



Cibus

Converting food into yield

Green bonds

Investor Report 2022



Introduction

The business concept of Cibus Nordic Real Estate AB (publ) "Cibus", listed on Nasdaq Stockholm, is to acquire, refine and develop high-quality grocery stores and daily-goods properties with reputable tenants in the Nordic region.

The property portfolio is spread across strategically favourable locations in Finland, Sweden, Norway and Denmark, largely in regions with good population growth. The properties also comprise a distribution network with delivery points for other goods purchased online. The properties generally enjoy highly favourable micro-locations, close to developed areas central to each community. Compared with other types of retail properties, Cibus's portfolio is not dependent on the general economic situation and is resilient to the negative impacts of e-commerce.

Number of properties

440

Area

950,000 m²

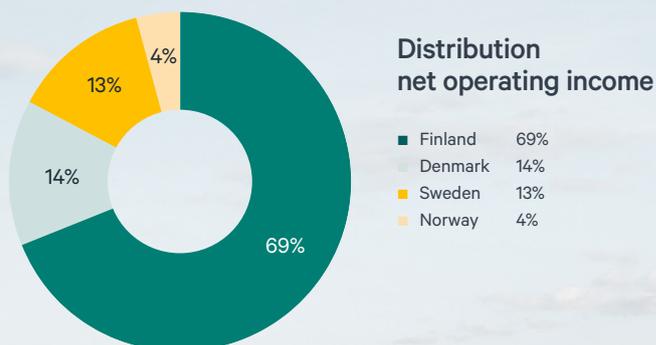
Largest tenants

Kesko, Tokmanni,
Coop, S Group

Property value

EUR 1,822 million

Cibus's shares are listed on Nasdaq Stockholm, Mid Cap.



Sustainability at Cibus

Marketplaces that are operated in a climate-intelligent way and that are easily accessible for people contribute to a favourable social trend, which is one of the basis tenets of Cibus's business. When people can easily reach stores and services in safe environments, gaining access there to daily-goods, as well as goods purchased online and other services, their quality of life is improved. Because people also avoid making long car journeys, and because heating and electricity in the properties are used efficiently and extracted from clean energy sources, such as solar panels, the environmental impact of the market places is limited. Through partnerships with sustainable tenants, as well as through initiatives of its own, Cibus endeavours to safeguard development that is sustainable both for people and the environment.

Cibus advocates the UN's Agenda 2030 and the 17 global goals aiming for the world to eliminate extreme poverty, reduce inequality and injustice and to resolve the climate crisis by 2030. Cibus' strategic sustainability work is based on the Paris Agreement and the ten principles regarding human rights, the environment and anti-corruption action detailed in the UN Global Compact. This work is reflected in the company's overall strategy and business plan and is governed by the company's values, several policies, an organizational responsibility and a framework. Each year, the sustainability work and developments in the area are reported in a sustainability report, via GRESB (Global Real Estate Sustainability Benchmark) and EPRA sBRP (European Public Real Estate Association Sustainability Best Practice Recommendation). https://www.bequoted.com/bolag/cibus/download/?file=arsredovisning-2021-94244/Cibus_Arsredovisning_2021.pdf

Cibus's framework

Sustainability areas	Long-term objectives	Contribute to the UN's global goals
Be a sustainable partner	<ul style="list-style-type: none"> — Make it easier for tenants and end-customers to act sustainably. — Report results safeguarding long-term stable operations benefiting tenants, society, investors and employees. — Be a respectable player in the property sector, conducting our operations ethically, without suspicion of corruption, tax arrangements or shortcomings in customers' security/integrity. — Follow regulations and recommendations, and provide a transparent account of the business and its results. 	  <p>12:6 Encourage companies to apply sustainable methods and sustainability reporting. Cibus prioritises tenants with transparent sustainability reporting. In 2021, all anchor tenants reported their sustainability work.</p> <p>16:5 Combat corruption and bribery. Cibus applies zero tolerance of corruption, and assesses all partners on this basis. No incidents of corruption were observed in 2021,</p>
Take action for the climate	<ul style="list-style-type: none"> — Achieve climate-neutral operations by 2030, by facilitating tenants' investments in renewable energy, investing in their own green energy types and investing in accessible marketplaces that minimise end-customers' climate footprint. — Increase the properties' energy efficiency and consumption of renewable energy. 	  <p>7:2 Increase the share of renewable energy in the world. Cibus contributes to increased expansion of solar cells on its properties by encouraging anchor tenants through sustainability discussions and by quickly approving plans to build-out. By 2021, 39 properties had solar cells installed.</p> <p>13:1 Strengthen resilience to and adaptability to climate-related disasters. Cibus's investments in green electricity and reduced climate emissions around marketplaces help reduce climate risks.</p>
Create accessible marketplaces	<ul style="list-style-type: none"> — Stimulate the development of marketplaces by owning properties leased to attractive grocery and daily goods chains. — Create accessible marketplaces for end-customers, with access to shops and services. 	 <p>11:3 Inclusive and sustainable urbanisation. Cibus develops districts and smaller towns in which people have access to vibrant and safe local communities with grocery and daily goods shops, as well as services.</p>

Cibus's environmental work

Cibus's foremost environmental objective is to achieve climate-neutral operations by 2030. The objective will be achieved by prioritising tenants with ambitious climate aspirations and by means of Cibus's own green energy investments.

Green investments for a better climate

Cibus's properties are mainly leased to leading Nordic daily goods retailers with ambitious sustainability aspirations, with regard to goods and the environmental footprint of marketplaces and with regard to goods transports. Regular sustainability discussions with tenants accelerate Cibus's administration of permits in connection with building extensions that involve renewable energy, such as installing solar panels on flat roofs. Cibus's own green investments include energy-efficient properties, upgrades to LED lighting at several properties in Finland and Sweden, as well as an increased share of the energy purchased being fossil-free. During 2022, Cibus is assessing its opportunities to invest in its own green energy sources, which, in the long run, could make the company a supplier of green electricity to its customers.

The largest carbon dioxide emissions in Cibus' operations occur within Scope 3, as defined by the GHG protocol, through emissions from the properties' consumption of heating and electricity, where energy is purchased by tenants. In certain parts of the Finnish property portfolio, Cibus provides tenants with district heating and electricity and these are reported within Scope 2. Visitors arriving at the marketplaces by car also contribute to emissions, although these are not reported in Cibus's climate reporting.

Carbon footprint in Cibus's property portfolio ¹ CO ₂ equivalents	Year 2021 (Abs) tonnes	Year 2021 (LfL) tonnes	Year 2020 (LfL) tonnes	Year 2021 (Abs) kg/m ²	Year 2021 (LfL) kg/m ²	Year 2020 (LfL) kg/m ²
Finland	26,717	22,289	18,409	34	32	27
of which, Scope 2	9,017	8,936	7,223			
of which, Scope 3	17,700	13,353	11,186			
Sweden	1,008	908	891	7	8	8
of which, Scope 2	174	117	117			
of which, Scope 3	834	791	774			
Total	27.725	23.197	19.300			

¹Because the actual energy sources are unknown in several cases, the emissions reported are calculated based on average national emission factors. Accordingly, the report takes renewable energy installed in the properties into account, but not the usage of other green energy, nor does it reflect, for example, Kesko's and Tokmanni's supply of electricity from partly-owned Finnish wind turbines or Coop's choice of fossil-free electricity and district heating.

Solar panels installed

39 properties, i.e. 5,266 MWh annual energy production

Anchor tenants with stated climate ambitions

83%

Refers to tenants with the stated objective of reducing their overall climate footprint or achieving climate neutrality by 2025 or 2030.

Energy certified properties

Most retail properties are older and consume more energy. To offer its tenants green and energy-efficient properties, Cibus prioritises acquiring properties with a superior energy rating. In the existing energy portfolio, energy efficiency is enhanced by installing automated energy metering, LED lighting and other green measures.

At the end of 2021, 15 percent of the portfolio's value comprised properties with very high levels of energy certification (A and B in Finland and A, B and C in Sweden, respectively). In Finland, properties of energy class B meet the energy requirements for a new building, while, in Sweden, that corresponds to energy class C.

Energy-certified properties in Cibus's portfolio	Number	Value EURm
Finland: A, B	27	193
Sweden: A, B, C	9	25
Total	36	218

Increased energy efficiency

Energy consumption in Cibus's property portfolio	Year 2021 (Abs) MWh	Year 2021 (LfL) MWh	Year 2020 (LfL) MWh	Year 2021 (Abs) kWh/m ²	Year 2021 (LfL) kWh/m ²	Year 2020 (LfL) kWh/m ²
Finland	193,061	161,004	135,686	250	234	198
- electricity	119,038	94,299	86,565			
- district heating	71,008	64,902	47,746			
- fuels	3,015	1,803	1,375			
Sweden	40,535	37,206	36,450	280	314	307
-electricity	38,894	35,565	34,902			
-district heating	1,641	1,641	1,548			
Total	233,596	198,210	172,136	254	246	215

Green bonds

	Maturity	Bond payment
SE0014453130	June 2023	SEK 600,000,000
Loan number 102	December 2024	EUR 50,000,000

Cibus's green framework

Cibus's green bonds will finance existing and new properties of superior energy class or with other obvious environmental benefits. A green framework, developed in 2020, indicates which projects qualify.

- New or existing properties with energy class (EPC) A and B in Finland, as well as (EPC) A, B or C in Sweden, alternatively certified in accordance with LEED Gold, BREEAM Very Good, BREEAM in-Use Very Good, Nordic Swan Ecolabel, Miljöbyggnad Silver.
- Financing for comprehensive property renovations resulting in a 30% reduction in energy consumption.

Cibus's Green Bond framework: <https://www.cibusnordic.com/media/203709/cibus-green-bond-framework-may-2020-final-1.pdf>

Review

An external party, analysis company Sustainalytics, has verified that Cibus's framework for green bonds was developed in accordance with Green Bond Principles 2018 ("GBP"), and has issued a Second opinion on this framework.

Sustainalytics' second party opinion: <https://www.cibusnordic.com/media/203708/cibus-green-bond-framework-second-party-opinion-final-1.pdf>

An external party reviews annually the allocation of collateral for Cibus's green bonds and promissory notes in connection with valuation.

COOP Storhög 3, Malmö, Sweden
Area: 1,222 m²



Approved properties and allocated volume



Tegelslageriet 5, Örebro, Sweden
Area: 1,050 m²

Allocated green investment volumes

The collateral for Cibus's green bonds is allocated at the portfolio level, meaning that the bonds are not linked to any particular individual properties.

The value of Cibus's property holdings qualifying under the green framework amounted to EUR 222 million at the end of 2021, and exceeded the volume of green loan instruments by EUR 112 million.

Approved investments in accordance with green framework	MEUR
Existing properties	218
Allocated volume of green bonds	110
Unallocated value properties	108

Annual CO₂ reduction

Each year, properties of the highest energy-certification quality allocated by Cibus's avoided greenhouse gas emissions equivalent to 136 tonnes of CO₂e, compared with the requirement for newly built properties in Sweden and Finland. The emission savings are, of course, considerably greater if compared with the average retail property portfolio in Sweden and Finland.

Approved green and energy-efficient properties

	Area m ²	Energy certificate	Annual energy performance kWh/m ²	Estimated annual reduction in tCO ₂ e compared with requirements for new buildings ¹⁾
Sweden				
Mörmon 5:69, Hammarö	1,000	C	96	0.6
Gösen 1, Lidköping	1,050	C	67	1.3
Centralen 5, Lilla Edet	967	C	100	1.7
Storhög 3, Malmö	1,222	C	106	0.6
Sparven 3, Tibro	1,050	C	70	1.0
Lotsen 8, Ystad	1,050	C	98	1.5
Tegelslageriet 5, Örebro	1,050	C	113	0.4
Iggesund 14:279, Huddiksvall	718	C	91	0.3
Pengen 1, Eda	3,566	A	28	7.5
Total, Sweden				14.9
Finland				
KSM Hämeenkyrö	6,737	A	99	34
KM Suomenlinna, Helsinki	432	A	128	0.4
KM Kalasatama, Helsinki	7,405	B	117	18.7
KCM Mehevä	9,330	B	172	
KSM Joutsa	4,756	B	165	
Kajaanin Kauppapuisto	15,335	B	147	
KSM Lapua	3,191	B	97	17
KSM Riihimäki	1,892	B	144	
Tokmanni Kuopio	9,115	B	152	
Tokmanni Savonlinna	2,953	B	163	
Alepa Ahjo, Kerava	2,550	A	67	24.3
Alepa Riha, Tuusula	1,891	B	144	
Halpa-Halli Saarijärvi	4,240	B	120	8.9
Lidl Saarijärvi	1,928	B	144	
Pohjolan Portti, Iisalmi	5,817	B	157	
Tokmanni Hanko	2,860	B	135	
Halpa-Halli Liminka	4,430	B	152	
Tokmanni Kitee	2,650	B	151	
Tokmanni Virrat	2,755	B	130	1.9
S-Market Parainen	5,102	B	150	
Tokmanni Kerava	4,741	B	137	
Tokmanni Nokia	8,700	B	130	6.1
Tokmanni Outokumpu	2,242	B	158	
Tokmanni Parikkala	1,800	B	179	
Sale Karijoki	571	B	134	0.1
S-Market Vimpeli	232	B	158	
KM Kinkomaa	692	B	150	
Total Finland				111.3

¹⁾Sweden: New-build requirement 2015 BBR, electricity 122 gCO₂e/kWh and district heating 158 gCO₂e/kWh.
Finland: New-build requirement, electricity 131 gCO₂e/kWh and district heating 148 gCO₂e/kWh.

Alepa Ahjo, Kerananpolku 1, Finland
Area: 2,550 m², Energy certificate: A



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