategic distribution network ideal for post and other services, which provides an advantage with respect to e-commerce. These characteristics provide a higher level of stability and lower risk in comparison to other retail properties.

The Company aims to deliver a stable and non-cyclical dividend level to its shareholders that also increases over time. This is achieved through good profitability in the underlying property portfolio, together with additional investments in new properties in the amount of EUR 50 million annually.

Daily-goods anchored properties are generally owned by institutions, daily-goods chains or a joint venture of both. Cibus offers investors an opportunity to achieve a favourable yield from the stable cash flows of this segment.

The 2019 Annual General Meeting approved a dividend of EUR 0.84 per share, corresponding to a yield of 6% on the market price as of 31 December 2019 (145.50). The Board of Directors intends to recommend that the 2020 Annual General Meeting raise the dividend by slightly more than 5% to EUR 0.89 per share. Cibus' is listed on Nasdaq First North Premier Growth Market under the ticker CIBUS.

The year in brief

FULL-YEAR 2019

Rental income amounted to EUR 51,530 thousand (39,733) and increased mainly through acquisitions, although rental income also increases because rents are index-linked.

Net operating income amounted to EUR 48,618 thousand (37,521), resulting in a surplus ratio of 94%. As many of our 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 stable.

Secured bank loans were refinanced during the year. The new credit agreements are larger but run at a lower interest rate, meaning that the financing costs are at the same level.

Profit from property management was EUR 28,667 thousand (22,871) .

The market value of the property portfolio was EUR 874,813 thousand (816,478). The increase was largely due to acquisitions. Unrealised changes in property values amounted to EUR 7,034 thousand (32,270).

Profit for the period amounted to EUR 30,279 thousand (46,267), corresponding to EUR 1.0 (1.5) per share.

The dividend, in accordance with the resolution of the Annual General Meeting, of EUR 0.84 per share was distributed between four quarterly payments.

As of the date of publication of this report, the Board of Directors of Cibus Nordic does not have a final proposal for resolution on dividends for the 2019 financial year to recommend to the Annual General Meeting. It is, however, the intention of the Board of Directors to adhere to Cibus' dividend policy and to recommend that the dividend be raised by slightly more than 5% to a total EUR 0.89 per share for the 2019 financial year, to be paid out over a 12-month period following the Annual General Meeting. A complete proposed resolution will be published prior to the announcement of the Annual General Meeting.

Sverker Källgården was appointed CEO in March and Pia-Lena Olofsson was appointed as CFO in May. Cibus has built up an organisation to meet the requirements that the stock exchange imposes on companies included in its main list.

Cibus has reached its investment target for 2019 of investing at least EUR 50 million annually in new properties. The target was also achieved in 2018.

Timeline

2019

11 FEBRUARY

On 11 February, the Company announced that Sverker Kallgarden had been employed as CEO. He took office in March. Sverker has extensive experience in the property sector, most recently as CEO of ByggPartner, which under Sverker's management was listed on Nasdaq First North. Prior to ByggPartner, Sverker held executive positions at NCC and Hufvudstaden, including serving as CEO of AB Nordiska Kompaniet (NK) for seven years.

15 FEBRUARY

In February, the second of the Company's three senior credit facilities was renegotiated.This refinancing will have a positive effect on the Company's future cash flow. The new credit facility has a lower margin and a shorter maturity than previously.

25 MARCH

In March 2019, the Company made two separate acquisitions totalling six properties at a value of MEUR 30, comprising lettable area of 20,300 square metres. The transactions will close during the second quarter of 2019. The properties are fully let to Kesko, Tokmanni and Halpa-Halli.

10 APRIL

On 10 April, Cibus's bond was listed (ISIN: SE 0010740530) on Nasdaq Stockholm's main index for corporate bonds.

12 APRIL

On 12 April, Cibus sold a property in Kuopio, Finland.

8 MAY

On 8 May, the Company announced that Pia-Lena Olofsson had been appointed as CFO. Pia-Lena is an experienced CFO who has previously been CFO at the online bank Collector AB (publ), which was listed on the exchange's Large Cap list at the time. Further, Pia-Lena has previously held several senior positions at, among others, Bure Equity AB (publ) and Visma AB.

23 MAY

On 23 May, Cibus largest shareholder, SFC Holding, which founded Cibus, announced that it had sold shares in Cibus. Following the sale, SFC Holding has a 10.3% holding.

28 JUNE

On 28 June, it was announced that Cibus is making several new acquisitions. This includes the acquisition of three previously unannounced daily-goods properties in located in Finland, of which two are leased to Tokmanni and one to Halpa-Halli.

11 JULY

On 11 July, Nasdaq approved Cibus listing on First North Premier. The first day of trading on Nasdaq First North Premier was 15 July 2019. The listing on First North Premier is an initial step towards a listing on the Nasdaq Stockholm Main List.

4 DECEMBER

On 4 December, Cibus acquired three properties in Finland. These are leased to Tokmanni on long-term contracts.

12 DECEMBER

On 12 December, Lauri Tiensuu was appointed CIO Finland. He will be responsible for the investing activities in Finland. Lauri began working at Cibus on 7 January 2020.

18 DECEMBER

On 18 December, Cibus called an Extraordinary General Meeting. The Meeting was held at 9:30 am on 23 January at Cibus' premises at Kungsgatan 56, SE-111 22 Stockholm.

20 DECEMBER

On 20 December, Cibus signed an agreement to acquire a property in Parainen, Finland. The property is under construction, with Cibus scheduled to take possession in May 2020. The property will be leased to the S Group and Lidl on long-term contracts.

2020

23 JANUARY

An Extraordinary General Meeting was held on 23 January 2020. The Meeting resolved to mandate the Board of Directors to approve a new share issue, with or without preferential rights for existing shareholders, corresponding to at most 20% of the number of shares outstanding. It was also resolved that any new shares be eligible for dividends.

4 MARCH

Cibus implements a directed new share 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 a binding agreement regarding the acquisition of a property portfolio of 111 daily goods shops from Coop for a total of approximately SEK 1,900 million. The acquisition is strategically significant and is Cibus' first acquisition in Sweden.

Coronavirus

To date, the coronavirus has not had any negative impact on our 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 tenants, daily goods retailers, volumes have increased sharply since the virus appeared. Daily goods retail volumes are at record levels and nothing indicates that our tenants will encounter difficulty paying their rent. The risks lie in whether their staff are unable work or if it is not possible to secure deliveries of goods to the shops.

Of our income, 90% derives from the largest daily goods chains in the Nordic countries, which have good preparedness for such events. Assuming, as a disaster scenario, that all other tenants experience problems, we currently estimate that a maximum 2% of our annual net rent bears a temporary risk. In the long run, a risk of this nature can lead to a general recession and spread to the banking system. In such an instance, securing bank financing for future acquisitions may be more difficult. We have yet to see such an effect in any of the transactions currently in progress, Should the virus lead to a widespread recession, we believe that companies like ours, with very defensive strategies, will be among those that perform best.

Full speed ahead

A MESSAGE FROM THE CEO

"Our strategy remains unchanged: to invest in secure, cyclically resilient and high-yielding food and daily goods retail properties to generate stable and increasing dividends for our shareholders."
— Sverker Källgården, CEO

Summarising my first year as CEO at Cibus, I can see that we have achieved a great deal in a short space of time. We have invested EUR 50 million in new properties in Finland, built up the Company's organisation, started preparing it for the move to the main list, maintained our focus on sustainability and gained many new shareholders.

Growth is central to all companies and Cibus' strategy is to grow by EUR 50 million annually. We also have a clear strategy of investing in food and daily goods retail properties of "Supermarket size" as we believe these will be the most sustainable in the long term.

We are also focusing on high-quality tenants who, besides maintaining financial stability, also share our view that sustainability work is important. For example, we currently have about 15 photovoltaic facilities on the roofs of properties leased by Tokmanni, which is planning additional facilities like these.

Organisationally, we now have our head office in Stockholm, which is where I work, together with the CFO and the finance function, while our Finland office is located in Helsinki and is where our CIO works. We have short decision-making paths and have established well-functioning procedures, both for reporting and transactions. Having our own personnel allows us to act quickly in transaction processes and makes us an attractive partner with whom to conduct business. We now also have the capacity to actively analyse the other Nordic markets.

The share price developed strongly over the year and we steadily increased the number of shareholders. Alongside our quarterly dividend, the share price trend makes Cibus' shares attractive to own and it is gratifying that an increasing number of people are realising this.

The market for daily goods retail properties in Finland remains favourable, we have a constant flow of prospects that we analyse and a good network in the market. We are well known for our professionalism and fast but accurate process, which sellers appreciate. This makes us the natural buyer for such properties.

Looking ahead, I see continued investment in our organisation, steady growth and a transition to Nasdaq's main list, which will significantly increase the Company's visibility. The strategy will remain the same and our shareholders will recognise the types of transactions we make.

After the reporting period, we made our first acquisition in Sweden, acquiring 111 daily goods stores from Coop Butiker & Stormarknader. Coop will continue to trade in the shops and has signed a ten-year triple net lease, making this a unique transaction in Sweden. With this, we now have a portfolio on which we can build, maintaining the same strategy we have had from the outset, to acquire individual properties and small portfolios that support our objectives and increase our earnings capacity.

I can affirm that 2019 was an eventful and successful year. My belief and ambition is for 2020 to be at least as eventful. Our strategy remains unchanged: to invest in secure, cyclically resilient and high-yielding food and daily goods retail properties to generate stable and increasing dividends for our shareholders.

Stockholm, 18 March 2020
Sverker Källgården

Business concept and goals

Cibus' business concept is to acquire, develop and manage high-quality properties in the Nordics with reputable daily-goods chains as their anchor tenants.

BUSINESS CONCEPT

Cibus' property portfolio, which amounts to EUR 1,055 million and comprises slightly more than 250 strategically located daily-goods stores in Finland and Sweden, is managed under a pure-play Nordic daily-goods-anchored real estate strategy. The Company leverages its expertise and status as a trusted partner to leading grocers wherever it identifies opportunities across the sector.

Supermarkets, which are characterised by a broad product range of groceries and daily goods and are smaller in size and more easily accessible for consumers than hypermarkets, account for the majority of daily goods sales in Finland and Sweden and represent the dominant store type in the portfolio.

The Company aims to deliver a high and non-cyclical dividend level to its shareholders, achieved through stable profitability in the underlying property portfolio.

In general, daily-goods properties have two main characteristics that distinguish them from most, if not all, other types of retail properties. These characteristics are:

- Non-cyclical nature of the operations
- Properties that benefit from e-commerce

TARGETS

Cibus has two financial targets. These are the following:

- **To increase the dividend to shareholders by 5% annually.**
- **For the net debt/equity ratio to be 55 – 65%.**

Given the current portfolio, business plan and growth rate, a 5% annual increase is considered a reasonable target for the foreseeable future. The dividend target has been set to reflect the Company's strong cash flow and to provide its shareholders with a high and predictable return.

The purpose of the net debt/equity target is to ensure that financial risks are managed in an appropriate but reassuring manner.

Investing in Cibus

Cibus Nordic Real Estate invests in and manages supermarket and daily-goods properties in the Nordic region. The Company's long-term goal is to provide a stable, cyclically resilient and increasing return for its shareholders.

The segment in which Cibus operates is generally stable and delivers a high yield. Groceries and food in particular are non-cyclical products that follow a stable trend over time.

Property portfolios with anchor tenants in groceries and daily-goods have been targeted by institutional investors in recent years.

With its stock market launch in 2018, Cibus opened this market up to institutional and private investors, as well as smaller-scale savers who are able to take advantage of the long-term stable and favourable yield that the segment can offer.

THE INVESTMENT HIGHLIGHTS IN TERMS OF THE GENERAL CONDITIONS OF THE SEGMENT AS WELL AS THE SPECIFIC CHARACTERISTICS OF CIBUS'S PROPERTY PORTFOLIO CAN BE SUMMARISED AS

- Macro-economy in the Nordic region remains strong
- The daily-goods industry is stable and predictable
- The daily-goods industry is resilient to the negative effects of e-commerce
- The network of stores forms a strategic distribution network that is ideal for post and other services, which provides an advantage with respect to e-commerce.
- A high and increasing quarterly dividend, with a moderate LTV ratio of approximately 59% including the Company's bond
- Weighted average lease term (WAULT) of 4.9 years in Finland and 10.0 years in Sweden
- Market-leading, high-performance tenants, such as Kesko, S-Group and Tokmanni, anchoring about 90% of the portfolio properties in Finland. Coop is the tenant in the Swedish portfolio
- The length of the leases varies, and the expiration of the leases is thus evenly spread
- A large number of same-sized properties provide limited single-asset risk. No individual property accounts for more than 3% of the portfolio's net operating income
- Two-thirds of net operating income originates from properties located in growth regions in southern and southwestern Finland
- Strict cost control given the high cost coverage

Share and shareholders

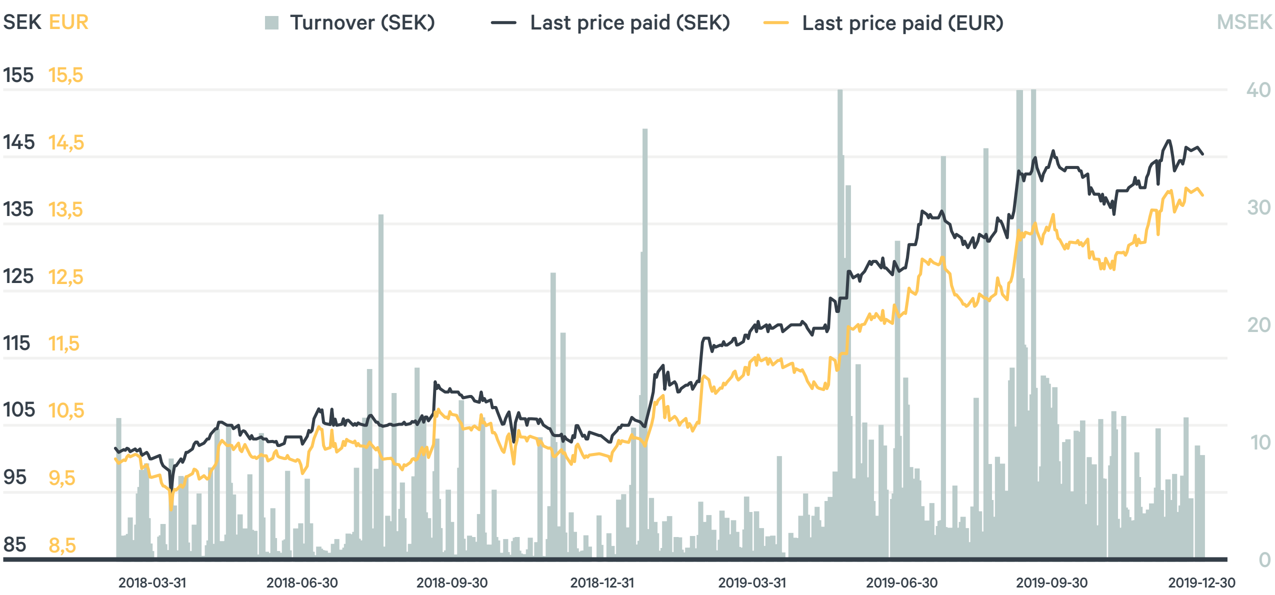
MARKET CAP: SEK 4.5 billion	MARKETPLACE: Nasdaq First North Premier Growth Market Stockholm
NUMBER OF SHAREHOLDERS: 7,000	NUMBER OF ORDINARY SHARES: 31,100,000
CLOSING RATE: SEK 145.5	ISIN: SE0010832204

CIBUS IS LISTED

Cibus' shares were listed on Nasdaq First North on 9 March 2018 and, on 11 July 2019, they were moved up to Nasdaq First North Premier Growth Market. The shares bear the ISIN code SE0010832204. The aim is to list Cibus on the Nasdaq Stockholm main list in 2020.

SHARE PRICE PERFORMANCE

The share value has risen by 43% since the listing on 9 March 2018. In SEK, the total yield over the same period and including the dividend was 55%. The shares have had a relatively high turnover, with shares trading for a weighted daily average of slightly more than SEK 11 million and with an average of about 250 trades per day in 2019.



CIBUS' SHAREHOLDERS

As of 31 December 2019, the Company had more than 7,000 shareholders . The 10 largest shareholders hold approximately 46% of the votes. The holding of one of these, SFC Holding S.à.rl, accounted for 10% or more of the votes in Cibus as of 31 December 2019. On the same date, there were 31,100,000 shares outstanding.Following the close of the period, a new issue of 6,220,000 shares was implemented. The total number of shares following the issue is 37,320,000 shares.

SHAREHOLDERS AS OF 31 DECEMBER 2019

Name	No. of shares	Percentage
SFC Holding S.à r.l.	3,200,000	10.3
Fjärde AP-fonden	2,311,245	7.4
Amiral Gestion	2,062,522	6.6
Talomon Capital	1,539,171	4.9
Carnegie Fonder	1,250,000	4.0
Sirius Capital Partners*	830,000	2.7
Svenska Handelsbanken	802,576	2.6
Avanza Pension	788,294	2.5
Dragfast AB	700,000	2.3
Sensor Fonder	690,000	2.2
Total, 10 largest shareholders	**14,173,808**	**45.6**
Other	16,926,192	54.4
Total	**31,100,000**	**100**

*Total also includes other holdings among Sirius' shareholders

Source: Modular Finance

Dividend

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

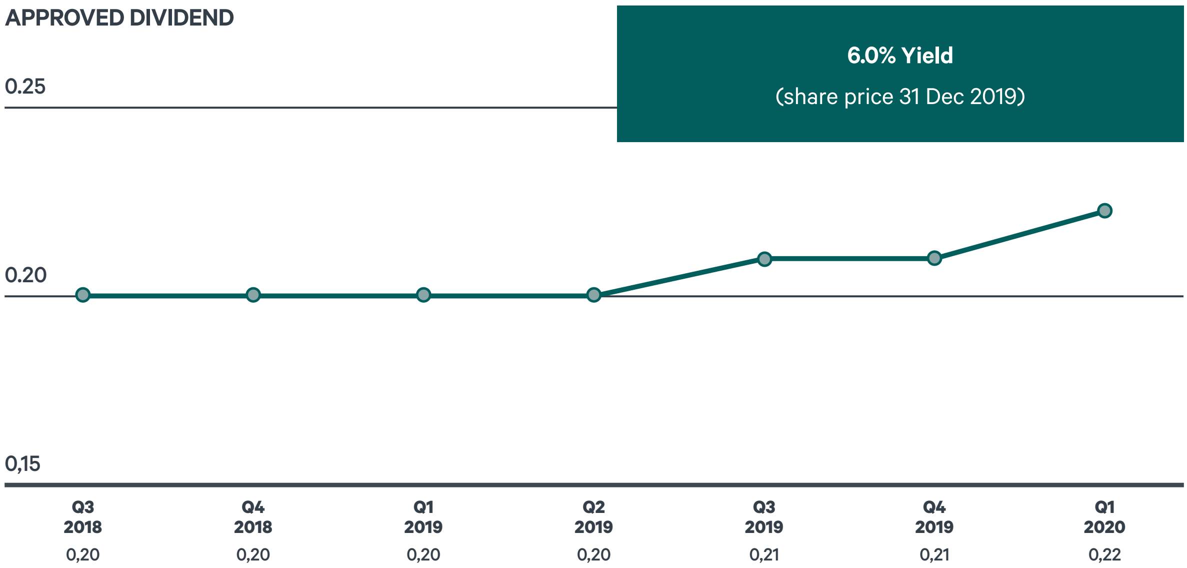
DIVIDEND POLICY

The Company pays out quarterly dividends, and the dividend is to increase by 5% annually. Given the Company's current portfolio, business plan and growth, a 5% annual increase is considered a reasonable target for the foreseeable future. The dividend target has been set to reflect the Company's strong cash flow and to provide its shareholders with a high and predictable return.

THE BOARD'S RECOMMENDATION TO THE ANNUAL GENERAL MEETING REGARDING THE DIVIDEND

As of the date of publication of this report, the Board of Directors of Cibus Nordic does not have a final proposal for resolution on dividends for the 2019 financial year to recommend to the Annual General Meeting. It is, however, the intention of the Board of Directors to adhere to Cibus' dividend policy and to recommend that the dividend be raised by slightly more than 5% to a total EUR 0.89 per share for the 2019 financial year, to be paid out over a 12-month period following the Annual General Meeting. A complete proposed resolution will be published prior to the announcement of the Annual General Meeting.

APPROVED DIVIDEND



Market Overview

Continued stability in the property market despite some caution and concern about a potential downturn in the economy

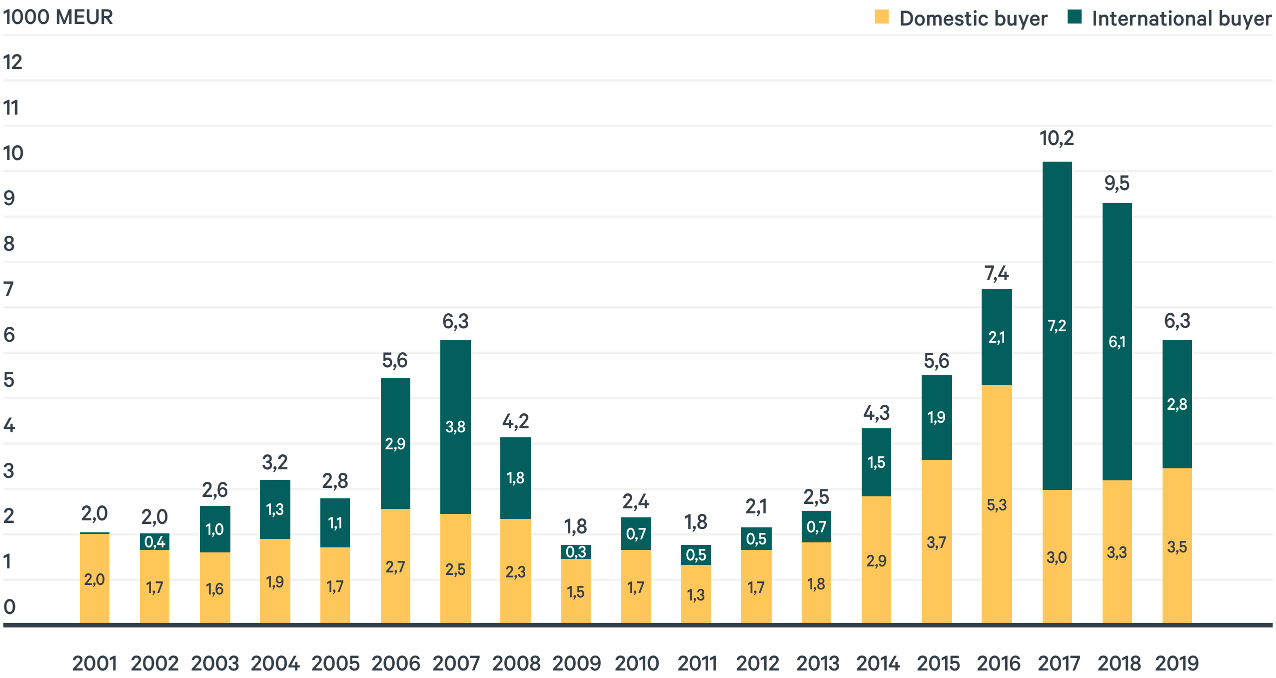
Growth in the property markets in the Nordic countries picked up in 2019 following the global dip in industrial output. Signals from the central banks that interest rates will remain low for quite some time provide support for the market. In Finland, growth is predicted to be relatively constant as service exports have been strong and consumption is increasing. In Sweden, a gradual recovery is envisaged in which consumption and housing construction contribute to an upswing in 2021.

The Nordic property market remains strong with a high level of activity. According to Pangea Property Partners, the total transaction volume in the Nordic region was approximately EUR 44 billion – the highest figure to date.

The Finnish market is still attractive for foreign investors. Many Swedish companies invest in Finland, or seek to do so, because of the relatively higher yield level there, particularly in public and office properties, compared with Sweden. The Finnish transaction volume fell compared with 2018, the explanation being the lower number of really large transactions. However, the number of transactions over EUR 1 million remained unchanged at around 300, according to KTI.

Source: KTI, Pangea Research, SEB

TRANSACTION VOLUME IN THE FINNISH MARKET



NORDICS, GDP GROWTH

Year-on-year percentage change	2018	2019	2020E	2021E
Finland	**1.7**	**1.6**	**1.5**	**1.5**
Sweden	2.2	1.1	1.1	1.7
Norway	1.3	1.5	3.6	2.1
Denmark	2.4	2.1	1.8	1.5

Source: SEB (January 2019)

Earnings capacity

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

After the end of the period, a portfolio was acquired in Sweden. This is not included in the current earnings capacity below.

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

	31 Dec 2018	31 Mar 2019	30 Jun 2019	30 Sep 2019	31 Dec 2019	31 Jan 2020*	Change (Jan '20/Dec '18)
Rental income	51,100	51,100	53,350	53,350	54,110	54,350	
Property expenses	-2,900	-2,900	-3,450	-3,450	-3,450	-3,450	
Net operating income	**48,200**	**48,200**	**49,900**	**49,900**	**50,660**	**50,900**	**6%**
Central administration	-3,620	-3,620	-3,700	-3,700	-3,700	-3,700	
Net financial expenses**	-13,950	-13 594	-13,550	-13,550	-14,000	-14,100	
Profit from property management	**30,630**	**30,986**	**32,650**	**32,650**	**32,960**	**33,100**	**8%**
Profit from property management, EUR/ Share	**0.98**	**1.00**	**1.05**	**1.05**	**1.06**	**1.06**	**8%**

*Includes all transactions where Cibus has taken possession of the property prior to and during January 2020.
**In accordance with IFRS16, site leasehold fees are included among financial expenses for 2019. The comparative figures have been adjusted for comparability. Financial expenses include prepaid arrangement fees not affecting future cash flow.

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 December 2019 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 and the current size of the property portfolio.

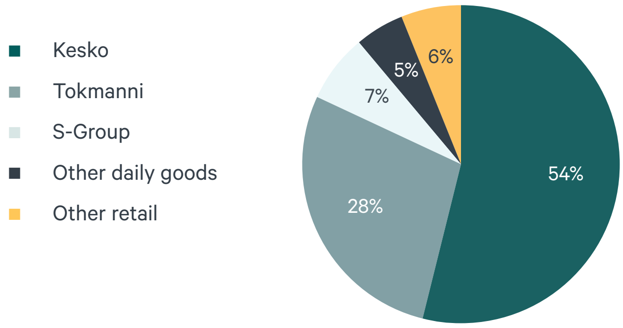
COMMENTS REGARDING CURRENT EARNINGS CAPACITY

The earnings capacity for the next 12 months has improved by 8% compared with the 12-month perspective on 31 December 2018. This was a result of the acquisitions carried out by the Company since its listing, the refinancing of the Company's three bank loans, and rent increases due to indexation.

Tenants and lease structure in Finland

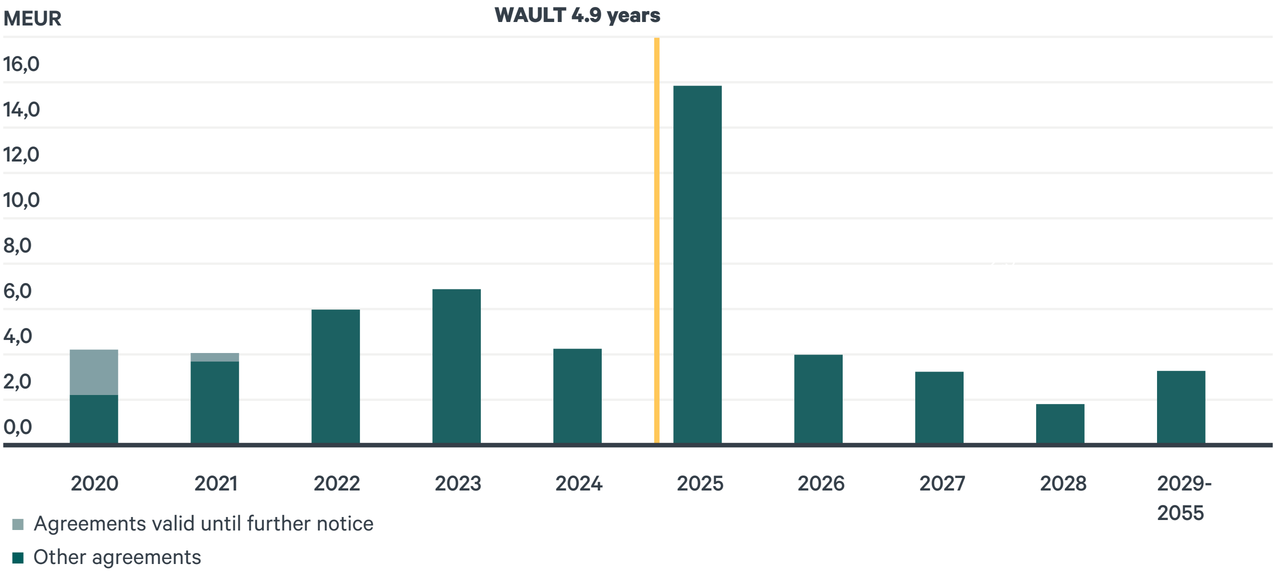
TENANTS

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



SUMMARY OF LEASES IN FINLAND

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 31 December 2019, the weighted average unexpired lease term (WAULT) in the portfolio was 4.9 years.



Approximately 47% 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.

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

Property portfolio in Finland

GENERAL OVERVIEW

As of 31 December 2019, Cibus's property portfolio comprised 142 relatively modern store properties, located in various growth regions across Finland. About two-thirds of the portfolio's net operating income originates from properties that are located in southern and southwestern Finland.

About 90% of the total rental income is derived from properties anchored by three market-leading tenants: Kesko, Tokmanni and S-Group. All of the major tenants perceive the properties as well suited for their purpose. Anchor tenants account for 87% of rental income with a term of 5.6 years.

Anchor tenant	Number of properties	Lettable area, sq. m.	Duration	Anchor tenant's duration	Anchor tenant's share of rent
Kesko	75	223,046	4.6	5.4	90%
Tokmanni	39	183,338	5.5	6.0	89%
S-Group	14	32,088	4.8	6.1	66%
Other daily goods	8	33,660	4.9	5.0	71%
Other retail	6	33,685	4.2	n/a	n/a
Portfolio total	**142**	**505,817**	**4.9**	**5.6**	**87%**

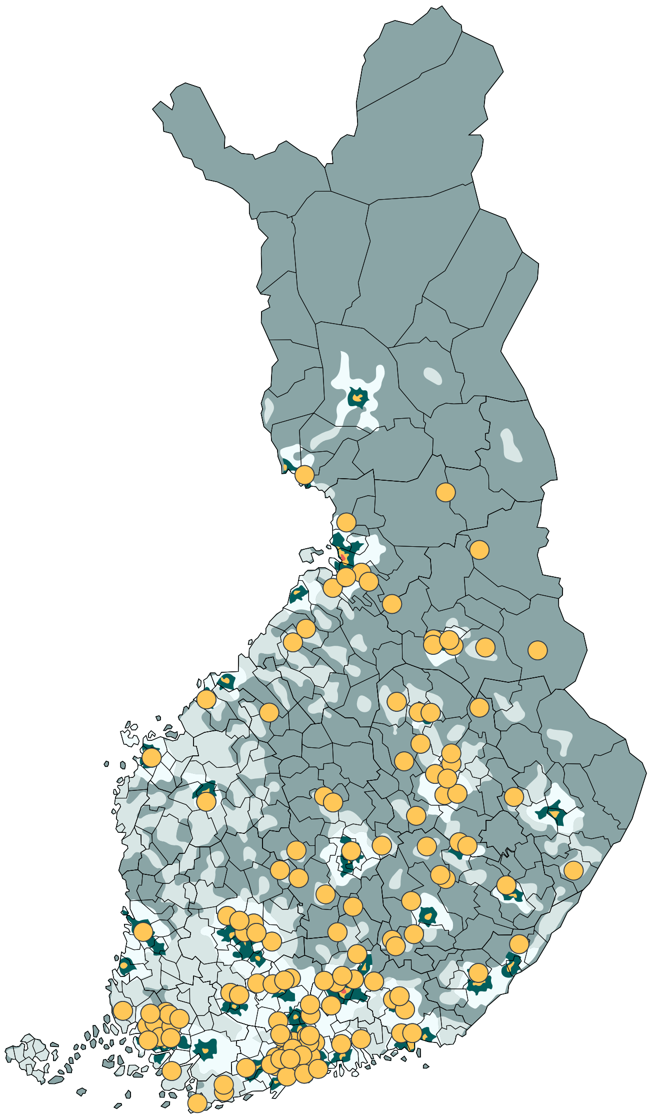
GEOGRAPHIC LOCATIONS

The properties are located in more than 80 different towns and cities across Finland, of which approximately two-thirds are located in the southern part of the country, mostly in the Helsinki area. The portfolio includes properties located in all of Finland's ten largest cities, which creates a healthy platform. As is the case for many other developed countries, Finland is undergoing national urbanisation, with its rural areas becoming depopulated in favour of the larger cities.

The map to the right shows the geographic locations of the properties. As evident from the map, almost all of the properties are located in regions experiencing population growth. Estimated average annual population growth in Finland between 2020 and 2030 is 0.1%, which is almost 100% higher than the estimated growth in the EU.

2/3 of total NOI (southern and southwestern Finland)

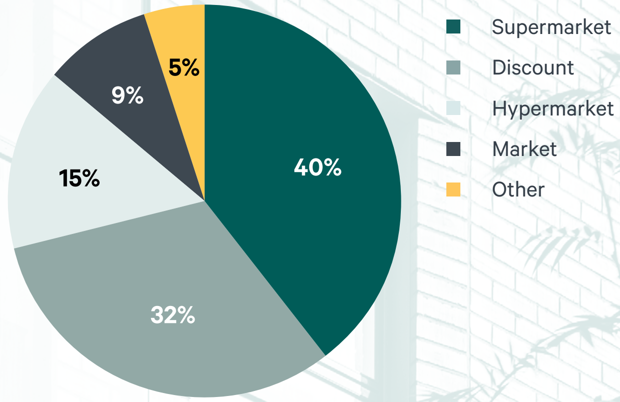
Region type	Growth history 1990-2015
City centre	+21.0 %
Rest of inner city	+22.9 %
Adjacent suburbs	+27.5 %
Suburbs	+6.9 %
Countryside	-14.7 %
Rural areas	-29.6%



PORTFOLIO DIVERSIFICATION

No single property in the portfolio accounts for a larger share than 3.0% of the portfolio's total net operating income, eliminating dependency on any individual property. Only seven of the properties each account for more than 2.0% of the portfolio's total rental income.

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



KEY FIGURES

Annual net operating income is estimated at about EUR 50.7 million (current earnings capacity), based on Cibus portfolio as of 31 December 2019.

Number of properties	142
Total lettable area, thousand sq.m.	506
Lettable area/property sq.m.	3,562
Net operating income (current earnings capacity), EUR million	50.7
Net operating income, EUR/sq.m (let area)	106
WAULT, years	4.9

Property portfolio in Sweden

Following the close of the period in March 2020, Cibus acquired a property portfolio consisting of 111 supermarkets in Sweden.

The Swedish portfolio comprises 111 supermarkets included in Coop's acquisition of Neto's Swedish operations in 2019. The value of the portfolio amounts to approximately EUR 180 million. The lettable area amounts to approximately 118,000 square metres and net operating income is EUR 10.6 million annually. In connection with the acquisition, Cibus signed a ten-year triple net agreement with Coop.

The transaction entails Cibus expanding geographically and establishing a significant presence in southern and central Sweden, which is in line with Cibus' communicated strategy. The size of the property portfolio allows Cibus to cost-effectively continue executing its strategy of acquiring individual properties and portfolios complementing the existing portfolio in Sweden.

The impact of e-commerce on Cibus’ business model

Physical retail is under pressure from e-commerce as an increasing number of consumers choose to shop online. According to the Swedish Retail and Wholesale Council, the retail segments that will be affected most by e-commerce are electronics and books, while the least affected segment is groceries. This is confirmed by PostNord, which states that clothing and footwear, beauty and health products and consumer electronics are the segments where e-commerce has captured the largest market shares. One segment in which e-commerce has yet to break through is the daily goods segment. This is because many daily goods customers want to see the products they are purchasing and to make their own selection of the best items. It is also due to the low margins and high costs of packing and distributing foods, often chilled, to the customer, which makes it unprofitable for retailers to make home deliveries of such goods.

For this reason, customers shopping online are often required to collect their goods at a delivery point, in many cases a supermarket. This makes supermarkets a natural distribution network for other e-commerce sales, further increasing traffic to supermarkets. In Finland and Denmark, pick-up occurs from parcel boxes installed at the entrance to the supermarket, while pick-up is generally handled manually in Sweden and Norway. Parcel boxes represent a growing trend however and most indicators suggest that they will become more common throughout the Nordic region.

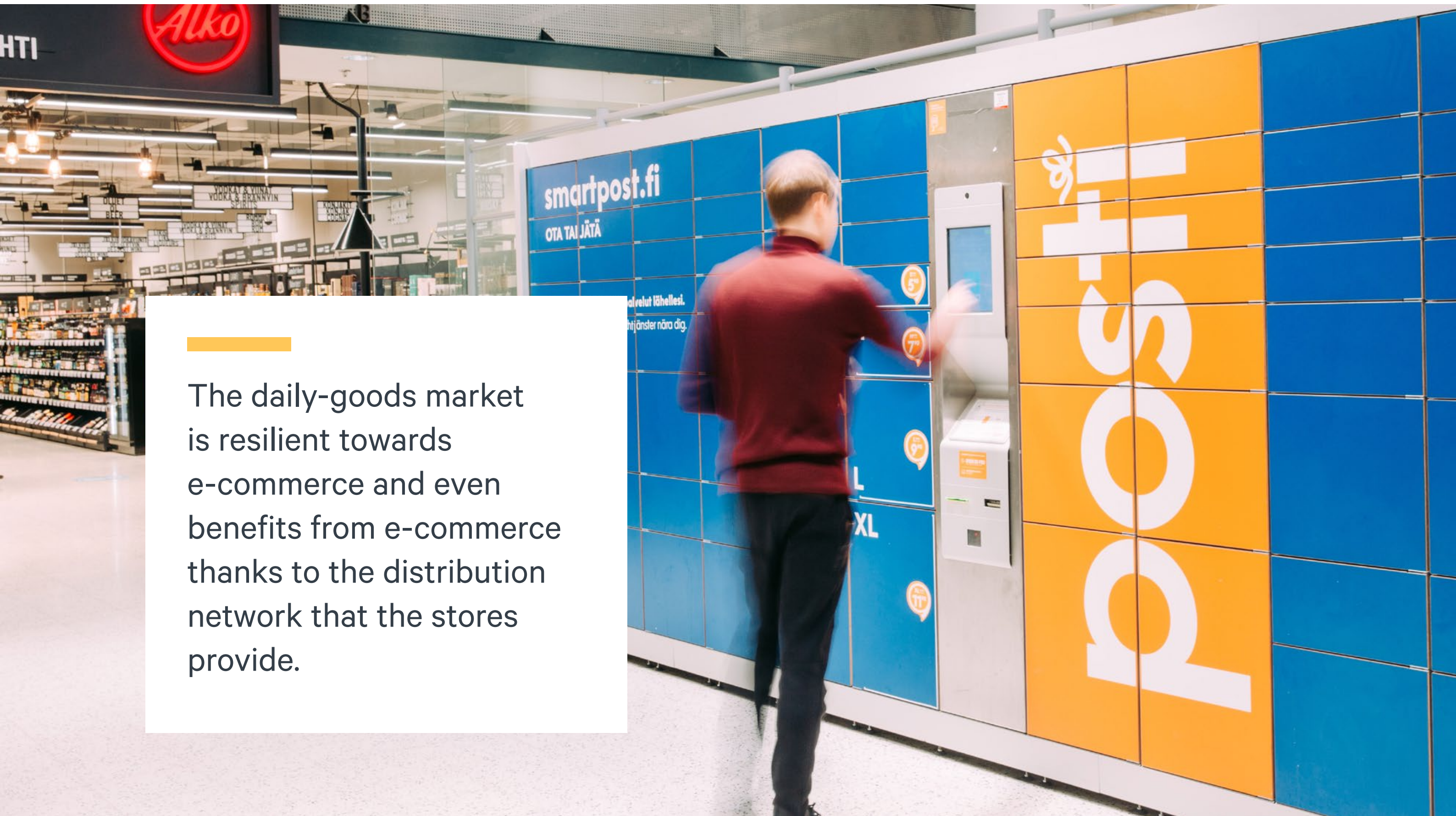
Source: Swedish Retail and Wholesale Council, HUI, PostNord, Finnish Grocery Trade Association (grocery sales)

AMAZON’S EFFECT ON DIFFERENT TYPES OF RETAIL

Low → **High**

Daily goods	Furniture	Fashion	Sports	DIY	Pharmacy	Toys	Books	Electronics

Source: Swedish Retail and Wholesale Council, HUI Research



The daily-goods market is resilient towards e-commerce and even benefits from e-commerce thanks to the distribution network that the stores provide.

Financing

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

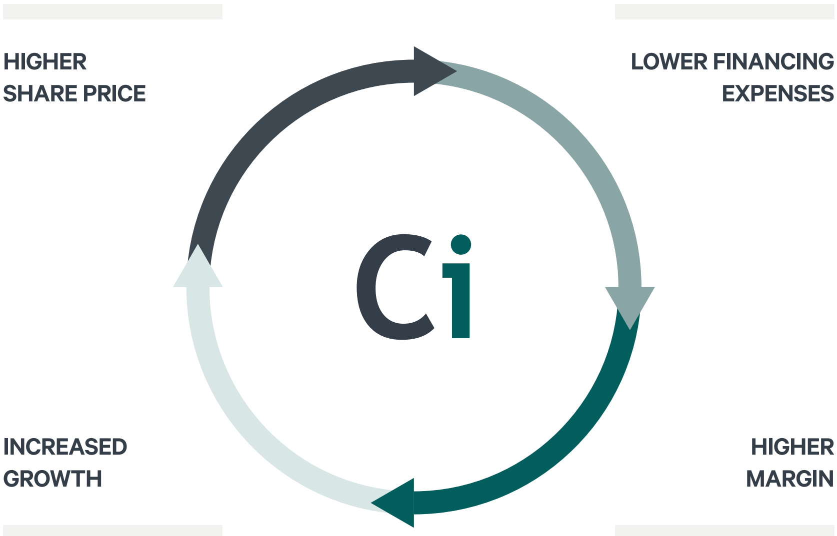
As of 31 December 2019, the Group had secured bank loans of EUR 403 million with a weighted average floating interest margin of 1.6% and a weighted average loan maturity of 3.5 years. Cibus has pledged mortgages in the properties as collateral for the interest-bearing liabilities. In Cibus's assessment, the collateral agreements have been entered on market terms.

Cibus has issued an unsecured bond for EUR 135 million. The bond matures on 26 May 2021 and carries a floating coupon rate of 4.5% + 3m EURIBOR. The bond has been listed on the Nasdaq Stockholm Corporate Bond list since 10 April 2019.

The bond is currently trading at a lower implicit interest rate than that at which it was listed, indicating it would probably carry more favourable terms in the event of it being refinanced. The Group's total tenor amounted to 3.0 years.

Of the Group's bank loans, around 71% are hedged using interest-rate derivatives in the form of interest-rate caps. The Group's average fixed-interest tenor is 2.6 years.

The LTV ratio including the bond is 58.7%. The secured bank loan has an LTV of 46.1%. During the year, the senior loan facilities were renegotiated on more favourable terms. With this refinancing, the Company has secured financing facilities under which our interest expense levels are maintained. Thanks to a reduced margin, the total interest expense level will remain at a stable level despite increased borrowing.



Employees and corporate culture

With Cibus' corporate culture as our foundation, we want to attract, develop and retain employees so that they can best contribute to the Company's development and goals

Cibus is a large company in terms of property value but small in terms of the number of employees. This is because large parts of our property management and simpler administration tasks are outsourced. Each individual employee is therefore very important and has a major impact on Cibus' development.

In order to attract and retain good employees, we seek to be an attractive employer, not only by providing market-based terms, but also by maintaining a strong and healthy corporate culture.

Cibus' corporate culture is characterised by strong fundamental values of commitment, responsibility and enjoyment.

For us, commitment entails passion, energy and participation. We are passionate about what we do and make every effort to achieve results and targets.

For us, responsibility entails ethics, honesty, transparency and respect. Business should be conducted in a fair and sustainable manner, with respect for our responsibility in our relationships with our key stakeholders and with the society in which we operate.

For us, enjoyment is development, friendship and having fun at work. To be able to perform at your best, you need to enjoy your work and maintain a healthy balance between your private life and working life.

Sustainability

SUSTAINABLE MARKETPLACES AS A BUSINESS CONCEPT

For Cibus, sustainability entails helping create accessible and climate-smart marketplaces for end-consumers.

Cibus is driven by the conviction that the decisions the Company makes regarding the property portfolio can contribute to responsible social development. Although laws and lease conditions deny Cibus full control of decisions regarding its properties, the Company is able to use certain tools at its disposal. In acquiring and managing properties leased mainly to high-quality Nordic daily goods retailers, Cibus aims to optimally stimulate sustainable development for both tenants and vibrant local communities, but also to benefit the long-term profit trend for our shareholders.

MATERIALITY ANALYSIS

As a part of our efforts to generate value, in 2019 Cibus conducted a survey of the Company's most important stakeholders and sustainability issues. Starting with its key stakeholders and based on experiences and dialogues, the Company made an assessment of the material expectations on the Company that Cibus can affect. This mapping of stakeholders and material issues forms the basis of Cibus' sustainability efforts. This work is being carried out in three principal areas in which Cibus believes the Company can help achieve the greatest possible impact in society, namely: Being a sustainable partner, Having the climate in focus and Offering accessible marketplaces. Sustainability work will be developed in pace with stakeholder consultations and adapted so that the Company contributes optimally to a sustainable society.

CIBUS' KEY STAKEHOLDERS

In selecting stakeholders, Cibus taken its value chain as its starting point, focusing on those stakeholders who have a substantial influence over, or substantial interest in, the Company's sustainability work.

Stakeholders	**Expectations of Cibus**	**Examples of dialogues**
Customers/tenants	Commitment, permit for redevelopment, renewable energy, confidentiality	Acquisitions, Customer meetings Annual sustainability dialogue Ongoing management
Local communities	Access to societal functions, service, trade, climate-smart solutions	Acquisitions, Indirect engagement via daily goods chains
End-consumers	Access to public transport and local services, secure marketplaces, climate-smart solutions	Indirect engagement via daily goods chains
Investors	Transparent information, financial results, stable operations, ethical and secure transactions	Individual meetings and presentations for investors and the capital market, quarterly reports, Annual Report, Annual General Meeting
Board	Transparent information, financial results, stable operations, ethical and secure transactions, climate	Board meetings, one of which each year is a strategy meeting
Media	Transparent information	Interviews, press releases, quarterly reports, Annual Report
Employees	Good working environment, long-term employer, regulatory compliance, development opportunities,	Employee development interviews, business planning

SUSTAINABILITY WORK IS CONDUCTED IN THREE MAIN AREAS

A sustainable partner

- Financial results
- Committed and present partner
- Ethical and secure transactions
- Transparent information for investors

The climate in focus

- Climate footprint around marketplaces and proprietary operations
- Rejuvenated and energy-efficient property portfolio

Accessible marketplaces

- Create and develop the marketplace
- End-consumer access to shop and services
- Recycling for the end-consumer

A SUSTAINABLE PARTNER

Most of Cibus’ tenants are part of high-quality daily goods chains, which themselves have ambitious objectives regarding their external impact. In an effort to best find solutions to tenants’ challenges, Cibus engages in dedicated and present property management. As a property owner, a key measure in meeting the right needs is to maintain ongoing sustainability discussions with the chains. Cibus, as a long-term partner with a good awareness of the daily goods industry, is able to offer its tenants innovative and commercial arrangements. This stimulates tenants’ sustainability work while improving Cibus’ ability to both extend leases and acquire new properties.

Crucial to Cibus entering into these long-term relationships is the Company’s capacity to be a stable and sound partner, as well as a respectable player in the property sector. Accordingly, a priority within Cibus is to conduct operations characterised by clear principles of business ethics, without risking suspicion of, for example, corruption, questionable tax arrangements or lack of integrity. Cibus’ ability to achieve set financial targets while providing transparent and accurate market information has a significant impact on the Company’s reputation, particularly with regard to the Company’s continued access to the capital market.

CLIMATE IN FOCUS

In order to minimise the operations’ negative impact on the environment and global climate trend, continuous efforts are being conducted to minimise the direct and indirect climate footprint of the properties, since the footprint of the Company’s own operations is marginal. Cibus can, through various means, stimulate tenants to reduce their climate footprint, despite the fact that the properties are leased on contracts exclusive of heating and water, meaning that Cibus does not control their electricity consumption.

An example of such a tool is to be quick and accommodating of tenants’ requests for permits regarding redevelopment and extension of the properties to facilitate investments in renewable energy. At present, about 15 of the properties leased to Tokmanni have had photovoltaic facilities installed on the roof. In line with lower investment costs for solar energy, however, the proportion is expected to increase, thereby reducing electricity consumption. Another means is to gradually rejuvenate the property portfolio in connection with acquisitions and investments, which helps to reduce the property portfolio’s climate footprint. In addition, continued investment in highly accessible properties contributes to continued shop openings and, for end-consumers, to a healthier climate footprint because they do not need to travel to the shop or services.

OFFER ACCESSIBLE MARKETPLACES

Investing in daily goods retail properties in favourable geographical locations with the potential to develop into key marketplaces is a conceptual cornerstone of Cibus' business. Our property investments safeguard vibrant local communities for people who thus gain a safe place in which to conduct their errands. By establishing and strengthening these local communities adjacent to residential areas and in locations with public transport connections, as well as in smaller towns, end-consumers gain access to services, groceries and deliveries in places to which they can walk, ride a bicycle or take public transport. The trend is reinforced by Cibus' efforts to actively rent out premises for complementary service and in other ways increase the attractiveness of the marketplaces.

In urban areas, Cibus therefore invests in properties located near commuter railway stations or other public transport connections, which is an important prerequisite for the development of the marketplace and the ability of end-consumers to conduct their errands without causing a greater climate footprint than necessary. In smaller towns, the daily goods store represents an important social function, as it usually attracts other services and shops, and local residents avoid having to travel to a neighbouring town conduct their errands.

MANAGEMENT OF SUSTAINABILITY WORK

To a large extent, sustainability work is an integral part of Cibus' operations to such an extent that, for example, important sustainability aspects are included in the decision-making documentation for a property transaction, and that, in several respects, tenant-related property management results in sustainable solutions. These efforts can, however, be both improved and strengthened through clearer governance, which was partly the purpose of setting sustainability targets at the beginning of 2020. The intention is to start following up the results of Cibus' efforts to achieve its targets as of 2020, by means of practical measurements, for example.

FRAMEWORKS AND POSITIONS

As a responsible company, Cibus shall be involved in propelling development towards a sustainable society. Cibus supports the principles of the UN Global Compact and seeks to contribute to the global agenda in line with the UN's Global Sustainable Development Goals. Initially, Cibus has selected the goals below. In 2020, the Company's work on the global goals will be further developed.

SDG AREA	GOAL	CIBUS' CONTRIBUTION
5 JÄMSTÄLLDHET	**5.5** "Ensure full participation of women in leadership and decision-making"	Equal participation and equal opportunities in our processes.
7 HÅLLBAR ENERGI FÖR ALLA	**7.2** "Increase the share of renewable energy in the world"	Create change through innovative arrangements for our customers.
9 HÅLLBAR INDUSTRI, INNOVATIONER OCH INFRASTRUKTUR	**9.1** "Create sustainable, resilient and inclusive infrastructures", or	Promote an inclusive and sustainable local community through appropriate property investments.
11 HÅLLBARA STÄDER OCH SAMHÄLLEN	**11.3** "Inclusive and sustainable urbanisation"	
16 FREDLIGA OCH INKLUDERANDE SAMHÄLLEN	**16.5** "Combating corruption and bribery"	Conduct sound and secure transactions and do not accept corruption.

BUSINESS ETHICS AND WHISTLEBLOWER FUNCTION

For us, business ethics means that our customers and partners must be treated professionally. We should always be perceived as straightforward and easy to work with. Returning customers and long-term leases with good cooperation with tenants is one of our focus areas.

Business ethics also plays a part in contributing to a sustainable society. Cibus maintains a Code of Conduct based on our core values of Commitment, Responsibility and Enjoyment. It describes the behaviour Cibus' stakeholders can expect of Cibus' employees. The Code of Conduct also combats the risks of corruption, bribery and other violations.

Cibus has implemented a whistleblower function that can be accessed through the Company's website www.cibusnordic.com. This make possible to report suspicions of corruption or other offences via an independent external party.

Financial risk management and financial instruments

Through its operations, the Group is exposed to various types of financial risks. These mainly relate to liquidity and financing risks which are described in a separate paragraph. The Company's Board has ultimate responsibility for the exposure, management and follow-up of the Group's financial risks. The Board monitors the frameworks that apply for exposure, management and follow-up of financial risks on an ongoing basis; see the "Liquidity, interest-rate and financing risk" section below regarding the management of capital risk.

LIQUIDITY, INTEREST-RATE AND FINANCING RISK

Liquidity risk pertains to the risk of the Group having problems with meeting its obligations in terms of its financial liabilities. The properties are almost fully let with an occupancy rate of 95% and, therefore, the Company depends on the tenants' finances, financial positions and ability to pay, because the Company's income consists entirely of rental income and attributable service income comprising re-invoiced operating costs. The Company's risk profile is based on the counterparty and contract term, which results in short lease agreements having a different risk profile than longer lease agreements. Credit risk is managed by the Group continuously following up on overdue rent receivables. Ongoing liquidity forecasts are prepared to secure short- and long-term liquidity and to minimise liquidity risk.

Financing risk is the risk of the Group being unable to raise sufficient funding at a reasonable cost. The payment of interest and Operating costs is managed by the Group receiving rent payments on an ongoing basis.

At 31 December 2019, the Group had bank loans of around EUR 403,028 thousand (353,912) with a weighted average floating interest margin of 1.6% (1.9) + 3m EURIBOR and a weighted average tenor of 3.5 years (2.9). In addition to its bank loans, Cibus Nordic Real Estate AB (publ) has issued an unsecured bond amounting to EUR 135,000 thousand. The bond matures on 26 May 2021 and carries a floating coupon rate of 4.50% + 3m EURIBOR. The bond has been listed on the Corporate Bond List Nasdaq Stockholm. The Group has also contracted an interest-rate cap for a nominal amount of EUR 285,000 thousand and with a remaining tenor of about 3.5 years, which corresponds to the maturity of the bank loans.

The cost for the fixed-rate term is a consequence of the scope of the hedging, maturities and the choice of financial derivative. Changes in EURIBOR also entail changes in the relative cost for the fixed-rate period. On the maturity date, the Company will need to refinance its outstanding debt. The Board discusses ongoing needs for future financing. The Group's ability to successfully refinance this debt is dependent on the general conditions in the financial markets at that time. Accordingly, at any given time, the Group may not have access to funding sources at advantageous terms, or at all. The Group's ability to refinance its debt obligations at advantageous terms, or at all, may have a material adverse effect on the Group's operations, financial position and earnings.

Interest-rate risk is defined as how the interest rate affects earnings and cash flow. Since the Group's interest rates are essentially fixed for the duration of the loans, interest exposure is limited.

If the interest rate rises 1%, the effect on the Group's profit before tax would be about EUR 2,520 thousand. If the increase in the interest rate was 2%, the effect would be around EUR 5,040 thousand. However, 71% of the Company's loans are hedged with an interest-rate cap and, accordingly, interest-rate risk is limited.

The terms and conditions for the Company's external bond financing include covenants stipulating that the Group's LTV ratio is not permitted to exceed 70% and that the Group's interest coverage ratio must always be higher than 1.75. As of 31 December 2019, the Company met all of these covenants. If the Company does not meet these covenants, it would constitute a breach of the loan agreement.

The Group has three separate senior loans, which were entered into by three Finnish subsidiaries. These loan agreements contain additional covenants pertaining to the LTV ratio and the interest coverage ratio. As of 31 December 2019, all three borrowers met all of these covenants.

Otherwise, the Group's loan agreements do not contain any separate conditions that could result in the payment dates becoming significantly earlier than those shown in the tables below.

The maturity breakdown of the contractual payment commitments pertaining to the Group's and the Parent Company's financial liabilities is presented in the following tables according to the loan terms as of 31 December 2019.

Group 31 December 2019	Within 3 months	Within 3-12 months	Within 1-3 years	More than 4-5 years
Borrowings	39	428	538,061	-
Derivatives	157	387	1,618	-
Interest rates	3,038	9,147	18,946	-
Interest rates	218	-	-	-
Other current liabilities	3,979	879	-	-
Other non-current liabilities	113	256	1,312	4,481
Total	**7,544**	**11,097**	**559 937**	**4,481**

Group 31 December 2018	Within 3 months	Within 3-12 months	Within 1-3 years	More than 4-5 years
Borrowings	-	-	352,143	136,769
Derivatives	71	213	1,471	246
Interest rates	3,113	9,434	18,505	1,961
Interest rates	190	-	-	-
Other current liabilities	4,367	697	-	-
Total	**7,741**	**10,344**	**372,119**	**138,976**

Parent Company 31 December 2019	Within 3 months	Within 3-12 months	Within 1-3 years	More than 4-5 years
Borrowings	-	-	135,000	-
Interest rates	1,389	4,168	2,254	-
Interest rates	34	-	-	-
Other current liabilities	20	-	-	-
Total	**1,443**	**4,168**	**137,254**	**-**

Parent Company 31 December 2018	Within 3 months	Within 3-12 months	Within 1-3 years	More than 4-5 years
Borrowings	-	-	135,000	-
Interest rates	1,425	4,275	8,590	-
Interest rates	-	-	-	-
Other current liabilities	4	-	-	-
Total	**1,429**	**4,275**	**143,590**	**-**

EURIBOR on the balance sheet date has been used to calculate liquidity flows for loans, and for the variable features of the interest-rate cap.

The Group's undertakings in terms of financial liabilities are covered by the cash flow from the contracted rental agreements. Ongoing liquidity forecasts are prepared to secure short- and long-term liquidity and to minimise liquidity risk.

Illustrated below are the changes in the Company's financing activities pursuant to IAS 7 Statement of Cash Flows.

Summary of liabilities arising from financing activities

Group	Borrowings	Financial derivatives	Total
OB 1 Jan 2019	**488,912**	**1,938**	**490,850**
Borrowings raised	263,348	-506	**262,842**
Repayment of debt	-214,232	-	**-214,232**
Cash flow from financing activities	-	-	**-**
Non-cash items	-	730	**730**
CB 31 Dec 2019	**538,028**	**2,163**	**540,190**

Group	Borrowings	Financial derivatives	Total
OB 1 Jan 2019	135,000	-	**135,000**
Borrowings raised	-	-	-
Cash flow from financing activities	-	-	-
Non-cash items	-	-	**-**
CB 31 Dec 2019	**135,000**	**-**	**135,000**

Credit and counterparty risk

Credit risk refers to the risk that a transaction counterparty causes a loss for the Group by failing to meet its contractual obligations. The Group's credit risk exposure arises mainly with regard to rental receivables. The economic occupancy rate in the property portfolio is currently about 95%. %. Based on historical levels in the portfolio, this is in line with the expected long-term vacancy rate for the portfolio. The Company therefore depends on the tenants' finances, financial positions and ability to pay, because the Company's income consists entirely of rental income.

The Company's risk profile is based on the counterparty and contract term, which results in short lease agreements having a different risk profile than longer lease agreements. Credit risk is managed by the Group continuously following up on overdue rent receivables.

The Group's and the Parent Company's maximum credit risk exposure is assessed as corresponding to the carrying amounts for all financial assets and is set out in the following table.

(EUR thousands)	Group 31 December 2019	Parent Company 31 December 2019
Rental receivables	431	-
Other receivables	3,384	148
Cash and cash equivalents	24,746	9,709
Maximum exposure to credit risk	**28,561**	**9,857**

(EUR thousands)	Group 31 December 2018	Parent Company 31 December 2018
Rental receivables	422	-
Other receivables	2,052	28
Cash and cash equivalents	25,542	6,795
Maximum exposure to credit risk	**28,016**	**6,823**

No significant effects arise from discounting based on current market conditions, since operating receivables and operating liabilities mature in less than three months. The credit risk on long-term loans has not changed significantly since the loans were raised. The risk attributable to financial counterparties is assessed as being limited.

Management of capital risk

The Group monitors the capital structure based on the debt/equity ratio, interest coverage ratio, DSCR, LTV ratio and equity/assets ratio. For definitions page 65.

Debt/equity ratio	Group	
	31 Dec 2019	31 Dec 2018
Total liabilities	579,873	519,005
Equity	332,869	328,680
Debt/equity ratio, multiple	**1.7**	**1.6**

Interest coverage ratio	Group	
	31 Dec 2019	31 Dec 2018
Net operating income - Admin. costs + Financial income	43,340	21,423
Financial expenses	12,802	6,267
Interest coverage ratio, multiple	**3.4**	**3.4**

Net debt LTV ratio	Group	
	31 Dec 2019	31 Dec 2018
Net liabilities to credit institutions *	513,282	476,503
Market value of properties	874,813	816,478
LTV ratio, %	**58.7**	**58.4**

Equity ratio	Group	
	31 Dec 2019	31 Dec 2018
Equity	332,869	328,680
Total assets	912,742	847,685
Equity/assets ratio, %	**36.5**	**38.8**

* Adjusted for arrangement fees less cash and cash equivalents.

CATEGORISATION OF FINANCIAL INSTRUMENTS

The carrying amounts for financial assets and liabilities broken down by valuation category in accordance with IFRS 9 are shown in the following table.

31 Dec 2019	Financial assets measured at amortised cost (hold to collect)	Financial liabilities measured at amortised cost	Financial assets measured at fair value	Financial liabilities measured at fair value	Carrying amount
Financial assets					
Accounts receivable	431	-	-	-	431
Other non-current receivables	-	-	224	-	224
Other receivables	3,384	-	-	-	3,384
Cash and cash equivalents	24,746	-	-	-	24,746
	28,561	**-**	**224**	**-**	**28,785**
Financial liabilities					
Liabilities to credit institutions, non-current	-	535,212	-	-	535,212
Financial derivatives	-	-	-	2,163	2,163
Accounts payable	-	218	-	-	218
Other current liabilities	-	17,362	-	-	17,362
	-	**552,792**	**-**	**2,163**	**554,955**

31 Dec 2018	Financial assets measured at amortised cost (hold to collect)	Financial liabilities measured at amortised cost	Financial assets measured at fair value	Financial liabilities measured at fair value	Carrying amount
Financial assets					
Accounts receivable	422	-	-	-	422
Other non-current receivables	-	-	709	-	709
Other receivables	2,052	-	-	-	2,052
Cash and cash equivalents	25,542	-	-	-	25,542
	28,016	**-**	**709**	**-**	**28,725**
Financial liabilities					
Liabilities to credit institutions, non-current	-	486,132	-	-	486,132
Financial derivatives	-	-	-	1,938	1,938
Accounts payable	-	190	-	-	190
Other current liabilities	-	15,913	-	-	15,913
	-	**502,235**	**-**	**1,938**	**504,173**

Fair value measurement

The Group holds financial instruments measured at fair value in the balance sheet. The financial instruments comprise the interest-rate cap, as described earlier. The Company's investment properties are recognised at fair value in accordance with level 3 above. For more details, refer to the "Investment properties" section under Accounting Policies and Note 12. The fair value of the Company's borrowings is assessed as corresponding to the carrying amount at the end of the financial year. The carrying amounts for other financial assets and financial liabilities are assessed as providing a good approximation of the fair values.

Cibus works continuously to acquire develop and manage high-quality properties in the Nordics with reputable daily-goods store chains as their anchor tenants.

BUSINESS ORGANISATION

RENTAL INCOME

Description risk	Risk management
Cibus's results are affected by the portfolio's vacancy rate, customer losses and possibly by the loss of rental income. The (financial) letting ratio for the portfolio at the end of the period was slightly more than 95% and the weighted average unexpired lease term (WAULT) was 4.9 years. About 90% of the Company's income stems from properties rented to three tenants in the 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 daily-goods sector. Cibus continuously monitors the financial development of the Company's tenants and assesses alternative tenants. By making niched investments in food and daily goods retail properties, Cibus is more resistant to the negative impact of e-commerce. To reduce the risk of tenant concentration, Cibus strives to be a strategic partner and not just a property manager.

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 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.	**Active and ongoing** maintenance is conducted to retain and improve the properties' standard and to minimise the risk of needs for repair. Cibus works continuously with efficiency improvement in its property management – involving, for example, improved energy systems that reduce energy consumption and environmental impact. Cibus works with long-term maintenance planning for the properties to control maintenance costs and to avoid unforeseen damage and repairs. All properties are insured against damage.

TRANSACTION RELATED COSTS

Property acquisitions form a central part of Cibus' strategy. To implement acquisitions, it is necessary for suitable investment objects within Cibus' niche to be available for sale at reasonable price levels. Acquisitions can also be associated with risks associated with the seller and the acquired operations and property.	**Cibus holds a strong position** in the transaction market for food and daily goods retail properties in Finland, and has a team with broad experience and in-depth knowledge of property transactions. In the other Nordic countries, Cibus is in the process of building up networks and relationships. The process of evaluating an acquisition is based on the property having an anchor tenant with a long-term lease. In preparation for an acquisition, the property and tenant are evaluated and a risk analysis is performed.

PROJECT DEVELOPMENT

In collaboration with other players, Cibus adapts its properties to tenants' needs on an ongoing basis.	**In connection with tenant adjustments,** Cibus has opportunities to renegotiate leases in line with the scope of investment.

TAX

Changes in tax legislation and regulations can affect the taxation of properties and the Company. Altered tax rates and regulations in Sweden and Finland can affect earnings and key figures, as well as Cibus' opportunities for growth.

On 1 January 2019, the new rules limiting interest deductibles came into effect. The Swedish 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 interest-rate restrictions will not have an impact during the reporting period.

Cibus closely monitors political developments and continuously follows developments in the regulatory area to pick up on proposed rule changes at an early stage. This monitoring ensures that Cibus understands the effects of any rule changes in good time.

ENVIRONMENTAL RISKS

Properties impact the environment through, among other things, ongoing maintenance, tenant adjustments and the operations conducted in them.

According to the Environmental Code, Cibus may be required to pay for measures necessitated by contamination or environmental damage. This can affect the Company's earnings and key figures. Properties with a negative environmental profile in terms of, for example, energy consumption can be perceived as less attractive to tenants, generate higher energy costs relative to other properties and incur costs for upgrading.

Acquisitions of new properties are always preceded by environmental studies to elucidate the property's environmental status. In this way, Cibus minimises the risk of acquiring properties with some form of environmental debt.

Cibus works with the overall objective of reducing negative environmental impacts together with our tenants. Additional information on sustainability is provided on pages 22-24.

CHANGES IN VALUE OF PROPERTIES

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' 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.

Cibus' property portfolio has a geographical spread in Finland and in Sweden. Cibus' strategy is to grow in the Nordic region to further increase its geographical spread and thus the market risk.

Cibus' focus on food and daily goods retail entails stable tenants and long-term leases. The market value of all Cibus' properties is assessed every quarter by external independent property appraisers.

INTERNAL PROCESSES AND CONTROL

Cibus can be affected within the framework of its ongoing operations. Negatively by faulty procedures, lack of control or irregularities within and outside the organisation.

Cibus monitors internal processes and checks compliance with regulations (more information is provided in the Corporate Governance Report on page 33).

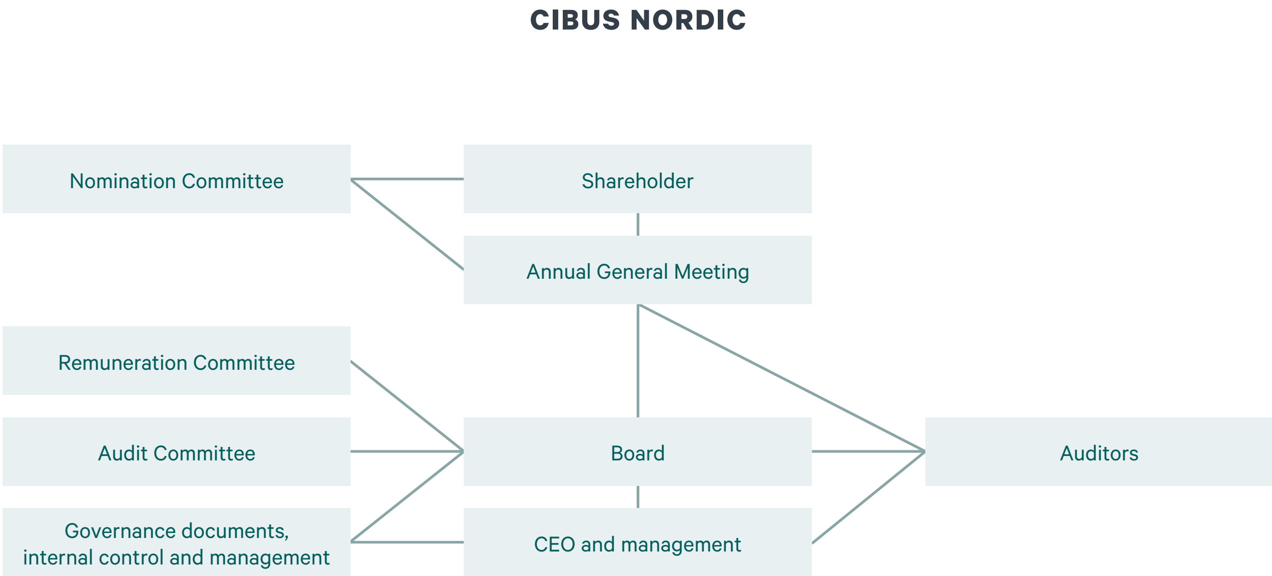
EMPLOYEES AND EXPERTISE

Cibus' future development depends largely on the knowledge, experience and commitment of its employees.

The Company has chosen to maintain a relatively small organisation with the aim of working quickly and efficiently, which can result in a certain dependence on individual employees and suppliers – in connection with the outsourcing of lease administration, for example.

Cibus works gradually to strengthen the organisation with the aim of reducing its dependence on key individuals.

Corporate Governance Report



STARTING POINT

Good corporate governance, risk management, internal control and management are key components in a successful business. These are prerequisites for Cibus' capacity to continue to growing with capacity for dividends and are a hygiene factor in building trustful relationships with our investors and other stakeholders. The Corporate Governance Report pertains to the 2019 financial year.

Cibus Nordic Real Estate has applied the Swedish Code of Corporate Governance (the "Company Code" available at www.bolagsstyrning.se) since 1 July 2019 and complies with applicable corporate governance legislation, primarily the Companies Act and the Annual Accounts Act.

Deviations from the Swedish Code of Corporate Governance

Cibus has followed the Swedish Code of Corporate Governance with a few deviations. For calendar year 2019, there were no guidelines for remuneration of senior executives, as required by the Code. The Code also states that at least half of the members of the Board must be independent of the Company or of the Company's major shareholders. For 2019, two of the Company's four Board members can be considered dependent on the Company and the Company's largest shareholder, SFC Holding, which, in 2019, reduced its ownership from slightly more than 40 percent to slightly more than 10 percent of votes and capital.

Cibus explains these discrepancies as being due to the Company commencing application of the Company Code in connection with the transition to Nasdaq First North Premier Growth Market on 1 July 2019, that is, after the 2019 Annual General Meeting.

For the 2020 financial year, Cibus aims to apply the Code and adhere to its provisions. The Board of Cibus intends to present guidelines for remuneration of senior executives and the Board for approval by the 2020 Annual General Meeting, and Cibus' Nomination Committee intends to submit proposals to the 2020 Annual General Meeting for the composition of the Board in accordance with the recommendations in the Company Code.

CORPORATE GOVERNANCE STRUCTURE

Cibus Nordic Real Estate's decision-making bodies are the Annual General Meeting, the Board, the President and the Company's auditor. At the ordinary General Meeting, which is to be held within six months of the end of the financial year (the Annual General Meeting), the shareholders appoint a Board and an auditor. The Board appoints the CEO. The auditor reviews the Annual accounts as well as the administration by the Board and the CEO.

The Nomination Committee is tasked with proposing Board members, the Chairman of the Board and the auditor for election by the Annual General Meeting.

Shares and shareholders

Information on Cibus Nordic Real Estate's shares and shareholders can be found on pages 10-11 and 39.

General Meeting

The General Meeting is Cibus Nordic Real Estate's highest decision-making body. Shareholders included in the share register on the record date and who have given notice of their participation in time, are entitled to attend the Annual General Meeting and to vote in person or via a proxy. At the Annual General Meeting, shareholders exercise their voting rights to make decisions regarding proposals from the Nomination Committee, the Board and the shareholders, as well as on key matters including the adoption of income statements and balance sheets, the approval of dividends and the election of the Board. In addition, auditors are elected, fees are determined and other statutory matters are addressed. At the Meeting, resolutions are normally approved by a simple majority. In certain matters, however, the Companies Act stipulates that a proposal must be approved by a greater proportion of the votes represented at the Meeting. In addition to the Annual General Meeting, which is held within six months of the end of the financial year, an Extraordinary General Meeting may be announced if the Board considers this to be necessary or if this is requested by a shareholder holding at least 10 percent of the shares.

Annual General Meeting 2019

The 2019 Annual General Meeting was held on 11 April in Stockholm. A total of 48 percent of the total number of shares and votes was represented.

The accounts for 2018 were approved and the Board members and the CEO were discharged from liability. A decision was also made on the election of Board members, the Chairman of the Board and auditors, and on the fees to be paid to the Board members and the auditors. The Annual General Meeting approved a dividend of EUR 0.84 per share, totalling EUR 26,124,000, and that the dividend be paid in quarterly partial payments.

A decision was also taken to establish a warrants programme encompassing a total of 186,600 warrants to the CEO to strengthen the connection between shareholder value and common interests with the shareholders.

Extraordinary General Meeting 2020

An Extraordinary General Meeting was held on 23 January 2020 in Stockholm. A total of 24 percent of the total number of shares and votes was represented. It was resolved, in accordance with the proposal by the Board, to authorise the Board to decide on a new share issue, with or without preferential rights for the Company's existing shareholders. The total number of shares that may be issued pursuant to this authorisation may not exceed 20 percent of the number of shares outstanding in the Company as per the date of the Extraordinary General Meeting, meaning that 6,220,000 shares may be issued.

It was further resolved, in accordance with the proposal by the Board, that, in the event the Board exercises the authorisation to issue new shares at a time when the newly issued shares are included in the share register no later than the record date for the dividend expected to be paid out on 31 March 2020, as determined by the Annual General Meeting, that is, on 24 March 2020, a dividend shall be paid in such an amount that it still amounts to EUR 0.22 per share, for both existing shares and new shares that can be issued applying the authorisation. This entails an additional dividend totalling EUR 1,368,400 on maximum utilisation of the Board's authorisation to issue shares. If the authorisation is not exercised within that time, no additional dividend shall be paid.

Nomination committee

In accordance with a resolution by the 2019 Annual General Meeting, Cibus shall have a Nomination Committee comprising a total of four members, one of the members being the Chairman of the Board. The Nomination Committee is appointed based on the voting rights of the three largest shareholders on the last trading day in September 2019. Each of the three largest shareholders appoints a representative who is not a member of the Company's Board, to constitute, together with the Chairman of the Board, a Nomination Committee for the period until a new Nomination Committee is appointed. The largest shareholders will only be represented in the Nomination Committee if they wish to be so.

The Nomination Committee appoints one of its members to chair the Nomination Committee. The Chairman of the Board of the Company may not be appointed chairman of the Nomination Committee. The composition of the Nomination Committee must be published no later than six months before the next Annual General Meeting.

The members of the Nomination Committee do not receive any fees. The Nomination Committee's work shall include submitting proposals to the Annual General Meeting regarding the Board, the Chairman of the Board and the auditor. The Nomination Committee shall also submit recommendations to the Annual General Meeting regarding the fees to be paid to the Board and the auditors as well as the principles for appointing a new Nomination Committee.

The instructions to the Nomination Committee, adopted by the 2019 Annual General Meeting, can be found on Cibus' website www.cibusnordic.com.

Prior to the 2020 Annual General Meeting, the Nomination Committee comprises:

- Matti-Pekka Sävelkoski, representing SFC Holding
- Olof Nyström, representing AP4
- Jussi Nyrölä, representing Talomon Capital
- Patrick Gylling, Chairman of the Board of Cibus Nordic Real Estate

The Nomination Committee intends to apply provision 4.1 of the Company Code as its diversity policy in preparing its proposal regarding the Board. The aim of the policy is that the Board should be appropriately composed in view of the Company's operations, stage of development and other circumstances, and should be characterised by versatility and breadth in terms of expertise, experience and background and seeking an even gender distribution. At the 2019 Annual General Meeting, four members were elected, of whom two are women and two are men. As a basis for its proposal for the 2020 Annual General Meeting, the Nomination Committee makes an assessment of whether the Board is appropriate based on an annual assessment of the Board's work and applying the Company Code.

The role and composition of the Board

The Board plays a central role in Cibus' business model of acquiring, developing and managing high-quality properties in the Nordic region to generate yield for shareholders. After the Annual General Meeting, the Board is the Company's highest decision-making body. The work of the Board is governed, among other things, by the Companies Act, the Articles of Association and the Board's Rules of Procedure. The Board establishes goals and strategic guidelines, is responsible for the CEO executing Board decisions and has ultimate responsibility for the Company's internal control and risk management.

According to the Articles of Association, Cibus' Board shall consist of a minimum of three and a maximum of eight ordinary members elected by the Annual General Meeting, without deputies. At the 2019 Annual General Meeting, four ordinary Board members were elected. More information on the Board members can be found in the table on page 33, as well as on page 35.

The Board of Cibus consists of:

- Patrick Gylling, Chairman of the Board
- Jonas Ahlblad
- Johanna Skogestig
- Elisabeth Norman

The work is based on the Board's Rules of Procedure and follows an annual plan. Each meeting is based on an agenda and relevant background documentation distributed to the members of the Board in advance of the meeting. In addition to the statutory Board meeting in conjunction with the Annual General Meeting, the Board normally meets nine times a year (ordinary meetings, including meetings in connection with the publication of interim and annual reports).

Additional Board meetings are convened when necessary. In 2019, the Board held a total of 19 meetings.

Matters addressed by the statutory Board meeting included the Board's Rules of Procedure and decisions regarding authorisation of company signatories. To date, not having found this appropriate in view of the size of the Company, the Board has not established an Audit Committee or Remuneration Committee.

Ordinary Board meetings include several fixed agenda items. Reporting to the Board includes outlines of the development of the operations, the management of the properties, possible acquisition objects, analyses of risks, sustainability work, financial position and dividend capacity. All Board decisions are based on decision-making documentation and are made following discussions mediated by the Chairman of the Board.

The work of the Board is evaluated annually in a structured process headed by the Chairman of the Board. The 2019 evaluation was conducted by means of a questionnaire with the aim of obtaining an understanding of Board members' views on the formats of the work of the Board, the composition of the Board, of Directors, the performance of the Board and areas for improvement. The results of the evaluation have been presented and discussed by the Board. The conclusions from these evaluations and discussions have been reported orally to the Nomination Committee.

The Chairman of the Board leads the work of the Board and follows the activities in dialogue with the CEO. The Chairman of the Board represents the Company in matters concerning shareholder structure and matters of specific importance. The assignment entails responsibility for ensuring that the work of the Board is well-organised and effective, that the Board fulfils its commitments and that it receives satisfactory information and decision-making documentation.

Remuneration to the Board

At the Annual General Meeting, it was resolved that Board fees should be paid in the amount of EUR 2,000 per month each to Elisabeth Norman and Johanna Skogestig and that no fees should be paid to other members.

Safeguarding quality in financial reporting

The Rules of Procedure, which are adopted annually by the Board, include detailed instructions on, among other things, which financial reports and what financial information should be provided to the Board.

In addition to year-end reports, interim reports and annual reports, the Board reviews and evaluates extensive financial data regarding Cibus. The Board also processes information on risk assessments, disputes and any irregularities that may have an impact on Cibus' financial position. The Board also reviews the most significant accounting principles applied in the Group regarding financial reporting and material changes in accounting principles, as well as reports on internal control and the processes for financial reporting.

The Company's auditors report to the Board when necessary and at least twice annually, with at least one of these occasions not taking place under the Company's management. In connection with the Board meeting addressing the annual accounts, the administration report, the proposed allocation of profits and the year-end report, the auditor submits an account of his/he observations and assessments from the audit conducted.

Audit

Cibus' auditors review the annual accounts and the annual report, as well as the Company's ongoing operations and procedures, and then comment on the financial reporting, as well as on the administration by the Board and the CEO. After each financial year, the auditors shall submit an audit report to the Annual General Meeting. Each year, the Company's auditors report the observations from their audit and their assessments of the Company's internal control to the Board in person. At the 2019 Annual General Meeting, the accounting firm KPMG was elected as the Company's auditor, with authorised auditor Mattias Johansson as the auditor in charge for the period up until the end of the next Annual General Meeting. At the 2019 Annual General Meeting, it was resolved that remuneration to the auditor should be paid in accordance with approved invoicing. In 2019, fees to the auditor totalled EUR 204 thousand for the entire Group.

The CEO and Group Management

The CEO leads the operations in accordance with the instructions to the CEO as adopted by the Board. The CEO is responsible for ensuring that the Board receives relevant information and the decision-making documentation required for the Board to be able to make well-founded decisions.

In 2019, Group management consisted of the CEO and CFO. Group management regularly discusses current issues and holds strategy days together with the Board at least once a year.

Remuneration to senior executives

In 2019, a total of EUR 465 thousand was paid in fixed remuneration to the Company's senior executives (Group Management). The total gross remuneration paid to the CEO, including basic salary, pension premiums, as well as car and health insurance benefits, amounted to EUR 253 thousand in 2019. Remuneration to senior executives is described in Note 7 on page 55.

Control documents and internal control

The Board bears the overall responsibility for ensuring that Cibus maintains satisfactory internal control. The CEO is responsible for ensuring that there is a satisfactory system of internal control covering all significant risks in the ongoing operations. Cibus built up the organisation in 2019 and worked on establishing governance documents and control systems.

Each year, the Board adopts governance documents in the form of the instructions and guidelines to the CEO. The instructions to the CEO provide guidance and clarify which decisions are made by the Board and which are made by the CEO. Against the background of Cibus' operations, organisational structure and how financial reporting is organised in other regards, the Board finds no need for a specific audit function in the form of internal audit.

The Board continuously assesses the financial reporting received each quarter in conjunction with Board meetings and includes the property portfolio, debt, dividend capacity and other important circumstances. The CEO and CFO, who report to the Board, are responsible for maintaining an effective control environment and the ongoing processes of internal control and risk management. The Board maintains an ongoing dialogue with the Company's auditor regarding the scope and quality of the Company's financial reporting.

Risk assessment

The Company continuously monitors risk and updates its analysis and assessment of risks that could lead to errors in the financial reporting. This is achieved mainly through contacts between the CEO and CFO and the accounting/finance function. Once a year, management conducts a workshop with the Board to identify the areas where risks of strategic, financial or operational errors are increased. In accordance with the risk policy, the Board analyses, at least once annually, the outcome of the Company's risk assessment and risk management to ensure that it covers all significant risk areas. Sustainability issues are an ongoing part of the risk analysis and assessment.

Control activities

Cibus has established a number of control measures that are both preventive and aimed at avoiding losses or errors in the financial reporting. Financial reports for the Group are prepared each quarter. These include detailed reviews of how each property is performing. They also include specific analyses of operating net, letting ratio, cost follow-up, investments, cash flow and financing. At these meetings, special emphasis is placed on reviewing any issues and safeguarding accurate financial reporting. Checks are performed at several levels in the Company to ensure that inaccuracies are rectified.

The control environment is established through how the operations are organised, the corporate culture, rules and guidelines, communication and follow-up. The main task of the management and its employees is, in part, to implement, further develop and maintain Cibus' control procedures and, in part, to perform internal control focused on business-critical issues. Each year, the Company's auditor reviews a selection of controls and processes and reports any areas for improvement to Company management and the Board. Nothing has emerged that indicates that the control system would not work as intended.

Name	Feature	Elected year	Independent of the Company	Independent of major shareholders	Fees approved by AGM in EUR	Number of Board meetings
Patrick Gylling	Chairman of the Board	2018	Yes	No	-	19/19
Elisabeth Norman	Board member	2018	Yes	Yes	24,000	19/19
Johanna Skogestig	Board member	2018	Yes	Yes	24,000	19/19
Jonas Ahlblad	Board member	2018	Yes	No	-	19/19

Statutory Sustainability report

Cibus' contribution to sustainable growth consists of efforts to create accessible and climate-smart marketplaces for end-consumers.

Cibus' contribution to sustainable growth consists of efforts to create accessible and climate-smart marketplaces for end-consumers. Cibus' entire property portfolio is leased primarily to quality daily goods retailers with ambitious sustainability objectives. In its ongoing operations, Cibus works to facilitate tenants 'sustainability improvements and to invest in properties that improve end-consumers' accessibility to marketplaces.

Sustainability work is conducted as an integral part of Cibus' ongoing operations. Work focuses on three areas: Being a sustainable partner, Having the climate in focus and Offering accessible marketplaces (additional information is provided on pages 22-24). The focus of the sustainability work was determined by the Board of Cibus in 2019. In connection with this, a number of sustainability targets were also set.

ENVIRONMENT

The main environmental goal is to reduce the climate footprint of Cibus' properties and the ongoing operations at the two offices. Cibus' climate footprint is dominated by heating and electricity consumption in the properties owned by the Company, which is determined entirely by the tenants since the properties are leased without heating or electricity being included in the rent.

Cibus can influence the climate by prioritising tenants seeking to reduce their climate footprint, as well as being accommodating in handling requests for remodelling or extensions to the properties to enable investments in renewable energy sources. In 2018, electricity consumption in 85% of the property portfolio amounted to 128,736 MWh. During 2019, photovoltaic cells were installed on the roofs of several properties. Furthermore, more environmentally friendly light sources have been installed in a large part of the property portfolio. Electricity consumption in the current operations amounted to 1,205 KWh.

For the electricity consumed at the offices in the ongoing operations, power is purchased only from companies guaranteeing that their electricity is generated entirely from renewable sources. Cibus holds no environmental permits.

SOCIAL RESPONSIBILITY

Satisfied and committed employees are crucial for Cibus' success. This is achieved through a sound and secure working environment and by encouraging wellness. In 2019, Cibus' personnel comprised three employees with a gender distribution of 67% women and 33% men. The size of the organisation means that individual employees have a considerable impact on the operations.

Carbon dioxide emissions in Cibus according to GHG Protocol

Climate calculation	Impact in CO_2 equivalents	Total CO_2e emissions 2019, (tonnes)
Scope 1 (directly affected)	• Emissions from proprietary/leased vehicles[1]	1.1
Scope 2 (indirectly affected)[2]	• Emissions from purchased electricity	0.00002
Scope 3	• Emissions from proprietary business travel[3] • Emissions from properties owned and leased [4]	11 20.579

[1]The calculation is based on Volvo V60 D4, 1,000 kilometres driven, mixed driving.
[2]The account lacks data for CO_2 emissions from heating consumed by two offices of a total 197 square metres.
[3]Includes only the organisation's business travel by air. Calculation based on ICAO method.
[4]Location-based-method. The calculation is based on 92% of the property portfolio and tenants' publicly reported data for 2018.

Board, Management and Auditor

The Board comprises Patrick Gylling, Chairman of the Board, Elisabeth Norman, Johanna Skogestig and Jonas Ahlblad. Group Management in 2019 comprised Sverker Källgården, CEO and Pia-Lena Olofsson, CFO

1

JONAS AHLBLAD

Board member since 2018

- Master of Economics from Hanken School of Economics
- Other assignments: CIO at Sirius Capital Partners
- Shareholding 47,150
- Shareholding through Sirius Capital Partners 500,000

2

PIA-LENA OLOFSSON

CFO & Head of IR since 2019

- Executive MBA from Warwick Business School and MBA from University of Gothenburg
- Other assignments: -
- Shareholding 4,000

3

JOHANNA SKOGESTIG

Board member since 2018

- MSc Engineering from the Royal Institute of Technology
- Other assignments: CEO Vasakronan
- Shareholding 5,600

4

ELISABETH NORMAN

Board member since 2018

- BA from Uppsala University
- Other assignments: Chairman of the Board EHB Hyresbostäder AB, Chairman of the Board Nivika Fastigheter AB (publ), Vice Chairman of the Board Sveriges Allmännytta, Board member Byggpartner i Dalarna AB (publ), Board member Örndalen Exploatering AB
- Shareholding: 1,500

5

PATRICK GYLLING

Chairman of the Board since 2018

- Master of Economics from Hanken School of Economics
- Other assignments: CEO of Sirius Capital Partners and Board member Annuity Hereditas Ab
- Shareholding 282,900
- Shareholding through Sirius Capital Partners 500,000

6

SVERKER KÄLLGÅRDEN

CEO since 2019

- MSc Engineering from the Royal Institute of Technology
- Other assignments: -
- Shareholding 860
- Options 186,600

Lauri Tiensuu has been hired as CIO Finland and is a member of Company Management as of 2020.

Authorised Public Accountant

The Annual General Meeting elected the accounting firm KPMG AB as auditor. The responsible auditor is Mattias Johansson.

Financial statements

Administration report

ANNUAL REPORT FOR CIBUS NORDIC REAL ESTATE AB (PUBL)

The Board of Directors and the CEO of Cibus Nordic Real Estate AB (publ) (hereinafter “Cibus”), registered in Stockholm, Sweden with company registration number 559135-0599, hereby present the consolidated financial statements and the Parent Company’s annual accounts for the financial year from 1 January 2019 until 31 December 2019. The Company’s reporting currency is euro and unless otherwise stated all amounts are in thousand euro (EUR thousands).

OPERATIONS

Cibus’ operations consist of acquiring, developing and managing high-quality properties in the Nordic region with reputable daily-goods chains as their anchor tenants. This is designed to generate stable, cyclically resilient and increasing dividends for the Company’s shareholders.

BUSINESS CONCEPT, GOALS AND STRATEGY

Cibus’s business concept is to create long-term growth and value gains through the acquisition, development and management of high-quality properties in the Nordic region with a clear focus on properties anchored by daily-goods chains. The main goal of the Company’s business concept is to secure and maintain the portfolio’s solid cash flow to thereby allow a favourable dividend to its shareholders irrespective of economic conditions. The strategy applied by the Company to reach this goal encompasses active and close tenant relationship management in combination with endeavouring to secure financially strong tenants in market-leading positions. Moreover, the Company endeavours to enter into long-term leases and to retain the diversified lease duration for the Company’s existing leases.

Alongside the management of the existing property portfolio, the Company has formulated a clear investment strategy for continued growth in Finland but also for expansion into the other Nordic countries, with Sweden initially earmarked as a prioritised market. The Company will be highly selective when assessing new potential investments to thereby ensure it can continue to offer competitive dividends in parallel with active investment activities.

PROPERTY PORTFOLIO AND TENANTS

At 31 December 2019, the property portfolio comprised 142 properties with a total lettable area of slightly more than 506,000 square metres. The market value was EUR 874,813 thousand. The holdings consisted solely of retail premises that are mainly used for the daily-goods sector. The properties are primarily located in growth regions of Finland, with around two thirds in the south and the south-west of the country. The overwhelming majority of the tenants comprise companies in the daily goods and discount retail sector. The market leaders in the daily goods sector, Kesko and S-Group, jointly lease slightly more than 60% of the Company’s properties. Finland’s largest discount retailer, Tokmanni, leases slightly more than quarter of the Company’s properties. The portfolio’s occupancy rate is 95% and the weighted average unexpired lease term (WAULT) is 4.9 years.

Cibus performs external valuations on all properties four times per year, at the end of each quarter. The properties are valued by an independent valuation institute at fair value, which is based on a market valuation. Newsec has performed the valuations for this reporting period.

KEY FINANCIAL RATIOS, GROUP

Unless otherwise stated all amounts are in thousand euro (EUR thousands).	Full-year 2019	1 Jul 2018-31 Dec 2018	Full-year 2018*
Rental income	51,530	24,977	39,733
Net operating income	48,618	23,407	37,521
Profit from property management	28,667	14,674	22,871
Net profit after tax**	30,279	13,366	46,267
Earnings per share, EUR	1.0	0.4	1.5
Total assets	912,742	847,685	847,685
Cash and cash equivalents	24,746	25,542	25,542
Market value of properties	874,813	816,478	816,478
Adjusted EPRA NAV	354,135	344,454	344,454
Adjusted EPRA NAV per share, EUR	11.4	11.1	11.1
No. of shares outstanding	31,100,000	31,100,000	31,100,000
Return on equity, %	9.2	7.7	14.7
Senior debt LTV ratio, %	46.1	43.4	43.4
Net debt LTV ratio, %	58.7	58.4	58.4
Interest coverage ratio, multiple	3.4	3.4	3.3
Equity ratio, %	36.5	38.8	38.8
Debt/equity ratio, multiple	1.7	1.6	1.6
Surplus ratio, %	94.3	93.7	94.4
Economic occupancy rate, %	94.7	96.0	96.0

*Full-year 2018 refers to the two abbreviated financial years with the closing dates 30 June 2018 and 31 December 2018, which have been merged. The Company was dormant until 7 March 2018.

**Unrealised changes in value for the period totalled EUR 7,034 thousand (1,995) (32,270).

PERFORMANCE ANALYSIS FULL-YEAR 2019

Income

Consolidated rental income for 2019 amounted to EUR 51,530 thousand. Service income totalled EUR 8,661 thousand and consisted largely of re-invoiced expenses. The financial letting ratio was 94.7%. At 31 December 2019, the total annual rental value amounted to approximately EUR 56,605 thousand.

Net operating income

The operating expenses for the reporting period totalled EUR 11,573 thousand and net operating income amounted to EUR 48,618 thousand, resulting in a surplus ratio of 94%. 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.

Net financial items

Net financial items amounted to an expense of EUR 14,826 thousand and consisted mainly of interest expenses for the period of EUR 12,175 thousand but also included arrangement fees, expenses for interest rate derivatives and site leasehold fees in accordance with IFRS 16. During the period, the secured loan was renegotiated on more favourable terms. In addition to secured loans, an unsecured bond has been issued in the amount of EUR 135 million. At the end of the period, average interest rate in the loan portfolio, including margins and expenses for interest rate hedging, was 2.4%.

Profit from property management

For the reporting period, profit from property management amounted to EUR 28,667 thousand, corresponding to EUR 0.9 per share.

Changes in property values

Including acquisitions, changes in property values amounted to EUR 58,335 thousand from the opening balance of EUR 816,478 thousand to the closing balance of EUR 874,813 thousand. Of the value changes, EUR 7,034 thousand was unrealised. During the period, disbursements for acquisitions of properties were made in the amount of EUR 51,947 thousand, while divestments brought in EUR 2,070 thousand. In addition, investments have been made in the properties for EUR 1,424 thousand.

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 6,173 thousand. Tax assets attributable to these loss carryforwards have been recognised in the consolidated balance sheet in an amount of EUR 1,304 thousand and in the Parent Company's balance sheet in an amount of EUR 1,059 thousand. Cibus recognised total tax for the reporting period of negative EUR 5,117 thousand, of which current tax and deferred tax amounted to negative EUR 543 thousand and negative EUR 4,574 thousand, respectively. A tax expense of EUR 930 thousand was charged to operating activities.

Net profit after tax

Profit for the year after tax amounted to EUR 30,279 thousand, corresponding to EUR 1.0 per share. Unrealised changes in property values totalled EUR 7,034 thousand.

CASH FLOW AND FINANCIAL POSITION

Consolidated cash flow from operating activities amounted to EUR 27,101 thousand, corresponding to EUR 0.9 per share. Cash flow from investing activities was negative in the amount of EUR 51,362 thousand and mainly involved acquisitions of properties during the reporting period. Cash flow from financing activities amounted to EUR 23,465 thousand.

At the end of the period, cash and cash equivalents amounted to EUR 24,746 thousand, corresponding to EUR 0.8 per share. At 31 March 2019, Cibus had net interest-bearing liabilities, after deduction of cash and cash equivalents, of EUR 513,282 thousand. Capitalised borrowing costs amounted to EUR 2,816 thousand.

FINANCING

As of 31 December 2019, the Group had secured bank loans of EUR 403 million with a weighted average floating interest margin of 1.6% and a weighted average loan maturity of 3.5 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 bond for EUR 135 million. The bond matures on 26 May 2021 and carries a floating coupon rate of 4.5% + 3m EURIBOR. The bond has been listed on the Nasdaq Stockholm Corporate Bond list since 10 April 2019. The bond is currently trading at a lower implicit interest rate than that at which it was listed, indicating it would probably carry more favourable terms in the event of it being refinanced. The Group's total tenor amounted to 3.0 years.

Of the Group's bank loans, around 71% are hedged using interest-rate derivatives. After taking interest-rate derivatives into consideration, the Group's average fixed-interest tenor is 2.6 years. The Group's interest-rate derivatives comprise an interest-rate cap with corresponding tenors to the bank loans. The total premium for the interest-rate cap was set when the cap derivative was procured and is paid each quarter for the entirety of its tenor. Accordingly, the value of the interest-rate cap comprises a negative item, corresponding with the remaining part-payments of the premium, and a neutral or positive item arising from the interest-rate cap's relation to the floating interest rate linked to the cap. The latter part of the value can never be negative. The change in value of interest-rate derivatives is of an accounting nature and has no impact on the Group's future cash flows. At the expiry date, the interest-rate cap's market value will always be EUR 0. At 31 December 2019, the market value of interest-rate derivatives was EUR 2,163 thousand. The value change, which had no impact on cash flow, amounted to negative EUR 730 thousand on the same date. For further information, see Note 9. For further information regarding financial risk management and financial instruments, see pages 25 – 29.

LEGAL STRUCTURE

At 31 December 2019, the Group comprised 146 limited companies with Cibus Nordic Real Estate AB (publ) as the Parent Company. All properties are owned by subsidiaries and 19 of the subsidiaries are mutual real estate companies (MRECs). This is the most common partnership arrangement in Finland that allows direct ownership of a specified part of a property.

OWNERSHIP STRUCTURE

Cibus's shares are listed on Nasdaq First North Premier Growth Market. The Company had slightly more than 7,000 registered shareholders as of 31 December 2019. The ten largest shareholders hold approximately 46% of the votes. The holding of one of these, SFC Holding S.à.rl, accounted for 10% or more of the votes in the Company as of 31 December 2019. As of 31 December 2019, the number of shares outstanding amounted to 31,100,000.

Shareholders as of 31 December 2019

Name	No. of shares	Percentage
SFC Holding S.à r.l.	3,200,000	10.3
Fjärde AP-fonden	2,311,245	7.4
Amiral Gestion	2,062,522	6.6
Talomon Capital	1,539,171	4.9
Carnegie Fonder	1,250,000	4.0
Sirius Capital Partners*	830,000	2.7
Svenska Handelsbanken	802,576	2.6
Avanza Pension	788,294	2.5
Dragfast AB	700,000	2.3
Sensor Fonder	690,000	2.2
Total, 10 largest shareholders	**14,173,808**	**45.6**
Other	16,926,192	54.4
Total	**31,100,000**	**100**

*Total also includes other holdings among Sirius' shareholders

Source: Modular Finance

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 profit for the period amounted to EUR 1,396 thousand.

SUSTAINABILITY REPORT

For the company's sustainability report see page 34.

AUDITOR

The Annual General Meeting elected the accounting firm KPMG AB as auditor. Authorised Public Accountant Mattias Johansson is Auditor-in-Charge for the Company.

SIGNIFICANT EVENTS DURING THE PERIOD

11 FEBRUARY

On 11 February, the Company announced that Sverker Kallgarden had been employed as CEO. He took office in March. Sverker has extensive experience in the property sector, most recently as CEO of ByggPartner, which under Sverker's management was listed on Nasdaq First North. Prior to ByggPartner, Sverker held executive positions at NCC and Hufvudstaden, including serving as CEO of AB Nordiska Kompaniet (NK) for seven years.

15 FEBRUARY

In February, the second of the Company's three senior credit facilities was renegotiated. This refinancing will have a positive effect on the Company's future cash flow. The new credit facility has a lower margin and a shorter maturity than previously.

25 MARCH

In March 2019, the Company made two separate acquisitions totalling six properties at a value of MEUR 30, comprising lettable area of 20,300 square metres. The transactions will close during the second quarter of 2019. The properties are fully let to Kesko, Tokmanni and Halpa-Halli.

10 APRIL

On 10 April, Cibus's bond was listed (ISIN: SE 0010740530) on Nasdaq Stockholm's main index for corporate bonds.

12 APRIL

On 12 April, Cibus sold a property in Kuopio, Finland.

8 MAY

On 8 May, the Company announced that Pia-Lena Olofsson had been appointed as CFO. Pia-Lena is an experienced CFO who has previously been CFO at the online bank Collector AB (publ), which was listed on the exchange's Large Cap list at the time. Further, Pia-Lena has previously held several senior positions at, among others, Bure Equity AB (publ) and Visma AB.

23 MAY

On 23 May, Cibus' largest shareholder, SFC Holding, which founded Cibus, announced that it had sold shares in Cibus. Following the sale, SFC Holding has a 10.3% holding.

28 JUNE

On 28 June, it was announced that Cibus is making several new acquisitions. This includes the acquisition of three previously unannounced daily-goods properties in located in Finland, of which two are leased to Tokmanni and one to Halpa-Halli.

11 JULY

On 11 July, Nasdaq approved Cibus listing on First North Premier. The first day of trading on Nasdaq First North Premier was 15 July 2019. The listing on First North Premier is an initial step towards a listing on the Nasdaq Stockholm Main List.

4 DECEMBER

On 4 December, Cibus acquired three properties in Finland. These are leased to Tokmanni on long-term contracts.

12 DECEMBER

On 12 December, Lauri Tiensuu was appointed CIO Finland. He will be responsible for the investing activities in Finland. Lauri began working at Cibus on 7 January 2020.

18 DECEMBER

On 18 December, Cibus called an Extraordinary General Meeting. The Meeting was held at 9:30 am on 23 January at Cibus' premises at Kungsgatan 56, SE-111 22 Stockholm.

20 DECEMBER

On 20 December, Cibus signed an agreement to acquire a property in Parainen, Finland. The property is under construction, with Cibus scheduled to take possession in May 2020. The property will be leased to the S Group and Lidl on long-term contracts.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

23 JANUARY

An Extraordinary General Meeting was held on 23 January 2020. The Meeting resolved to mandate the Board of Directors to approve a new share issue, with or without preferential rights for existing shareholders, corresponding to at most 20% of the number of shares outstanding. It was also resolved that any new shares be eligible for dividends.

4 MARCH

Cibus implemented a private placement of 6,220,000 shares, corresponding to 20% of the number of shares outstanding. The new share issue raised SEK 886 million for the Company, which was used for the part-financing of acquisitions in Sweden.

On the same day, it was announced that Cibus had entered into a binding agreement regarding the acquisition of a property portfolio of 111 daily goods shops from Coop. The value of the portfolio amounts to approximately SEK 1,900 million (approximately EUR 180 million), which corresponds to the purchase considerations on a cash and debt-free basis. The lettable area amounts to approximately 118,000 square metres and net operating income is EUR 10.6 million annually. In connection with the acquisition, Cibus signed a ten-year triple net agreement with Coop. The acquisition is strategically significant and is Cibus' first acquisition in Sweden.

Coronavirus

To date, the coronavirus has not had any negative impact on our 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 tenants, daily goods retailers, volumes have increased sharply since the virus appeared. Daily goods retail volumes are at record levels and nothing indicates that our tenants will encounter difficulty paying their rent. The risks lie in whether their staff are unable work or if it is not possible to secure deliveries of goods to the shops. Of our income, 90% derives from the largest daily goods chains in the Nordic countries, which have good preparedness for such events. Assuming, as a disaster scenario, that all other tenants experience problems, we currently estimate that a maximum 2% of our annual net rent bears a temporary risk. In the long run, a risk of this nature can lead to a general recession and spread to the banking system. In such an instance, securing bank financing for future acquisitions may be more difficult. We have yet to see such an effect in any of the transactions currently in progress, Should the virus lead to a widespread recession, we believe that companies like ours, with very defensive strategies, will be among those that perform best.

OUTLOOK

The income trend for the existing portfolio is expected to track inflation. Cibus's strategy is to continuously improve the Company's return through active management, high cost awareness, renegotiation of existing loans and add-on acquisitions.

DIVIDEND AND APPROPRIATION OF PROFITS

The Board of Directors has proposed that the Annual General Meeting approve a dividend of EUR 0.89 per share. The proposed dividend corresponds to a yield of 6.4% on the share price at 31 December 2019 (SEK 145.50).

Proposed appropriation of profit

Ahead of the Annual General Meeting on 24 April 2019, the Board proposes a dividend of EUR 0.89 per share (33,215), corresponding to a total of EUR 33,215 thousand. Payment of the dividend is proposed to be made over a 12-month period following the Annual General Meeting. A complete proposed resolution will be published prior to the announcement of the Annual General Meeting.

The following earnings (EUR) are at the disposal of the AGM:

Unrestricted equity	260,224,148
Profit for the year -	1,395,760
	261,619,908

The Board proposes that the earnings be appropriated as follows:

to be distributed to shareholders	33,214,800
to be carried forward	228,405,108
	261,619,908

THE BOARD OF DIRECTORS' STATEMENT ABOUT THE PROPOSED APPROPRIATION OF PROFITS

After taking into account the need for liquidity, the submitted budget and investment plans, it is the Board's assessment that no indications exist that the proposed dividend would result in the Company's and the Group's equity becoming insufficient in relation to the nature, extent and risks of the business. The Board thus finds the proposed dividend justifiable pursuant to Chapter 17, Section 3 of the Swedish Companies Act.

Please refer to the following financial statements for other information about the Company's performance and financial position.

CONSOLIDATED INCOME STATEMENT

Amounts in thousand euro (EUR thousand)	Note	Full-year 2019	1 July 2018 – 31 December 2018
Rental income	4	51,530	24,977
Service income	4	8,661	3,926
Operating expenses	5	-8,950	-4,492
Property tax		-2,623	-1,004
Net operating income		**48,618**	**23,407**
Administration expenses	6.7	-5,294	-2,354
Other operating income		169	1,815
Financial income		16	370
Financial expenses	8	-14,842	-8,564
Profit from property management		**28,667**	**14,674**
Unrealised change in value of investment properties	12	7,034	1,995
Unrealised change in value of interest-rate derivatives	9	-730	-79
Realised change in value of investment properties		425	-173
Profit before tax		**35,396**	**16,417**
Current tax	10	-543	-789
Deferred tax	10	-4,574	-2,262
Profit for the year		**30,279**	**13,366**
Earnings per share before and after dilution, EUR	16	1.0	0.4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousand euro (EUR thousand)	Full-year 2019	Full-year 2018
Profit for the year	30,279	13,366
Other comprehensive income	-	-
Total comprehensive income*	**30,279**	**13,366**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousand euro (EUR thousand)	Note	31 Dec 2019	31 Dec 2018
ASSETS			
Non-current assets			
Investment properties	12	874,813	816,478
Right-of-use assets	11	5,878	-
Equipment		31	-
Deferred tax assets	10	1,304	1,602
Other non-current receivables		224	709
Total non-current assets		**882,250**	**818,789**
Current assets			
Rental receivables		431	422
Other current receivables	13	3,384	2,052
Prepaid expenses and accrued income	14	1,931	880
Cash and cash equivalents	15	24,746	25,542
Total current assets		**30,492**	**28,896**
TOTAL ASSETS		**912,742**	**847,685**
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders	16		
Share capital		311	311
Other contributed capital		300,794	300,762
Retained earnings		1,485	14,241
Profit for the year -		30,279	13,366
Total equity		**332,869**	**328,680**
Non-current liabilities			
Borrowings	17	535,212	486,132
Deferred tax liabilities	10	13,565	9,218
Interest rate derivatives		2,163	1,938
Other non-current liabilities	11	6,162	232
Total non-current liabilities		**557,102**	**497,520**
Current liabilities			
Accounts payable		218	190
Current tax liabilities	10	34	863
Other current liabilities	18	17,362	15,913
Accrued expenses and deferred income	19	5,157	4,519
Total current liabilities		**22,771**	**21,485**
Total liabilities		**579,873**	**519,005**
TOTAL EQUITY AND LIABILITIES		**912,742**	**847,685**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euro (EUR thousand)	Share capital	Other contributed capital	Retained earnings capital including profit for the period	Total equity*
Opening equity, 1 Jul 2018	**311**	**300,762**	**32,901**	**333,974**
Comprehensive income				
Profit for the year -	-	-	13,366	13,366
Total comprehensive income, 1 Jul 2018 – 31 Dec 2018	**-**	**-**	**13,366**	**13,366**
Transactions with shareholders				
Dividend	-	-	-18,660	-18,660
Total transactions with shareholders	**-**	**-**	**-18,660**	**-18,660**
Closing equity, 31 Dec 2018	**311**	**300,762**	**27,607**	**328,680**
Opening equity, 1 Jan 2019	**311**	**300,762**	**27,607**	**328,680**
Comprehensive income				
Profit for the year -	-	-	30,279	30,279
Total comprehensive income 01 Jul 2019 – 31 Dec 2019	**-**	**-**	**30,279**	**30,279**
Transactions with shareholders				
Issue of warrants	-	32	-	32
Dividend	-	-	-26,122	-26,122
Total transactions with shareholders	**-**	**32**	**-26,122**	**-26,090**
Closing equity, 31 Dec 2019*	**311**	**300,794**	**31,764**	**332,869**

"Equity is entirely attributable to Parent Company shareholders

CONSOLIDATED CASH-FLOW STATEMENT

Amounts in thousand euro (EUR thousands)	Note	31 Dec 2019	1 Jul 2018 – 31 Dec 2018
Operating activities			
Profit before tax	11	35,396	16,417
Adjustments for:			
Financial items		1,114	1,796
Unrealised changes in value, investment properties		-7,034	-1,995
Unrealised changes in value, interest-rate derivatives		730	79
Tax paid		-930	-152
Cash flow from operating activities before changes in working capital		**29,276**	**16,145**
Cash flow from changes in working capital			
Increase/decrease in other current receivables		-2,528	1,118
Increase/decrease in accounts payable		28	-543
Increase/decrease in other current liabilities		325	-408
Cash flow from operating activities		**27,101**	**16,312**
Investing activities			
Property acquisitions		-51,948	-22,212
Disposals of properties		2,070	-
Investments in current buildings		-1,424	-3,038
Other investments		-60	-
Kassaflode fran investeringsverksamheten		**-51,362**	**-25,250**
Financing activities			
Issue of warrants		32	-
Borrowings		263,348	163,400
Loan arrangement fees		-492	-711
Repayment of debt		-214,232	-139,397
Dividend		-25,191	-6,220
Cash flow from financing activities		**23,465**	**17,072**
Cash flow for the year		**-796**	**8,134**
Cash and cash equivalents at the start of the financial year		**25,542**	**17,408**
Cash and cash equivalents at the close of the financial year		**24,746**	**25,542**

PARENT COMPANY INCOME STATEMENT

Amounts in thousand euro (EUR thousand)	Note	Full-year 2019	1 Jul 2018 – 31 Dec 2018
Net sales		588	-
Administration expenses	6.7	-1,997	-695
Operating loss		**-1,409**	**-695**
Profit/loss from financial items			
Financial income		3	-
Interest income from Group companies		8,506	2,956
Financial expenses	8	-6,406	-3,255
Loss after financial items		**694**	**-994**
Appropriations			
Group contributions		1,198	2,550
Profit before tax		**1,892**	**1,556**
Tax	10	-496	-333
Profit for the year		**1,396**	**1,223**

PARENT COMPANY INCOME STATEMENT

Amounts in thousand euro (EUR thousand)	Full-year 2019	1 Jul 2018 – 31 Dec 2018
Profit for the year -	1,396	1,223
Other comprehensive income	-	-
Total comprehensive income	**1,396**	**1,223**

PARENT COMPANY BALANCE SHEET

Amounts in thousand euro (EUR thousands)	Note	31 Dec 2019	31 Dec 2018
ASSETS			
Non-current assets			
Equipment		23	-
Total non-current assets		**23**	**-**
Financial fixed assets			
Shares in subsidiaries	20	128,544	128,450
Deferred tax assets	10	1,059	1,555
Non-current receivables from Group companies		271,953	294,853
Other non-current receivables		20	-
Total financial fixed assets		**401,576**	**424,858**
Current assets			
Receivables from Group companies		1,198	853
Other current receivables	13	148	28
Prepaid expenses and accrued income	14	81	607
Cash and cash equivalents	15	9,709	6,795
Total current assets		**11,136**	**8,283**
TOTAL ASSETS		**412,735**	**433,141**
EQUITY AND LIABILITIES			
Equity	16		
Restricted equity			
Share capital		311	311
Total restricted equity		**311**	**311**
Unrestricted equity			
Share premium reserve		300,794	300,762
Retained earnings		-40,570	-15,669
Profit for the year -		1,396	1,223
Total unrestricted equity		**261,620**	**286,316**
Total equity		**261,931**	**286,627**
Non-current liabilities			
Borrowings	17	134,036	133,356
Total non-current liabilities		**134,036**	**133,356**
Current liabilities			
Current liabilities		2,500	-
Accounts payable		34	-
Other current liabilities	18	13,393	12,444
Accrued expenses and deferred income	19	841	714
Total current liabilities		**16,768**	**13,158**
TOTAL LIABILITIES		**150,804**	**146,514**
TOTAL EQUITY AND LIABILITIES		**412,735**	**433,141**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euro (EUR thousand)	Share capital	Share premium reserve	Retained earnings including profit for the year	Total equity
Opening equity, 1 Jul 2018	**311**	**300,762**	**2,991**	**304,064**
Comprehensive income				
Profit for the year -	-	-	1,223	1,223
Total comprehensive income 1 Jul 2018 – 31 Dec 2018	**-**	**-**	**1,223**	**1,223**
Transactions with shareholders				
Dividend	-	-	-18,660	-18,660
Total transactions with shareholders	**-**	**-**	**-18,660**	**-18,660**
Closing equity, 31 Dec 2018	**311**	**300,762**	**-14,446**	**286,627**
Comprehensive income				
Profit for the year -	-	-	1,396	1,396
Total comprehensive income 1 Jan 2019 – 31 Dec 2019	**-**	**-**	**1,396**	**1,396**
Transactions with shareholders				
Issue of warrants	-	32	-	32
Dividend	-	-	-26124	-26,124
Total transactions with shareholders	**-**	**32**	**-26,124**	**-26,092**
Closing equity, 31 Dec 2019	**311**	**300,794**	**-39,174**	**261,931**

PARENT COMPANY CASH-FLOW STATEMENT

Amounts in thousand euro (EUR thousand)	Full-year 2019	1 Jul 2018 – 31 Dec 2018
Operating activities		
Profit before tax	1,891	1,556
Adjustments for:		
Financial items	-	1,351
Arrangement fees	680	354
Reversal of depreciation	6	-
Cash flow from operating activities before changes in working capital	**2,577**	**3,261**
Cash flow from changes in working capital		
Increase/decrease in other current receivables	30	1,525
Increase/decrease in accounts payable	34	-542
Increase/decrease in other current liabilities	2,643	14
Cash flow from operating activities	**5,284**	**4,258**
Investing activities		
Shareholder contributions paid	-50	-
Repaid portion of loans to Group companies	22,900	8,000
Other investments	-49	-
Cash flow from investing activities	**22,801**	**8,000**
Financing activities		
Formation of companies	-12	-
Issue of warrants	32	-
Dividend	-25,191	-6,220
Cash flow from financing activities	**-25,171**	**-6,220**
Cash flow for the year	**2,914**	**6,038**
Cash and bank balances at the start of the financial year	**6,795**	**757**
Cash and bank balances at the close of the financial year	**9,709**	**6795**

NOTE 1 GENERAL INFORMATION

Cibus Nordic Real Estate AB (publ) with company registration number 559135-0599 is a 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 the subsidiaries ("the Group") encompass owning and managing properties.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements for Cibus have been prepared in accordance with the EU-approved International Financial Reporting Standards (IFRS) together with the interpretations issued by the IFRS Interpretations Committee (IFRIC) valid for periods starting 1 July 2019 or later.

Moreover, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Corporate Groups, have been applied. Assets and liabilities are recognised at cost, other than investment properties and interest-rate derivatives, which are measured at fair value. Subsidiaries are companies in which the Parent Company exercises a direct or indirect controlling influence over the operational or financial position. Cibus owns 100% of the capital and votes in 127 of its 146 subsidiaries and is a partner in 19 subsidiaries. The part-owned subsidiaries are Mutual Real Estate Companies ("MRECs"). An MREC is the most common company format for property ownership in Finland. In an MREC, each class of shares entitles the holder to exclusive possession of specific premises and no rights of possession to the other premises. This is set out in the articles of association of the various MRECs. Since the shareholder is letting the shareholder's own premises, the rent accrues exclusively to the shareholder and not the MREC. The MREC is responsible for defraying the property's operating costs and charges the shareholders a monthly fee to cover these costs with the aim of producing a zero net result. Standard practice at Cibus is to re-invoice the tenant for these costs. If the MREC has a debt, this debt is normally allocated to the respective owners in such a manner that allows each owner to pay its share of the debt. Accordingly, owners are not responsible for other owners' share of the debt. The partners recognise their assets, liabilities, income and expenses as well as their shares of joint assets, liabilities, income and expenses.

The consolidated financial statements apply the acquisition method, which entails that acquisitions of subsidiaries and MRECs are regarded as a transaction whereby the Parent Company indirectly acquires the subsidiary's assets and assumes its liabilities. From the acquisition date, the acquired company's income and expenses, and identifiable assets and liabilities are included in the consolidated accounts. Intra-Group transactions, receivables and liabilities arising from intra-Group transactions are eliminated in their entirety.

Acquisitions within the Group are recognised in accordance with the acquisition method. The consideration paid comprises the fair value of the assets transferred, the liabilities incurred and issued equity. Acquisition-related costs are expensed as they are incurred. Identifiable assets acquired and liabilities assumed are measured initially at their fair values at the acquisition date.

The significant accounting policies that have been applied follow below.

New or amended IFRS and new interpretations in 2019

IFRS 16 Leases was adopted in 2017 and entered into effect on 1 January 2019. The new standard includes rules for both lessors and lessees. Cibus's revenue is primarily generated through rental income and is thus encompassed by the rules for lessors in IFRS 16. Cibus has applied the standard as of 1 January 2019 with no retroactive application, meaning that the application of the simplified method under which the carrying amount of the right-of-use asset is based on the corresponding value of the lease liability on the transition date. The rules lessors are essentially unchanged and the classification of operating and finance leases is retained. Cibus's role as lessee primarily pertains to site leasehold agreements, which means that recognition will change as of 1 January 2019. This change will have no impact on earnings, but entails a change in the income statement, with site leasehold fees being recognised as financial item under net financial items, rather than being recognised as a property expense. The expense amounted to about EUR 341 thousand in 2019. The balance sheet has also be impacted since the present value of future site leasehold fees shall be recognised as an asset and a liability respectively. As of 1 January 2019, the asset and liability amounted to EUR 5,860 thousand. In calculating the balance sheet item, a discount rate of 5.8% has been applied. Beyond site leasehold agreements, Cibus is a lessee only to a limited extent. These are, for reasons of materiality, excluded from the calculations of the right-of-use asset and of the lease liability.

There are also a few small-scale lease agreements where Cibus is the lessee. These agreements are expensed in the income statement on a straight-line basis over the lease period.

New or amended IFRS and new interpretations that have yet to come into effect

The new and amended standards and interpretations that have been issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) but that come into effect for financial years starting after 1 January 2020 are not currently deemed to have any effect on Cibus' earnings or financial position.

Consolidated accounts

The consolidated accounts encompass the Parent Company Cibus Nordic Real Estate AB (publ) and the companies over which the Parent Company and its subsidiaries exercise a controlling influence. Controlling influence is obtained when the Parent Company:

- exercises an influence over the investee;
- is exposed to, or is entitled to, variable returns from its investment; and
- can also affect the returns from the investee by means of its influence.

Consolidation of a subsidiary is performed from the date on which the Parent Company gains a controlling influence and ceases on the date on which it no longer exercises a controlling influence over the subsidiary. This means that the income and expenses of subsidiaries acquired or disposed of during the current financial year are included in the Group's income statement and other comprehensive income from the date on which the Parent Company gains controlling influence until the date on which the Parent Company ceases to exercise such control.

If necessary, adjustments are made to subsidiaries' financial statements to align their accounting policies with those of the Group. All intra-Group assets and liabilities, equity, income and cash flows relating to transactions between Group companies are eliminated in full.

Segment reporting

The Company conducts operations in one segment, which comprises the ownership and management of properties. The properties are monitored as a whole by the Board in terms of rental income and market value. Accordingly, the Company does not report any operating segments.

Income

Revenue, which from a recognition perspective is also referred to as income from operating leases, is notified in advance and allocated straight line in profit or loss based on the terms of the lease. Revenue is broken down into rental income and service income. The former encompasses customary rent imposed, including indexes and supplementary billing for any investments and property tax, while service income encompasses other supplementary billing for heating, cooling, waste and water, for example. Service income is recognised in the period in which the service is performed and delivered to the tenant. Rental and service income are paid in advance and prepayments of rent are recognised as deferred rental income. In cases where a lease entails a discounted rent during a certain period that is offset by a higher rent at other times, the effect is distributed over the term of the lease. Pure discounts, such as a reduction for occupancy in stages, are charged to the period to which they pertain.

The Group as lessor

The Group comprises the lessor for property leases pertaining to properties owned by the Group. The property leases are classed as operating leases. Lease payments on operating leases are expensed in a straight line over the lease term. In cases where a lease entails a discounted rent during a certain period that is offset by a higher rent at other times, the effect is distributed over the term of the lease.

Currency

The Parent Company's reporting currency and functional currency are euro (EUR). Profit/loss items in other currencies are restated at average exchange rates for the year. Balance sheet items in other currencies are restated at the exchange rate on the balance sheet date.

Borrowing costs

Financial costs are recognised in the period in which they arise.

Employee benefits

The Group had two employees during the period. Employee benefits are recognised at the rate at which employees have provided services in exchange for employee benefits.

Tax

Total tax comprises current tax and deferred tax. Current tax is tax to be paid or received with regard to the current year. This include adjustments of current tax attributable to previous periods. Deferred tax is calculated using the balance-sheet method based on temporary differences between the carrying amounts and fiscal values of assets and liabilities. The deferred tax liability is recognised at the nominal amount of the difference between a property's book value and fiscal value, and included in the statement of financial position. No deferred tax is recognised for temporary differences on the initial recognition of an asset as initial recognition has no effect on profit or loss. For the 2019 financial year, the temporary differences on which no deferred tax is reported to EUR 26,568 thousand (15,441). The unrecognised deferred tax thus amounts to EUR 5,314 thousand (3,088).

When valuing loss carryforwards, an assessment is made of the likelihood that the carryforwards can be utilised. Established loss carryforwards that can be offset with a high degree of certainty against future profits are used for calculating the deferred tax receivable. The loss carryforwards are estimated to amount to about TEUR 6,173 (20,286) as of 31 December 2019.

Investment properties

All properties in the Group are classified as investment properties. They are classified as such because they are held for the purpose of generating rental income or for capital appreciation, or a combination of the two. Investment properties are initially recognised at cost, which includes all expenses directly attributable to the acquisition and is adjusted for deferred tax included in the purchase price. Thereafter, the investment properties are recognised at fair value. Gains and losses attributable to changes in the fair value of investment properties are recognised in profit or loss in the period in which they arise. The Group recognises the investment properties at fair value. Fair value is based on external market valuations that are performed quarterly.

In accordance with IFRS 13, for all financial instruments measured at fair value, the Group must state how their fair value was assessed and how this value has been classified in the fair value hierarchy.

The three measurement levels are defined as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Measurement model based on inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived prices).

Level 3: Measurement model when material inputs are based on unobservable inputs.

Investment properties are measured in accordance with level 3.

Additional expenditure is only included in the carrying amount when it is likely that the future economic benefits attributable to the item will accrue to the Group and that its cost can be measured reliably. All other costs for repairs and maintenance together with additional expenses are recognised in profit or loss in the period in which they arise.

Acquisitions of investment properties are recognised in conjunction with the transfer of the risks and benefits associated with ownership to the buyer. This occurs when possession of the properties is taken.

Income from property sales are normally recognised on the date when possession is taken. In the event that control of the asset has been transferred on a date prior to the date when possession is taken, the property sale is recognised in income on the previous date.

Cash-flow statement

The cash-flow statement shows the changes in the Group's cash and cash equivalents during the financial year. The cash-flow statement has been prepared according to the indirect method. The recognised cash flow includes only those transactions that entail inflows and outflows.

Financial instruments – IFRS 9

A financial asset or financial liability is recognised in the statement of financial position when the Company becomes a party in accordance with the instrument's contractual terms and conditions. A financial asset is derecognised from the balance sheet when the contractual right to cash flows from the asset has expired or been settled, or when the Group loses control over the asset. A financial liability or part of a financial liability is derecognised from the balance sheet when the contractual obligation is discharged or otherwise extinguished.

Classification and measurement

Financial assets are classified based on the business model used for the administration of the assets and the characteristics of the contractual cash flows. This refers to the way in which the contractual terms of the financial asset at set points in time give rise to cash flows comprising only payments of the principal and interest on the outstanding principal. If the financial asset is held within the framework of a business model whose aim is to collect contractual cash flows and the contractual terms of the financial asset at set points in time give rise to cash flows comprising only payments of the principal and interest on the outstanding principal, the asset is measured at amortised cost. (Hold to collect)

If the financial asset is held in a business model whose aim can be achieved both by collecting contractual cash flows and by selling financial assets, and the contractual terms of the financial asset at set points in time give rise to cash flows comprising only payments of the principal and interest on the outstanding principal, the asset is measured at fair value through other comprehensive income. (Hold to collect and sell)

For all other business models whose aim is speculative, where assets are held for trading or where the nature of the cash flows exclude other business models, assets are measured at fair value through profit or loss. (Other)

Amortised cost and the effective-interest method

The amortised cost of a financial assets comprises the amount at which the financial asset is measured on initial recognition less the principal plus accumulated amortisation of any difference between the principal and the outstanding principal, in accordance with the effective-interest method, and adjusted for any impairment. The gross carrying amount of a financial asset comprises the financial asset's amortised cost before adjustments for any loss allowance. Financial liabilities are measured at amortised cost using the effective-interest method or at fair value through profit or loss.

The effective interest rate is the rate that, upon discount of all future anticipated cash flows over the expected maturity, result in the initial carrying amount of the financial asset or financial liability.

Offsetting of financial assets

Financial assets and liabilities are offset and recognised at a net amount in the balance sheet when there is a legally enforceable right to offset and when there is an intention to settle the items on a net basis, or to realise the asset and settle the liability simultaneously. No financial assets and liabilities are offset in the statement of financial position since the criteria for offsetting have not been met.

Impairment

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. Equity instruments are not subject to impairment rules. On each balance sheet date, the Group recognises the change in expected credit losses since initial recognition in profit or loss.

For accounts receivable, certain simplifications may be applied that entail that the Group directly recognises expected credit losses over the remaining term of the asset.

The Group defines default as it being unlikely that the counterparty till fulfil its undertakings due to indicators of financial difficulties and missed payments. Notwithstanding the above, default is deemed to have taken place when the payment is 90 days past due. The Group writes off a receivable when it is deemed that there is no potential for further cash flows. The Group's credit risk exposure arises mainly with regard to accounts receivable, other current receivables, and cash and cash equivalents. A simplified approach is used to calculate the credit losses on the Group's accounts receivable. In calculating expected credit losses, accounts receivable have been analysed independently and assessed based on previous events, current conditions and forecasts of certain financial conditions. Cash and cash equivalents are encompassed by the general approach, under which an exemption for low credit risk is applied.

Financial instruments

Interest rate derivatives

The Group's interest-rate derivatives comprise an interest-rate cap with a total nominal amount of around EUR 285,000 thousand. The total premium for the interest-rate cap was set when the derivative was procured and is paid each quarter during its tenor. Accordingly, the value of the interest-rate cap comprises a negative item, corresponding with the remaining part-payments, and a neutral or positive item arising from the interest-rate cap's relation to the floating interest rate linked to the cap. The latter part of the value can never be negative. The interest rate derivatives are marked to market and the change in value is recognised in profit or loss. The Group measures all derivatives based on inputs in accordance with level 2 of the fair value hierarchy. In practice, this is carried out through reconciliation with a third party. The derivative agreements (ISDA agreements) allow for netting of obligations toward the same counterparty. At 31 December 2019, the value of the interest-rate cap was EUR 2,163 thousand. The entire amount has been recognised as an expense and a liability in the consolidated accounts. The changes in value impact recognised profit and equity, but do not affect cash flow or the LTV ratio.

The Company has no other financial instruments measured at fair value.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and recognised at a net amount in the balance sheet when there is a legally enforceable right to offset and when there is an intention to settle the items on a net basis, or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances as well as other short-term liquid investments that can be easily converted to cash and that are subject to an insignificant risk of changes in value.

Accounts payable

Accounts payable are categorised as "Other financial liabilities," which means that the item is recognised at amortised cost. The expected maturity of accounts payable is short, and the liability is therefore recognised at a nominal amount with no discount.

Borrowings

External financing is classified as "Borrowings" and is valued at amortised cost using the effective-interest method. Any differences between the loan amount received (net after transaction costs) and the repayment or amortisation of loans are recognised over the tenor of the loan according to the Group's accounting policy for borrowing costs.

Provisions

A provision is recognised when the Group has an existing obligation (legal or informal) as a result of an actual event, and it is likely that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

The amount of the provision constitutes the best estimate of the amount required to settle the existing obligation at the balance sheet date, after taking into account the risks and uncertainties associated with the obligation. When a provision is calculated by estimating the expected outflows required to settle the obligation, the carrying amount is to correspond to the present value of those outflows.

Where a third party is expected to compensate for part or all of the amount required to settle a provision, the indemnity is recognised separately as an asset in the statement of financial position when it is essentially certain that it will be received if the Company settles the obligation and the amount can be reliably estimated.

Parent Company accounting policies

The Parent Company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. Application of RFR 2 entails that the Parent Company must apply all EU-adopted IFRS and statements as far as possible within the framework of the Swedish Annual Accounts Act and with regard to the relation between accounting and taxation. The differences between the accounting policies of the Parent Company and the Group are described below.

Financial instruments

The Parent Company does not apply IFRS 9 in legal entities. The Parent Company recognises financial assets and financial liabilities when it becomes a party to the contractual terms of the financial instrument.

On initial recognition, financial instruments are recognised at cost, which refers to the amount corresponding to the cost of the asset's acquisition with the addition of transaction costs directly attributable to the acquisition.

The Parent Company recognises a loss allowance for expected credit losses on financial assets that are recognised as non-current assets and measured at amortised cost. The Parent Company reports change in expected credit losses for the year in profit or loss.

In calculating the net realisable value of financial assets recognised as current assets, the policies for impairment testing and loss risk reserves in IFRS 9 are to be applied.

A financial asset or financial liability is derecognised from the balance sheet when the contractual right to cash flows from the asset has expired or been settled, or when the contractual obligation has been discharged or terminated.

Classification and structure

The Parent Company's income statement and balance sheet follow the structure of the Swedish Annual Accounts Act. The principal difference in comparison with IAS 1 Presentation of Financial Statements applied in the layout of the Group's financial statements is the presentation of financial income and expenses, non-current assets, equity and the occurrence of provisions under separate headings.

Subsidiaries

Shares in subsidiaries are recognised at cost in the Parent Company's financial statements. Acquisition-related expenses for subsidiaries, which are recognised in the consolidated financial statements, are included in the cost of the shares in subsidiaries.

Group contributions

A Group contribution from a subsidiary to the Parent Company is recognised as an appropriation under the alternative rule. Group contributions from the Parent Company to a subsidiary, or between Group companies, are recognised as an appropriation under the alternative rule.

NOTE 3 IMPORTANT ESTIMATES AND ASSESSMENTS

Key sources of uncertainty in estimates

Preparation of the accounts in accordance with IFRS and generally accepted accounting principles requires that management and the Board make assessments and assumptions that could significantly impact the Group's earnings and financial position. These are based on experience and the assumptions that are considered reasonable in view of the prevailing circumstances. Actual outcomes may differ from these assessments and assumptions if the conditions change.

The most important future assumptions are detailed below as are other key sources of uncertainty in estimates at the balance sheet date, which entail a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Valuation of properties

By their nature, property and property-related assets are difficult to value due to the special nature of each property and the fact that it is not necessarily a liquid market. As a result, valuations can be subject to considerable uncertainty. There are no guarantees that the estimates arising from the valuation process will reflect the actual selling price. A future recession in the property market can significantly affect the value of property. The valuations are based on estimated future cash inflows and outflows, and on a discounting of these with respect to the risk-free interest rate and a mark-up. Accordingly, all of these factors comprise future assessments and are uncertain. Refer to Note 12 for more information.

Acquisition of companies

On the acquisition of a company, the acquisition is assessed on the basis of whether it comprises an asset acquisition or a business combination. Companies that solely contain properties without any property management/administrative functions are normally classified as asset acquisitions.

Loss carryforwards

When valuing loss carryforwards, an assessment is made of the likelihood that the carryforwards can be utilised. Established loss carryforwards that can be offset with a high degree of certainty against future profits are used for calculating the deferred tax receivable. The loss carryforwards are estimated to amount to about TEUR 6,173 (20,286) as of 31 December 2019.

NOTE 4 RENTAL INCOME

	Group	
	1 Jan 2019 31 Dec 2019	**1 Jul 2018 31 Dec 2018**
Rental income excl. additional charges	51,530	24,977
Operation	6,792	2,657
Property tax	601	403
Electricity	333	285
Other liabilities	935	581
Total	**60,191**	**28,903**

Maturity structure, rental value	**31 Dec 2019**	**31 Dec 2018**
Year 1	57,487	54,454
Year 2	50,960	48,623
Year 3	47,830	43,683
Year 4	40,679	40,632
Year 5	32,832	33,618
After year 5	54,181	62,889

The above table shows the minimum lease inflows, meaning rent (excluding additional rental charges) for the respective periods during the term of the lease.

NOTE 5 OPERATING EXPENSES

	Group	
	1 Jan 2019 31 Dec 2019	**1 Jul 2018 31 Dec 2018**
Property upkeep and service agreements	1,356	531
Technical administration	1,092	511
Tariff-related costs	3,541	1,539
Insurance premiums	361	146
Ongoing maintenance	2,600	1,765
Total	**8,950**	**4,492**

NOTE 6 ADMINISTRATION COSTS AND FEES AND REMUNERATION TO AUDITORS

	Group	
	1 Jan 2019 31 Dec 2019	**1 Jul 2018 31 Dec 2018**
Financial administration	3,106	1,065
Technical administration	596	220
Other administration	1,592	1,069
Total	**5,294**	**2,354**

	Group	
	1 Jan 2019 31 Dec 2019	**1 Jul 2018 31 Dec 2018**
Financial administration	470	258
Technical administration	-	–
Other administration	1,527	438
Total	**1,997**	**695**

Fees and remuneration to auditors

	Group	
	1 Jan 2019 31 Dec 2019	**1 Jul 2018 31 Dec 2018**
Audit assignment	204	236
Other services	510	-
Total	**714**	**236**

	Parent Company	
	1 Jan 2019 31 Dec 2019	**1 Jul 2018 31 Dec 2018**
Audit assignment	45	82
Other services	170	-
Total	**215**	**82**

The audit assignment pertains to the auditors' fees for the statutory audit. The assignment encompasses the examination of the annual accounts, the consolidated financial statements, the accounting records, and the administration by the Board and CEO as well as fees for audit advice provided in conjunction with the audit assignment. At the Group level, all remuneration to the KPMG regarding the audit assignment for the 2019 financial year has been paid. Other services refer to remuneration to Deloitte, Ernst & Young and KPMG.

NOTE 7 NUMBER OF EMPLOYEES, SALARIES, OTHER BENEFITS AND SOCIAL SECURITY COSTS

As of 31 December 2019, the Group has two employees.

	Group	
	1 Jan 2019 31 Dec 2019	**1 Jul 2018 31 Dec 2018**
Salaries and benefits to employees	309	99
Social security costs	85	36
Pension costs	70	26
Total	**464**	**161**

	Group	
	1 Jan 2019 31 Dec 2019	**1 Jul 2018 31 Dec 2018**
Salaries and benefits to employees	241	99
Social security costs	84	36
Pension costs	57	26
Total	**382**	**161**

All remuneration to the Board and CEO has been defrayed by the Parent Company.

Board of Directors

Fees are paid to the Chairman and Board members in accordance with the resolution passed by the Annual General Meeting on 11 April 2019.

Chief Executive Officer

Remuneration and benefits to the CEO are decided by the Board in accordance with policies determined by the general meeting.

1 Jan 2019 31 Dec 2019	**Salaries, fees and benefits**	**Pension costs**	**Social security costs incl. payroll tax**	**Total**
Chairman of the Board, Patrick Gylling	-	-	-	-
Elisabeth Norman	24	-	8	**32**
Johanna Skogestig	24	-	8	**32**
Jonas Ahlblad	-	-	-	-
CEO, Sverker Källgården	201	52	72	**325**

1 Jul 2018 31 Dec 2018	**Salaries, fees and benefits**	**Pension costs**	**Social security costs incl. payroll tax**	**Total**
Chairman of the Board,				
Rickard Backlund*	6	-	2	**8**
Patrick Gylling	-	-	-	**-**
Elisabeth Norman	12	-	4	**16**
Johanna Skogestig	6	-	2	**8**
Jonas Ahlblad	-	-	-	-
CEO Lisa Dominquez Flodin **	99	26	36	**161**

*Chairman of the Board Rickard Backlund stepped down on 27 August 2018.

**The CEO stepped down as of 31 October 2018.

NOTE 8 FINANCIAL COSTS

	Group	
	1 Jan 2019 31 Dec 2019	1 Jul 2018 31 Dec 2018
Interest expenses	12,175	6,267
Arrangement fees	1,517	608
Other financial costs	809	1,689
Site leasehold fees	341	-
Total	**14,842**	**8,564**

	Group	
	1 Jan 2019 31 Dec 2019	1 Jul 2018 31 Dec 2018
Interest expenses	5,684	2,885
Arrangement fees	680	354
Other financial costs	42	16
Site leasehold fees	-	-
Total	**6,406**	**3,255**

All interest expenses are attributable to financial liabilities measured at amortised cost and interest pertaining to derivative agreements (excluding unrealised changes in value). Arrangement fees pertain to the accrual of arrangement fees, which are accrued according to the tenor of the loan. For the period, other financial costs pertain to transaction costs that arose in conjunction with raising external finance.Site leasehold fees refer to leasing expenses that must be reported as a financial expense in accordance with IFRS 16, which came into force on 1 January 2019.

NOTE 9 UNREALISED CHANGES IN VALUE, DERIVATIVES

	Group	
	1 Jan 2019 31 Dec 2019	1 Jul 2018 31 Dec 2018
Unrealised loss on interest-rate cap	-730	-79
Total	**-730**	**-79**

The Company's financial strategy is based on low interest-rate risk, which is achieved by methods including the use of interest-rate derivatives. Under IFRS, interest-rate derivatives are measured at fair value. Value changes arise in the interest-rate derivative portfolio due to, inter alia, the effect of changed market interest rates and as a result of the remaining maturity. Unrealised changes in value affect the Group's profit before tax, but do not impact cash flow or profit from property management.

NOTE 10 TAXES

	Group	
Current tax	1 Jan 2019 31 Dec 2019	1 Jul 2018 31 Dec 2018
Current tax on profit for the year	-543	-789
Total	**-543**	**-789**
Deferred tax		
Deferred tax attributable to loss carryforwards	-497	-333
Deferred tax attributable to temporary differences*	- 4,077	-1,929
Total	**-4,574**	**-2,262**

*Temporary differences are attributable to the difference between the properties' carrying amounts and their taxable amounts.

	Parent Company	
Current tax	1 Jan 2019 31 Dec 2019	1 Jul 2018 31 Dec 2018
Current tax on profit for the year	-	-
Total	-	-
Deferred tax		
Deferred tax attributable to loss carryforwards	-497	-333
Deferred tax attributable to temporary differences*	-	-
Total	**-497**	**-333**

Income tax is calculated at 21.4% of taxable earnings for the year. A summary of recognised profit and tax on the profit for the year is shown below.

Summary, tax expense for the year

	Group	
	1 Jan 2019 31 Dec 2019	1 Jul 2018 31 Dec 2018
Profit before tax	35,396	16,418
Tax expense for the year	-5,117	-3,051
Tax according to the Swedish tax rate (21.4%)	-7,575	-3,612
Difference in foreign tax rates	469	145
Tax effect of non-taxable income	733	433
Tax effect of non-deductible expenses	-3	-28
Uncapitalised loss carryforwards	1,371	-5
Tax effect of changed tax rate	-	9
Other adjustments	-112	6
Total	**-5,117**	**-3,051**

Summary, tax expense for the year

	Parent Company	
	1 Jan 2019 31 Dec 2019	1 Jul 2018 31 Dec 2018
Profit before tax	1,892	1,556
Tax expense for the year	**-496**	**-333**
Tax according to the Swedish tax rate (21.4%)	-405	-343
Tax effect of changed tax rate	-	10
Tax effect of non-deductible expenses	-3	-
Uncapitalised loss carryforwards	-	-
Other adjustments	-88	-
Total	**-496**	**-333**

Deferred tax assets are recognised as fiscal loss carryforwards insofar as it is probable that they can be offset by future taxable profits.

NOTE 11 LEASING

The Group holds several site leaseholds. These are recognised as of 1 January 2019 when IFRS 16 came into effect. All site leaseholds are considered perpetual and no amortisations are made.

Right-of-use assets

Group	
Carrying amount	**Site leaseholds**
OB 1 Jan 2019	5,860
CB 31 Dec 2019	5,878

Non-current lease liability

Group	
Carrying amount	
CB 31 Dec 2019	5,878

Cash-flow statement

Group	**2019**
Site leasehold fees	-300
Total	-300

Maturity structure, lease liabilities

31 Dec 2019	Total	< 1 mon.	1—3 mon.	3-12 mon.	1—5 years	> 5 years
Lease liabilities	5,878	28	85	256	1,364	4,145

NOTE 12 INVESTMENT PROPERTIES

The Group owns 142 properties, which are measured at fair value. The Group recognises the investment properties at fair value. Fair value is based on market valuations. The properties are valued on the balance sheet date by an external, independent appraiser. The valuation on the balance sheet date, 31 December 2019, is based on the market valuation performed by the independent valuation institute Newsec.

	Group	
	1 Jan 2019 31 Dec 2019	1 Jul 2018 31 Dec 2018
Opening balance	816,478	767,879
Acquisition	51,948	45,314
Unrealised changes in value	7,034	1,995
New builds, extensions and redevelopments	1,424	1,276
Disposal	-2,070	-
Other liabilities	-	14
Total	**874,813**	**816,478**

Valuation assumptions

Fair value measurement applies a cash-flow calculation based on a present-value calculation of future cash flows. The calculation period is ten years and during this period, income comprises the agreed rents until the end of the contract period. Thereafter, rental income is calculated at the current estimated market rents. Operating and maintenance costs have been assessed based on the Company's actual costs and have been adjusted to the condition and age of the properties. Expenses are expected to increase in line with inflation of 1-2% depending on the year. Investments have been assessed based on actual requirements.

Property tax is estimated based on the most recent tax assessment value. Long-term vacancies are estimated on the basis of the property's location and condition. The cost of capital and yield requirement are based on the external valuers' experience-based assessments of market return requirements.

	31 Dec 2019	31 Dec 2018
Long-term inflation, %	2.0	2.0
Average cost of capital, %	7.7	7.6
Average yield requirement, %	5.8	5.8
Average long-term vacancy, %	5.0	5.0

Sensitivity analysis Valuation parameters	Assumption	Average (TEUR)
Rental income	+/- 10 %	102,480 / -75,210
Yield requirement	+/- 0.25 %	-23,077 / 53,655
Long-term vacancy rate	+/-2 %	-5,069 / 32,339

NOTE 13 OTHER CURRENT RECEIVABLES

	Group	
	31 Dec 2019	31 Dec 2018
VAT receivables	2,211	1,578
Other liabilities	1,173	474
Total	**3,384**	**2,052**

	Group	
	31 Dec 2019	31 Dec 2018
VAT receivables	64	28
Other liabilities	84	-
Total	**148**	**28**

NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME

	Group	
	31 Dec 2019	31 Dec 2018
Prepaid expenses	1,931	880
Total	**1,931**	**880**

	Parent Company	
	31 Dec 2019	31 Dec 2018
Accrued interest income	-	561
Prepaid expenses	81	46
Total	**81**	**607**

NOTE 15 CASH AND CASH EQUIVALENTS

	Group	
	31 Dec 2019	31 Dec 2018
Cash and bank balances	24,746	25,542
Total	**24,746**	**25,542**

	Group	
	31 Dec 2019	31 Dec 2018
Cash and bank balances	9,709	6,795
Total	**9,709**	**6,795**

Cash and cash equivalents consist of bank balances.

NOTE 16 EQUITY

Share capital

All shares are of the same share class, are paid in full and entitle the holder to one vote. No shares have been reserved for assignment under option or other agreements. The closing balance of shares was 31,100,000 with a par value of EUR 0.01 per share.

Earnings per share

The earnings per share has been calculated by dividing the profit for the year attributable to Parent Company shareholders by the average number of shares outstanding for the period.

	1 Jan 2019 31 Dec 2019	1 Jul 2018 31 Dec 2018
Earnings attributable to Parent Company shareholders, TEUR	30,279	13,366
Average number of shares, thousand	31,100	31,100
Earnings per share, EUR*	1.0	0.4

*Before and after dilution.

Unrestricted equity

Unrestricted equity, meaning the amount available for distribution to the shareholders, comprises total equity less the share capital. Other contributed capital pertains to previously completed new share issues in conjunction with the acquisition of the properties.

NOTE 17 BORROWINGS

	Group	
	31 Dec 2018	31 Dec 2018
Non-current liabilities to credit institutions	538,028	488,912
Arrangement fees	- 2,816	-2,780
Total	**535 212**	**486,132**

	Group	
	31 Dec 2019	31 Dec 2018
Non-current liabilities to credit institutions	135,000	135,000
Arrangement fees	- 964	-1,644
Total	**134,036**	**133,356**

For further information regarding financial risk management and financial instruments, see pages 25 – 29.

NOTE 18 OTHER CURRENT LIABILITIES

	Group	
	31 Dec 2019	31 Dec 2018
VAT liabilities	3,959	3,469
Settlement investors	13,373	12,440
Other liabilities	30	4
Total	**17,362**	**15,913**

	Parent Company	
	31 Dec 2019	31 Dec 2018
Settlement investors	13,373	12,440
Other liabilities	20	4
Total	**13,393**	**12,444**

NOTE 19 ACCRUED EXPENSES AND DEFERRED INCOME

	Group	
	31 Dec 2019	31 Dec 2018
Prepaid rent	225	377
Accrued interest	2,960	2,649
Other liabilities	1,972	1,493
Total	**5,157**	**4,519**

	Group	
	31 Dec 2019	31 Dec 2018
Accrued interest	538	549
Other liabilities	303	165
Total	**841**	**714**

NOTE 20 SHARES IN SUBSIDIARIES

	Group	
	31 Dec 2019	31 Dec 2018
Acquisition of subsidiary	12	6
Shareholder contributions	128,532	128,444
Closing balance, cost	**128,544**	**128,450**

Cibus Finland Real Estate AB, Cibus Finland OY and Cibus Sweden Real Estate AB are directly owned by Cibus Nordic Real Estate AB (publ), see below. The other Group companies are owned by Cibus Finland Real Estate AB, directly or indirectly through its subsidiaries. These subsidiaries are not recognised separately in the Parent Company's annual accounts, since no subsidiary is of a significant size. However, information about the subsidiaries is available in the form of the respective subsidiary's annual report. The stated share of equity includes shares owned by other Group companies. There are a total of 146 limited companies in the Group, of which 19 are part-owned subsidiaries.

Subsidiaries	Capital, %	Voting rights, %	Carrying amount	Equity
Cibus Finland Real Estate AB	100	100	128,486	3,578
Cibus Finland Oy	100	100	53	50
Cibus Sweden Real Estate AB	100	100	5	5
Total	**100**	**100**	**128,544**	**3,633**

Subsidiaries	Corp. ID No.	Reg. office
Cibus Finland Real Estate AB	559121-3284	Stockholm
Cibus Finland Oy	3003070-2	Helsinki
Cibus Sweden Real Estate AB	559229-6643	Stockholm

NOTE 21 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Group	
	31 Dec 2019	31 Dec 2018
Pledged cash and cash equivalents	5	5
Property deeds	619,991	557,369
Total	**619,996**	**557,374**
Contingent liabilities	**None**	**None**

	Group	
	31 Dec 2019	31 Dec 2018
Pledged cash and cash equivalents	5	5
Property deeds	-	-
Total	**5**	**5**
Contingent liabilities	**None**	**None**

NOTE 22 RELATED-PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which constitute related parties to the Company, have been eliminated in the consolidation and, accordingly, no such transactions are disclosed in this note. Transactions between the Group and other related parties are disclosed below.

Procurement of services

	Group	
	1 Jan 2019 31 Dec 2019	**1 Jul 2018 31 Dec 2018**
Sirius Asset Management Oy	1,586	848
Total	**1,586**	**848**

Regarding the management of the property portfolio, Cibus has entered into an agreement with Sirius Retail Asset Management, the Parent Company of which, Sirius Capital Partners and other shareholders in Sirius hold 830,000 Cibus shares and whose majority shareholder is Board member Patrick Gylling. Under this agreement, Sirius shall manage the Group's property-owning subsidiaries by driving property development issues, handling add-on acquisitions and conducting regular dialogues with the technical and financial managers. The fee to Sirius during the period amounted to EUR 1,586 thousand.

NOTE 23 EVENTS AFTER THE BALANCE SHEET DATE

An Extraordinary General Meeting was held on 23 January 2020. The Meeting resolved to mandate the Board of Directors to approve a new share issue, with or without preferential rights for existing shareholders, corresponding to at most 20% of the number of shares outstanding. It was also resolved that any new shares be eligible for dividends.

On 4 March, Cibus implemented a private placement of 6,220,000 shares, corresponding to 20% of the number of shares outstanding. The new share issue raised SEK 886 million for the Company, which was used for the part-financing of acquisitions in Sweden.

On the same day, it was announced that Cibus had entered into a binding agreement regarding the acquisition of a property portfolio of 111 daily goods shops from Coop. The value of the portfolio amounts to approximately SEK 1,900 million (approximately EUR 180 million), which corresponds to the purchase considerations on a cash and debt-free basis. The lettable area amounts to approximately 118,000 square metres and net operating income is EUR 10.6 million annually. In connection with the acquisition, Cibus signed a ten-year triple net agreement with Coop. The acquisition is strategically significant and is Cibus' first acquisition in Sweden.

NOTE 24 PROPOSED APPROPRIATION OF PROFIT

As of the date of publication of this report, the Board of Directors of Cibus Nordic does not have a final proposal for resolution on dividends for the 2019 financial year to recommend to the Annual General Meeting. It is, however, the intention of the Board of Directors to adhere to Cibus' dividend policy and to recommend that the dividend be raised by slightly more than 5% to a total EUR 0.89 per share for the 2019 financial year, to be paid out over a 12-month period following the Annual General Meeting. A complete proposed resolution will be published prior to the announcement of the Annual General Meeting.

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 Annual Report for Cibus Nordic Real Estate AB (publ) was adopted by the Board on 18 March 2020

Stockholm, 18 March 2020
Cibus Nordic Real Estate AB (publ)
Corporate registration number 559135-0599

PATRICK GYLLING
Chairman

ELISABETH NORMAN
Board member

JOHANNA SKOGESTIG
Board member

JONAS AHLBLAD
Board member

SVERKER KÄLLGÅRDEN
CEO

Our Auditors' Report was submitted on 18 March 2020, KPMG AB

MATTIAS JOHANSSON

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

REPORTING CALENDAR

15 May 2020	Interim report for the first quarter
20 August 2020	Interim report for the second quarter
12 November 2020	Interim report for the third quarter
25 February 2021	Year-end report
24 April 2020	Annual General Meeting

The Company's Certified Adviser is FNCA Sweden AB
info@fnca.se
+46 8 528 00 399

FOR FURTHER INFORMATION, PLEASE CONTACT

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Cibus Nordic Real Estate AB (publ)
Kungsgatan 56
SE-111 22 Stockholm, Sweden

www.cibusnordic.com

To the general meeting of the shareholders of Cibus Nordic Real Estate AB (publ), corp. id 559135-0599

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Cibus Nordic Real Estate AB (publ) for the year 2019, except for the corporate governance statement on pages 30-33 and the sustainability report on pages 34. The annual accounts and consolidated accounts of the company are included on pages 37-64 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2019 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 30-33 and sustainability report on pages 34. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other matters

The audit of the annual accounts for the financial year 1 July 2018—31 December 2018 was performed by another auditor who submitted an auditor´s report dated 7 March 2019, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of investment properties

See disclosure 12 and accounting principles on page 51 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Investment properties are held at fair value in the Groups financial statements. The carrying value of these properties is EUR 874,813 thousand as per 31 December 2019, which represents 96% of to the Groups total assets.

The fair value of Investment properties has been determined based on valuations carried out by independent valuers.

Given investment properties significant share of the Groups total assets and the significant judgment and estimates required in the valuation process, valuation of Investment properties is a Key Audit Matter.

The risk is that the carrying value of Investment properties could be over- or underestimated and that deviations would directly influence the results of the period

Response in the audit

We have evaluated if the valuation methodology used is reasonable by comparing it to our experience of how other real estate companies and independent third party valuers work and which assumptions that are normal when valuing comparable objects.

We have assessed the competence and independence of third party valuers used and evaluated whether there could be circumstances that could influence scope or focus of the independent third party valuers' engagement.

We have, on a sample basis, tested individual valuations. When doing so, we made use of available current market data from external sources, especially for yields, discount rates, rents and vacancies used.

We have checked the accuracy of disclosures on Investment properties given by the company in note 12 in the annual report, especially concerning elements of judgement and applied key assumptions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-29. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the Company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the Company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the Company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Cibus Nordic Real Estate AB (publ) for the year 2019 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the Company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the Company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the Company's organization and the administration of the Company's affairs. This includes among other things continuous assessment of the Company's and the Group's financial situation and ensuring that the Company's organization is designed so that the accounting, management of assets and the Company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the Company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the Company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the Company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the Company, or that the proposed appropriations of the Company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the Company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the Company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the Company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 30-33 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevU 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the sustainability report on pages 34, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Cibus Nordic Real Estate AB (publ) by the general meeting of the shareholders on 11 April 2019. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2019.

Stockholm the 18 March 2020
KPMG AB

Mattias Johansson
Authorized Public Accountant

DEFINITIONS*

Earnings per share

Profit for the period divided by the average number of shares outstanding

Adjusted EPRA NAV

Reported equity with reversal of derivatives, deferred tax and unpaid dividends, in cases where the record date has not yet passed.

Adjusted EPRA NAV per share

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.

Return on equity

Profit for the period 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

Debt/equity ratio

Total liabilities divided by equity

*When calculating key figures, leasing in accordance with IFRS 16 is included