



**Cibus**  
Converting food into yield

# Annual Report

1 January 2020 – 31 December 2020

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# This is Cibus Nordic

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

## 1,273

PROPERTY VALUE, EUR MILLION

## 744

LETTABLE AREA, THOUSAND SQ.M.

## 0.89

DIVIDEND PER SHARE, EUR

## 5.3

YIELD, %

As of 31 December 2020, the Company owned a property portfolio with a total of 290 properties, of which 178 are located in Finland and 112 in Sweden. The total lettable area was 744,039 square metres. The largest tenants were Kesko (42% of net operating income), Tokmanni (24%), Coop (15%), S-Group (8%) and Lidl (3%). An additional 4% of the properties are leased to other grocery retailers.

The property portfolio is spread out in strategic locations, mainly in southern and southwestern Finland, and in southern and central Sweden. The properties are, to a large extent, located in regions with good population growth.

The Company specialises in grocery and 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 comprises a strategic distribution network with delivery points for other goods traded online. These characteristics provide a higher level of stability and lower risk than other retail properties, which has been particularly evident during the Covid-19 pandemic.

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 50-100 million annually.

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

The 2020 Annual General Meeting, together with an Extraordinary General Meeting in September, approved a dividend totalling EUR 0.89 per share, corresponding to a yield of 5.3% on the market price as of 31 December 2020 (SEK 167.60). The Extraordinary General Meeting in September 2020 also determined that dividends should be paid monthly. Following Cibus's dividend policy, the Board and proposes that the 2021 Annual General Meeting resolve to increase the dividend by slightly more than 5% to a total EUR 0.94 per share, divided into 12 monthly dividends.

Cibus is listed on Nasdaq First North Premier Growth Market under the ticker CIBUS. The Company intends to switch to the Nasdaq Stockholm main list in the first half of 2021.



# The year in brief

## FULL-YEAR 2020

**Rental income** amounted to EUR 65,033 thousand (51,530) and increased mainly through acquisitions, although rental income also increases because rents are index-linked.

**Net operating income** amounted to EUR 61,395 thousand (48,618), resulting in a surplus ratio of 94.4%. 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.

**During the year, refinancing was completed** of an EUR bond for EUR 135 million, as well as the issuance of a green SEK bond for SEK 600 million

**Profit from property management** was EUR 33,488 thousand (28,667) .

**The market value of the property portfolio** was EUR 1,272,514 thousand (874,813). The increase was largely due to acquisitions. Unrealised changes in property values amounted to EUR 6,461 thousand (7,034).

**Profit for the period** amounted to EUR 34,597 thousand (30,279), corresponding to EUR 0.95 (0.97) per share.

**In accordance with the resolution by the Annual General Meeting, the dividend** was EUR 0.89 (0.84) per share divided into two quarterly payments and thereafter six monthly dividends as of October 2020.

**Following** Cibus's dividend policy, the Board of Cibus Nordic proposes that the 2021 Annual General Meeting resolve to increase the dividend by slightly more than 5% to a total EUR 0.94 per share, divided into 12 monthly dividends. The complete proposal with monthly amounts and record dates will be published in connection with the notification of the Annual General Meeting and can be found at [www.cibusnordic.com](http://www.cibusnordic.com).

**Cibus continues to build its proprietary organization.** During the year, Lauri Tiensuu started work as CIO for Finland and Peter Lövgren as CIO for Sweden. The asset management agreement with Sirius Capital Partners was terminated in September 2020.

**Cibus has reached its investment target for 2020** of investing at least EUR 50 million annually in new properties by acquiring properties for slightly more than EUR 370 million over the year. The target was also achieved in 2019 and 2018.





# Timeline

## 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

On 4 March, it was announced that Cibus would be implementing a private placement 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 grocery shops from Coop with a total property value of approximately SEK 1,900 million. The acquisition is strategically significant and is Cibus's first acquisition in Sweden.

### 10 MARCH

On 10 March, it was announced that Cibus had taken possession of the property portfolio of 111 grocery shops acquired from Coop, as announced previously, with a property value of approximately SEK 1,900 million.

### 18 MARCH

On 18 March it was announced that Cibus is examining its options for paying monthly dividends. The Board intends to call an Extraordinary General Meeting once this examination has been completed. Accordingly, the Board proposes that the Annual General Meeting only make a resolution on regarding an initial quarterly dividend of EUR 0.22 per share in June.

### 24 APRIL

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

### 6 MAY

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

### 29 MAY

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

### 3 JUNE

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

### 8 JUNE

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

### 11 JUNE

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

### 29 JUNE

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

### 19 AUGUST

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

### 14 SEPTEMBER

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

### 7 OCTOBER

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

### 25 NOVEMBER

On 25 November, it was announced that Cibus had acquired a property in Kalajoki, Finland for EUR 12.4 million and, at the same time, that Cibus has a strong acquisition pipeline.

### 30 NOVEMBER

On 30 November, it was announced that Cibus had acquired two properties in Helsinki and Lahti, Finland for EUR 1.5 million. Kesko and S-Group are the tenants.

### 1 DECEMBER

On 1 December, Cibus completed a private placement of 2,680,000 shares, raising proceeds of approximately SEK 418 million.

### 10 DECEMBER

On 10 December, Cibus acquired a portfolio of seven properties in Finland for EUR 102 million. Kesko, Tokmanni and S-Group are the anchor tenants.


### 14 DECEMBER

On 14 December, a property was acquired in Sweden for EUR 1 million, with ICA as the tenant.

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# A different year for the world but an amazing one for Cibus

CEO'S COMMENTS



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“The year certainly demonstrated that Cibus’s business concept holds up well, in both favourable and challenging times.”

— Sverker Källgården, CEO

## **Solid business concept**

The year 2020 was highly unusual in many ways – we were hit by a global pandemic that caused entire countries to shut down and a stagnant economy. Consumption fell and many companies experienced problems. One of the few sectors that performed well and instead increased its sales comprised daily goods stores, the sector in which Cibus operates.

Cibus's business concept was certainly put to the test in 2020 and proved sustainable. With a few exceptions, our tenants performed well and Cibus was able to grow despite these uncertain times. During 2020, we grew through acquisitions for slightly more than EUR 370 million, opening a new market with the acquisition of 111 Coop stores in Sweden. Even in uncertain times, companies with a sustainable business concept, sound finances, dedicated personnel and favourable relations with investors and banks can grow significantly.

During the Corona pandemic, Cibus acted responsibly to alleviate the difficulties experienced by others. Our smaller tenants, who complement the daily goods stores, such as restaurants, hair salons and other service shops, experienced periods of difficulty. For example, the Finnish government ordered all restaurants to remain closed during the spring. We have assisted these smaller tenants with rent reductions of EUR 0.2 million over the year, offering them an opportunity to survive and reopen when the restrictions were lifted. This assistance impacted Cibus only marginally, while being of great importance for the vibrant local communities that we seek to maintain around our properties.

## **Sustainability**

Within the framework of its sustainability work, Cibus continues to develop the properties by partnering with our tenants to reduce energy consumption. Tokmanni continues to invest in solar panels that are installed on the roofs of our properties, with 26 properties now having solar panels and more being planned. We are disseminating this beneficial example to our other Nordic tenants. We are also proud to have issued our first green bond during the year to finance our energy-efficient buildings.

## **Organisation**

Cibus is large in the size of its property portfolio but quite small in its number of employees. I am proud of Cibus's dedicated and committed employees who always want to go that little bit further for our stakeholders – our tenants, partners and investors. It is Cibus's proprietary organization that distinguishes us from our competitors, many of whom do not have employees of their own.

## **Market**

The market for new acquisitions remains favourable, with a steady flow of properties to assess in the market and we consider all of those suited to our portfolio. Competition is sometimes fierce, particularly in Sweden where we have observed an increased interest in daily goods properties. Our size and the certainty of completing a transaction with us makes Cibus one of the most attractive buyers on the market.

The Corona pandemic has made it difficult to analyse and acquire properties outside our two principal markets, Finland and Sweden, although we are actively monitoring the Danish and Norwegian markets. Should we identify attractive acquisition opportunities, we are prepared for further geographical expansion.

## **Growth**

In 2020, the Board of Directors revised the growth target upwards, from EUR 50 million annually to EUR 50-100 million. This is natural given how strongly we have grown as a company, and our ambition is to continue growing to become the leading company in our segment. Our investment targets were achieved in 2018 and 2019, and by a broad margin in 2020.

The acquisitions made during the year took place in both Finland and in Sweden and at favourable levels. This represented a milestone for the Company, which, having entered the Swedish market in March, now had a substantial footprint there from which to grow. We look ahead with confidence to a year of further profitable growth in 2021.

## **Financing**

All of our bank loans and bonds were refinanced during the year and we now have stable, long-term financing. During the year, we also implemented two new directed share issues, in part to finance our acquisitions and to keep our loan-to-value ratio within our financial level. These attracted considerable interest and were conducted with very good results.

## **Change of listing to the Nasdaq main list**

The process of transferring Cibus from First North Premier Growth Market to the Nasdaq Stockholm main list is in progress and we aim to effectuate the change of listing in the first half of 2021.

## **Shareholder value**

At Cibus, we are working to make the Cibus share one of the exchange's most attractive shares to own. As a step in this process during the year, we were the first company in the Nordic market to start paying monthly dividends to shareholders. This has been highly appreciated and we are pleased that so many new shareholders have discovered Cibus. Today, we have more than 27,000 shareholders, an increase of more than 20,000 since the end of the preceding year.

The year certainly demonstrated that Cibus's business concept holds up well, in both favourable and challenging times. With our own dedicated staff, the change of list to the Nasdaq main list and with many possible acquisitions to assess, everything indicates that 2021 will be an exciting and successful year.

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Stockholm, 22 March 2021  
**Sverker Källgård**



# Business concept and goals

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

## BUSINESS CONCEPT

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 grocery and 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.

**In general, grocery and 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

## SUSTAINABILITY

Sustainability is part of Cibus' business concept. Cibus is convinced that the Company can contribute to positive societal development by creating accessible and climate-smart marketplaces for end-consumers and otherwise working for a long-term favourable development for tenants, end consumers, shareholders and society.

The basis for both property transactions and tenant-oriented administration includes how different decisions impact a sustainable society.

### Sustainability work is conducted in three main areas

#### A sustainable partner (read more on page 25)

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

#### The climate in focus (read more on page 26)

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

#### Accessible marketplaces (read more on page 28)

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



## GOAL

Cibus has two financial targets. These are:

- **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 follows:

- The grocery and daily goods industry is stable and predictable, as we also witnessed during the Covid-19 pandemic
- The grocery and 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
- E-commerce for food grew during the Covid-19 pandemic. The largest part of the increase was from so-called click-and-collect, where you shop online but pick the goods up at a store
- A high and increasing monthly dividend, with a moderate LTV ratio of approximately 61% including the Company's bond
- Weighted average unexpired lease term (WAULT) of 5.5 years
- Market-leading, high-performance tenants, such as Kesko, S-Group, Coop, Tokmanni and Lidl anchoring more than 90% of the portfolio properties
- 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 2.5% of the portfolio's net operating income
- Strict cost control given the high cost coverage

# Share and shareholders

MARKET CAP:

**SEK 6.7 billion**

MARKETPLACE:

**Nasdaq First North  
Premier Growth Market  
Stockholm**

NUMBER OF SHAREHOLDERS:

**27,000**

NUMBER OF ORDINARY SHARES:

**40,000,000**

CLOSING RATE:

**SEK 167.60**

ISIN:

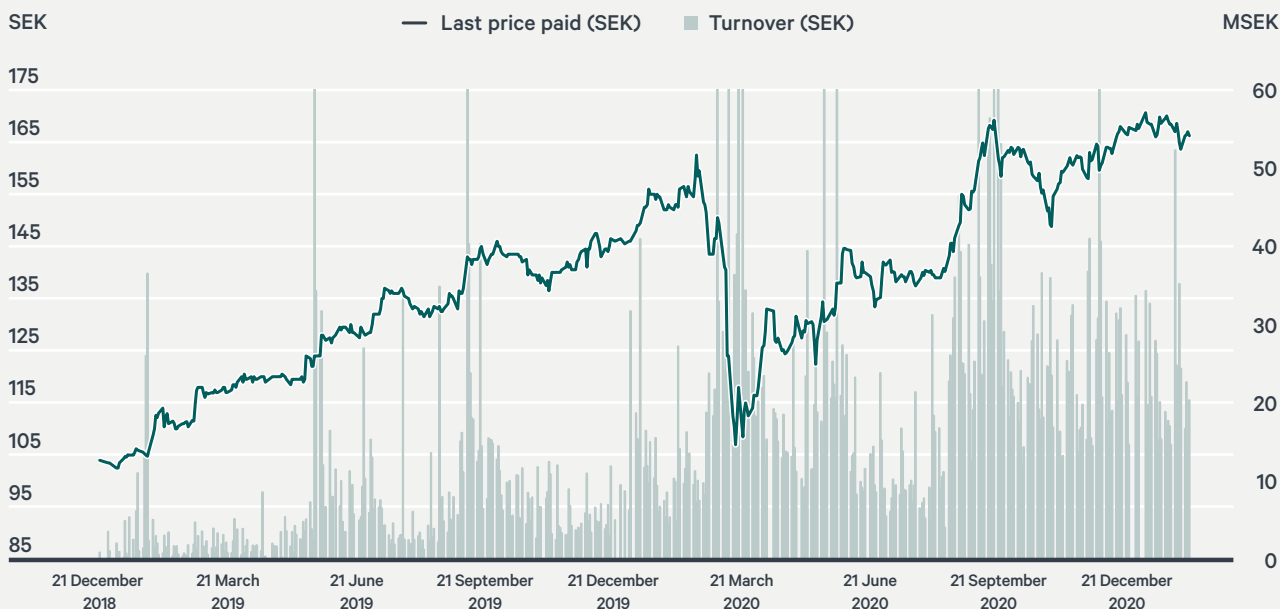
**SE0010832204**

## 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 during the first half of 2021.

## SHARE PRICE PERFORMANCE

The share value has risen by 65% since the listing on 9 March 2018. In SEK, the total yield over the same period and including the dividend was 84%. The shares have had a relatively high turnover, with shares trading with a weighted daily average of about SEK 24 million and with an average of about 1,450 trades per day in 2020





## CIBUS' SHAREHOLDERS

As of 31 December 2020, the Company had more than 27,000 shareholders. The 15 largest shareholders hold approximately 43% of the votes. None of these shareholders has a holding amounting to 10% or more of the votes in Cibus as of 31 December 2020. Following the new issue of 6,220,000 shares on 5 March and the new issue of 2,680,000 shares on 1 December 2020, there are 40,000,000 shares outstanding.

### SHAREHOLDERS AS OF 31 DECEMBER 2020

Name	No. of shares	Percentage
Fjärde AP-fonden	3,568,253	8.9
Marjan Dragicevic	1,820,000	4.5
Dragfast AB	1,570,000	3.9
BMO Global Asset Management	1,500,088	3.8
Avanza Pension	1,314,088	3.3
Svenska Handelsbanken	1,294,526	3.2
Länsförsäkringar Fonder	1,288,632	3.2
Sensor Fonder	946,000	2.4
Nordnet Pensionsförsäkring	858,885	2.1
Patrick Gylling	600,000	1.5
Säästöpankki Fonder	596,661	1.5
Blackwell Partners LLC	550,455	1.4
Goran Gustafssons stiftelser	522,000	1.3
Nuveen Asset Management	511,050	1.3
Degroof Petercam	397,939	1.0
<b>Total, 15 largest shareholders</b>	<b>17,338,577</b>	<b>43.4</b>
Other	22,661,423	56.6
<b>Total</b>	<b>40,000,000</b>	<b>100</b>

Source: Modular Finance



# Dividend

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

## DIVIDEND POLICY

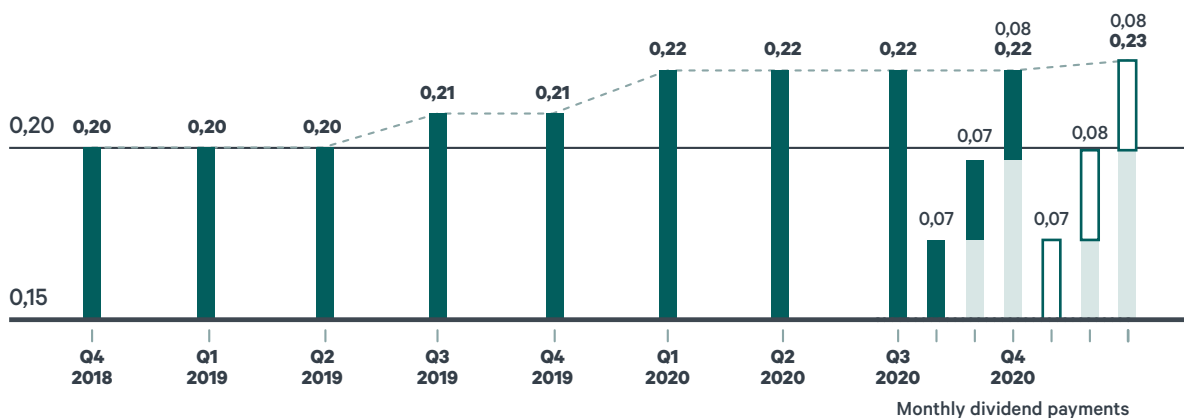
The Company pays out monthly dividends, that are to increase by 5% annually. Given the Company's current portfolio, business plan and growth, a 5% annual increase is considered a reasonable target for the foreseeable future. The dividend target has been set to reflect the Company's strong cash flow and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

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

Following Cibus's dividend policy, the Board and proposes that the 2021 Annual General Meeting resolve to increase the dividend by slightly more than 5% to a total EUR 0.94 per share, divided into 12 monthly dividends. The complete proposal with monthly amounts and reconciliation dates can be found at [www.cibusnordic.com](http://www.cibusnordic.com).

## APPROVED DIVIDEND

0,25





# Market overview

The economies of both Finland and Sweden have performed relatively well during the Corona pandemic, compared with the rest of Europe

## FINLAND

The Finnish economy has developed relatively well during the Covid-19 pandemic. The GDP forecasts for 2020 published in the fourth quarter of the year have been between -3.0 and -4.5%, while the Bank of Finland estimates a decline of -7.3% for the euro area as a whole. In 2021, access to vaccines and household consumption are expected to drive growth to around 2.2-3.0%, and growth is expected to continue at the same level in 2022. The fastest recovery is expected to occur in private consumption, while exports and industrial production depend on the recovery in for Finland key trading nations. These are expected to recover more slowly, meaning the effects will appear later.

The labour market is expected to recover slowly from the Covid-19 pandemic as well from the restrictions that were implemented. The employment rate is expected to have decreased by one percentage point during 2020, and to rise by 1.5 percentage points to more than 73% in 2021-2023.

The effects of the recession caused by the Covid-19 pandemic have been mitigated by economic measures, with the government's stance on financial policy having deteriorated sharply. The same applies to a majority of euro area countries, however. For 2020, Finland's deficit is estimated at about 7% of GDP, to then gradually decrease to 2% in 2023. In 2023, the debt ratio is expected to increase to 74%, which would still be below the euro area average figures of 86% at the beginning of 2020 and estimated at 102% for 2022.

## SWEDEN

Sweden has benefited from a favourable external economy and low interest rates, although, after several years of favourable growth and a strong economy, the Swedish economy is now growing more slowly. This is mainly due to domestic demand having weakened: Housing construction has continued to decline and the trend in household consumption is weaker than previously. Over the upcoming years, growth in domestic demand is expected to be somewhat higher, although, at the same time, the rate of increase in exports will abate. Prior to the onslaught of the corona virus, the Ministry of Finance had forecast a 1.1% rise in growth in 2020, followed by 1.6% in 2021.

During the second quarter of 2020, however, the Swedish economy experienced a very steep fall because of Covid-19. At that time, GDP fell by 8.3% compared with the preceding quarter. This was the largest decline recorded since quarterly measurements began in 1980. Because of this, the Riksbank has reviewed its growth forecast and revised it. The Riksbank now forecasts negative GDP growth of 3.6% in 2020, followed by positive growth of 3.7% in 2021 and 3.7% in 2022.

With the economy entering a phase of lower growth in 2019, the labour market has also cooled. In early 2020, however, a historically high proportion of the working-age population was deemed to be in employment. Demand for labour was subdued, as was reflected by companies not experiencing an equally extensive shortage of labour and therefore not planning to hire at the same rate as before. Unfortunately, Covid-19 left deep wounds in emerging trend and unemployment soared during the spring and summer of 2020. At the end of November, almost 451,000 people were registered as unemployed at the Swedish Public Employment Service. That corresponds to an unemployment rate of 8.7%, compared with 7.2% a year earlier. The unemployment rate stabilised in the autumn of 2020 however.

## NORDICS, GDP GROWTH

Year-on-year percentage change	2019	2020	2021E	2022E
Finland	1.1	-3.3	2.8	2.5
Sweden	1.3	-2.6	2.8	4.8
Norway	0.9	-1.3	3.4	2.8
Denmark	2.9	-4.0	3.0	4.5

Source: SEB (February 2021)



# Property market

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

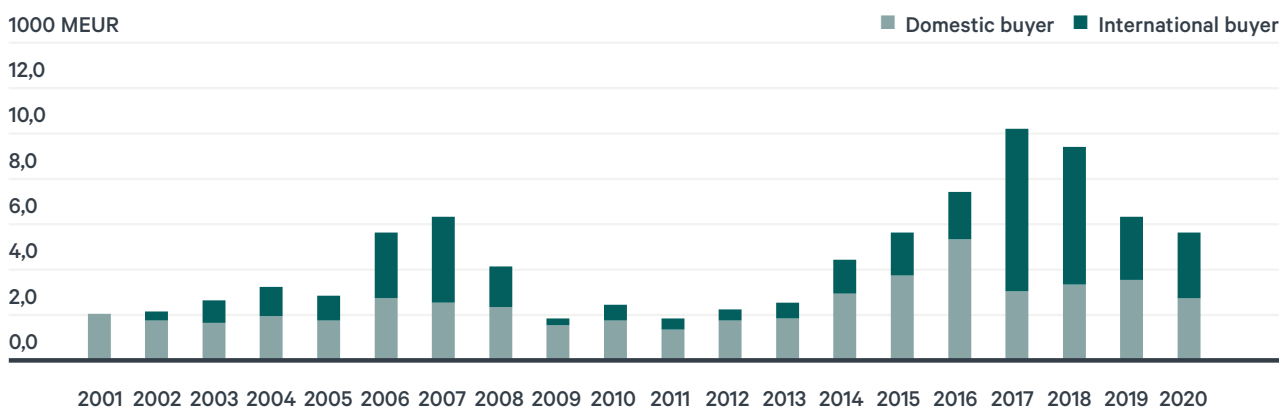
As a property market, the Nordic region has been less affected by Covid-19 than the rest of Europe thanks to strong economies, sound public finances and well-functioning capital markets. Despite Covid-19, there was a great deal of activity in the Nordic transaction market in 2020, with a stable volume of close to EUR 42 billion, driven by a strong second half of the year. The volume in 2020 was only 8% lower than in the record year of 2019.

In Finland, 2020 began with a strong first quarter at EUR 2.6 billion, the highest volume for the first quarter of any year and the third-biggest quarter to date. This was mainly due to four individual very large scale transactions. In March, the market fell quiet as the pandemic also began to spread in Finland, with volumes in the second and third quarters falling below EUR 1 billion for the first time since the spring of 2015. The fourth quarter was more active with a volume of EUR 1.5 billion, and the volume for the full year was EUR 5.6 billion, 13% lower than in 2019. Public service properties was the largest segment with a 23% share, followed by residential properties whose share fell from 23% in 2019 to 18% in 2020. Foreign investors' share of transaction volume was 52%, which was the third-largest share in the past ten years.

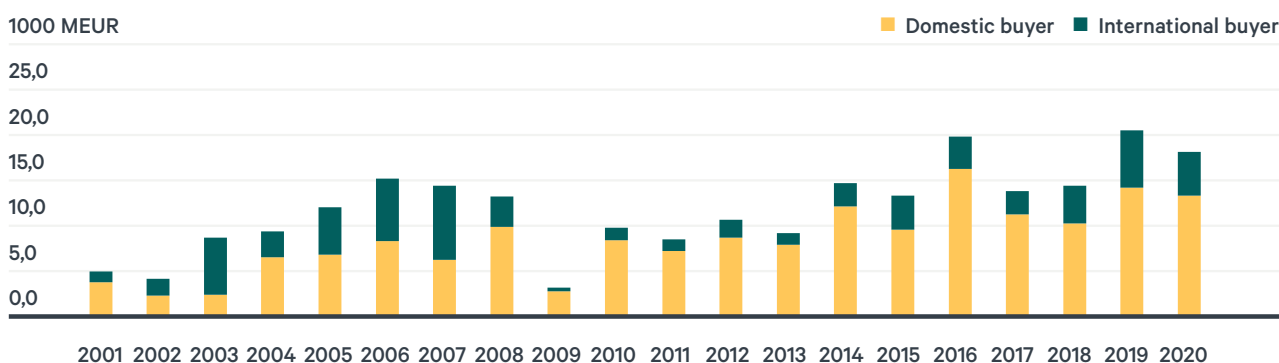
The total transaction volume for Sweden in 2020, excluding contingent transactions, was approximately 16% lower than in the previous record year, but still at historically high levels of approximately SEK 182.8 billion. In 2020, foreign investors accounted for about 27% of the transaction volume, which was 2 percentage points lower than in the corresponding period in the preceding year, but still historically high. The Stockholm area accounted for the largest share of the total transaction volume at 37%. Gothenburg accounted for about 8% and Malmö for 9% of the volume. Other major cities in Sweden accounted for about 28%. The rest of the country accounted for 19%. Housing was the segment with the highest turnover and accounted for 33% of the total transaction volume in 2020. Offices accounted for 16% of the transaction volume and community service properties for 13%. Other properties accounted for 10%, the Trading segment accounted for 9% and Logistics/Industry for 18%.

Source: Newsec, Pangea Research, KTI

### TRANSACTION VOLUME IN THE FINNISH MARKET



### TRANSACTION VOLUME IN THE SWEDISH MARKET



# Earnings capacity

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

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

## CURRENT EARNINGS CAPACITY, EUR THOUSAND

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

\*Includes all transactions where Cibus has taken possession of the property prior to and during December 2020.\*\*In accordance with IFRS16, site leasehold fees are included among financial expenses. Financial expenses also include prepaid arrangement fees not affecting future cash flow.

\*\*\*In March 2020, a new share issue was implemented encompassing 6,220,000 shares and, in December 2020, another was implemented encompassing 2,680,000 shares. The number of shares subsequently totalled 40,000,000.

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 2020 according to current lease agreements.

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

Central administration costs are calculated based on the current organisation and the current size of the property portfolio. Non-recurring costs are not included.

An exchange rate of SEK 10.20/EUR has been used in translating the figures for the Swedish operations.

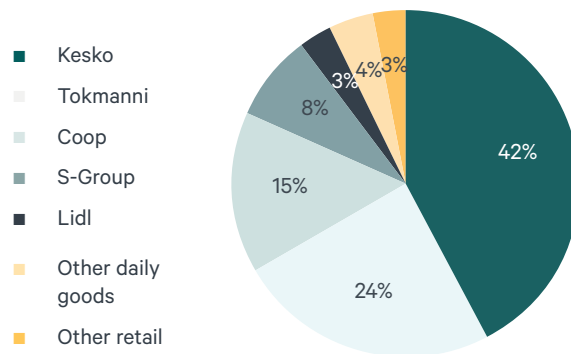
## COMMENTS REGARDING CURRENT EARNINGS CAPACITY

As of 31 December 2020, the earnings capacity for the next 12 months improved by 8% compared with the 12-month perspective as of 31 December 2019. This was a result of the acquisitions carried out by the Company and rent increases due to indexation.

# Tenants and lease structure

## TENANTS

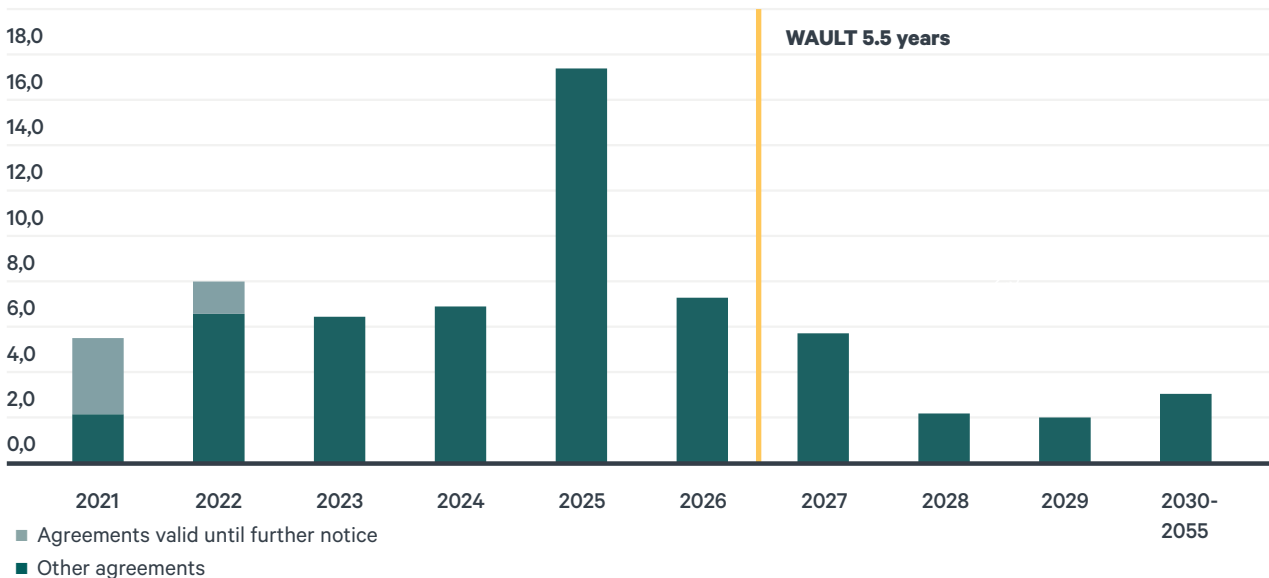
More than 90% of Cibus's net operating income comes from properties anchored by Kesko, Tokmanni, Coop, S-Group or Lidl. Other daily goods tenants include HalpaHalli in Finland and ICA in Sweden. The graph below shows how net operating income is distributed among properties where the different grocery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



## SUMMARY OF LEASES

The information below shows that the maturity structure of the leases is well distributed over the coming years. The typical lease contains a renewal option clause allowing the tenant to renew the lease, generally for three or five years. 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 2020, the weighted average unexpired lease term (WAULT) in the portfolio was 5.5 years.

### MEUR



**Approximately 61%** of the lease agreements that would expire in 2021 are valid until further notice, meaning that both the landlord and the tenant have the opportunity to terminate them. Such leases are typical for smaller tenants and this agreement structure provides flexibility for developing the property if, for example, the anchor tenant seeks to expand its premises. In the vast majority of cases, agreements valid until further notice have already continued for quite some time and it can be assumed that neither the landlord nor the tenant will terminate the agreement within the near future.

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



# The property portfolio

## GENERAL OVERVIEW

As of 31 December 2020, Cibus's property portfolio comprised 290 relatively modern shop properties, located in Finland and Sweden.

About 90% of the total rental income is derived from properties anchored by five market-leading tenants: Kesko, Tokmanni, Coop, S-Group and Lidl. All of the major tenants perceive the properties as well suited for their purpose. Anchor tenants account for 88% of rental income with a term of 6.0 years.

Anchor tenant	Number of properties	Lettable area, sq. m.	Duration	Anchor tenant's duration	Anchor tenant's share of rent
Kesko	84	258,147	4.1	4.4	91%
Tokmanni	46	220,103	5.1	5.4	83%
Coop	111	118,357	9.3	9.4	98%
S-Group	29	50,928	7.3	7.9	78%
Lidl	5	20,911	7.9	9.2	85%
Other daily goods	7	38,200	5.5	6.4	76%
Other retail	8	37,393	3.8	n/a	n/a
<b>Portfolio total</b>	<b>290</b>	<b>744,039</b>	<b>5.5</b>	<b>6.0</b>	<b>88%</b>

## PROPERTY PORTFOLIO IN FINLAND

As of 31 December 2020, Cibus's property portfolio in Finland comprised 178 relatively modern store properties, located in various growth regions across Finland. As of 31 December 2020, the weighted average unexpired lease term (WAULT) in the property portfolio in Finland was 4.8 years.

About 90% of Cibus's net operating income derives from properties where Kesko, Tokmanni, S-Group or Lidl are the anchor tenants. Other grocery and daily-goods tenants include HalpaHalli and independent traders. Anchor tenants accounted for slightly more than 85% of rental income with a term of 5.2 years.

The Group's properties in Finland are located in more than 100 different towns, the majority in the southern and southwestern part of the country. The property portfolio includes properties located in all of Finland's ten largest cities, which creates a healthy platform.

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

## PROPERTY PORTFOLIO IN SWEDEN

As of 31 December 2020, the Company owned a property portfolio of 112 properties in Sweden, with 119,400 square metres of lettable area. In Sweden, the average remaining lease term on the property portfolio at the end of 2020 was approximately 9.2 years.

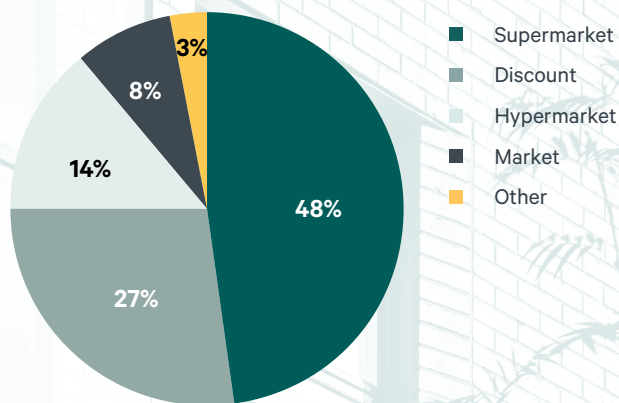
The largest tenant was Coop and approximately 99% of the net operating income comes from properties where Coop is the anchor tenant. Other anchor tenants include ICA, which leases one property. The anchor tenants accounted for slightly more than 98% of rental income, with an average remaining lease term of 9.4 years.

In Sweden, all of the properties are located in southern and central Sweden. Most are categorized as medium-sized grocery stores, the type of store that accounts for the majority of the daily goods trade in Sweden.

## PORTFOLIO DIVERSIFICATION

No single property in the portfolio accounts for a larger share than 2.5% of the portfolio's total net operating income, eliminating dependency on any individual property. Only one property accounts for more than 2.0% of the portfolio's total rental income.

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



## KEY FIGURES

Annual net operating income is estimated at about EUR 72.6 million (current earnings capacity), based on Cibus portfolio as of 31 December 2020.

<b>Number of properties</b>	290
<b>Total lettable area, thousand sq.m.</b>	744
<b>Lettable area/property sq.m.</b>	2,566
<b>Net operating income (current earnings capacity), EUR million</b>	72.6
<b>Net operating income, EUR/sq.m (let area)</b>	103
<b>WAULT, years</b>	5.5

# Geographic locations

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

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

The map below shows the geographic locations of the properties.





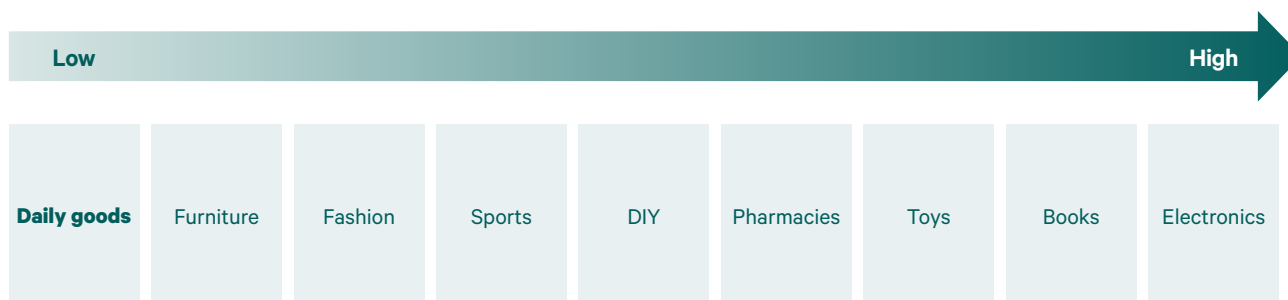
# The impact of e-commerce on Cibus's business model

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 daily goods. 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 grocery segment. This is because many grocery 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.

Customers who shop for food online are therefore notified when they can collect their purchases from a facility adjacent to the store, this is referred to as "click-and-collect". E-commerce has increased during the Covid-19 pandemic. 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 IMPACT ON DIFFERENT TYPES OF RETAIL



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 two unsecured bonds.

As of 31 December 2020, the Group had secured bank loans of EUR 622 million with a weighted average floating interest margin of 1.7% and a weighted average loan maturity of 2.9 years. Cibus has pledged mortgages in the properties as collateral for the interest-bearing liabilities. In Cibus's assessment, the collateral agreements have been entered on market terms.

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

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

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

The earlier EUR bond, maturing on 26 May 2021, was fully redeemed as of 9 July 2020.

- The Group's average tenor amounted to 2.9 years.
- The first loan maturity date is in 2.1 years' time.
- Of the Group's bank loans, around 61% are hedged using interest-rate derivatives in the form of interest-rate caps.
- The LTV ratio including the bonds is 61.3%.
- The secured bank loan has an LTV of 48.9%.



# Competent employees and core values

Cibus is a large company in terms of property values but small in terms of the number of employees, as large parts of the property management operations and simpler administration functions are outsourced

Each individual employee is important and has a major impact on Cibus's development, and the Company must be able to attract, develop and retain employees who contribute in the best way to the Company's development and goals. A corporate culture characterised by a strong set of values contributes to satisfied and committed employees and the organisation's development. The core values of Cibus are based on the core values of commitment, responsibility and enjoyment.

## COMMITMENT

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

## RESPONSIBILITY

...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 relation to our most important stakeholders and to the society in which we operate.

## ENJOYMENT

...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.



Cibus's organisation in its current structure began to be established in 2019 when three people were hired. In 2020, the organisation was expanded with four functions, of which one CIO in Sweden, one CIO in Finland, one Senior Asset Manager and one Head of Finance in Finland. At the end of 2020, the workforce amounted to six employees and one consultant. The Company's management team consists of the CEO, CFO and CIO Finland and CIO Sweden, who are the Company's senior executives. Cibus strives for an even gender balance in the organisation. At the end of 2020, the age distribution among employees was 67% between 30 and 50 years and 33% over 50 years.

Employee interviews are conducted annually with the aim of developing employees and the organisation. In 2020, interviews were conducted with all employees employed at the beginning of the year. Cibus offers employees annual wellness grants. Sick leave during the year was zero percent, no work-related accidents occurred. By working from home, making use of flexible working hours and being able to attend digital meetings, all of our employees have been protected during the pandemic.

### Gender balance in the organisation

	Women	Men
<b>Cibus, employees</b>	<b>40%</b>	<b>60%</b>
<b>Cibus, senior executives</b>	<b>25%</b>	<b>75%</b>
<b>Cibus, Board of Directors</b>	<b>40%</b>	<b>60%</b>

# Sustainability

## SUSTAINABLE MARKETPLACES AS A BUSINESS CONCEPT

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

In partnership with the anchor tenants, which are leading Nordic food and grocery retailers, Cibus develops sustainable marketplaces and contributes to favourable community development. To meet the global challenges and development goals set by the UN for 2030, society and the business community must change and behave more intelligently. Cibus is driven by the conviction that making appropriate decisions in its acquisitions, management and development of properties can contribute to this change.

Having tenants that almost exclusively apply their own ambitious sustainability objectives is one example of this. Another is Cibus's own choices and the opportunities the Company makes use of to influence tenants and other stakeholders, despite the design of the lease agreements for the properties' limiting Cibus's direct influence.

### GOVERNANCE OF SUSTAINABILITY WORK

Within Cibus, sustainable business is afforded a high priority. The CEO ensures that sustainability work forms part of the overall business strategy, and that Cibus's approach to sustainability issues is implemented and communicated in acquiring, managing and developing the marketplaces and that this becomes an integral part of the operations.

At an overarching level, the sustainability work is governed by the Company's Sustainability Policy and Code of Conduct, a number of other policies and Cibus's own sustainability framework. The framework was adopted by the Board in 2019 and is based on a materiality analysis carried out in the same year, and that mapped out stakeholders' expectations of Cibus.

Based on the framework, Cibus's sustainability measures are directed at those areas where the Company can contribute most effectively for society:

- A sustainable social partner
- The climate in focus
- Accessible marketplaces

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 tenants
End-consumers	Access to public transport and local services, secure marketplaces, climate-smart solutions	Indirect engagement via tenants
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 SECTION – SUSTAINABILITY POLICY AND CODE OF CONDUCT

Cibus has a Code of Conduct aimed at the Company's employees and partners, which clarifies how the Company conducts business in an ethical and responsible manner and handles gifts and conflicts of interest. This is based on a number of positions indicated in Cibus's Sustainability Policy, which is based on the UN Global Compact's ten principles on human rights, the environment and work against corruption.

In summary, Cibus does not participate in projects or assignments, nor does it engage any supplier, where there is a risk that the Company or the Company's customers violate or infringe any of the Global Compact's principles. The Company also applies zero tolerance of bribes, which also applies to partners and suppliers. The Code and Sustainability Policy are available and communicated to all employees and Board Members within Cibus.

## 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](http://www.cibusnordic.com). This makes possible to report suspicions of corruption or other offences via an independent external party.



## A SUSTAINABLE PARTNER

A high level of commitment to the tenants, innovative arrangements and business in good order are the basis for Cibus's sustainability work.

Material sustainability issue	Description of why essential	Long-term objective	Results in 2020	Contribution to the UN's global goals
<b>Committed and present partner</b>	To meet the right needs of our tenants, both in the business relationship and to support our tenants' own ambitious sustainability objectives.	We shall make it easier for our tenants and end-customers to act sustainably.	<b>Sustainability calls 63%</b> proportion of tenants offered Cibus support	
<b>Financial results</b>	Stable earnings and a strong financial position secure our long-term operations, which is strategic for both the Company and its stakeholders.	Our earnings shall safeguard long-term stable operations for the benefit of tenants, society, investors and employees.	<b>TEUR 65,033 rental income</b> (51,530 in 2019) <b>+5.6% increased dividend (target 5%)</b> in accordance with the Board's proposal to the 2021 AGM <b>61.3% loan-to-value ratio (target 55-65%)</b>	
<b>Ethical and secure transactions</b>	High credibility regarding business ethics is a prerequisite for a long-term business, and is of strategic importance for both Cibus and its stakeholders.	We shall be a respectable player in the property sector, conducting our operations ethically, without suspicion of corruption, tax arrangements or shortcomings in customers' security/integrity.	No incidents regarding bribery and corruption	
<b>Transparent information for investors</b>	Cibus' capacity to achieve set financial targets and provide correct market information has a significant impact on the Company's reputation, particularly with regard to the future capitalisation of the Company.	We must follow regulations and recommendations, and provide a transparent account of the business and its results.	Cibus 2020 Sustainability Report <b>is the Company's second consecutive report of this type</b> reviewed by the Company's auditors	

### COMMITTED AND PRESENT PARTNER

Approximately 90% of Cibus's property portfolio is leased to high-quality retail chains, such as Kesko, Tokmani, S-Group, Coop and Lidl. All have high ambitions for their impact on the outside world. To meet needs appropriately, Cibus, as a property owner, holds frequent sustainability talks with the chains and otherwise acts as a committed and present property owner.

In 2020, interviews were conducted with 63% of the property portfolio's tenants. As a long-term partner with a thorough knowledge of the sector, Cibus can, during such talks, offer tenants arrangements that meet their sustainability challenges while strengthening the conditions for extended leases and new property acquisitions. This can, for example, result in reallocated retail space to new or more properties, new service functions, such as pharmacies or hair salons being established, which increases the marketplace's attractiveness for the end-consumer, or a decision by the tenant to build electric chargers in customer car parks or to install solar panels to safeguard energy supply. The talks also help to spread good examples from one part of the grocery chain to other parts.

### STABILITY AND BUSINESS ETHICS

Crucial to Cibus's business operations is the Company's ability to act as a stable and sound partner and as a respectable player in the property sector. The business is based on a long-term perspective with repeat customers and long-term leases and must be characterised by integrity and customer confidentiality, clear business ethics principles, considerations about how and with whom the Company does business and that no suspicions of irregularities or corruption are ever raised.



Cibus's Code of Conduct and Sustainability Policy reflects the Company's zero tolerance regarding bribery and corruption in its own operations, with suppliers and partners. Cibus complies with the GDPR and has a clear policy on data management. Since 2019, Cibus has had a whistleblower function that can be accessed via the Company's website [www.cibusnordic.com](http://www.cibusnordic.com), where both employees and outsiders can report suspicions of corruption or other rule violations via an external independent party. In 2020, no incidents of corruption or rule violations were reported or had to be dealt with.

Reputation is also strongly associated with the ability to achieve set financial goals, conduct strategically beneficial transactions and provide transparent and accurate market information. In 2020, Cibus achieved a continued stable result and a strong financial position, which were important conditions for accessing the capital market in connection with the borrowing programmes and acquisitions made during the year.

For investors and other stakeholders, it must be clear how Cibus considers, controls and handles sustainability issues in its operations. The Sustainability Report for 2020 is the second that Cibus has published that has been reviewed by the Company's auditors.

## THE CLIMATE IN FOCUS

Cibus makes it easier for tenants to reduce their climate footprint and that of the end-consumers.

Material sustainability issue	Description of why essential	Long-term objective	Results in 2020	Contribution to the UN's global goals
<b>The climate footprint around our marketplaces and in our own operations</b>	It is necessary for society and Cibus to relate to and counteract ongoing climate change in the world. Cibus owns and acquires properties with very long leases in which the Company lacks operational control over issues such as energy consumption and purchasing. Our impact in reducing society's climate footprint is achieved by making it easier for our tenants and their end-consumers to reduce their climate impact, and to minimise the footprint from our internal operation of the Company.	We will work to reduce the climate footprint of our properties by making it easier for our tenants to invest in renewable energy, and by investing in accessible marketplaces that minimise the climate footprint for end-customers.	<p><b>Of our holdings, 79% is leased to tenants with the ambition of reducing climate footprint</b></p> <p><b>26 properties with solar panels</b>, corresponding to 9% of Cibus's properties.</p> <p><b>Internal operation: 5,781 KWh electricity consumption 29 KWh/m<sup>2</sup> 100% renewable electricity</b></p>	
<b>Energy efficient property portfolio</b>	The energy issue is strategically important for society because it is a finite resource, and it is important for our tenants with regard to their sustainability ambitions and the impact of energy on earnings.	Energy efficiency and the proportion of renewable electricity used in our properties will increase.	<p><b>MEUR 204 in energy-certified properties</b></p> <p>corresponds to 16% of the total property value and &gt;300% of the nominal value of the Green Bond issued in 2020.</p>	

### CLIMATE FOOTPRINT AND ENERGY EFFICIENCY

Cibus's principal environmental targets are to reduce the property portfolio's energy and water consumption and the climate footprint in and around Cibus's marketplaces.

Cibus lacks operational control over tenants' energy purchases and consumption of electricity, heat and water. The Company's contribution to reducing the properties' total environmental footprint is instead made by stimulating the tenants' environmental efforts and prioritising tenants with their own environmental ambitions. About 80% of Cibus's tenants have stated ambitions to reduce their climate footprint. With the stores' attractiveness and high availability, they afford end-consumers the opportunity to buy goods in local communities instead of travelling, while at the same time offering end-customers a number of other climate-smart choices.

As a property owner, Cibus offers its tenants a fast and accommodating handling of requests for extensions to the properties regarding renewable energy. At the end of 2020, 26 properties in the Finnish portfolio will have solar cells installed on the roof, which will generate 2,706 MWh in annual energy production. This corresponds to electricity consumption for 1,353 apartments or 13 million km of driving distance with an electric car, as well as an annual reduction in emissions of 412 tCO<sub>2</sub>. At present, solar cells cover only a small part of the properties' total energy consumption and tenants' carbon dioxide emissions, although, in line with lower investment costs, the proportion of properties with such facilities is expected to increase. Additional solar panels have already been planned and discussions are in progress with several Cibus tenants about installing more.

Automatic energy reading has been installed in most of the properties. Several tenants have installed charging stations for electric cars adjacent to the shops, and Cibus generally always takes a positive view of requests to use the properties' land for environmental purposes.

The energy portfolio's energy efficiency is also affected by Cibus's prioritisation of energy-certified properties in connection with acquisitions. In Cibus's acquisition of Coop's 111 stores in Sweden in early 2020, the properties' energy efficiency was taken into account, especially together with their available locations for end-consumers.

The environmental footprint of Cibus's internal operations consists mainly of heating and electricity consumption at the leased offices in Stockholm and Helsinki and in connection with business trips. All purchased electricity is fossil-free and air travel is climate-compensated. The pandemic caused a large decline in travel figures in 2020.

### ENERGY CERTIFIED PROPERTIES AND GREEN BOND

In 2020, Cibus issued a green bond corresponding to EUR 60 million. Energy-certified properties in Cibus's portfolio were pledged as security for the bond. At the end of 2020, Cibus owned properties with energy certification A and B in Finland and A, B and C in Sweden amounting to a total value of EUR 204 million. This corresponds to 342% of the outstanding green bond, and 16% of the value of Cibus's total property portfolio.

### THE IMPACT OF CLIMATE CHANGE

Cibus's continued investment in high-availability properties and attractive daily goods retailers contributes to people not having to travel to shops or service points, resulting in a reduced climate footprint among end-consumers. With a property portfolio concentrated in Sweden and Finland, long-term climate effects from a higher average temperature in the world are not expected to have a direct impact on buildings or energy consumption. Indirectly, Cibus may be affected by higher insurance premiums and changed consumption patterns that may affect tenants' ability to pay. Cibus will continue to evaluate the impact of climate change on the business model.

### WATER CONSUMPTION AND WASTE

Tenants are responsible for water consumption and waste management at the properties. Automatic reading of water consumption has been installed at several properties to limit consumption. Waste is sorted at source, including sorting of food waste, paper and packaging.

## CIBUS'S CARBON FOOTPRINT IN FIGURES

TONNES CO <sub>2</sub> EQUIVALENTS	2020		2019	
	tonnes	kg/m <sup>2</sup>	tonnes	kg/m <sup>2</sup>
<b>Scope 1</b>				
– Company cars	2		1.1	
<b>Total</b>	<b>2</b>		<b>1.1</b>	
<b>Scope 2</b>				
– Purchased energy in internal operations	0		0	
<b>Total</b>	<b>0</b>		<b>0</b>	
<b>Scope 3</b>				
– Business travel	2.5		11	
– Owned, leased properties – Finland	17,055	30.0	17,415	32.9
– Owned, leased properties – Sweden	2,299	20.0	--	--
<b>Total</b>	<b>19,357</b>		<b>17,426</b>	

**Scope 1:** The calculation of emissions from company cars is based on Volvo V60 D4, 1,000 kilometres driven, mixed driving.

**Scope 2:** The account lacks data for CO<sub>2</sub> emissions from heating consumed by two offices of a total 197 square metres.

**Scope 3:** Business travel: refers to the organisation's business trips by air, based on the ICAO method.

Owned, leased properties: in Finland with Location-based method for 92% of the property portfolio, in Sweden for 100% of the property portfolio. For 2020, Swedish tenants' data for 2020 and Finnish tenants' data for 2019 are reported.

## CIBUS'S ENERGY CONSUMPTION IN INTERNAL OPERATIONS

TOTAL USE	2020			2019		
	Absolute figure (kWh)	Intensity (kWh/m <sup>2</sup> )	Proportion fossil-free (%)	Absolute figure (kWh)	Intensity (kWh/m <sup>2</sup> )	Proportion fossil-free (%)
<b>Purchased electricity</b>	<b>5,781</b>	<b>29.3</b>	<b>100</b>	<b>1,205</b>	<b>6.1</b>	<b>100</b>

Electricity consumption in 2019 refers to only a few months.

## ENERGY-CERTIFIED PROPERTIES IN CIBUS'S PORTFOLIO

	Number	Value EURm
Sweden A, B, C	7	13
Finland A, B	23	191
<b>Total</b>	<b>30</b>	<b>204</b>

## CONSUMPTION IN CIBUS'S PROPERTY PORTFOLIO (NON-OPERATIONAL CONTROL)

TOTAL USE	2020			2019		
	Absolute figure	Intensity (by area)	Proportion fossil-free (%)	Absolute figure	Intensity (by area)	Proportion fossil-free (%)
<b>Sweden</b>						
District heating, district cooling	1,548 MWh	13 kWh/m <sup>2</sup>		n/a		
Electricity, purchased	34,902 MWh	295 kWh/m <sup>2</sup>	100%	n/a		
Electricity production on-site	--	--		n/a		
Water	4,122 m <sup>3</sup>	0.03 m <sup>3</sup> /m <sup>2</sup>		n/a		
<b>Finland</b>						
District heating, district cooling	45,131 MWh	95.4 kWh/m <sup>2</sup>		39,227 MWh	87.8 kWh/m <sup>2</sup>	
Electricity	71,851 MWh	126 kWh/m <sup>2</sup>	23%	71,003 MWh	133.3 kWh/m <sup>2</sup>	41%
Electricity production on-site	2,924 MWh			1,602 MWh		
Water	82,416 m <sup>3</sup>	0.16 m <sup>3</sup> /m <sup>2</sup>		82,816 m <sup>3</sup>	0.17 m <sup>3</sup> /m <sup>2</sup>	
Waste	444 tonnes	0.7 kg/m <sup>2</sup>		460 tonnes	0.8 kg/m <sup>2</sup>	

**Comments:**

District heating and electricity: Finland 85% of property portfolio, Sweden 100% of property portfolio.

Water: Finland 83% of property portfolio, Sweden 100% of property portfolio.

Waste: Finland 17% of property portfolio, Sweden 0% of property portfolio

2020: Finland, data for 2019 (electricity production on-site, data for 2020)

2019: Finland, data for 2018 (electricity production on-site, data for 2019)

**ACCESSIBLE MARKETPLACES**

Cibus's accessible marketplaces in urban areas and in smaller towns provide end-consumers with vibrant local communities with secure services, groceries and e-commerce deliveries.

Material sustainability issue	Description of why essential	Long-term objective	Results in 2020	Contribution to the UN's global goals
<b>Establishing and developing marketplaces</b>	For the development of society, it is central that there are marketplaces, both in urban areas and in smaller towns, which creates vibrant local communities.	We will stimulate the development of marketplaces by owning properties leased to attractive grocery chains.	<b>290 properties in Finland &amp; Sweden (142)</b> <b>744,039 m<sup>2</sup> lettable (506,000)</b>	
<b>End-consumer access to shops and services</b>	For the end-consumer, vibrant local communities provide access to secure services, daily goods, e-commerce deliveries, etc. without having to take time to travel or making a major impact on the climate.	We shall create accessible marketplaces for end-customers, with access to shops and services.		
<b>Recycling for end-consumers and society</b>	For society and end-consumers, access to recycling stations and other environmental services is important from an environmental point of view.	We shall offer recycling for end-customers at our marketplaces.		

Cibus's main business concept is real estate investments in good geographical locations with the potential to develop into important marketplaces. With high-quality food and daily goods retailers as tenants, and located adjacent to residential areas, in places with public transport connections and in smaller towns, these marketplaces form local communities of a kind, to which end-consumers can walk, ride a bike or take public transport to run their errands. Here, people gain access to services, groceries and e-commerce deliveries, as well as municipal initiatives such as recycling stations, bicycle parking and more.

Cibus works continuously to strengthen the attractiveness of its marketplaces and to actively lease premises and land for complementary services, resulting in improvements for the end-consumer. Requests to use empty spaces on the properties for socially beneficial purposes are generally approved, as long as the quality of the marketplace does not deteriorate. To support the marketplaces and local communities, in 2020 Cibus chose to support its smallest tenants with rent reductions of around 200 TEUR when they were temporarily forced to close their operations as a result of the pandemic.

In 2020, Cibus's property portfolio was expanded by a net 148 properties, thus increasing the area of its marketplaces by 47% to 744,039 square metres of retail space in Sweden and Finland.



## EPRA KEY FIGURES

EPRA (European Public Real Estate Association) is a common interest group for listed European property companies. Cibus has been a member of EPRA for several years. EPRA's objective is to encourage greater investment in listed European property companies and to strive for common key figures and methods in accounting, financial reporting and corporate governance to provide high-quality information for investors and to increase comparability between different companies. Best practices also create a framework for discussion and decision-making on matters determining the future of the sector.

Cibus applies EPRA's recommendations for financial reporting but also for sustainability reporting. Read more in the Cibus's Statutory Sustainability Report on page 41.

### EPRA KEY FIGURES

<b>Unless otherwise stated all amounts are in TEUR (EUR thousands).</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Reported equity	458,028	332,869
Reversal of		
– derivatives	736	2,163
– deferred tax	16,647	12,261
– unpaid dividends	9,200	6,842
No. of shares outstanding	40,000,000	31,100,000
<b>EPRA NRV/share, EUR</b>	<b>12.1</b>	<b>11.4</b>
Reported equity	458,028	332,869
Reversal of		
– derivatives	736	2,163
– assessed fair value of deferred tax	16,647	12,261
– unpaid dividends	9,200	6,842
No. of shares outstanding	40,000,000	31,100,000
<b>EPRA NTA/share, EUR</b>	<b>12.1</b>	<b>11.4</b>
Reported equity	458,028	332,869
Reversal of		
– derivatives	736	2,163
– assessed fair value of deferred tax assets	-3,648	-1,304
– unpaid dividends	9,200	6,842
No. of shares outstanding	40,000,000	31,100,000
<b>EPRA NDV/share, EUR</b>	<b>11.6</b>	<b>11.0</b>
Profit for the year, TEUR	34,597	30,279
Earnings per share, EUR	0.95	0.97
Exclusion of		
– unrealised change in value of investment properties	-6,461	-7,034
– realised change in value of investment properties	-	-425
– deferred tax on EPRA adjustments	4,974	4,574
<b>Adjustments to calculate EPRA revenue</b>	<b>-1,487</b>	<b>-2,885</b>
<b>EPRA result, TEUR</b>	<b>33,110</b>	<b>27,394</b>
<b>EPRA earnings per share, EUR</b>	<b>0.91</b>	<b>0.88</b>
Estimated rental value for vacant space	3,241	2,954
Estimated rental value for entire portfolio	81,452	56,605
<b>EPRA vacancy rate, %</b>	<b>4.0</b>	<b>5.2</b>

# 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, financing and currency risk" section below regarding the management of capital risk.

## LIQUIDITY, INTEREST-RATE, FINANCING AND CURRENCY 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.

As of 31 December 2020, the Group had bank loans of approximately TEUR 622,505 (403,028) with an average weighted variable interest margin of 1.7% (1.6) + 3m EURIBOR or 3m STIBOR (depending on the currency) and a weighted average tenor of 2.9 years (3.5). In addition to its bank loans, Cibus Nordic Real Estate AB (publ) has issued two unsecured bonds for a total of approximately TEUR 194,778 (135,000). One EUR bond of TEUR 135,000 matures on 18 September 2023 and carries a floating coupon rate of 3m EURIBOR + 4.50%. A green SEK bond of TEUR 59,778 matures on 12 June 2023 and carries a floating coupon rate of 3m STIBOR + 4.75%. The bonds are listed on the Corporate Bond List Nasdaq Stockholm. The Group has also contracted an interest-rate cap for a nominal amount of TEUR 572,220 (285,000) and with a remaining tenor of about 2.9 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 or STIBOR 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 TEUR 3,529 (2,520). If the increase in the interest rate was 2%, the effect would be around TEUR 7,892 (5,040). About 61% of the Company's loans are interest-rate hedged with an interest-rate cap and, accordingly, interest-rate risk is limited. In EURIBOR, the interest rate ceiling is set at 0% and in STIBOR at 0.25%.

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 2020, 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 five separate senior loans, which were entered into by three Finnish subsidiaries and one Swedish subsidiary. These loan agreements contain additional covenants pertaining to the LTV ratio and the interest coverage ratio. As of 31 December 2020, all five 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 2020.

Group 31 December 2020	Within 3 months	Within 3-12 months	Within 1-3 years	Within 4-5 years
Borrowings	266	1,802	665,427	145,469
Derivatives	-	-	379	357
Interest rates	470	460	696	-
Interest rates	438	-	-	-
Other current liabilities	13,564	359	-	-
Other non-current liabilities	-	-	67	7,862
<b>Total</b>	<b>14,738</b>	<b>2,622</b>	<b>666,569</b>	<b>153,688</b>

Group 31 December 2019	Within 3 months	Within 3-12 months	Within 1-3 years	Within 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
<b>Total</b>	<b>7,544</b>	<b>11,097</b>	<b>559,937</b>	<b>4,481</b>

Parent Company 31 December 2020	Within 3 months	Within 3-12 months	Within 1-3 years	Within 4-5 years
Borrowings	-	-	192,715	-
Interest rates	324	-	-	357
Interest rates	116	-	-	-
Other current liabilities	128	-	-	-
<b>Total</b>	<b>568</b>	<b>-</b>	<b>192,715</b>	<b>357</b>

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

To calculate the cash flows for credits and for the variable components in the interest rate ceilings, EURIBOR or STIBOR (depending on the currency) have been applied as per the balance sheet date.

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 2020	538,028	2,163	540,190
Borrowings raised	454,923	-1,784	453,139
Repayment of debt	-175,667	-	-175,667
Non-cash items	-	357	357
<b>CB 31 Dec 2020</b>	<b>817,284</b>	<b>736</b>	<b>818,020</b>

Group	Borrowings	Financial derivatives	Total
OB 1 Jan 2020	135,000	-	135,000
Borrowings raised	194,778	-	194,778
Repayment of debt	-135,000	-	-135,000
<b>UB 31 Dec 2020</b>	<b>194,778</b>	<b>-</b>	<b>194,778</b>

Cibus's group currency is the Euro. If transactions are conducted in another currency, Cibus is exposed to a currency risk. In 2020, a property portfolio was acquired in Sweden, meaning that Cibus increased its exposure in SEK. Cibus mainly manages currency risk by matching receivables and liabilities in the same currency. Cibus's Board of Directors is able to approve the use of currency derivatives to minimise the Company's currency exposure. As the currency exposure is not considered significant, no currency derivatives were being used as of 31 December 2020.

#### 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 95.3%. 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.

Group	31 Dec 2020	31 Dec 2019
Rental receivables	679	431
Other receivables	453	3,384
Cash and cash equivalents	36,783	24,746
<b>Maximum exposure to credit risk</b>	<b>37,915</b>	<b>28,561</b>

Parent Company	31 Dec 2020	31 Dec 2019
Other receivables	70	148
Cash and cash equivalents	22,598	9,709
<b>Maximum exposure to credit risk</b>	<b>22,668</b>	<b>9,857</b>

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, LTV ratio and equity/assets ratio. See page 73 for definitions.

Group	31 Dec 2020	31 Dec 2019
Total liabilities	865,926	579,873
Equity	458,028	332,869
<b>Debt/equity ratio, multiple</b>	<b>1.9</b>	<b>1.7</b>

Group	31 Dec 2020	31 Dec 2019
Net operating income – Admin. costs + Financial income	54,909	43,340
Financial expenses	16,672	12,802
<b>Interest coverage ratio, multiple</b>	<b>3.3</b>	<b>3.4</b>



Group	31 Dec 2020	31 Dec 2019	Group	31 Dec 2020	31 Dec 2019
Net liabilities to credit institutions *	780,500	513,282	Equity	458,028	332,869
Market value of properties	1,272,514	874,813	Total assets	1,323,954	912,742
<b>Net debt LTV ratio, %</b>	<b>61.3</b>	<b>58.7</b>	<b>Equity/assets ratio, %</b>	<b>34.6</b>	<b>36.5</b>

\* 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 2020	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial liabilities measured at fair value through profit or loss	Carrying amount
<b>Financial assets</b>					
Accounts receivable	679	-	-	-	679
Other non-current receivables	36	-	-	-	36
Other receivables	453	-	-	-	453
Cash and cash equivalents	36,783	-	-	-	36,783
	<b>37,951</b>	-	-	-	<b>37,951</b>
<b>Financial liabilities</b>					
Liabilities to credit institutions, non-current	-	810,202	-	-	810,202
Financial derivatives	-	-	-	736	736
Accounts payable	-	438	-	-	438
Other current liabilities	-	3,739	-	-	3,739
	-	<b>814,379</b>	-	<b>736</b>	<b>815,115</b>
<b>31 Dec 2019</b>					
31 Dec 2019	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial liabilities measured at fair value through profit or loss	Carrying amount
<b>Financial assets</b>					
Accounts receivable	431	-	-	-	431
Other non-current receivables	-	-	224	-	224
Other receivables	3,384	-	-	-	3,384
Cash and cash equivalents	24,746	-	-	-	24,746
	<b>28,561</b>	-	<b>224</b>	-	<b>28,785</b>
<b>Financial liabilities</b>					
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
	-	<b>552,792</b>	-	<b>2,163</b>	<b>554,955</b>

## 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 Group's interest-rate derivatives comprise an interest-rate cap with a total nominal amount of around TEUR 572,220 (285,000). At 31 December 2020, the value of the interest-rate cap was TEUR 736 (2,163). The entire amount has been recognised as an expense and a liability in the consolidated accounts. The derivative agreements (ISDA agreements) allow for netting of obligations toward the same counterparty.

The carrying amounts for other financial assets and financial liabilities are assessed as providing a good approximation of the fair values.

## RISK MANAGEMENT

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

## BUSINESS ORGANISATION

### RENTAL INCOME

Description risk	Risk management
<p>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 5.5 years. About 90% of the Company's income stems from properties rented to five tenants in the grocery and daily-goods sector. The risk of vacancies, lost customers and a loss of rental income is impacted by tenants' inclination to continue renting the property and by tenants' financial positions as well as other external market factors.</p>	<p><b>To manage the risks,</b> Cibus is creating a more diversified contract base but is also continuing to retain and improve existing relationships with the Group's largest tenants, which are leaders in the grocery and daily-goods sector.</p> <p>Cibus continuously monitors the financial development of the Company's tenants and assesses alternative tenants. By making niched investments in food and grocery 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.</p>

### OPERATING AND MAINTENANCE EXPENSES

<p>The Group runs a risk of cost increases 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 the tenant, in addition to the rent, pays most of the costs incurred on 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.</p>	<p><b>Active and ongoing</b> 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.</p>
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### TRANSACTION RELATED COSTS

<p>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.</p>	<p><b>Cibus has a strong position</b> in the transaction market for grocery and daily goods properties in both Finland and Sweden. Cibus has a team with broad experience and solid 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.</p>
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### PROJECT DEVELOPMENT

<p>In collaboration with tenants, Cibus is continuously adapting its properties their needs.</p>	<p><b>In connection with tenant adjustments,</b> Cibus has opportunities to renegotiate leases in line with the scope of investment.</p>
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## 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, 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 TEUR 500. 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 TEUR 500 per company. The rules concerning limits on interest deductibles have not materially affected the Group 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 23-28.

## 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 grocery retail entails stable tenants and long-term leases. The market value of all Cibus' properties is assessed every quarter by external independent property appraisers. However, the value is always ultimately determined by Cibus's management.

## INTERNAL PROCESSES AND CONTROL

Within the framework of its ongoing operations, Cibus can be affected 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 pages 35-40).

## EMPLOYEES AND EXPERTISE

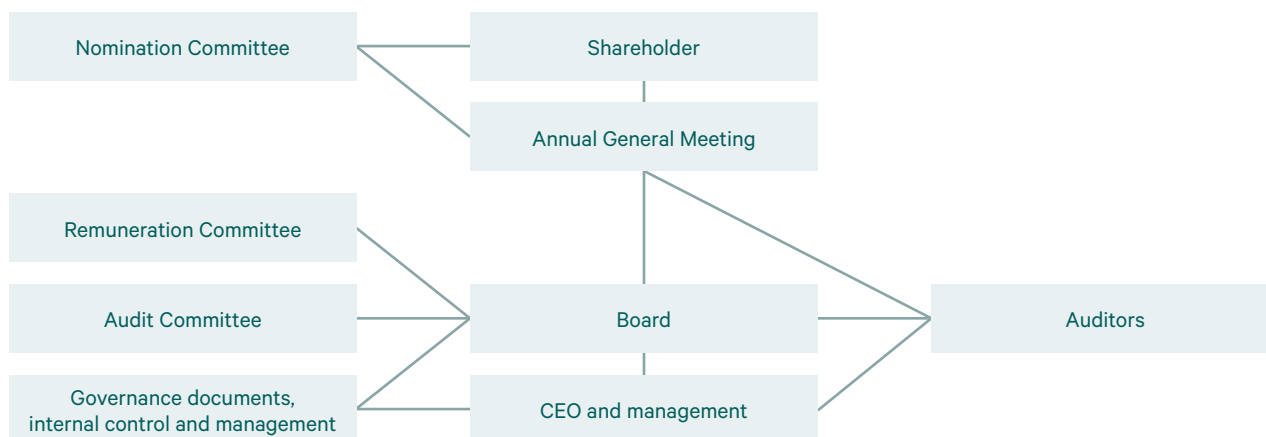
Cibus' future development depends largely on the knowledge, experience and commitment of its employees.

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

## CIBUS NORDIC



### STARTING POINT

Good corporate governance, risk management, internal control and management are key components in a successful business. These are prerequisites for Cibus Nordic's 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 2020 financial year. Cibus Nordic applies and adheres to the Swedish Code of Corporate Governance (the Company Code) which is available at [www.bolagsstyrning.se](http://www.bolagsstyrning.se). Cibus Nordic complies with applicable corporate governance laws, primarily the Swedish Companies Act and the Annual Accounts Act.

### CORPORATE GOVERNANCE STRUCTURE

Cibus Nordic's decision-making bodies are the Annual General Meeting, the Board, the CEO 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's shares and shareholders can be found on pages 10-11.

### GENERAL MEETING

The General Meeting is Cibus Nordic'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% of the shares.

### EXTRAORDINARY GENERAL MEETING, 23 JANUARY 2020 – DIVIDEND

An Extraordinary General Meeting was held on 23 January 2020 in Stockholm. A total of 24% 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% 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 entailed an additional dividend totalling EUR 1,368,400 on maximum utilisation of the Board's authorisation to issue shares. On 4 March, Cibus Nordic conducted a private placement of 6,220,000 shares, raising approximately SEK 886 million to finance the acquisition of a property portfolio of daily goods stores from Coop.



**ANNUAL GENERAL MEETING, 24 APRIL 2020 – DIVIDEND – DIRECTED NEW ISSUE**

The 2020 Annual General Meeting was held via postal voting in Stockholm on 24 April. A total of 24.94% of the total number of shares and votes was represented. The accounts for 2020 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 0.22 per share to shareholders. The record date for dividends was set as 18 June 2020. The dividend was paid on 29 June 2020 at EUR 0.22 per share.

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 under the authorisation shall be within the limits of the share capital as stated in the Articles of Association. The total number of shares that may be issued pursuant to this authorisation may not exceed 10% of the number of shares outstanding in the Company as per the date of the Extraordinary General Meeting.

The Annual General Meeting resolved to adopt guidelines for the remuneration of senior executives. The Annual General Meeting also resolved to adopt a long-term incentive programme aimed at the Company's management. The incentive programme consists of a warrant programme. To enable its commitments under the warrant programme, the Annual General Meeting further approved the issue of warrants and the transfer of warrants. A maximum of 160,000 warrants may be issued within the framework of the warrant programme.



## DIVIDEND CALENDAR

Approved dividend	Amount in EUR	Last trading day with dividend	Trading day without dividend	Reconciliation date	Payout date
Ordinary dividend	0.08	22 Mar 2021	23 Mar 2021	24 Mar 2021	31 Mar 2021
Ordinary dividend	0.08	17 Feb 2021	18 Feb 2021	19 Feb 2021	26 Feb 2021
Ordinary dividend	0.07	20 Jan 2021	21 Jan 2021	22 Jan 2021	29 Jan 2021
Ordinary dividend	0.08	17 Dec 2020	18 Dec 2020	21 Dec 2020	30 Dec 2020
Ordinary dividend	0.07	19 Nov 2020	20 Nov 2020	23 Nov 2020	30 Nov 2020
Ordinary dividend	0.07	21 Oct 2020	22 Oct 2020	23 Oct 2020	30 Oct 2020
Ordinary dividend	0.22	21 Sep 2020	22 Sep 2020	23 Sep 2020	30 Sep 2020
Ordinary dividend	0.22	16 Jun 2020	17 Jun 2020	18 Jun 2020	29 Jun 2020
Ordinary dividend	0.22	20 Mar 2020	23 Mar 2020	24 Mar 2020	31 Mar 2020
Ordinary dividend	0.21	27 Dec 2019	30 Dec 2019	2 Jan 2020	30 Jan 2020

## EXTRAORDINARY GENERAL MEETING, 14 SEPTEMBER 2020 – DIVIDEND

Extraordinary General Meeting, 14 September 2020, by postal voting. A total of 20.06% of the total number of shares and votes was represented. The Annual General Meeting primarily made the following resolutions: The Annual General Meeting approved a dividend in accordance with a proposal from the Board of Directors. Accordingly, the dividend was approved as follows: The Annual General Meeting approved a dividend of EUR 0.67 per share to shareholders. It was determined that the dividend will be paid out during the year in seven instalments. It was determined that record dates for the payment of the dividend should be 23 September 2020, 23 October 2020, 23 November 2020, 21 December 2020, 22 January 2021, 19 February 2021 and 24 March 2021. Accordingly, the expected payment dates were 30 September 2020, 30 October 2020, 30 November 2020, 30 December 2020, 29 January 2021, 26 February 2021 and 31 March 2021. Furthermore, it was resolved that, in the event that the Board exercises the authorisation granted by the Annual General Meeting to decide on an issue of new shares, this should be done in sufficient time that the newly issued shares are entered in the share register no later than the record date for dividends immediately following the aforementioned dates and that the dividends should be paid in such an amount that they still amount to the aforementioned amount per share on each specific payment date, both for existing and new shares issued with the support of the authorisation. If the authorisation is not exercised within that time, no additional dividend shall be paid.

## NOMINATION COMMITTEE

In accordance with a resolution by the 2020 Annual General Meeting, Cibus Nordic 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 2020. 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 2020 Annual General Meeting, can be found on Cibus' website [www.cibusnordic.com](http://www.cibusnordic.com).

Prior to the 2021 Annual General Meeting, the Nomination Committee comprises:

- Johannes Wingborg, Länsförsäkringar – Chairman of the Nomination Committee
- Olof Nyström, representing AP4
- Markus Dragicevic, representing Marjan Dragicevic
- Patrick Gylling, Chairman of the Board of Cibus Nordic Real Estate

The Nomination Committee applies and adheres to 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 2020 Annual General Meeting, five members were elected, of whom two are women and three are men. As a basis for its proposal for the 2021 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 Nordic's business model of acquiring, developing and managing high-quality properties in the Nordic region to generate a favourable 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. The Audit Committee and the Remuneration Committee consist of the Board of Directors in its entirety. According to the Articles of Association, Cibus Nordic's 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 2020 Annual General Meeting, five ordinary Board Members were elected. More information on the Board Members can be found on page 42.

Cibus Nordic's Board of Directors comprises:

- Patrick Gylling, Chairman of the Board (re-elected)
- Jonas Ahlblad (re-elected)
- Johanna Skogestig (re-elected)
- Elisabeth Norman (re-elected)
- Stefan Gattberg (newly elected)

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 2020, the Board held a total of 33 meetings. The statutory Board meeting approved the Board's Rules of Procedure, the instructions for the committees and decisions on who may sign on the Company's behalf and the annual plan for the Board's work.

#### **Board Committees**

The Audit Committee and the Remuneration Committee comprise the Board in its entirety, as the Board considers this most appropriate, taking the size of the Company into account. The work within each committee is carried out in accordance with the committees' instructions, which form part of the Board's Rules of Procedure.

#### **Remuneration Committee**

Cibus's Remuneration Committee consists of the Board of Directors in its entirety. The Remuneration Committee is a preparatory body for the Board and does not limit the Board's responsibility for the administration of the Company and for the decisions made. The Committee's tasks include preparing the Board's proposal regarding guidelines for the remuneration of senior executives, monitoring and evaluating completed and ongoing programmes for variable remuneration and Cibus's compliance with the remuneration guidelines adopted by the Annual General Meeting. The Remuneration Committee's work is recorded as a separate item in the minutes of the Board of Directors.

#### **Audit Committee**

Cibus's Audit Committee consists of the Board of Directors in its entirety. The Audit Committee is a preparatory body for the Board and does not limit the Board's responsibility for the administration of the Company and for the decisions made. The Committee's work includes reviewing the Company's financial reporting and the efficiency of the Company's internal control and risk management. The Audit Committee's work also focuses on the quality and accuracy of the Group's financial reporting and related reporting. The Committee monitors how accounting principles and accounting requirements develop and discusses other significant issues related to the Company's financial accounting. The Committee also evaluates the auditors' work, qualifications and independence and follows up in particular on whether the auditor provides the Company with services other than auditing services. The work of the Audit Committee is recorded separately in the minutes of the Board of Directors.

#### **Work of the Board of Directors**

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 2020 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 work of the Audit and Remuneration Committees is handled in accordance with the Board's annual plan for its ordinary Board meetings.

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**

The Annual General Meeting resolved that Board fees be paid totalling EUR 13,500 per month, of which EUR 4,500 per month shall be paid to the Chairman of the Board and EUR 2,250 per month to each of the other Board Members.

#### **SAFEGUARDING QUALITY IN FINANCIAL REPORTING**

The instructions to the CEO, as well as in Cibus's Compliance & Procedures Manual, 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/his 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 2020 Annual General Meeting, the accounting firm KPMG was re-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 2020 Annual General Meeting, it was resolved that remuneration to the auditor should be paid in accordance with approved invoicing. In 2020, fees to the auditor totalled TEUR 454 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 2020, Group Management comprised the CEO, the CFO, the CIO Finland and the CIO Sweden. Group management regularly discusses current issues and holds strategy days together with the Board at least once a year.

**Remuneration of senior executives** In 2020, a total of TEUR 1,123 was paid in fixed remuneration to the Company's senior executives (Group Management). Management Management). The total gross remuneration paid to the CEO, including basic salary, pension premiums, as well as car and health insurance benefits, amounted to TEUR 400 in 2020.



## **GUIDELINES FOR THE REMUNERATION OF SENIOR EXECUTIVES**

The guidelines encompass the CEO, CFO and other members of Group Management. The guidelines are applied to remunerations agreed, and to changes made to remunerations previously agreed, following the adoption of these guidelines by the 2020 Annual General Meeting. The guidelines do not cover remunerations determined by the Annual General Meeting.

### **How the guidelines foster the Company's business strategy, long-term interests and sustainability**

The Company's business strategy is to acquire, develop and manage high-quality properties in the Nordic region with daily goods retail chains as the anchor tenants. The Company currently owns 290 properties in Finland and Sweden.

A successful implementation of the Company's business strategy and the safeguarding of the Company's long-term interests, including its sustainability, presupposes that the Company can recruit and retain qualified employees. This requires that the Company be able to offer competitive remuneration. These guidelines make it possible to offer senior executives competitive overall remuneration.

The Company has established two long-term warrant programmes for the CEO and other senior executives. These were approved by the Annual General Meeting and are not therefore covered by these guidelines. For the same reason, the long-term warrant programme to be proposed to the 2021 Annual General Meeting by the Board of Directors is also not covered. The proposed programme essentially corresponds to existing programmes. The performance requirements used to assess the outcome of the programmes are clearly connected with the business strategy and therefore with the Company's long-term generation of value, including its sustainability. The programmes also require participants to make personal investments and to maintain their holdings for a period of several years. More information about these programmes is available at [www.cibusnordic.com](http://www.cibusnordic.com)

Variable cash remuneration covered by these guidelines shall aim to foster the Company's business strategy and long-term interests, including its sustainability.

### **Forms of compensation, etc.**

Remunerations shall be market-based and competitive and may include the following components: fixed cash salary, variable cash compensation, pension benefits and other benefits. In addition, the Annual General Meeting may determine, for example, share and share price-related remunerations. The fulfilment of criteria for payment of variable cash compensation shall be measurable over a period of one or more years. Variable cash compensation may amount to a maximum of 50% of the total fixed cash salary during the measurement period.

Pension benefits, including health insurance, shall be defined-contribution benefits, insofar as the executive is not covered by defined-benefit pension in accordance with the provisions of mandatory collective agreements. The pension premiums for defined-contribution pensions may not exceed 30% of pensionable income.

With regard to employment relationships subject to rules other than those applicable in Sweden, pension and other benefits shall be adjusted appropriately to comply with mandatory rules or established local practices, such that the overall purpose of these guidelines is, as far as possible, met.

### **Termination of employment**

In the event of termination by the Company, the notice period may not exceed 12 months. Fixed cash salary during the notice period and severance pay may not in total exceed an amount corresponding to the fixed cash salary for two years. In the event of termination by the executive, the notice period may not exceed six months, without entitlement to severance pay. Compensation may also be paid for any competition-limiting undertaking. This shall compensate for any loss of income and shall only be paid to the extent that the former executive is not entitled to severance pay. The compensation shall be based on the fixed cash salary at the time of termination and shall be paid during the period in which the undertaking to limit competition applies, which shall be a maximum of six months after the termination of employment.

### **Criteria for distribution of variable cash compensation**

Variable cash compensation shall be linked to predetermined and measurable financial or non-financial criteria. It may also comprise individualised quantitative or qualitative targets. The criteria shall be designed so that they promote the Company's business strategy and long-term interests, including its sustainability, by, for example, being clearly connected with the business strategy or by fostering the executive's long-term development.

When the measurement period for fulfilling the criteria for payment of variable cash compensation has ended, it must be assessed and determined to what extent the criteria have been met. The Board is responsible for such an assessment with regard to variable cash remuneration to the CEO, and the CEO is responsible for the assessment in relation to other senior executives. The fulfilment of financial criteria shall be determined based on the financial information most recently published by the Company.

### **Salary and terms of employment for employees**

In preparing the Board's proposal for these remuneration guidelines, salaries and terms of employment for the Company's employees have been taken into account in that information on employees' total remuneration, remuneration components and the increase and rate of increase over time have formed part of the basis for the Board's decisions in assessing the reasonableness of these guidelines and the limitations they impose.

### **The decision-making process for establishing, reviewing and implementing the guidelines**

The Board of Directors shall prepare proposals for new guidelines when there is a need for significant changes and at least once every four years. The proposals shall be submitted for adoption by the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting. The Board shall also monitor and assess programmes for variable remuneration for Company Management, the application of the guidelines on the remuneration of senior executives and applicable remuneration structures and levels within the Company. Neither the CEO nor other members of Company Management shall attend meetings at which the Board considers or determines remuneration-related matters, insofar as they are affected by those matters.

### **Deviations from the guidelines**

The Board may decide to temporarily deviate entirely or in part from the guidelines if there are specific reasons for this in an individual case and if a deviation is necessary to meet the Company's long-term interests, including its sustainability, or to safeguard the Company's financial viability. A Remuneration Report is provided in Note 7.



## 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. In 2020, Cibus further developed procedures, processes and documentation for internal control, and evaluated and assessed internal efficiency. Each year, the Board adopts governance documents in the form of instructions for the CEO, and Cibus's Compliance and Procedures manual.

Cibus's Compliance and Procedures manual includes the Information Policy and Insider Policy, the Data Security, Data and Data Protection Policy, the Code of Conduct, the Sustainability Policy, the Environmental Policy, the Risk Policy, the Finance and Liquidity Policy, processes for regulatory compliance, and the instructions on financial reporting. The Rules of Procedure for the Board of Directors, the instructions for the Audit and Remuneration Committees, together with the instructions for 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 Nordic's 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 each month, covering the Company's financial position, 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, as well as an assessment of the efficiency of the internal control and governance.

## 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 documented processes for internal control and governance, as well as 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 and documented internal processes and control activities 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 summarised in Cibus's Compliance and Procedures Manual and involves how the operations are organised, the corporate culture, rules and guidelines, communication, documentation and follow-up. The main task of the management and its employees is, in part, to apply, assess and maintain Cibus Nordic's control procedures and, in part, to perform internal control focused on business-critical issues. The Audit Committee evaluates and assesses internal efficiency. 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 major shareholders, the Company and Company management	Fees approved by AGM in EUR	Number of Board meetings, incl. committees
Patrick Gylling	Chairman of the Board	2018	Independent	54,000	33
Elisabeth Norman	Board Member	2018	Independent	27,000	33
Johanna Skogestig	Board Member	2018	Independent	27,000	33
Jonas Ahlblad	Board Member	2018	Independent	27,000	33
Stefan Gattberg	Board Member	2020	Independent	27,000	33

# Statutory Sustainability Report

In accordance with Chapter 6, Section 11 of the Annual Accounts Act, Cibus submits a Sustainability Report. The Sustainability Report refers to the operations of Cibus Nordic Real Estate AB (publ) and its subsidiaries during the 2020 calendar year. This is Cibus's second Sustainability Report, the previous report was published in April 2020. The report has not been reviewed by a third party.

The Sustainability Report comprises pages 23-28 in Cibus's 2020 Annual Report. For a more detailed account, see the table of contents below.

## Table of contents – Statutory Sustainability Report

	Page	Part of Annual Report
Business model	8	Business concept and goals
Material issues, stakeholders	23-28	Sustainability sections – all pages
Governance of sustainability work	23	Sustainability section – introduction
Risk management	35-40	Corporate Governance Report
Environment	26	Sustainability section – Climate in focus
Social conditions	22-28	Sustainability Section – introduction, A Sustainable Partner, accessible marketplaces; Employee section
Personnel, diversity	22	Employee section
Human rights	22-23	Sustainability section – introduction; Employee section
Anti-corruption, business ethics	24	Sustainability section – Sustainability Policy and Code of Conduct
Follow-up	23-28	Sustainability sections – all pages

## Table of contents, EPRA Sustainability Performance Measure

ENVIRONMENTAL SUSTAINABILITY PERFORMANCE MEASURES		
Elec-Abs	Total electricity consumption	Sustainability section-Climate in focus
DH&C-Abs	Total district heating & cooling consumption	Sustainability section-Climate in focus
Fuels-Abs	Total fuel consumption	Sustainability section-Climate in focus
Energy-Int	Building energy intensity	Sustainability section-Climate in focus
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	Sustainability section-Climate in focus
GGH-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	Sustainability section-Climate in focus
GHG-int	Greenhouse gas (GHG) emissions intensity from building energy consumption	Sustainability section-Climate in focus
Water-Abs	Total water consumption	Sustainability section-Climate in focus
Water Int	Building water intensity	Sustainability section-Climate in focus
Waste-Abs	Total weight of waste by disposal route	Sustainability section-Climate in focus
Cert-Tot	Type and number of sustainability certified assets	Sustainability section-Climate in focus
SOCIAL PERFORMANCE MEASURES		
Diversity-Emp	Employee gender diversity	Employee section
Emp-Dev	Employee performance appraisals	Employee section
H&S-Emp	Employee health and safety	Employee section
H&S-Asset	Asset health and safety assessment	Employee section
H&S-Comp	Asset health and safety compliance	Employee section
Comty-Eng	Community engagement, impact assessment and development programmes	Sustainability section -
GOVERNANCE PERFORMANCE MEASURES		
Gov-Board	Composition of the highest governance body	Corporate Governance Report
Gov-Select	Process for nominating and selecting the highest governance body	Corporate Governance Report
Gov-Col	Process for managing conflicts of interest	Corporate Governance Report
ORGANISATIONAL BOUNDARIES		
Cibus owns and acquires properties with pre-existing long-term leases. Cibus has no operational control over the operations in or around the properties. All purchases and choices of energy sources are made by the tenants.		Sustainability section-Climate in focus.

# Board of Directors and Auditor

The Board of Directors comprises Patrick Gylling (Chairman of the Board), Elisabeth Norman, Jonas Ahlblad, Johanna Skogestig and Stefan Gattberg

The auditor responsible is Mattias Johansson, KPMG.



## 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: 600,000 shares via Oriolidae Invest Ab and Oy Golden Oriol Ab



## ELISABETH NORMAN

Board Member since 2018

BA from Uppsala University

Other assignments: Chairman of the Board of EHB Hyresbostäder AB, Chairman of the Board of Nivika Fastigheter AB (publ), Deputy Chairman of the Board of Sveriges Allmännytt, Board Member of Byggpartner i Dalarna AB (publ), Board Member of Örndalen Exploaterig AB

Shareholding: 1,500 + 7,000 shares via Salsnecke Slott HB



## JONAS AHLBLAD

Board Member since 2018

Master of Economics from Hanken School of Economics

Other assignments: CIO at Sirius Capital Partners

Shareholding: 110,000 shares via Salba Holding Oy



## JOHANNA SKOGESTIG

Board Member since 2018

MSc Engineering from the Royal Institute of Technology

Other assignments: CEO Vasakronan

Shareholding: 7,600 shares



## STEFAN GATTBERG

Board Member since 2020

Law degree from Lund University

Other assignments: CEO Skuld UK and Board Member Pareto Securities

Shareholding: 7,743 shares



## MATTIAS JOHANSSON

Principal auditor since 2019

Authorised Public Accountant  
The Annual General Meeting elected KPMG AB as the auditing firm.

# Group Management

Group Management comprises Sverker Källgård (CEO), Pia-Lena Olofsson (CFO & Head of IR), Lauri Tiensuu (CIO Finland), Peter Lövgren (CIO Sweden)



**SVERKER KÄLLGÅRDEN**

CEO since 2019

MSc Engineering from the Royal Institute of Technology

Shareholding: 4,260 shares + 186,600 stock options



**PIA-LENA OLOFSSON**

CFO & Head of IR since 2019

Executive MBA from Warwick Business School and MBA from University of Gothenburg

Shareholding: 5,000 shares + 80,000 stock options



**LAURI TIENSUU**

CIO Finland since January 2020

MSc Engineering from Aalto University

Shareholding: 5,310 shares + 40,000 stock options



**PETER LÖVGREN**

CIO Sweden since August 2020

MSc Engineering from the Royal Institute of Technology

Shareholding: 1,000 shares + 40,000 stock options





# 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 2020 until 31 December 2020. 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 grocery and 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 grocery and 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 and Sweden but also for expansion into the other Nordic countries.

## PROPERTY PORTFOLIO AND TENANTS

At 31 December 2020, the property portfolio comprised 290 properties with a total lettable area of slightly more than 744,039 square metres. The market value was TEUR 1,272,514. The holdings consisted solely of retail premises that are mainly used for the grocery and daily-goods sector and that are located in various growth regions in Finland and Sweden. The overwhelming majority of the tenants comprise companies in the grocery and discount retail sector. More than 90% of the net operating income is derived from properties anchored by five market-leading tenants: Kesko, Tokmanni, Coop S-Group and Lidl. All major tenants perceive the properties as well suited to their operations. Anchor tenants account for 88% of rental income from grocery and daily goods retail properties and have an average unexpired lease term of 6.0 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 TEUR (EUR thousands).	Full-year 2020	Full-year 2019
Rental income	65,033	51,530
Net operating income	61,395	48,618
Profit from property management	33,488	28,667
Net profit after tax	34,597	30,279
Earnings per share <sup>1</sup> , EUR	0.95	0.97
Total assets	1,323,954	912,742
Cash and cash equivalents	36,783	24,746
Market value of properties	1,272,514	874,813
EPRA NRV/share, EUR	12.1	11.4
EPRA NTA/share, EUR	12.1	11.4
EPRA NDV/share, EUR	11.6	10.0
No. of shares outstanding	40,000,000	31,100,000
Average No. of shares outstanding	36,459,344	31,100,000
Return on equity, %	8.7	9.2
Senior debt LTV ratio, %	48.9	46.1
Net debt LTV ratio, %	61.3	58.7
Interest coverage ratio, multiple	3.3	3.4
Equity ratio, %	34.6	36.5
Debt/equity ratio, multiple	1.9	1.7
Surplus ratio, %	94.4	94.3
Economic occupancy rate, %	95.3	94.7
Proportion grocery and daily goods stores, %	95.0	93.3

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

## PERFORMANCE ANALYSIS FULL-YEAR 2020

### Income

Consolidated rental income for 2020 amounted to TEUR 65,033 (51,530). The Swedish acquisition of the Coop portfolio is included as of 10 March 2020. Service income totalled TEUR 9,346 (8,661) and consisted largely of re-invoiced expenses. The economic occupancy rate was 95.3% (94.7%). At 31 December 2020, the total annual rental value amounted to approximately TEUR 81,452 (56,605).

### Net operating income

The operating expenses for the reporting period totalled TEUR 12,984 (11,573) and net operating income amounted to TEUR 61,395 (48,618), resulting in a surplus ratio of 94.4% (94.3). As many leases are triple-net leases, whereby the tenants cover the majority of the expenses, net operating income is one of the most important comparative figures. Depending on the terms of the lease, expenses may be charged to tenants directly or via Cibus. This means that gross rents, expenses and service income may vary over time, even if net operating income remains relatively stable.

### Net financial items

Net financial items amounted to an expense of TEUR 21,387 (14,826) and consisted mainly of interest expenses for the year of TEUR 16,083 (12,175) but also of items affecting comparison of a negative TEUR 3,433 pertaining to redemption premiums for the early redemption of the EUR bond and arrangement fees and a negative exchange rate difference of TEUR 0 (0). Net financial items also include arrangement fees, expenses for interest rate derivatives and site leasehold fees in accordance with IFRS 16. In addition to secured loans of EUR 622 million, two unsecured bonds have been issued in the amounts of SEK 600 million and EUR 135 million.

At the end of the year, average interest rate in the loan portfolio, including margins and expenses for interest rate hedging, was 2.4% (2.4).

### Profit from property management

For the year, profit from property management amounted to TEUR 33,488 (28,667), corresponding to EUR 0.92 per share (0.92).

### Changes in property values

Including acquisitions, changes in property values amounted to TEUR 397,701 (58,335) from the opening balance of TEUR 874,813 (816,478) to the closing balance of TEUR 1,272,514 (874,813). TEUR 6,461 (7,034) of the changes in value are unrealised and TEUR 403 (0) constitutes an exchange rate effect. During the year, disbursements for acquisitions of properties were made in the amount of TEUR 386,122 (51,948), while divestments brought in TEUR 270 (2,070), adjusting property acquisition costs by TEUR 722 (0). In addition, investments of TEUR 4,262 (1,424) have been made in the properties, about half of which were tenant adjustments that were implemented with a direct return in line with, or exceeding, an existing portfolio.

### Tax

The nominal rate of corporation tax in Finland is 20%. Through fiscal depreciation on fittings and equipment, and on the buildings themselves, as well as through tax-loss carryforwards being exercised, a low effective tax expense was incurred for the reporting period. The nominal rate of corporation tax in Sweden is 21.4%. The loss carryforwards are estimated at about TEUR 18,221 (6,173).

Tax assets attributable to these loss carryforwards have been recognised in the consolidated balance sheet in an amount of TEUR 3,648 (1,304) and in the Parent Company's balance sheet in an amount of TEUR 2,438 (1,059). Cibus recognised total tax for the reporting period of negative TEUR 4,995 (5,117), of which current tax and deferred tax amounted to negative TEUR 21 (543) and negative TEUR 4,974 (4,574) respectively. The effective tax rate was 12.6% (14.4).

### Net profit after tax

Profit for the period after tax amounted to TEUR 34,597 (30,279), corresponding to EUR 0.95 per share (0.97). Unrealised changes in property values totalling TEUR 6,461 (7,034) were included in profit.

### CASH FLOW AND FINANCIAL POSITION

Consolidated cash flow from operating activities amounted to TEUR 45,925 (27,101), corresponding to EUR 1.26 (0.87) per the average number of shares outstanding. Cash flow from investing activities was negative in the amount of TEUR 392,290 (51,362) and mainly involved acquisitions of properties during the year. Cash flow from financing activities amounted to TEUR 357,941 (23,465).

At the end of the year, cash and cash equivalents amounted to TEUR 36,783 (24,746), corresponding to EUR 0.92 per share (0.80). At 31 December 2020, Cibus had net interest-bearing liabilities, following deductions of cash and cash equivalents, of TEUR 780,446 (513,282). Capitalised borrowing costs amounted to TEUR 4,265 (2,816).

### FINANCING

As of 31 December 2020, the Group had secured bank loans of EUR 622 million with a weighted average floating interest margin of 1.7% and a weighted average loan maturity of 2.9 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 two unsecured bonds of approximately TEUR 194,778 (135,000). One Euro bond of TEUR 135,000 matures on 18 September 2023 and carries a floating coupon rate of 3m EURIBOR + 4.50%. A green SEK bond of TEUR 59,778 matures on 12 June 2023 and carries a floating coupon rate of 3m STIBOR + 4.75%. The bonds are listed on the Corporate Bond List Nasdaq Stockholm. The bonds are currently trading at a lower implicit interest rate than that at which they were listed, indicating they would probably carry more favourable terms in the event of them being refinanced. The Group's total tenor amounted to 2.9 years.

Of the Group's bank loans, around 61% are hedged using interest-rate derivatives. The Group's average fixed-interest tenor is 2.9 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 2020, the market value of interest-rate derivatives was TEUR 736. The value change, which had no impact on cash flow, amounted to negative TEUR 357 on the same date. For further information, see Note 9. For further information regarding financial risk management and financial instruments, see pages 30-34.



## LEGAL STRUCTURE

At 31 December 2020, the Group comprised 309 limited companies with Cibus Nordic Real Estate AB (publ) as the Parent Company. All properties are owned by subsidiaries and 34 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 is listed on Nasdaq First North Premier Growth Market Stockholm under ISIN SE0010832204. As of 31 December 2020, the Company had about 27,000 shareholders. The 15 largest shareholders hold approximately 43% of the votes. None of these shareholders has a holding amounting to 10% or more of the votes in Cibus as of 31 December 2020. Following the new issue of 6,220,000 shares on 5 March and the new issue of 2,680,000 shares on 1 December 2020, there are 40,000,000 shares outstanding.

### Shareholders as of 31 December 2020

Name	No. of shares	Percentage
Fjärde AP-fonden	3,568,253	8.9
Marjan Dragicevic	1,820,000	4.5
Dragfast AB	1,570,000	3.9
BMO Global Asset Management	1,500,088	3.8
Avanza Pension	1,314,088	3.3
Svenska Handelsbanken	1,294,526	3.2
Länsförsäkringar Fonder	1,288,632	3.2
Sensor Fonder	946,000	2.4
Nordnet Pensionsförsäkring	858,885	2.1
Patrick Gylling	600,000	1.5
Säästöpankki Fonder	596,661	1.5
Blackwell Partners LLC	550,455	1.4
Goran Gustafssons stiftelser	522,000	1.3
Nuveen Asset Management	511,050	1.3
Degroof Petercam	397,939	1.0
<b>Total, 15 largest shareholders</b>	<b>17,338,577</b>	<b>43.4</b>
Other	22,661,423	56.6
<b>Total</b>	<b>40,000,000</b>	<b>100</b>

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 TEUR 7,084 (1,396).

## SUSTAINABILITY REPORT

For the Company's Sustainability Report, see page 41.

## AUDITOR

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

## SIGNIFICANT EVENTS DURING THE PERIOD

### FIRST QUARTER

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, it was announced that Cibus would be implementing a private placement 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 grocery shops from Coop for a total of approximately SEK 1,900 million. The acquisition is strategically significant and is Cibus's first acquisition in Sweden.

On 10 March, it was announced that Cibus had taken possession of the property portfolio of 111 grocery shops acquired from Coop, as announced previously, with a property value of approximately SEK 1,900 million.

On 18 March it was announced that Cibus is examining its options for paying monthly dividends. The Board intends to call an Extraordinary General Meeting once this examination has been completed. Accordingly, the Board proposes that the Annual General Meeting only make a resolution on regarding an initial quarterly dividend of EUR 0.22 per share in June.

### SECOND QUARTER

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

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

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

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

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

## CORONAVIRUS

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

For our foremost tenants, grocery retailers, volumes have increased since the virus emerged because more people are eating at home. Grocery retail volumes are at normal levels and nothing indicates that our tenants will encounter difficulty paying their rent. Approximately 99% of the rent we had invoiced for full-year 2020 was paid. Of our income, about 90% derives from the largest grocery chains in the Nordic countries. Early in the second quarter, some smaller-scale tenants in Finland were hit hard by the decision of the authorities to close restaurants, pubs and other gathering places. We maintained an ongoing dialogue with these tenants, providing them with conditions enabling them to restart operations on 1 June when the authorities eased their restrictions. In total, we reduced these smaller tenants' rent by approximately TEUR 200 in 2020. No additional rent reductions were implemented during the year.

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

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

#### THIRD QUARTER

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

#### FOURTH QUARTER

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

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

On 25 November, it was announced that Cibus had acquired a property in Kalajoki, Finland for EUR 12.4 million and, at the same time, that Cibus has a strong acquisition pipeline.

On 30 November, it was announced that Cibus had acquired two properties in Helsinki and Lahti, Finland for EUR 1.5 million. Kesko and S-Group are the tenants.

On 1 December, Cibus completed a private placement of 2,680,000 shares, raising proceeds of approximately SEK 418 million.

On 10 December, Cibus acquired a portfolio of seven properties in Finland for EUR 102 million. Kesko, Tokmanni and S-Group are the anchor tenants.

On 14 December, a property was acquired in Sweden for EUR 1 million, with ICA as the tenant.

#### SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

No significant events have occurred after the end of the financial year.

#### RISKS AND UNCERTAINTIES

Through its operations, the Group is exposed to various types of financial risks. These mainly relate to liquidity and financing risks which are described on page 30.

The Parent Company is indirectly affected by risks and uncertainties through its function in the Group.

#### GUIDELINES FOR SENIOR EXECUTIVES

The guidelines encompass the CEO, CFO and other members of Group Management. The guidelines are applied to remunerations agreed, and to changes made to remunerations previously agreed, following the adoption of these guidelines by the 2020 Annual General Meeting. For more information, see pages 38-39.

#### 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 0.94 per share. The proposed dividend corresponds to a yield of 5.6% on the share price at 31 December 2020 (SEK 167.60).

#### Proposed appropriation of profit

Ahead of the Annual General Meeting on 15 April 2021, the Board proposes a dividend of EUR 0.94 per share, corresponding to a total of TEUR 37,600. 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	347,686,773
Profit for the year	7,084,145
	<b>354,770,918</b>

#### The Board proposes that the earnings be appropriated as follows:

to be distributed to shareholders	37,600,000
to be carried forward	317,170,918
	<b>354,770,918</b>

In the event that the Board makes maximum use of its possible authorization to decide on a new share issue, a maximum dividend of EUR 3,760,000 will be distributed for the additional shares. Of the amount disposable as of 31 December 2020, at least EUR 313,410,918 will remain after dividends of a maximum total of EUR 41,360,000.

#### 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 2020	Full-year 2019
Rental income	4	65,033	51,530
Service income	4	9,346	8,661
Operating expenses	5	-10,023	-8,950
Property tax		-2,961	-2,623
<b>Net operating income</b>		<b>61,395</b>	<b>48,618</b>
Administration expenses	6.7	-6,520	-5,294
Other operating income		-	169
Financial income		34	16
Financial expenses	8	-21,421	-14,842
<b>Profit from property management</b>		<b>33,488</b>	<b>28,667</b>
Unrealised change in value of investment properties	12	6,461	7,034
Realised change in value of investment properties		-	425
Unrealised change in value of interest-rate derivatives	9	-357	-730
<b>Earnings before tax</b>		<b>39,592</b>	<b>35,396</b>
Current tax	10	-21	-543
Deferred tax	10	-4,974	-4,574
<b>Profit for the year</b>		<b>34,597</b>	<b>30,279</b>
Average No. of shares outstanding	16	36,459,344	31,100,000
Earnings per share before and after dilution, EUR	16	0.95	0.97

## CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousand euro (EUR thousand)	Full-year 2020	Full-year 2019
Profit for the year	34,597	30,279
<b>Other comprehensive income</b>		
Items that have been reallocated or that can be reallocated to profit for the year	-	-
Translation differences for the year in the translation of foreign operations	4,408	-
<b>Total comprehensive income*</b>	<b>39,005</b>	<b>30,279</b>

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



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousand euro (EUR thousand)	Note	31 Dec 2020	31 Dec 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	12	1,272,514	874,813
Right-of-use assets	11	8,218	5,878
Other tangible assets		36	31
Intangible assets		11	-
Deferred tax assets		3,648	1,304
Other non-current receivables		36	224
<b>Total non-current assets</b>		<b>1,284,463</b>	<b>882,250</b>
<b>Current assets</b>			
Rental receivables		679	431
Other current receivables	13	453	3,384
Prepaid expenses and accrued income	14	1,576	1,931
Cash and cash equivalents	15	36,783	24,746
<b>Total current assets</b>		<b>39,491</b>	<b>30,492</b>
<b>TOTAL ASSETS</b>		<b>1,323,954</b>	<b>912,742</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Parent Company shareholders</b>	16		
Share capital		400	311
Other contributed capital		422,275	300,794
Translation reserve		4,408	-
Retained earnings		-3,652	1,485
Profit for the year		34,597	30,279
<b>Total equity</b>		<b>458,028</b>	<b>332,869</b>
<b>Non-current liabilities</b>			
Borrowings	17	810,202	535,212
Deferred tax liabilities		20,294	13,565
Interest rate derivatives		736	2,163
Other non-current liabilities	11	9,296	6,162
<b>Total non-current liabilities</b>		<b>840,528</b>	<b>557,102</b>
<b>Current liabilities</b>			
Current portion of borrowing	17	2,762	-
Accounts payable		438	218
Current tax liabilities		37	34
Other current liabilities	18	3,739	17,362
Accrued expenses and deferred income	19	18,422	5,157
<b>Total current liabilities</b>		<b>25,398</b>	<b>22,771</b>
<b>Total liabilities</b>		<b>865,926</b>	<b>579,873</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,323,954</b>	<b>912,742</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euro (EUR thousand)	Share capital	Other contributed capital	Translation reserve	Retained earnings, incl. profit for the year	Total equity*
<b>Opening equity, 1 Jan 2019</b>	<b>311</b>	<b>300,762</b>	<b>-</b>	<b>27,607</b>	<b>328,680</b>
<b>Comprehensive income</b>					
Profit for the year	-	-	-	30,279	30,279
<b>Total comprehensive income, 1 Jan 2019 – 31 Dec 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,279</b>	<b>30,279</b>
<b>Transactions with shareholders</b>					
Issue of warrants	-	32	-	-	32
Dividend	-	-	-	-26,122	-26,122
<b>Total transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-26,122</b>	<b>-26,090</b>
<b>Closing equity, 31 Dec 2019</b>	<b>311</b>	<b>300,794</b>	<b>-</b>	<b>31,764</b>	<b>332,869</b>
<b>Opening equity, 1 Jan 2020</b>	<b>311</b>	<b>300,794</b>	<b>-</b>	<b>31,764</b>	<b>332,869</b>
<b>Comprehensive income</b>					
Profit for the year	-	-	-	34,597	34,597
Other comprehensive income	-	-	4,408	-	4,408
<b>Total comprehensive income, 1 Jan 2020 – 31 Dec 2020</b>	<b>-</b>	<b>-</b>	<b>4,408</b>	<b>34,597</b>	<b>39,005</b>
<b>Transactions with shareholders</b>					
New share issue	89	123,125	-	-	123,214
Issue costs	-	-2,160	-	-	-2,160
Tax effect of issue costs	-	462	-	-	462
Issue of warrants	-	54	-	-	54
Dividend	-	-	-	-35,416	-35,416
<b>Total transactions with shareholders</b>	<b>89</b>	<b>121,481</b>	<b>-</b>	<b>-35,416</b>	<b>86,154</b>
<b>Closing equity, 31 Dec 2020*</b>	<b>400</b>	<b>422,275</b>	<b>4,408</b>	<b>30,945</b>	<b>458,028</b>

\*Equity is entirely attributable to Parent Company shareholders

## CONSOLIDATED CASH FLOW STATEMENT

Amounts in thousand euro (EUR thousands)	Note	Full-year 2020	Full-year 2019
<b>Operating activities</b>			
Earnings before tax		39,592	35,396
Adjustments for non-cash items:			
– Financial items		1,625	1,114
– Unrealised changes in value, investment properties		-6,461	-7,034
– Unrealised changes in value, interest-rate derivatives		357	730
– Unrealised exchange rate differences		2,819	-
Tax paid		-609	-930
<b>Cash flow from operating activities before changes in working capital</b>		<b>37,323</b>	<b>29,276</b>
<b>Cash flow from changes in working capital</b>			
Change in other current receivables		3,037	-2,528
Change in accounts payable		220	28
Change in other current liabilities		5,345	325
<b>Cash flow from operating activities</b>		<b>45,925</b>	<b>27,101</b>
<b>Investing activities</b>			
Property acquisitions		-386,122	-51,948
Property sales		270	2,070
Investments in current buildings		-4,262	-1,424
Other investments		-2,176	-60
<b>Cash flow from investing activities</b>		<b>-392,290</b>	<b>-51,362</b>
<b>Financing activities</b>			
New share issue		123,214	-
Issue costs		-2,160	-
Issue of warrants		54	32
Borrowings	17	454,923	263,348
Loan arrangement fees		-2,836	-492
Repayment of debt	17	-175,667	-214,232
Dividend		-39,587	-25,191
<b>Cash flow from financing activities</b>		<b>357,941</b>	<b>23,465</b>
<b>Cash flow for the year</b>		<b>11,576</b>	<b>-796</b>
<b>Cash and cash equivalents at the start of the financial year</b>		<b>24,746</b>	<b>25,542</b>
Exchange rate difference in cash and cash equivalents		461	-
<b>Cash and cash equivalents at the close of the financial year</b>		<b>36,783</b>	<b>24,746</b>



## PARENT COMPANY INCOME STATEMENT

Amounts in thousand euro (EUR thousand)	Note	Full-year 2020	Full-year 2019
Net sales		501	588
Administration expenses	6.7	-2,629	-1,997
<b>Operating result</b>		<b>-2,128</b>	<b>-1,409</b>
<b>Results from financial items</b>			
Dividend on shares in subsidiaries		10,580	-
Financial income		3,873	3
Interest income from group companies		9,044	8,506
Financial expenses	8.9	-10,896	-6,406
<b>Results after financial items</b>		<b>10,473</b>	<b>694</b>
<b>Appropriations</b>			
Group contributions		-4,021	1,198
<b>Earnings before tax</b>		<b>6,452</b>	<b>1,892</b>
Tax	10	632	-496
<b>Profit for the year</b>		<b>7,084</b>	<b>1,396</b>

## PARENT COMPANY INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousand euro (EUR thousand)	Full-year 2020	Full-year 2019
Profit for the year	7,084	1,396
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>7,084</b>	<b>1,396</b>

## PARENT COMPANY BALANCE SHEET

Amounts in thousand euro (EUR thousands)	Note	31 Dec 2020	31 Dec 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capitalised software expenditure		17	-
Equipment		11	23
<b>Total non-current assets</b>		<b>28</b>	<b>23</b>
<b>Financial fixed assets</b>			
Shares in subsidiaries	20	128,594	128,544
Deferred tax assets		2,438	1,059
Non-current receivables from Group companies		374,363	271,953
Other non-current receivables		21	20
<b>Total financial fixed assets</b>		<b>505,416</b>	<b>401,576</b>
<b>Current assets</b>			
Current receivables from Group companies		41,751	1,198
Other current receivables	13	70	148
Prepaid expenses and accrued income	14	27	81
Cash and cash equivalents	15	22,598	9,709
<b>Total current assets</b>		<b>64,446</b>	<b>11,136</b>
<b>TOTAL ASSETS</b>		<b>569,890</b>	<b>412,735</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital		400	311
<b>Total restricted equity</b>		<b>400</b>	<b>311</b>
<b>Unrestricted equity</b>			
Share premium reserve		422,275	300,794
Retained earnings		-74,588	-40,570
Profit for the year		7,084	1,396
<b>Total unrestricted equity</b>		<b>354,771</b>	<b>261,620</b>
<b>Total equity</b>		<b>355,171</b>	<b>261,931</b>
<b>Non-current liabilities</b>			
Borrowings	17	193,073	134,036
<b>Total non-current liabilities</b>		<b>193,073</b>	<b>134,036</b>
<b>Current liabilities</b>			
Current liabilities		11,840	2,500
Accounts payable		116	34
Other current liabilities	18	81	13,393
Accrued expenses and deferred income	19	9,609	841
<b>Total current liabilities</b>		<b>21,646</b>	<b>16,768</b>
<b>TOTAL LIABILITIES</b>		<b>214,719</b>	<b>150,804</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>569,890</b>	<b>412,735</b>

## 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
<b>Opening equity, 1 Jan 2019</b>	<b>311</b>	<b>300,762</b>	<b>-14,446</b>	<b>286,627</b>
<b>Comprehensive income</b>				
Profit for the year/Other comprehensive income for the year	-	-	1,396	1,396
<b>Total comprehensive income, 1 Jan 2019 – 31 Dec 2019</b>	<b>-</b>	<b>-</b>	<b>1,396</b>	<b>1,396</b>
<b>Transactions with shareholders</b>				
Issue of warrants	-	32	-	32
Dividend	-	-	-26,124	-26,124
<b>Total transactions with shareholders</b>	<b>-</b>	<b>32</b>	<b>-26,124</b>	<b>-26,092</b>
<b>Closing equity, 31 Dec 2019</b>	<b>311</b>	<b>300,794</b>	<b>-39,174</b>	<b>261,931</b>
<b>Opening equity, 1 Jan 2020</b>	<b>311</b>	<b>300,794</b>	<b>-39,174</b>	<b>261,931</b>
<b>Comprehensive income</b>				
Profit for the year/Other comprehensive income for the year	-	-	7,084	7,084
<b>Total comprehensive income, 1 Jan 2020 – 31 Dec 2019</b>	<b>-</b>	<b>-</b>	<b>7,084</b>	<b>7,084</b>
<b>Transactions with shareholders</b>				
New share issue	89	123,125	-	123,214
Issue costs	-	-2,160	-	-2,160
Tax effect of issue costs	-	462	-	462
Issue of warrants	-	54	-	54
Dividend	-	-	-35,414	-35,414
<b>Total transactions with shareholders</b>	<b>89</b>	<b>121,481</b>	<b>-35,414</b>	<b>86,156</b>
<b>Closing equity, 31 Dec 2020</b>	<b>400</b>	<b>422,275</b>	<b>-67,504</b>	<b>355,171</b>

## PARENT COMPANY CASH FLOW STATEMENT

Amounts in thousand euro (EUR thousand)	Note	Full-year 2020	Full-year 2019
<b>Operating activities</b>			
Earnings before tax		6,452	1,891
Adjustments for non-cash items:			
– Arrangement fees		790	680
– Reversal of depreciation		9	6
– Unrealised exchange rate differences		-3,841	-
<b>Cash flow from operating activities before changes in working capital</b>		<b>3,410</b>	<b>2,577</b>
<b>Cash flow from changes in working capital</b>			
Change in other current receivables		-42,829	30
Change in accounts payable		-82	34
Change in other current liabilities		6,600	2,643
<b>Cash flow from operating activities</b>		<b>-32,901</b>	<b>5,284</b>
<b>Investing activities</b>			
Shareholder contributions paid		-55,569	-50
Acquisitions of fixed assets		-14	-
Loans to subsidiaries		-43,000	-
Repaid portion of loans to subsidiaries		-	22,900
Other investments		-	-49
<b>Cash flow from investing activities</b>		<b>-98,583</b>	<b>22,801</b>
<b>Financing activities</b>			
New share issue		123,214	-
Issue costs		-2,160	-
Issue of warrants		54	32
Borrowings	17	194,778	-
Loan arrangement fees		-1,099	-
Repayment of debt	17	-135,000	-
Formation of companies		-	-12
Dividend		-35,414	-25,191
<b>Cash flow from financing activities</b>		<b>144,373</b>	<b>-25,171</b>
<b>Cash flow for the year</b>		<b>12,889</b>	<b>2,914</b>
<b>Cash and cash equivalents at start of year</b>		<b>9,709</b>	<b>6,795</b>
<b>Cash and cash equivalents at end of year</b>		<b>22,598</b>	<b>9,709</b>



## ACCOUNTING POLICIES AND NOTES

### 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).

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 275 of its 309 subsidiaries and is a partner in 34 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 2020

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 2021 are not currently deemed to have any effect on Cibus' earnings or financial position.

#### Valuation criteria

Assets and liabilities are recognised at their historical cost, other than certain financial assets, liabilities and investment properties that are measured at fair value in the consolidated balance sheet.

Financial assets and liabilities measured at fair value consist of derivative instruments, valued at fair value via the consolidated income statement.

Investment properties are measured at fair value in accordance with IAS 40. The Group's accounting principles have been applied consistently to the reporting and consolidation of parent companies and subsidiaries.

#### Classification

Fixed assets consist of amounts expected to be recovered or paid after more than 12 months from the balance sheet date.

Non-current liabilities consist of amounts that fall due for payment only after more than 12 months after the balance sheet date and other amounts for which the Company has an unconditional right to defer payment to a time that is more than 12 months after the balance sheet date. Other assets and liabilities are reported as current assets and current liabilities, respectively.

#### 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.

#### Functional currency and reporting currency

The Parent Company's functional currency is the euro, which is also the reporting currency for the Parent Company and for the Group. This means that the financial statements are presented in euros. All amounts are, unless otherwise stated, rounded to the nearest thousand. 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.

### **Transactions in foreign currency**

Transactions in foreign currency are translated into the functional currency at the exchange rate prevailing on the transaction date. Functional currency is the currency in the primary economic environments in which the companies operate. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange rate differences arising on translation are reported in the profit for the year. Non-monetary assets and liabilities that are reported at historical cost are translated at the exchange rate at the time of the transaction. Non-monetary assets and liabilities that are reported at fair value are translated into the functional currency at the exchange rate prevailing at the time of fair value measurement.

### **Financial statements of foreign operations**

Assets and liabilities in foreign operations, including consolidated surplus and deficit values, are translated from the functional operations of the foreign operations to the Group's reporting currency, the euro, at the exchange rate prevailing on the balance sheet date. Income and expenses in a foreign operation are translated into the euro at an average exchange rate that is an approximation of the exchange rates that existed at the time of each transaction. Translation differences arising from currency translation of foreign operations are reported in other comprehensive income and accumulated in a separate component in equity, called the translation reserve. When the controlling influence over a foreign operation ceases, the accumulated translation differences attributable to the operation are realised, whereby they are reclassified from the translation reserve in equity to the profit for the year.

### **Asset acquisitions**

When acquisitions of subsidiaries involve acquisitions of net assets that do not constitute operations, the acquisition cost is allocated to the individual identifiable assets and liabilities based on their fair value at the time of acquisition. The cost is proportioned to acquired assets and assumed liabilities based on these fair values. Transaction expenses are added to the cost of the acquired net assets in connection with asset acquisitions. Deferred tax on temporary differences is not initially reported, see also the section on Taxes. Cibus reports deductions received for deferred tax as an unrealized change in the value of the property directly at the time of the acquisition. Changes in the value of contingent purchase considerations are added to the cost of the acquired assets.

### **Segment reporting**

Cibus reports its operations in the two national segments of Finland and Sweden. Of the total net operating income for 2020, 86% was attributable to Finland and 14% to Sweden. Of the total value of the properties, EUR 1,070,370 million was attributable to Finland and EUR 202,144 thousand to Sweden. See note 25 of this report for more information.

### **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. 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. 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.

### **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.

### **Borrowing costs**

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

### **Employee benefits**

The Group had six employees during the period. Employee benefits are recognised at the rate at which employees have provided services in exchange for employee benefits. Read more in the Corporate Governance Report with the Remuneration Guidelines on pages 38-39.

### **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 includes 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.

### **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. Fair value is based on external market valuations that are performed quarterly.

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 control 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**

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**

Financial assets/liabilities valued at amortised cost are initially reported at fair value with additions/deductions for transaction expenses. Subsequent reporting is at amortised cost applying the effective interest method, in which transaction expenses are accrued as part of the interest income/expenses over the term of the instrument. The effective interest rate method is mainly relevant for the Group's borrowing. Current receivables and liabilities of an operating nature are reported at nominal amounts, as discounting would have insignificant effects. Receivables are reduced by a reserve for expected credit losses (see impairment below).

### **Impairment**

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 will 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.

### **Interest rate derivatives**

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 changes in value impact recognised profit and equity, but do not affect cash flow or the LTV ratio.

### **Cash and cash equivalents**

Cash and cash equivalents include cash and bank balances that can be easily converted to cash and that are subject to an insignificant risk of changes in value.

### **Accounts payable**

Accounts payable are included in the category of financial liabilities measured 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. Transaction expenses when raising a loan are accrued in accordance with the effective interest method over the term of the loan as part of the interest expense.

### **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.

### **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.

### **Dividends**

Dividends are reported as a liability after the Annual General Meeting has approved the dividend.



### 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 18,221 (6,173) as of 31 December 2020.

### NOTE 4 RENTAL INCOME

Group	Full-year 2020	Full-year 2019
Rental income excl. additional charges	65,033	51,530
Operation	7,030	6,792
Property tax	1,130	601
Electricity	378	333
Other income	808	935
<b>Total</b>	<b>74,379</b>	<b>60,191</b>

Maturity structure, rental value	31 Dec 2020	31 Dec 2019
Year 1	72,718	57,487
Year 2	67,497	50,960
Year 3	58,394	47,830
Year 4	49,536	40,679
Year 5	38,302	32,832
After year 5	74,503	54,181

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	Full-year 2020	Full-year 2019
Property upkeep and service agreements	1,284	1,356
Technical administration	1,148	1,092
Tariff-related costs	3,622	3,541
Insurance premiums	400	361
Ongoing maintenance	3,568	2,600
<b>Total</b>	<b>10,023</b>	<b>8,950</b>

## NOTE 6 ADMINISTRATION COSTS AND FEES AND REMUNERATION TO AUDITORS

Group	Full-year 2020	Full-year 2019
Salaries, social security costs and other personnel costs	-1,580	-465
Depreciations	-15	-8
Other administrative expenses	-4,925	-4,821
<b>Total</b>	<b>-6,520</b>	<b>-5,294</b>

Parent company	Full-year 2020	Full-year 2019
Salaries, social security costs and other personnel costs	-977	-382
Depreciations	-9	-8
Other administrative expenses	-1,643	-1,607
<b>Total</b>	<b>-2,629</b>	<b>-1,997</b>

### Fees and remuneration to auditors

Group	Full-year 2020	Full-year 2019
Audit assignment	-454	-204
Other services	-236	-510
<b>Total</b>	<b>-690</b>	<b>-714</b>

Parent company	Full-year 2020	Full-year 2019
Audit assignment	-46	-45
Other services	-68	-170
<b>Total</b>	<b>-114</b>	<b>-215</b>

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 2020 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 2020, the Group has six employees.

Group	Full-year 2020	Full-year 2019
Salaries and benefits	-1,092	-309
Social security costs incl tax on pension costs	-241	-85
Pension costs	-186	-70
<b>Total</b>	<b>-1,519</b>	<b>-464</b>

Parent company	Full-year 2020	Full-year 2019
Salaries and benefits	-616	-241
Social security costs incl tax on pension costs	-235	-84
Pension costs	-107	-57
<b>Total</b>	<b>-958</b>	<b>-382</b>

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

### Board

Fees are paid to the Chairman and Board members in accordance with the resolution passed by the Annual General Meeting on 24 April 2020.

### Chief Executive Officer

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

Full-year 2020	Salaries, fees and benefits	Pension costs	Social security costs incl. tax on pension costs	Total
Chairman of the Board, Patrick Gylling	-54	-	-17	<b>-71</b>
Elisabeth Norman	-27	-	-8	<b>-35</b>
Johanna Skogestig	-27	-	-8	<b>-35</b>
Jonas Ahlblad	-27	-	-8	<b>-35</b>
Stefan Gattberg	-27	-	-8	<b>-35</b>
CEO, Sverker Källgården	-336	-64	-121	<b>-521</b>

Full-year 2019	Salaries, fees and benefits	Pension costs	Social security costs incl. tax on pension costs	Total
Chairman of the Board, Patrick Gylling	-	-	-	<b>-</b>
Elisabeth Norman	-24	-	-8	<b>-32</b>
Johanna Skogestig	-24	-	-8	<b>-32</b>
Jonas Ahlblad	-	-	-	<b>-</b>
CEO, Sverker Källgården	-201	-52	-72	<b>-325</b>

## Remuneration Report 2020

### Introduction

This remuneration report describes how Cibus Nordic Real Estate AB's (publ)'s ("Cibus" or "the Company") guidelines for remuneration to senior executives, adopted by the 2020 Annual General Meeting, have been applied during 2020. The report also contains specific information regarding remuneration to the Company's President and CEO, Chief Financial Officer and other members of Group Management, as well as a summary of outstanding warrant programmes. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's rules on remuneration to senior executives.

### Guidelines for compensation

The Company's business strategy is to acquire, develop and manage high-quality properties in the Nordic region with daily goods chains as anchor tenants. The Company currently owns just over 290 properties in Finland and Sweden. For more information about the Company's business strategy, please refer to Cibus' latest annual report.

A successful implementation of the Company's business strategy and the safeguarding of the Company's long-term interests, including its sustainability, presupposes that the Company can recruit and retain qualified employees. This requires that the Company be able to offer competitive remuneration. These guidelines make it possible to offer senior executives competitive overall remuneration.

According to the remuneration guidelines, remuneration to senior executives must be market-based and competitive, and may consist of the following components: fixed cash salary, variable cash compensation, pension benefits and other benefits. Variable cash compensation shall be linked to predetermined and measurable financial or non-financial criteria. It may also comprise individualised quantitative or qualitative targets. The criteria shall be designed so that they promote the Company's business strategy and long-term interests, including its sustainability, by, for example, being clearly connected with the business strategy or by fostering the executive's long-term development.

The basis for remuneration to senior executives is refinancing of the Euro bond, building an independent organization and phasing out all partners except the technical and financial management and making further acquisitions in Sweden.

In 2020, the Company followed the applicable guidelines for remuneration to senior executives adopted by the 2020 Annual General Meeting. No deviations from the guidelines have been made and no deviations have been made from the decision-making process that according to the guidelines must be applied to determine the compensation. The auditor's opinion on the Company's compliance with the guidelines is available at [www.cibusnordic.com](http://www.cibusnordic.com). The Board has not reduced or reclaimed remuneration paid during the year.

In addition to the remuneration covered by the remuneration guidelines, the Company has offered senior executives the opportunity to subscribe for warrants. The Company intends to continue with this offer in the future as well. The programmes are decided by the Annual General Meeting and are therefore not covered by the guidelines for senior executives in Cibus.

### Application of criteria for variable cash compensation 2020

The variable cash compensation must be linked to predetermined and measurable criteria. When the measurement period for fulfilling the criteria for payment of variable cash compensation has ended, it must be assessed and determined to what extent the criteria have been met. The fulfilment of criteria for payment of variable cash compensation shall be measurable over a period of one or more years. The variable cash compensation may amount to a maximum of 50 percent of the total fixed cash salary during the measurement period. The Board is responsible for such an assessment with regard to variable cash remuneration to the CEO, and the CEO is responsible for the assessment in relation to other senior executives. The fulfilment of financial criteria shall be determined based on the financial information most recently published by the Company.

### Refinancing of Euro bonds was completed on 11 June 2020.

The construction of an organization independent of partners was fulfilled when the collaboration with Sirius Retail Asset Management ended on 30 September 2020.

The implementation of further acquisitions in Sweden was fulfilled with the acquisition of ICA Taberg on December 14, 2020.

## Total remuneration to the Company's senior executives 2020

Senior executive	Fixed remuneration, EUR	Variable remuneration, EUR	Pension, EUR	Other benefits, EUR	Non-recurring items, EUR	Total remuneration, EUR	Proportion fixed and variable remuneration,% <sup>2</sup>
Sverker Källgården, CEO	240,220	95,359	64,081	-	-	399,659	76% / 24%
Pia-Lena Olofsson, CFO & Head of IR <sup>1</sup>	244,779	98,607	20,651	-	-	364,038	73% / 27%
Lauri Tiensuu, CIO Finland	162,460	-	42,113	-	100,000	304,573	100% / 0%
Peter Lövgren, CIO Sverige	45,422	-	8,982	-	-	54,404	100% / 0%

<sup>1</sup> Fixed remuneration until 1 August 2020 constitutes consulting fees where social security contributions, etc. are included.

<sup>2</sup> Pensions that in their entirety refer to fixed remuneration and are defined-contribution, have been reported as fixed remuneration.

## Comparative information on changes in remuneration and the Company's results

	2015/2016, +/- %	2016/2017, +/- %	2017/2018, +/- %	2018/2019, +/- %	2019/2020, +/- %	2020, EUR
Sverker Källgården <sup>1)</sup> , CEO	-	-	-	-	+23.0%	399,659
Pia-Lena Olofsson <sup>2)</sup> , CFO & Head of IR	-	-	-	-	+132.9%	364,038
Lauri Tiensuu, CIO Finland	-	-	-	-	-	304,573
Peter Lövgren, CIO Sverige	-	-	-	-	-	54,404
Consolidated earnings before tax	-	-	-	115.6%	+11.9%	39,591,732
Average remuneration for other employees <sup>3)</sup> (Full-time equivalents)	-	-	-	-	+29.1 %	105,650

<sup>1)</sup> CEO since 4 March 2019, meaning that remuneration in 2019 only covers part of the year. Thus, paid remuneration for 2019 does not cover the same length of employment as remuneration for 2020.

<sup>2)</sup> CFO & Head of IR since 6 May 2019, meaning compensation in 2019 only covers part of the year. Thus, paid remuneration for 2019 does not cover the same length of employment as remuneration for 2020.

<sup>3)</sup> Applies to employees in the Group excluding other members of Group Management.

### Outstanding warrant programme

The Company has offered Group Management the opportunity to participate in warrants programmes, excluding the Company's CEO, who has previously participated in a warrants programme established in connection with the CEO taking up his position at Cibus in early 2019. The purpose of the warrants programmes is to strengthen the connection between the work of Company Management and value generated for shareholders. The intention is for the warrants programmes will be recurring annually and approved by future Annual General Meetings on the basis of a proposal from the Company's Board of Directors. Group Management paid fair value for the options and no personnel costs were reported for the programme.

### Warrants programme 2019

Participants	Sverker Källgården, CEO
Maximum number of warrants	186,600
Number of warrants subscribed	186,600
Number of warrants exercised	-
Number of warrants expired	-
Subscription price, SEK	120.7
Maximum dilution of shares/votes (approx. %)	0.5
Redemption period	15 Apr 2022 – 15 Jun 2022 15 Aug 2022 – 15 Sep 2022 15 Oct 2022 – 15 Dec 2022 15 Jan 2023 – 15 Mar 2023 15 Apr 2023 – 15 Jun 2023

### Warrants programme 2020

Participants	Pia-Lena Olofsson, CFO & Head of IR	Lauri Tiensuu, CIO Finland	Peter Lövgren, CIO Sweden
Maximum number of warrants	80,000	40,000	40,000
Number of warrants subscribed	80,000	40,000	40,000
Number of warrants exercised	-	-	-
Number of warrants expired	-	-	-
Subscription price, SEK	130.7	130.7	130.7
Maximum dilution of shares/votes (approx. %)	0.2	0.1	0.1
Redemption period	17 Apr 2023 – 16 Jun 2023 14 Aug 2023 – 15 Sep 2023 16 Oct 2023 – 15 Dec 2023 15 Jan 2024 – 15 Mar 2024 15 Apr 2024 – 14 Jun 2024	17 Apr 2023 – 16 Jun 2023 14 Aug 2023 – 15 Sep 2023 16 Oct 2023 – 15 Dec 2023 15 Jan 2024 – 15 Mar 2024 15 Apr 2024 – 14 Jun 2024	17 Apr 2023 – 16 Jun 2023 14 Aug 2023 – 15 Sep 2023 16 Oct 2023 – 15 Dec 2023 15 Jan 2024 – 15 Mar 2024 15 Apr 2024 – 14 Jun 2024



## NOTE 8 FINANCIAL COSTS

Group	Full-year 2020	Full-year 2019
Interest expenses on the loans	-16,084	-12,175
Interest expenses linked to the derivatives	-589	-626
Arrangement fees	-1,616	-1,517
Other financial costs	-2,738	-183
Site leasehold fees	-394	-341
<b>Total</b>	<b>-21,421</b>	<b>-14,842</b>
<b>Parent company</b>	<b>Full-year 2020</b>	<b>Full-year 2019</b>
Interest expenses	-6,877	-5,684
Arrangement fees	-790	-680
Other financial costs	-2,872	-42
<b>Total</b>	<b>-10,539</b>	<b>-6,406</b>

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 year, other financial costs pertain to transaction costs that arose in conjunction with raising external finance. Site leasehold fees are seen as interest on the lease liability to which the fees give rise.

## NOTE 9 UNREALISED CHANGES IN VALUE, DERIVATIVES

Group	Full-year 2020	Full-year 2019
Unrealised loss on interest-rate cap	-357	-730
<b>Total</b>	<b>-357</b>	<b>-730</b>
<b>Parent company</b>	<b>Full-year 2020</b>	<b>Full-year 2019</b>
Unrealised loss on interest-rate cap	-357	-
<b>Total</b>	<b>-357</b>	<b>-</b>

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	Full-year 2020	Full-year 2019
Current tax on profit for the year	-21	-543
<b>Total</b>	<b>-21</b>	<b>-543</b>
<b>Deferred tax</b>		
Deferred tax attributable to unutilised loss carryforwards	631	-497
Deferred tax attributable to temporary differences*	-5,605	-4,077
<b>Total</b>	<b>-4,974</b>	<b>-4,574</b>

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

When valuing capitalised and non-capitalised 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 18,221 (6,173) as of 31 December 2020.

## Summary, tax expense for the year

Group	Full-year 2020	Full-year 2019
Earnings before tax	39,592	35,396
Tax expense for the year	-4,995	-5,117
Tax according to the Swedish tax rate (21.4%)	-8,473	-7,575
Difference in foreign tax rates	555	469
Tax effect of non-taxable income	2,924	733
Tax effect of non-deductible expenses	-1	-3
Uncapitalised loss carryforwards	-	1,371
Other adjustments	-	-112
<b>Total</b>	<b>-4,995</b>	<b>-5,117</b>

Parent company	Full-year 2020	Full-year 2019
Current tax on profit for the year	-	-
<b>Total</b>	-	-
<b>Deferred tax</b>		
Deferred tax attributable to unutilised loss carryforwards	632	-496
Deferred tax attributable to temporary differences*	-	-
<b>Total</b>	<b>632</b>	<b>-496</b>

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

Parent company	Full-year 2020	Full-year 2019
Earnings before tax	6,453	1,892
Tax expense for the year	-	-496
Tax according to the Swedish tax rate (21.4%)	-1,381	-405
Tax effect of non-deductible income	1,802	-
Tax effect of non-deductible expenses	-1	-3
Other adjustments	212	-88
<b>Total</b>	<b>632</b>	<b>-496</b>

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 right-of-use assets and lease liabilities 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	31 Dec 2020	31 Dec 2019
Site leaseholds	8,228	5,860
Site leasehold fees	-10	-18
<b>Total</b>	<b>8,218</b>	<b>5,878</b>

In addition to the financial liabilities whose undiscounted cash flows are presented in the table above, the Group holds leasehold agreements whose annual leasehold fees total EUR 8,218 thousand undiscounted. These leases are seen as perpetual from the Group's perspective as the Group has no right to terminate the agreements. All leasehold agreements will be renegotiated, which will have an effect on the scale of the leasehold fees.

#### NOTE 12 INVESTMENT PROPERTIES

The Group owns 290 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 2020, is based on the market valuation performed by the independent valuation institute Newsec.

Group	31 Dec 2020	31 Dec 2019
Opening balance	874,813	816,478
Acquisition	386,122	51,948
Unrealised changes in value	6,461	7,034
New builds, extensions and redevelopments	4,262	1,424
Disposal	-270	-2,070
Other liabilities	1,126	-
<b>Total</b>	<b>1,272,514</b>	<b>874,813</b>

#### Valuation assumptions

Fair value has been determined through the combined application of the local price method and return-based method. The return-based method is based on a cash flow analysis being prepared for each property. The cash flow analysis consists of an assessment of the present value of the property's future net operating income over the calculation period and the present value of the property's residual value at the end of the calculation period. The calculation period amounts to ten years and the residual value has been assessed through a perpetual capitalization of an estimated market operating net the year after the end of the calculation period. The perpetual capitalization takes place with a yield requirement that has been derived from the current transaction market for comparable properties, both direct and indirect (properties sold in companies) transactions have been taken into account. 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.

Group	31 Dec 2020	31 Dec 2019
Long-term inflation, %	2.0	2.0
Average cost of capital, %	7.7	7.7
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 %	-39,433 / -263,630
Yield requirement	+/- 0.25 %	-197,853 / -101,037
Long-term vacancy rate	+/-2 %	-175,131 / -127,932

#### NOTE 13 OTHER CURRENT RECEIVABLES

<b>Group</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
VAT receivables	-	2,211
Other liabilities	453	1,173
<b>Total</b>	<b>453</b>	<b>3,384</b>

<b>Parent company</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
VAT receivables	54	64
Other liabilities	16	84
<b>Total</b>	<b>70</b>	<b>148</b>

#### NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME

<b>Group</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Prepaid expenses	1,576	1,931
<b>Total</b>	<b>1,576</b>	<b>1,931</b>

<b>Parent Company</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Prepaid expenses	27	81
<b>Total</b>	<b>27</b>	<b>81</b>

#### NOTE 15 CASH AND CASH EQUIVALENTS

<b>Group</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Cash and bank balances	36,783	24,746
<b>Total</b>	<b>36,783</b>	<b>24,746</b>

<b>Parent company</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Cash and bank balances	22,598	9,709
<b>Total</b>	<b>22,598</b>	<b>9,709</b>

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 40,000,000 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.

<b>Group</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Earnings attributable to Parent Company shareholders, TEUR	34,597	30,279
No. of shares outstanding	40,000,000	31,100,000
Average No. of shares	36,459,344	31,100,000

##### 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

<b>Group</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Opening balance	535,212	488,912
Borrowings raised	454,923	263,348
Repayment of debt	-175,667	-214,232
Arrangement fees	-1,504	-2,816
<b>Total</b>	<b>812,964</b>	<b>535,212</b>

<b>Parent company</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Opening balance	134,036	135,000
Borrowings raised	194,778	-
Repayment of debt	-135,000	-
Arrangement fees	-741	-964
<b>Total</b>	<b>193,073</b>	<b>134,036</b>

For further information regarding financial risk management and financial instruments, see pages 30-34.

#### NOTE 18 OTHER CURRENT LIABILITIES

<b>Group</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
VAT liabilities	1,579	3,959
Settlement investors	-	13,373
Other liabilities	2,160	30
<b>Total</b>	<b>3,739</b>	<b>17,362</b>

<b>Parent company</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Settlement investors	-	13,373
Other liabilities	81	20
<b>Total</b>	<b>81</b>	<b>13,393</b>

## NOTE 19 ACCRUED EXPENSES AND DEFERRED INCOME

Group	31 Dec 2020	31 Dec 2019
Prepaid rent	3,712	225
Accrued interest	2,157	2,960
Accrued dividends	9,200	-
Other liabilities	3,353	1,972
<b>Total</b>	<b>18,422</b>	<b>5,157</b>

Parent company	31 Dec 2020	31 Dec 2019
Accrued interest	324	538
Accrued dividends	9,200	-
Other liabilities	85	303
<b>Total</b>	<b>9,609</b>	<b>841</b>

## NOTE 20 SHARES IN SUBSIDIARIES

Parent company	31 Dec 2020	31 Dec 2019
Acquisition of subsidiary	12	12
Shareholder contributions	128,582	128,532
<b>Closing balance, cost</b>	<b>128,594</b>	<b>128,544</b>

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 309 limited companies in the Group, of which 34 are part-owned subsidiaries.

Subsidiaries	Capital, %	Voting rights, %	Carrying amount	Equity
Cibus Finland Real Estate AB	100	100	128,536	3,632
Cibus Finland Oy	100	100	53	50
Cibus Sweden Real Estate AB	100	100	5	5
<b>Total</b>	<b>100</b>	<b>100</b>	<b>128,594</b>	<b>3,687</b>

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 2020	31 Dec 2019
Pledged cash and cash equivalents	5	5
Property deeds	619,991	619,991
<b>Total</b>	<b>619,996</b>	<b>619,996</b>
<b>Contingent liabilities</b>	<b>None</b>	<b>None</b>

Parent company	31 Dec 2020	31 Dec 2019
Pledged cash and cash equivalents	5	5
Property deeds	-	-
<b>Total</b>	<b>5</b>	<b>5</b>
<b>Contingent liabilities</b>	<b>None</b>	<b>None</b>

## 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 have taken place on market terms.

### Procurement of services

Group	Full-year 2020	Full-year 2019
Sirius Asset Management Oy	1,233	1,586
<b>Total</b>	<b>1,233</b>	<b>1,586</b>

The agreement with Sirius Asset Management Oy, which was in effect until 30 September 2020, has been terminated.

## NOTE 23 EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the end of the financial year.

## NOTE 24 PROPOSED APPROPRIATION OF PROFIT

Following Cibus's dividend policy, the Board and proposes that the 2021 Annual General Meeting resolve to increase the dividend by slightly more than 5% to a total EUR 0.94 per share, divided into 12 monthly dividends. The complete proposal with monthly amounts and record dates will be published in connection with the notification of the Annual General Meeting and can be found at [www.cibusnordic.com](http://www.cibusnordic.com).

## NOTE 25 SEGMENT REPORTING

Full-year 2020	Finland	Sweden	Group
Rental income	56,210	8,823	65,033
Service income	8,832	514	9,346
Operating expenses	-10,017	-6	-10,023
Property tax	-2,397	-564	-2,961
<b>Net operating income</b>	<b>52,628</b>	<b>8,767</b>	<b>61,395</b>

**Carrying amount, investment properties**      **1,070,370**      **202,144**      **1,272,514**

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

Since many of the 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 and the level at which the Board of Directors monitors the operations per segment.



## 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 22 March 2021.

Stockholm, 22 March 2021  
Cibus Nordic Real Estate AB (publ)  
Corporate registration number 559135-0599

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### PATRICK GYLLING

Chairman

### ELISABETH NORMAN

Board member

### JOHANNA SKOGESTIG

Board member

### JONAS AHLBLAD

Board member

### STEFAN GATTBERG

Board member

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### SVERKER KÄLLGÅRDEN

CEO

Our Auditors' Report was submitted on 22 March 2021, KPMG AB

### MATTIAS JOHANSSON

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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

**12 May 2021**

Interim Report Q1

**18 Aug 2021**

Interim report Q2

**11 Nov 2021**

Interim Report Q3

**24 Feb 2022**

Year-end report

The Company's Certified Adviser is FNCA

Sweden AB

info@fnca.se

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**15 Apr 2021**

Annual General Meeting

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## FOR FURTHER INFORMATION, PLEASE CONTACT

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### Pia-Lena Olofsson, CFO & Head of IR

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**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 2020, except for the corporate governance statement on pages 35-40 and 42-43 and the sustainability report on pages 23-28 and 41. The annual accounts and consolidated accounts of the company are included on pages 45-69 and 30-34 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 2020 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 2020 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 35-40 and 42-43 and sustainability report on pages 23-28 and 41. 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 income statement and statement of financial position for the group.

Our opinions in this report on the 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.

**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 59 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 1,272,514 thousand as per 31 December 2020, 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, 41 and 73-77. The other information comprises also of the remuneration report and is found on pages 63-64. 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 intend 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, measures that have been taken to eliminate the threats or 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 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit 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 35-40 and 42-43 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 RevR 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 23-28 and 41, 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 the 24 April MM 2020. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2019.

Stockholm, 22 March 2021

### KPMG AB

Mattias Johansson  
Authorised Public Accountant



## DEFINITIONS\*

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

Definitions for these and other financial performance measures are presented under "DEFINITIONS" in the following section.

Key figures	Definition	Purpose
Earnings per share	Profit for the period divided by the average number of shares outstanding.	Earnings per share is used to highlight shareholder profit after tax per share.
EPRA NRV/share	Reported equity with reversal of derivatives, deferred tax and unpaid dividends, in cases where the record date has not yet passed.	EPRA NRV highlights long-term net asset value, adjusted for unpaid dividends, unless the record date has not yet passed, expressed per share, for the Company's stakeholders.
EPRA NTA/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.	EPRA NTA per share highlights current net asset value per share, adjusted for unpaid dividends, unless the record date has not yet passed for the Company's stakeholders. Since Cibus's aims to own the properties long-term, this key figure does not deviate from the long-term EPRA NRV.
EPRA NDV/share	Reported equity with reversal of derivatives, deferred tax receivables and unpaid dividends, in cases where the record date has not yet passed, divided by the number of shares outstanding.	EPRA NDV per share highlights the disposal value per share, adjusted for unpaid dividends, unless the record date has not yet passed for the Company's stakeholders.
Return on equity, %	Earnings after tax divided by average equity. At the end of the interim period, the return has been recalculated on an annual basis.	Return on equity illustrated Cibus's capacity to generate profit on shareholder capital.
Senior debt LTV ratio, %	Liabilities to senior creditors divided by the market value of the properties.	Cibus uses this key figure to highlight the Company's financial risk in relation to secured debt.
Net debt LTV ratio, %	Liabilities to credit institutions less cash and cash equivalents divided by the market value of the properties.	Cibus uses this key figure to highlight the Company's financial risk in relation its company's net debt.
Interest coverage ratio	Net operating income less administration expenses and plus financial income divided by interest expenses including hedging expenses for interest rate ceiling.	Cibus uses this key figure to highlight how sensitive the Company's earnings are to interest rate fluctuations.
Equity ratio, %	Adjusted equity divided by total assets.	The equity ratio is used to illustrate Cibus's financial stability.
Debt/equity ratio, multiple	Total liabilities divided by equity.	The debt/equity ratio illustrates the extent to which Cibus is leveraged in relation to shareholder capital.
Surplus ratio, %	Net operating income in relation to rental income.	Cibus uses this key figure to measure profit from property management before taking into account financial income and expenses, as well as unrealised changes in value.
Economic occupancy rate, %	Rental income in relation to rental value.	This key figure is used to highlight vacancies where a high economic occupancy rate, as a percentage, reflects a low economic vacancy rate.
Proportion grocery and daily goods stores, %	The area used for grocery and daily goods stores divided by the total property area.	The Company uses the key figure to highlight the Company's exposure to grocery properties.



## RECONCILIATION OF ALTERNATIVE KEY FIGURES

<b>Unless otherwise stated all amounts are in TEUR (EUR thousands).</b>	<b>2020 Full-year</b>	<b>2019 Full-year</b>
Reported equity	458,028	332,869
Reversal of		
– derivatives	736	2,163
– deferred tax	16,647	12,261
– unpaid dividends	9,200	6,842
No. of shares outstanding	40,000,000	31,100,000
<b>EPRA NRV/share, EUR</b>	<b>12.1</b>	<b>11.4</b>
Reported equity	458,028	332,869
Reversal of		
– derivatives	736	2,163
– assessed fair value of deferred tax	16,647	12,261
– unpaid dividends	9,200	6,842
No. of shares outstanding	40,000,000	31,100,000
<b>EPRA NTA/share, EUR</b>	<b>12.1</b>	<b>11.4</b>
Reported equity	458,028	332,869
Reversal of		
– derivatives	736	2,163
– assessed fair value of deferred tax assets	-3,648	-1,304
– unpaid dividends	9,200	6,842
No. of shares outstanding	40,000,000	31,100,000
<b>EPRA NDV/share, EUR</b>	<b>11.6</b>	<b>11.0</b>
Earnings after tax	34,597	30,279
Average equity	395,448	328,680
<b>Return on equity, %</b>	<b>8.7</b>	<b>9.2</b>
Liabilities to senior lenders	622,505	403,028
Market value of properties	1,272,514	874,813
<b>Senior debt LTV ratio, %</b>	<b>48.9</b>	<b>46.1</b>
Liabilities to credit institutions	817,283	538,028
Cash and cash equivalents	-36,783	-24,746
Net debt	780,500	513,282
Market value of properties	1,272,514	874,813
<b>Net debt LTV ratio, %</b>	<b>61.3</b>	<b>58.7</b>
Net operating income	61,396	48,618
Administration expenses	-6,520	-5,294
Financial income	34	16
Interest expenses including hedging expenses for interest rate caps	16,672	12,833
<b>Interest coverage ratio, multiple</b>	<b>3.3</b>	<b>3.4</b>
Adjusted equity	458,028	332,869
Total assets	1,323,954	912,742
<b>Equity ratio, %</b>	<b>34.6</b>	<b>36.5</b>
Total liabilities	865,926	579,873
Equity	458,028	332,869
<b>Debt/equity ratio, multiple</b>	<b>1.9</b>	<b>1.7</b>
Net operating income	61,396	48,618
Rental income	65,033	51,530
<b>Surplus ratio, %</b>	<b>94.4</b>	<b>94.3</b>
Rental income	65,033	51,530
Rental value	68,214	54,418
<b>Economic occupancy rate, %</b>	<b>95.3</b>	<b>94.7</b>
Grocery and daily goods properties	706,646	472,132
Total property area	744,039	505,817
<b>Proportion grocery and daily goods stores, %</b>	<b>95.0</b>	<b>93.3</b>

# PROPERTY LIST

## Sweden

County	Municipality	Property designation	Address	Area
County of Västra Götaland	Ale	STARRKÄRR 1:68	Göteborgsvägen 90	1,150
County of Kronoberg	Alvesta	ARINGSÅS 19:25	Sjögatan 1	993
County of Västmanland	Arboga	PRÅSTGÅRDET 2:21	Fabriksgratan 1	1,050
County of Örebro	Askersund	MOTORN 3	Parkgatan 7	1,005
County of Skåne	Bjuv	ELEFANTEN 4	Norra storgatan 16a	2,054
County of Kalmar	Borgholm	GÅSTGIVAREN 18	Storgatan 36	1,105
County of Västra Götaland	Borås	BYTTORPSKLINT 7	Kvibergsgatan 1	1,100
County of Västra Götaland	Borås	HOLMENS GÅRD 3	Hultagatan 49a	1,000
County of Skåne	Burlöv	ARLÖV 6:7	Dalbyvägen 65	1,050
County of Skåne	Burlöv	TÅGARP 21:146	Arlösvägen 34	1,080
County of Jönköping	Eksjö	TÅGMÅSTAREN 1	Linnégatan 1	1,050
County of Södermanland	Eskestuna	TORSHÅLLA 5:42	Eskestunavägen 32	1,050
County of Skåne	Eslöv	LIPPZANERN 2	Pål klemeds väg 1	906
County of Skåne	Eslöv	VITTSKÖVLE 2	Sextorpsvägen 2	1,050
County of Halland	Falkenberg	STRIDSHÅSTEN 1	Slättenvägen 2	1,023
County of Västra Götaland	Falköping	BOKTRYCKAREN 15	Dotorpsgratan 4	3180
County of Östergötland	Finspång	KJUSORNA 13	Norra storängsvägen 2	1220
County of Södermanland	Flen	ORRESTA 2:153	Parkgatan 2	1,050
County of Jönköping	Gislaved	KROKODILEN 17	Järnvägsgatan 24	1,000
County of Jönköping	Gislaved	ÅTTERÅS 3:139	Södra nissastigen 7	1,050
County of Västra Götaland	Gothenburg	BACKA 39:1	Backa kyrkogata 1	960
County of Västra Götaland	Gothenburg	BISKOPSGÅRDEN 830:907	Stackmolnsgatan 2	1038
County of Västra Götaland	Gothenburg	JÄRNBROTT 126:11	Marklandsgatan 59	825
County of Västra Götaland	Gothenburg	KALLEBÄCK 8:2	Ostgatan 11	856
County of Halland	Halmstad	FYLLINGE 20:481	Fyllingevägen 2	1,050
County of Halland	Halmstad	HUSAN 4	Carl kuylenstjernas väg 77	1,080
County of Värmland	Hammarö	MÖRMON 5:69	Åråsvägen 7	1,000
County of Skåne	Helsingborg	TROSSEN 1	Stabsgatan 1	1,050
County of Västra Götaland	Herrljunga	FLUGSVAMPEN 8	Horsbyvägen 16b	1,140
County of Västra Götaland	Hjo	KLAMMERN 3	Industrigatan 41	1,050
County of Kalmar	Hultsfred	KIOSKEN 2	Gärdesvägen 3	1,050
County of Skåne	Hässleholm	TRIANGELN 3	Götagatan 2	906
County of Skåne	Hörby	BORGVIK 1	Ringsjövägen 44	1,050
County of Skåne	Höör	FÖRRÅDET 1	Industrigatan 10	1,050
County of Jönköping	Jönköping	IMPORTEN 1	Norrahammarsvägen 56	1,050
County of Jönköping	Jönköping	TALLTITAN 1	Anders blomstrands väg 5	1,010
County of Jönköping	Jönköping	BERGET 1:25	Tahevägen 5	1,028
County of Kalmar	Kalmar	SYRENE 10	Sandåsgatan 4	1,050
County of Kalmar	Kalmar	VISIRET 1	Ledungsvägen 7	1,100
County of Blekinge	Karlshamn	KVARNEN 1	Nyemöllevägen 3	1,000
County of Örebro	Karlskoga	SKOLGÅRDET 2	Skolgärdesvägen 2d	986
County of Värmland	Karlstad	KVARTERMÅSTAREN 4	Sanna allé 2	1,050
County of Värmland	Karlstad	STRANDSLUTET 1	Våxnäsgratan 146	1,050
County of Södermanland	Katrineholm	VÄGSKÅLET 18	Vingåkersvägen 69	1,031
County of Skåne	Kristianstad	BRISEN 6	Nordanvägen 2	140
County of Värmland	Kristinehamn	KARLSHOLM 1:18	Oscarsborgsgatan 6	1,050
County of Skåne	Kävlinge	SOCKERBRUKET 1	Bintjevägen 1	1,050
County of Västmanland	Köping	FYLGIA 3	Nygatan 2	1,050
County of Skåne	Landskrona	HERMELINEN 4	Östervångsplan 12	1,050
County of Skåne	Landskrona	RUTAN 1	Remigatan 2	1,050
County of Örebro	Laxå	BJURSNÄS 2:35	Ramundervägen 52a	1,316
County of Västra Götaland	Lidköping	GÖSEN 1	Garggatan 11	1,050
County of Västra Götaland	Lidköping	MOSSTORVEN 1	Råda mossevägen 2	1,050
County of Västra Götaland	Lilla Edet	CENTRALEN 5	Göteborgsvägen 42	967
County of Östergötland	Linköping	GRÄVLINGEN 1	Skäggetorps centrum 2a	1,050
County of Östergötland	Linköping	RITBOKEN 1	Bronsåldersgatan 2	1,050
County of Kronoberg	Ljungby	BJÖRKEN 5	Hångersvägen 1	1,046

County	Municipality	Property designation	Address	Area
County of Skåne	Lomma	BJÄRRED 31:6	Lundavägen 1	825
County of Skåne	Lund	TROSSEN 1	Skansvägen 2	881
County of Skåne	Lund	VILDGÅSEN 5	Gässlingavägen 1	714
County of Skåne	Malmö	RIPAN 15	August palms plats 5	1,364
County of Skåne	Malmö	STORHÖG 3	Videdals torg 1	1,222
County of Västra Götaland	Mariestad	BOFINKEN 1	Marieforsleden 2	1,136
County of Västra Götaland	Mariestad	INSEKTEN 27	Mariegärdes väg 4	1,050
County of Kronoberg	Markaryd	MARKARYD 14:7	Drottninggatan 1a	1,468
County of Östergötland	Mjölby	HYVELN 8	Hallevadsgatan 2	1,050
County of Östergötland	Motala	BUGGEN 1	Östermalmsgatan 94	1,005
County of Jönköping	Mullsjö	SJÖRYD 1:141	Backgatan 1	1,124
County of Kalmar	Mönsterås	ÄNGEN 1	Blanka ångars väg 2	1,000
County of Kalmar	Mörbylånga	ALGUTSRUM 20:21	Brofästet öland 2	1,050
County of Östergötland	Norrköping	GLUGGEN 2	Pressaregatan 2	1,050
County of Östergötland	Norrköping	HÄRBÄRGET 3	Reenstiernagatan 1	1,050
County of Östergötland	Norrköping	KONDUKTÖREN 3	Stockholmsvägen 54	153
County of Östergötland	Norrköping	KONDUKTÖREN 4	Stockholmsvägen 52	1,000
County of Kalmar	Nybro	KASSÖRSKAN 1	Hanemålvägen 6	1,094
County of Jönköping	Nässjö	BLOMBERG 12	Storgatan 23	872
County of Skåne	Osby	OSBY 192:106	Tegvägen 2	1,150
County of Kalmar	Oskarshamn	ALVARSBORG 4	Åsavägen 11	1,050
County of Södermanland	Oxelösund	LOKET 1	Folkegränd 1	1,050
County of Skåne	Perstorp	STENSÖTAN 8	Banvallsvägen 2	1,050
County of Skåne	Sjöbo	LAXEN 3	Södergatan 4	1,050
County of Västra Götaland	Skövde	TULPANEN 21	Henriksbergsgatan 18	1,050
County of Skåne	Staffanstorps	STANSTORP 1:534	Skånevägen 65	1,050
County of Västmanland	Surahammar	SURAHAMMAR 10:585	Elledningsvägen 2	1,129
County of Skåne	Svalöv	SÖDRA SVALÖV 9:237	Luggdevägen 24	1,025
County of Skåne	Svedala	SVEDALA 25:15	Börningevägen 4	1,061
County of Västra Götaland	Svenljunga	SVENLJUNGA 1:48	Prästgatan 12	1,050
County of Värmland	Säffle	SÄFFLE 3:3	Järnvägsgatan 14	1,050
County of Jönköping	Sävsjö	HANTVERKAREN 2	Hantverkaregatan 1	1,050
County of Stockholm	Södertälje	HAVREN 1	Klockarvägen 98	1,000
County of Blekinge	Sölvesborg	ISLAND 1	Järnvägsgatan 9	983
County of Västra Götaland	Tibro	SPARVEN 3	Centrumgatan 22	1,050
County of Skåne	Trelleborg	MACKEN 1	Hedvägen 185	950
County of Skåne	Trelleborg	TRÄDGÅRDSMÅSTAREN 1	Engelbrektsgratan 66	1,386
County of Västra Götaland	Trollhättan	SILKESFJÄRILEN 8	Lextorpsvägen 992	1,050
County of Västra Götaland	Töreboda	SOLTOMTA 3	Skövdevägen 4	975
County of Västra Götaland	Ulricehamn	STOCKROSEN 2	Parkgatan 14	1,050
County of Jönköping	Vaggeryd	GÖTASTRAND 1:18	Hammarvägen 1	1,050
County of Jönköping	Vetlanda	STATIONEN 1	Bangårdsgatan 5	1,050
County of Kalmar	Vimmerby	ABBORREN 21	Fiskaregatan 5	1,033
County of Västra Götaland	Vårgårda	SKÖVDE 1:177	Stationsgatan 3	1,050
County of Västra Götaland	Vänersborg	LINJALEN 3	Poppelvägen 10	1,100
County of Jönköping	Värnamo	SADELMÅKAREN 2	Fredsgatan 2a	911
County of Kalmar	Västervik	KOLVEN 2	Vapengränd 5	1,200
County of Kalmar	Västervik	RULLSTENEN 7	Vattentornsvägen 6	921
County of Västmanland	Västerås	ÄNGSVIOLEN 2	Bangatan 10	1,050
County of Kronoberg	Växjö	HÄLLEFLINTAN 1	Nydalavägen 21	1,058
County of Kronoberg	Växjö	ÖVERSKÖTAREN 1	Emil lindells väg 46	962
County of Skåne	Ystad	LOTSEN 8	Kommendörsgatan 3	1,050
County of Skåne	Ängelholm	PÅSKLILJAN 1	Landshövdingevägen 54	800
County of Örebro	Örebro	TEGELSLAGERIET 5	Lertagsgratan 1a	1,050
County of Örebro	Örebro	VINDFLÖJELN 7	Vaktelvägen 4	1,050
County of Skåne	Örkelljunga	SPARVEN 10	Bangatan 9	1,140

# PROPERTY LIST

## Finland

County	Municipality	Property designation	Address	Area
Western Finland	Aura	19-402-37-0, 19-423-3-130	Huuskantie 19	2,520
Greater Helsinki	Espoo	49-20-1-1	Kuurinmäki 1	595
Greater Helsinki	Espoo	49-60-22-1	Lähderrannantie 20	2,803
Greater Helsinki	Espoo	49-54-110-4	Lansantie 23	408
Greater Helsinki	Espoo	49-30-104-2	Oxfotintie 1	503
Greater Helsinki	Espoo	49-55-41-2	Ullanmäentie 12	236
Southern Finland	Forssa	61-1-69-1, 61-1-69-2, 61-1-69-3	Kartanonkatu 11	9,005
Southern Finland	Forssa	61-6-163-4	Miemolantie 2	5,443
Western Finland	Hämeenkyrö	108-421-11-408	Kyreltie 2	6,737
Southern Finland	Hämeenlinna	109-593-3-43, 109-593-11-34	Tuulosentie 1(1)	11,090
Southern Finland	Hämeenlinna	109-593-3-41, 109-593-7-4	Tuulosentie 1(2)	3,297
Southern Finland	Hamina	75-2-276-6	Rautatienkatu 14	4,347
Southern Finland	Hanko	78-4-461-26	Santalantie 26	2,940
Western Finland	Harjavalta	79-202-5-2	Huovinkatu 4	2,718
Southern Finland	Hattula	82-403-6-28, 82-403-6-42, 82-403-25-0	Tallitie 4	2,646
Oulu region	Haukipudas	564-410-2553-2; 564-401-8-59-A	Takomotie	2,901
Southern Finland	Heinola	111-17-7-8	Vuohkalliontie 18	3,864
Greater Helsinki	Helsinki	91-54-274-1	Aurinkolahden Puistotie 2	360
Greater Helsinki	Helsinki	091-31-117-1	Heikkiläntie 4	2,780
Greater Helsinki	Helsinki	91-43-290-2, 91-43-290-3	Hitsaajakatu 16	2,089
Greater Helsinki	Helsinki	91-10-587-1	Junonkatu 6	343
Greater Helsinki	Helsinki	91-25-884-1	Käpyläntie 8	993
Greater Helsinki	Helsinki	91-28-153-2	Kylänvanhimmantie 29	864
Greater Helsinki	Helsinki	91-42-48-1	Kyösti Kallion tie 2	665
Greater Helsinki	Helsinki	91-16-700-2	Mannerheimintie 160	7,819
Greater Helsinki	Helsinki	91-54-224-1	Meri-Rastilan kuja 2	1,500
Greater Helsinki	Helsinki	91-41-129-2-8	Nummitie 2	539
Greater Helsinki	Helsinki	91-40-117-2	Palokuja 4	423
Greater Helsinki	Helsinki	91-40-176-7	Pertunpellontie 4	737
Greater Helsinki	Helsinki	91-43-214-2	Roihuvuorentie 24	834
Greater Helsinki	Helsinki	91-47-253-6-3	Rukatunturintie 2	1,008
Greater Helsinki	Helsinki	91-38-309-1	Salpausseläntie 11	592
Greater Helsinki	Helsinki	91-33-184-4, 91-33-186-2	Sitratie 7	601
Greater Helsinki	Helsinki	91-432-6-3	Suomenlinna C6	432
Greater Helsinki	Helsinki	91-29-44-4	Tunnelitie 3-5	1,598
Southern Finland	Hollola	98-435-7-823	Keskikankaantie 4	6,264
Greater Helsinki	Hyvinkää	106-3-217-1	Munckinkatu 37	840
Oulu Region	Ii	139-401-149-1, 139-401-149-2	Kisatie 1	1,052
Eastern Finland	Iisalmi	140-4-24-6	Eteläntie 4	9,539
Eastern Finland	Iisalmi	140-1-103-22, 140-1-103-23, 140-407-22-45	Meijerikatu 3	6,823
Eastern Finland	Iisalmi	140-1-103-22	Pohjolankatu 21	4,491
Eastern Finland	Iisalmi	140-1-12-5	Satamakatu 10-12	5,570
Western Finland	Ikaalinen	143-8-31-2	Karhoistentie 3	7,481
Western Finland	Ilmajoki	145-419-6-209	Huhdantie 1	3,922
Western Finland	Jämsä	182-9-938-1, 182-414-6-67, 182-414-6-85, 182-414-37-0	Sirkankatu 2	2,900
Greater Helsinki	Järvenpää	186-19-1906-11	Helsingintie 43	10,018
Western Finland	Joutsa	172-402-4-676	Keskustie 1	4,756
Eastern Finland	Juua	178-420-20-10	Hihtäjätie 1	1,534
Eastern Finland	Juua	178-439-5-43	Tulostie 1	2,807
Western Finland	Kaarina	202-5-5273-1, 202-407-1-75, 202-407-2-89	Hovirinnantie 5	8,317
Western Finland	Kaarina	202-3-3218-1	Jännekatu 2-4	7,958
Oulu region	Kajaani	205-5-26-17, 205-5-26-27, 205-8-11-12	Kasarminkatu 18	7,244
Oulu region	Kajaani	205-8-71-6	Kehraämöntie 22	14,318
Oulu region	Kajaani	205-8-71-5	Kehraämöntie 24	7,809
Oulu Region	Kalajoki	208-406-138-6	Kalajoentie 1	9,554
Western Finland	Kangasala	211-452-4-290	Mäkiriinteentie 4	12,650
Western Finland	Kangasala	211-407-3-158, 211-454-2-381	Puusepäntie 31	2,368
Western Finland	Kaustinen	236-401-15-275	Terveystie 1	1,378
Northern Finland	Kemi	240-1-138-4	Asemakatu 4	3,956

County	Municipality	Property designation	Address	Area
Greater Helsinki	Kerava	245-5-1148-8	Kerananpolku 1	1,649
Greater Helsinki	Kerava	245-9-332-37	Peltomäenkatu 2-4	5,114
Western Finland	Keuruu	249-410-63-15	Keuruuntie 17	2,088
Western Finland	Keuruu	249-410-53-7	Tervantie 2	5,419
Greater Helsinki	Kirkkonummi	257-1-103-1	Asematie 3	4,660
Eastern Finland	Kitee	260-423-9-87, 260-423-9-182	Kiteentie 75	2,734
Eastern Finland	Kiuruvesi	263-405-102-1	Tulotie 10	3,755
Western Finland	Kokemäki	271-104-27-5	Haapionkatu 19	2,075
Western Finland	Kokkola	272-6-17-4	Mariankatu 35	790
Southern Finland	Kotka	285-1-15-3	Keskuskatu 11	4,150
Southern Finland	Kouvola	286-21-53-6, 286-21-53-8	Kauppakatu 1	9,124
Southern Finland	Kouvola	286-21-514-10	Kiltatie 10	7,453
Southern Finland	Kouvola	286-33-3165-3	Spännärintie 2	4,600
Oulu Region	Kuhmo	290-405-140-152, 290-405-140-153	Rajakatu 36	1,937
Eastern Finland	Kuopio	297-24-1-8	Kartanonkatu 4B	3,025
Eastern Finland	Kuopio	297-10-48-2	Kullervonkatu 20	384
Eastern Finland	Kuopio	297-24-14-1	Leväsentie 5	11,157
Eastern Finland	Kuopio	297-12-5-1	Sammakkolammentie 6	1,562
Eastern Finland	Kuopio	297-13-5-12	Volttikatu 4	9,115
Southern Finland	Lahti	398-13-399-7	Alasenkatu 1	1,789
Southern Finland	Lahti	398-3-3000-3	Kauppakatu 13	8,577
Southern Finland	Lahti	398-1-22-109	Rautatienkatu 9	763
Southern Finland	Lahti	398-13-443-1	Sipurantie 2	567
Western Finland	Laitila	400-419-3-162	Garpintie 1	2,786
Eastern Finland	Lapinlahti	402-412-85-15	Juhani Ahontie 13	1,934
Southern Finland	Lappeenranta	405-56-36-1	Myllymäenkatu 35	3,766
Western Finland	Lapua	408-7-761-5	Alangontie 4	8,448
Western Finland	Laukaa	410-409-71-0-7, 410-409-8-1	Laukaantie 25	2,802
Oulu Region	Liminka	425-402-53-29	Mutkalankaari 3	5,116
Southern Finland	Loviisa	434-439-1-30	Heskerintie 17	5,295
Southern Finland	Mänstälä	505-407-2-595	Asemakatu 2	480
Greater Helsinki	Mäntsälä	505-407-4-51-9, 505-407-4-165, 505-407-4-184, 505-407-4-222	Maisalantie 9	4,544
Southern Finland	Mänttä	508-1-119-2	Pohjaväreenuka 1	4,233
Eastern Finland	Mäntyharju	507-413-12-367	Keskustie 18	2,712
Eastern Finland	Mäntyharju	507-413-7-439	Reissutie 2	1,632
Oulu Region	Muhos	494-403-4-187, 494-403-4-30, 494-403-4-51	Valtatie 20	3,504
Western Finland	Naantali	529-3-33-3	Alppilankatu 2	2,894
Western Finland	Naantali	529-11-24-2-6	Venekuja 5	2,540
Southern Finland	Nastola	532-411-81-35	Kauppakaari 1	9,990
Southern Finland	Nastola	532-409-1-921	Muurarintie 3	2,856
Western Finland	Nivala	535-404-21-318	Jyrkäntie 1	2,826
Western Finland	Nokia	536-2-26-1	Kyyninkatu 22	3,690
Western Finland	Nokia	536-14-95-4	Nuijamiestentie 9	8,819
Greater Helsinki	Nurmijärvi	543-1-733-1	Kiljavantie 5	4,201
Greater Helsinki	Nurmijärvi	543-403-1-366-6, 543-403-8-641-4, 543-403-8-691	Viirintie 8	4,988
Southern Finland	Orimattila	560-418-163-2	Erkontie 3	3,402
Southern Finland	Orimattila	560-418-26-51	Lahdentie 109	4,586
Western Finland	Oulainen	563-2-1-4	Oulaistenkatu 15-17	1,948
Western Finland	Parainen	445-34-1-1, 445-508-2-118	Kirkkoesplanadi 32	3,648
Western Finland	Parainen	445-14-24-4	Vapparintie 6	5,184
Western Finland	Petäjävesi	592-404-43-2, 592-404-37-1	Asematie 3	708
Eastern Finland	Pieksämäki	593-1-67-19	Keskuskatu 35	2,751
Eastern Finland	Pielavesi	595-422-17-60, 595-422-17-61, 595-422-60-71	Puustellintie 21	1,766
Eastern Finland	Polvijärvi	607-414-5-159	Jääskeläntie 2	1,220
Western Finland	Pori	609-5-15-1	Isolinnankatu 18	5,259
Southern Finland	Porvoo	638-2-23-7	Runeberginkatu 33	7,911
Southern Finland	Porvoo	638-12-901-2	Sammontie 1	2,256
Oulu Region	Pyhäjoki	625-405-4-329, 625-405-4-119, 625-405-4-294	Vanhatie 54	1,912
Oulu Region	Pyhäntä	630-402-5-489	Kairantie 5	1,546



## PROPERTY LIST

### Finland

County	Municipality	Property designation	Address	Area
Southern Finland	Raasepori	710-8-117-5	Oikotie 4	3,129
Southern Finland	Raasepori	710-6-89-1	Raaseporintie 14	1,941
Southern Finland	Raasepori	710-51-8-8	Ratakatu 59	3,252
Greater Helsinki	Riihimäki	694-2-222-1	Keskuskatu 15	6,031
Greater Helsinki	Riihimäki	694-20-2046-1	Peltosaarenkatu 1	1,892
Eastern Finland	Ristiina	491-513-1-115	Kitereentie 1	790
Western Finland	Rusko	704-404-4-155	Mylymäentie 2	1,235
Western Finland	Saarijärvi	729-408-3-111	Jyväskylälentie 31	5,242
Western Finland	Saarijärvi	729-408-3-102	Jyväskylälentie 31	1,286
Eastern Finland	Savonlinna	740-11-92-2	Ilokallionkatu 4	1,671
Eastern Finland	Savonlinna	740-19-81-4	Kartanonväylä 3	3,319
Eastern Finland	Savonlinna	740-3-6-8	Tulliportinkatu 6-10	11,071
Western Finland	Seinäjoki	743-6-73-11	Päivöläncatu 40	10,916
Oulu Region	Siikajoki	748-418-4-191	Siikasavontie 9	802
Oulu Region	Siikalatva	791-421-99-0, 791-421-100-0, 791-421-101-0	Pulkkilantie 2	1,960
Eastern Finland	Siilinjärvi	749-405-18-479	Siilinkoskentie 1	4,472
Eastern Finland	Siilinjärvi	749-405-63-2	Sorakuja 4	2,320
Northern Finland	Simo	751-403-5-180	Ratatie 3	912
Eastern Finland	Simpele	689-432-1-118, 689-432-1-119, 689-432-1-447	Roihankatu 8	1,700
Oulu region	Sotkamo	765-401-6-15, 765-401-6-16, 765-401-6-358	Ratatie 37	4,326
Oulu region	Suomussalmi	777-406-26-107	Risteentie 12	5,626
Eastern Finland	Suonenjoki	778-2-203-11	Rautalammintie 17	1,771
Southern Finland	Sysmä	781-417-19-7	Ohrasaarentie 2	2,303
Western Finland	Sysmä	781-417-19-3	Särkilahdentie 4	1,427
Western Finland	Taalintehdas	322-494-1-105	Hertsbölenie 1	746
Eastern Finland	Taivalkoski	832-408-4-59	Talonpojantie 1	843
Western Finland	Tampere	837-327-7628-1	Kokinpellonrinne 2	421
Western Finland	Tampere	837-323-5955-1	Peltolamminkatu 10	1,118
Western Finland	Tampere	837-268-2535-16	Pohtolankatu 47-49	690
Western Finland	Tampere	837-233-3113-9	Ratakistonkatu 7	1,813

County	Municipality	Property designation	Address	Area
Western Finland	Turku	853-94-41-3	Gregorius IX tie 8-12	3,825
Western Finland	Turku	853-87-12-3	Jäkärilän Puistokatu 20	695
Western Finland	Turku	853-63-50-5	Jyrkkälänkatu 1	1,000
Western Finland	Turku	853-35-46-3	Kataraistentie 7	1,899
Western Finland	Turku	853-26-15-1	Kirjurinkatu 3	1,154
Western Finland	Turku	853-66-64-5	Metallikat 2	1,135
Western Finland	Turku	853-75-23-6	Vakka-Suomentie 82	467
Greater Helsinki	Tuusula	858-8-8509-1	Haukantie 2	2,242
Greater Helsinki	Tuusula	858-401-2-393	Sulantie 1	5,610
Western Finland	Uusikaarlepyy	893-1-104-3	Sollefteäkatu 9	712
Western Finland	Uusikaupunki	895-8-23-15	Ketunkalliontie 5	4,919
Western Finland	Vaala	785-404-2-179	Vaalantie 26	1,565
Western Finland	Vaasa	905-31-96-2	Kuusilahdentie 2	370
Western Finland	Valkeakoski	908-4-10-12	Apiankatu 6	4,150
Western Finland	Valkeakoski	908-2-23-9	Hakalantie 1	8,617
Eastern Finland	Valtimo	911-402-10-58	Käpyläntie 2	1,154
Greater Helsinki	Vantaa	092-51-153-11	Hagelstamintie 26	607
Greater Helsinki	Vantaa	92-61-118-2	Kielotie 20	3,794
Greater Helsinki	Vantaa	92-94-19-18, 92-94-19-25	Laukkarinne 4-6	3,527
Greater Helsinki	Vantaa	092-83-100-9	Mäyräkuja 2	1,818
Greater Helsinki	Vantaa	092-83-111-3	Minkkikuja 4	2,270
Greater Helsinki	Vantaa	092-73-250-24	Rekolantie 53-55	735
Greater Helsinki	Vantaa	92-14-1-3	Ulkoniitynkuja 4	2,381
Eastern Finland	Varkaus	915-5-296-7	Käsityökatu 22	5,197
Eastern Finland	Varkaus	915-5-200-9	Relanderinkatu 30	8,145
Eastern Finland	Varkaus	915-4-61-21	Savontie 42	702
Western Finland	Viitasaari	931-401-3-133	Postikuja 1	2,103
Western Finland	Virrat	936-409-28-53, 936-409-28-255, 936-409-28-321	Asematie 2	3,135
Western Finland	Ylivieska	977-10-25-1	Savarinkatu 2	6,274
Western Finland	Ylöjärvi	980-428-2-292, 980-428-2-308-1	Mastontie 2	3,014

