

Cibus

Converting food into yield

Green bonds

Investor report 2024

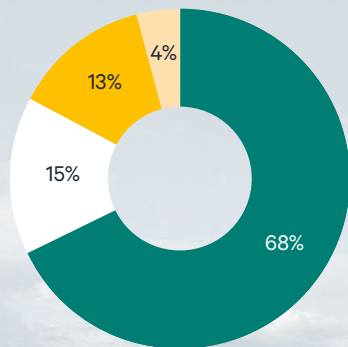


About Cibus

Cibus Nordic Real Estate AB (publ) (“Cibus”) is a listed company on Nasdaq Stockholm Mid Cap whose business concept is to acquire, develop and manage high-quality properties in the Nordics with reputable grocery and daily-goods chains as anchor tenants.

The property portfolio is spread out in strategic locations, mainly in southern and south-western Finland, southern and central Sweden, Zealand in Denmark, and southern Norway. The properties are, to a large extent, located in regions with good population growth and are part of a strategic distribution network with delivery points for other goods traded online. The properties generally enjoy highly favourable microlocations, close to developed areas central to each community. Compared with other types of retail properties, Cibus’s portfolio is not dependent on economic conditions and is resilient towards the negative effects of e-commerce.

<p>Number of properties</p> <p>451</p>	<p>Area¹⁾</p> <p>975,857 m²</p>
<p>Largest tenants</p> <p>Kesko, Tokmanni, Coop Sverige, S-gruppen, Dagrofa, Lidl</p>	<p>Property value¹⁾</p> <p>EUR 1,798 million</p>



Net operating income breakdown for 2023

- Finland 68%
- Denmark 15%
- Sweden 13%
- Norway 4%



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¹⁾On 31 December 2023

Sustainability at Cibus

The stores we finance can be reached easily by people who thus gain access to safe environments where they can buy groceries, collect goods bought online and access other services without having to embark on long car journeys. Together with our tenants, we develop climate-smart marketplaces, with heating and electricity used efficiently and extracted from clean energy sources.

Cibus's strategy is to support our tenants' actions in a sustainable direction, aided by discussions, being highly available and our own ambitious sustainability aspirations. We foster sustainable development, even where the decisions are not ours to take, by ensuring that:

- our anchor tenants have their own ambitious sustainability- and climate aspirations and, through dialogue and partnerships, supporting their sustainability work,
- we make demands on our suppliers in the areas of property management, administration, energy and advice,
- a sustainable view is integrated into all internal processes,
- our proprietary organisation acts responsibly,
- the data on which new investment decisions are based encompasses sustainability aspects,
- we will achieve climate-neutral operations in accordance with the 1.5°C target.

Cibus complies with national and international laws and regulations and adheres to the UN Global Compact's ten principles regarding human rights and labour rights, the environment and anti-corruption, the UN Sustainable Development Goals (SDGs), and a number of international conventions and principles such as the UN Guiding Principles on Business and Human Rights, the Paris Agreement on climate change, the ILO's core conventions and the OECD Guidelines for Multinational Enterprises. Membership in the European Public Real Estate Association (EPRA) encourages increased transparency, sustainability and more uniform reporting.


UN Global Compact

Cibus has been a participating member of the Global Compact since 2023. This means, among other things, that we report our progress in accordance with the Global Compact's requirements, and do not participate in projects or hire suppliers where there is a risk of violating any of the Global Compact's ten principles.

Science Based Targets initiative

In October 2023, the Science Based Targets initiative (SBTi) approved Cibus's climate target for SMEs to reduce emissions by 2030 by at least 42 percent in our own operations in accordance with the 1.5°C target. In 2024, we analysed the conditions for achieving a broader climate target. The SBTi's approval provides us and the external community with clear guidance on Cibus having joined the Paris Agreement and that we are helping to reduce global warming.

Cibus's sustainability framework

Sustainability areas	Long-term objective	Outcomes	2023	2022	2021
Be a sustainable partner	<ul style="list-style-type: none"> — Make it easier for tenants and end-customers to act sustainably. — Be a respectable player in the property sector, and conduct our operations ethically, without suspicion of corruption, tax arrangements or shortcomings in customer security/integrity. — Follow regulations and recommendations and provide a transparent account of the business and its results. 	Sustainability discussions with tenants, share of leased space.	76%	74%	82%
		Incidents of bribery and corruption, number.	0	0	0
		Annual Sustainability Report	✓	✓	✓
		Reporting in accordance with recommendations in EPRA sustainability best practice.			✓
Take action for the climate	<ul style="list-style-type: none"> — Climate-neutral operations by 2030, to be achieved by making it easier for tenants to invest in renewable energy, and by procuring and investing in proprietary green energy sources. — Increase the buildings' energy efficiency. 	Properties with solar panels in Cibus's property portfolio, number	46	43	39
		Leased to tenants with stated ambitions of reducing their carbon footprint or achieving climate neutrality, %	83%	82%	83%
		CO ₂ emission intensity in the property portfolio, kg/m ² ¹⁾	21.2	23.9	20.1
		Properties with superior energy efficiency ²⁾ , percentage of Cibus's total area m ² properties	24%	19%	15%
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. 	Proportion of property portfolio leased to grocery and daily-goods stores, as % of net operating income.	97.2%	97.1%	97.7%
		Lettable area, m ² .	975,856	981,396	866,920

¹⁾CO₂ emissions reflect market-based data. ²⁾Energy-efficient properties in 2021 refer to EPC A+B in Finland and energy class A, B and C in Sweden. From 2022, the EU Taxonomy's threshold of the top 15% of the national stock is applied. For 2022, this refers to EPC A in Finland and Norway, an operational Primary Energy Demand (PED) of 83 or better in Sweden, and EPC A and B in Denmark as well as properties built after 2009. In 2023, the thresholds were revised to E-value<172 kWhE in Finland and to EPC A and B in Norway.

Cibus’s work for the environment and the climate

Cibus’s primary environmental goal is to achieve climate neutrality by 2030 at the latest and thus contribute to achieving the UN SDGs.

In 2023, our climate target encompassing Scopes 1 and 2 was approved by the SBTi, which reflects our clear commitment to reducing climate emissions and verifies that the target is scientifically based and in line with the 1.5°C target of the Paris Agreement. However, our objective regarding climate neutrality covers our entire operation, including our Scope 3 emissions. The climate target is strategic business decision for Cibus and follows a clear transition plan.

Investments for the climate

Our own green energy initiatives

In leases where Cibus is responsible for purchasing energy, the target for 2023 was that heating and electricity would use 100 percent fossil-free, origin-labelled energy. Over the year, all purchased electricity was fossil-free and origin-labelled, while 8 percent of heating did not yet involve fossil-free energy types.

An investment plan was established in 2023 according to which Cibus is to invest in its own solar panel installations at its properties.

Green energy measures in collaboration with tenants

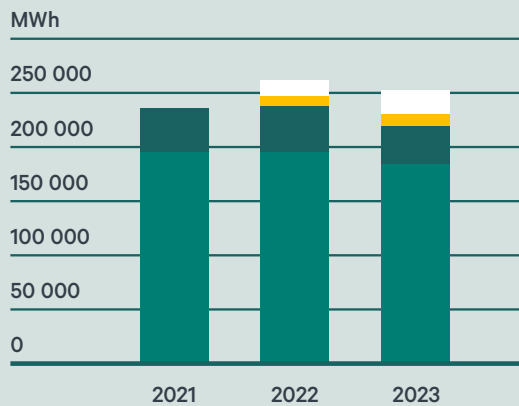
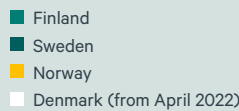
Of Cibus’s property area, 83 percent is leased to anchor tenants with stated ambitions to either achieve climate neutrality through targets consistent with the Paris Agreement’s 1.5°C target or to otherwise clearly reduce their overall carbon footprint. Although properties account for a small share of the chains’ climate emissions, they send a significant signal. Today, several tenants invest in green forms of energy, such as solar panels on the roofs of properties and origin-labelled, fossil-free electricity and district heating, and as co-owners of wind farms. With our regular sustainability discussions, we can quickly support their work by granting permission for building extensions regarding renewable energy.

By the end of 2023, our tenants had invested in their own solar panels at 44 properties in Finland and at one property in Denmark. Cibus has invested in solar panels on a Swedish property. Together, these generate 5,192 MWh annually and correspond to an annual reduction in emissions of 680 tCO₂. Together with its anchor tenants, Cibus is continuing a series of other energy efficiency initiatives such as changing to LED lighting and investments to prevent energy leakage.

Upgrading energy efficiency of properties

Existing properties are regularly upgraded to higher energy classes in order to reduce their energy consumption. We prioritise suppliers and partners pursuing active environmental work and motivate them to choose green energy sources.

Energy consumption in Cibus Absolute consumption



Climate emissions of the property portfolio

Cibus's primary carbon footprint comes from Scope 3 emissions according to the GHG protocol in the form of emissions from the properties' heating and electricity consumption, with energy purchased by tenants. Under some leases, Cibus provides tenants with district heating and electricity, and this is reported in Scope 2. In 2023, Scope 2 CO₂ emissions decreased because Cibus provided Finnish properties with a greener energy mix, which at year-end consisted of 100 percent fossil-free origin-labelled energy.

CO₂ emissions presented below are associated with the properties' energy consumption. Other climate impacts in the properties' value chain, such as contractors employed for property management and service, consumables and the impact from retail operations, are not included in the following reporting.

The carbon footprint of Cibus's property portfolio ¹⁾ associated with the properties' energy consumption, CO ₂	Intensity, kg CO ₂ e/m ² Scope 2+3			
	2023	2022	2023	2022
Finland	13,443	12,372	18	15
Scope 1	427	697		
Scope 2	11	1,713		
Scope 3	13,005	9,962		
Sweden	302	464	1	2
Scope 1	112	116		
Scope 2	7	38		
Scope 3	183	310		
Norway²⁾	4,686	3,836	162	143
Scope 2		101		
Scope 3	4,686	3,735		
Denmark	2,210	6,769	23	82
Scope 1	347	118		
Scope 2	65	171		
Scope 3	1,798	6,480		
Total	20,640	23,441	20	24

¹⁾Based on actual emissions (market-based emissions). ²⁾For Norwegian tenants' purchase of energy, a residual mix emission factor is used.

Installed solar panels	46 properties, with 5,192 MWh in annual energy production which is expected to save 680 tCO ₂ .
Anchor tenants with stated climate ambitions	Of Cibus's property area, 83 percent is leased to anchor tenants with stated ambitions to achieve climate neutrality through targets consistent with the Paris Agreement's 1.5°C target or to otherwise clearly reduce their overall carbon footprint.

Energy-efficient properties in Sweden and Finland

Commercial properties generally have a lower energy efficiency compared with offices and residential properties. To offer tenants green and energy-efficient properties, Cibus prioritises the acquisition of properties of a high energy class and works continuously to upgrade the energy efficiency of its existing properties in all markets.

On 31 December 2023, Finnish and Swedish properties of high energy class comprised 15% of Cibus's total property value.

Energy-certified properties in Cibus's Swedish and Finnish portfolio ¹⁾	Number	% of number in each market	Value EUR million	% of value in each market	Area, m ²	% of area in each market
Finland: EPC A, B	29	11	226	19	134,679	19
Sweden Energy class A, B, C	12	10	49	19	19,687	13
Total	41		275		154,366	

¹⁾On 31 December 2023

Green borrowings

Cibus's green bonds on 31 December 2023	Maturity	Bond liquidity remaining
SE 0013360716	December 2024	EUR 32,000,000
SE 0017071517	September 2025	SEK 678,750,000

Green framework¹⁾

In 2020, Cibus began to borrow via green bonds. Cibus had two bond loans outstanding at the end of 2023 issued under the green funding framework from 2020. The loans are to finance existing and new properties of high energy class or with other clear environmental advantages. The green framework describes which projects qualify:

- New or existing properties with energy class (EPC) A and B in Finland and (EPC) A, B and C in Sweden, or certified LEED Gold, BREEAM Very Good, BREEAM in-use Very Good, Nordic Swan Ecolabel, Miljöbyggnad Silver.
- Financing for comprehensive property renovations that result in a 30 percent reduction of energy consumption.

Cibus's framework for green bonds was reviewed by the analytics firm Sustainalytics, which issued a Second-Party Opinion²⁾ confirming that the framework aligns with the Green Bond Principles 2018.



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

²⁾Sustainalytics' Second-Party Opinion:

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



Allocated green investment volumes

Securities for Cibus’s green bonds are allocated at the portfolio level, which means that no single property is associated with the bonds. The value of Cibus’s property holdings that qualified under the green framework at the end of 2023 amounted to EUR 275 million, corresponding to 309 percent of the outstanding bonds.

Approved investments under the green framework	EUR million
Existing properties	275
Allocated volume green bonds	89
Unallocated value of properties	186

Review

An annual examination of the allocation of securities for Cibus’s green bonds and promissory notes is carried out by an external part in conjunction with the valuation.

Annual energy and CO₂ reduction

Compared with the energy requirements for new commercial properties, which in Finland corresponds to energy class B and in Sweden to energy class C, Cibus’s allocated properties with high energy efficiency and high energy certifications avoided 74.2 tonnes of greenhouse gas emissions measured in CO₂e¹⁾ in 2023. This savings in emissions is naturally significantly larger if compared with the average commercial property portfolio in Sweden and Finland.

¹⁾Estimated annual reduction of CO₂ emissions based on positive savings of 135 kWh/m² in Finland between energy consumption requirements for new commercial properties and those for EPC E-value as well as emission factors of 66g CO₂/kWh for electricity and 147g CO₂/kWh for district heating. In Sweden, based on the difference between the reference values of the energy declarations (requirement for new construction as of 2015 according to BBR) and energy performance as well as emission factors of 7.5g CO₂/kWh for electricity and 46g CO₂/kWh for district heating.

Allocated approved green and energy-efficient properties

Property	Area m ²	Energy certificate	Annual energy performance kWh/m ² according to energy certificate and EPC	Estimated annual reduction tCO ₂ e
Sweden	18,637			4.0
Mörmon 5:69, Hammarö	1,000	C	96	0.0
Gösen 1, Lidköping	1,050	C	67	0.1
Centralen 5, Lilla Edet	967	C	100	0.1
Storhög 3, Malmö	1,222	C	106	0.1
Sparven 3, Tibro	1,050	C	70	0.1
Tegelslageriet 5, Örebro	1,050	C	113	0.1
Hässjan 19, Nora	801	C	75	0.1
Iggesund 14:279, Huddiksvall	718	C	91	0.0
Pengen 1, Eda	3,566	A	28	1.3
Starr kärr 4:73 4:74, Ale	3,189	B	72	0.6
Exporten 52, Kävlinge, a	2,760	C	83	0.8
Exporten 52, Kävlinge, b	1,264	C	79	0.7
Finland	134,679			70.0
HalpaHalli Kankaanpää	3,000	B	117	9.0
HalpaHalli Saarijärvi	5,242	B	120	17.5
Kajaanin Kauppapuisto, Kajaani	14,558	B	143	
KM Kinkomaa, Muurame	600	B	150	
KSM Hämeenkyrö	6,737	B	138	
KSM Joutsa	4,756	B	165	
KSM Lapua	8,448	B	97	6.6
Lidl Pargas	5,184	B	150	
Lidl Saarijärvi	1,286	B	144	
Pohjolan Portti, Iisalmi	4,549	B	170	
Sale Karijoki	606	B	134	0.1
SM Vimpeli	1,228	B	158	
Tokmanni Hanko	2,931	B	135	-
Tokmanni Kerava	5,114	B	137	
Tokmanni Kuopio	9,115	B	141	
Tokmanni Nokia	8,819	B	130	4.1
Tokmanni Parikkala	1,870	B	142	
Tokmanni Savonlinna	3,319	B	163	
Tokmanni Virrat	3,135	B	130	1.4
KCM Varkaus	8,145	B	139	
KSM Suomussalmi	5,626	B	143	
Tokmanni Kuhmo	1,937	B	153	
SM Raisio	4,293	B	157	
Tokmanni Forssa	5,443	B	116	10.8
Tokmanni Ilmajoki	3,922	B	95	8.7
Tokmanni Uusikaupunki	4,919	B	117	7.0
Sale Pyhäntä	1,546	B	123	4.6
SM Herttoniemi	2,089	B	147	
Tokmanni Hollola	6,264	B	149	



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