

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainability-Linked Finance Framework

Cibus Nordic Real Estate AB
7 July 2023

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">Finance Instruments – Sustainability-Linked Bonds and Loans
Relevant standard(s)	<ul style="list-style-type: none">Sustainability-Linked Bond Principles, as administered by the ICMA (as of June 2023)Sustainability-Linked Loan Principles, as administered by the LMA (as of February 2023)
Scope of verification	<ul style="list-style-type: none">Cibus Nordic Real Estate AB's Sustainability-linked Finance Framework (as of July 7, 2023)
Lifecycle	<ul style="list-style-type: none">Pre-issuance verification
Validity	<ul style="list-style-type: none">As long as Cibus Nordic Real Estate AB's Sustainability-linked Finance Framework and benchmarks for the Sustainability Performance target(s) remain unchanged.

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SCOPE OF WORK

Cibus Nordic Real Estate AB (“Cibus” or “the Issuer” or “the Company”) commissioned ISS Corporate Solutions (ICS) to assist with its Finance Instruments by assessing three core elements to determine the sustainability quality of the instruments:

1. Cibus’ Sustainability-Linked Finance Framework (as of July 7, 2023) and structural components of the transaction – benchmarked against the Sustainability-Linked Bond Principles (SLBP), as administered by the International Capital Market Association (ICMA) and the Sustainability-Linked Loan Principles (SLLP), as administered by the Loan Market Association (LMA).
2. The sustainability credibility of the Key Performance Indicators (KPI) selected and Sustainability Performance Targets (SPT) calibrated – whether the KPIs selected are core, relevant and material to the Issuer’s business model and industry, and whether the associated targets are ambitious.
3. Linking the transaction(s) to Cibus’ overall ESG profile – drawing on Cibus’ sustainability objectives.

CIBUS BUSINESS OVERVIEW

Cibus Nordic Real Estate AB is a real estate company that acquires, develops, and manages properties in the Nordic region and is headquartered in Stockholm, Sweden. It is classified in the Real Estate industry, as per ISS ESG’s sector classification. As of December 2022, the company’s property portfolio comprises approximately 454 properties with a total lettable area of approximately 980,576 m2 including supermarkets, discount stores, hypermarkets, grocery stores, and daily goods chains located in Finland, Sweden, Denmark, and Norway.

SPO ASSESSMENT SUMMARY

EVALUATION SUMMARY ¹		
Alignment with the SLBP and SLLP	The framework is in line with the Sustainability-Linked Bond Principles (SLBP) administered by the ICMA and the Sustainability-Linked Loan Principles (SLLP) administered by the LMA.	
KPI Selection	KPI 1. SBTi approved greenhouse gas emission reduction targets	KPI 2. Scope 1, 2 & 3 GHG emissions in kg of CO ₂ e/m ²
Relevant	Relevant	Relevant
Core	Core	Core
Material	Moderately Material ²	Moderately Material
Assessment	Aligned	Aligned
SPT Calibration	SPT 1. Approval by SBTi of near-term GHG emission reduction targets no later than 30 June 2024	SPT 2. Reduction of Scope 1, 2 and 3 GHG emissions per square meter by 65% by 2030
Against borrower's past performance	Ambitious	Ambitious
Against borrower's industry peer group	Ambitious	Ambitious
Against international targets	In line with the Paris Agreement	Committed to be in line with the Paris Agreement
Level of ambition	Robust³	Robust⁴
Linking the transaction(s) to Cibus' overall ESG profile	Consistent with the Issuer's sustainability strategy The KPIs selected by the Issuer are related to climate change. One of the three pillars of the company's sustainability strategy focuses on Cibus' environmental impact and includes several goals on GHG emissions, biodiversity, circularity and water use. KPI 1 focuses on setting a SBTi approved net zero target and KPI 2 focuses on reducing its Scope 1, 2 and 3 GHG emissions. When combining both, the KPIs link to the Issuer's ambition to achieve its long term goal of climate neutrality by 2030.	

¹ The evaluation is based on the engagement conducted between June – July 2023, on the Issuer's Sustainability-Linked Finance Framework (as of July 7, 2023).

² Cibus commits to issuing KPI 1 and KPI 2 simultaneously as long as KPI 2 remains relevant and the objective over the instrument's maturity remains ambitious (i.e., the coverage threshold set by SPT 2 has not been achieved).

³ Three of the three SPT's benchmarking approaches have been assessed positively.

⁴ Three of the three SPT's benchmarking approaches have been assessed positively.

SPO ASSESSMENT

PART 1: ALIGNMENT WITH ICMA SUSTAINABILITY-LINKED BOND PRINCIPLES AND LMA SUSTAINABILITY-LINKED LOAN PRINCIPLES

This section describes our assessment of the alignment of the Cibus' Sustainability-Linked Finance Framework (as of July 7, 2023) with the Sustainability-Linked Bond Principles (SLBP) and the Sustainability-Linked Loan Principles (SLLP).

SLB/SLL PRINCIPLES	ASSESSMENT	OPINION
1. Selection of KPIs	A detailed analysis of the sustainability credibility of the KPI selection is available in Part 2 of this report.	
2. Calibration of SPTs	A detailed analysis of the sustainability credibility of the SPT calibration is available in Part 2 of this report.	
3. Bond/Loan Characteristics	✓	The description of the Sustainability-Linked Bond / Loan Characteristics provided by the Issuer is aligned with the SLBP and SLLP. The Issuer states that the potential variation of the financial characteristics of the securities (increase/decrease of the coupon) will be specified in the relevant documentation of the specific transaction. Cibus confirms that annual targets for all KPIs will be discussed with respective lenders and stipulated in the loan agreements. ⁵ KPI 1 and KPI 2 will systematically be used together.
4. Reporting	✓	The Reporting description provided by the Issuer is aligned with the SLBP and SLLP. This will be made available annually to investors and include valuable information, such as up-to-date information on the performance of the KPIs, recalculation of baselines when applicable, verification, and any relevant information enabling investors to monitor the progress of the SPT and its related impacts.
5. External verification	✓	The Verification description provided by the Issuer is aligned with the SLBP and SLLP. This report constitutes the SPO. The performance of the SPTs against the KPIs will be externally verified with an independent external verifier annually until the target is reached.

⁵ The annual targets were not available at the time of assessment.

PART 2: KPI SELECTION & SPT CALIBRATION

1. Selection of KPI 1

KPI 1 is defined as 'SBTi approved greenhouse gas emission reduction targets'

Opinion	<i>The KPI is relevant, pending core assessment and moderately material to the Issuer's overall business if issued alone, but material if issued on the same financial instrument as KPI 2. It is appropriately measurable, quantifiable, externally verifiable, externally verified and benchmarkable. It covers Scope 1 and 2 GHG emissions, which represent 32% of the company's total GHG emissions (SBTi does not expect SMEs to set scope 3 near term targets).</i>		
Assessment⁶	Not Aligned	Aligned	Best Practice
KPI 1 Characteristics and Features	KPI definition:	Cibus will seek to have its near-term science-based targets (SBTs) for 2030 approved by the Science-Based Target Initiative (SBTi). Cibus' greenhouse gas ("GHG") emission reduction targets will include Scope 1 and 2 since Cibus falls under the SBTi's small and medium-sized (SME) enterprise standard (Cibus has fewer than 500 employees).	
	Scope and perimeter:	The KPI Scope and perimeter are transparently defined since SBTi targets will cover Scope 1 and 2 GHG emissions of Cibus' operations. Scope 1 and 2 represents 32% of the company's total GHG emissions.	
	Quantifiable/Externally verifiable:	The KPI selected is quantifiable based on the fact that the SBTi adopts quantitative targets and explains the methodology behind them. The KPI selected is externally verifiable considering that SBTs are approved and verified by the SBTi. They are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement, limiting global warming to well below 2°C pre-industrial levels and pursuing efforts to limit warming to 1.5°C.	
	Externally verified:	The KPI selected is externally verifiable considering that SBTs will be approved and verified by SBTi.	
	Benchmarkable:	By relying on the commonly acknowledged SBTi methodology, the KPI is easily comparable with the data reported by other companies and with international targets such as the Paris Agreement.	
KPI 1 Analysis	The KPI is considered:		

Relevant to Cibus's business as its industry is highly GHG-emitting and exposed to climate change. According to the International Energy Agency's World Energy Outlook for Buildings, the buildings and building construction sectors are directly and indirectly responsible for over one-third of global energy and process related CO₂ emissions. More specifically, in 2021 about 8% of global energy-related and

⁶ The KPI selection assessment is classified on a 3-level scale: 'Not Aligned', 'Aligned' or 'Best Practice'. For further information on the ISS methodology related to the KPI assessment please refer to Annex 2 at page 20.

process-related CO₂ emissions resulted from the use of fossil fuels in buildings, with another 19% from the generation of electricity and heat used in buildings, and an additional 6% related to the manufacture of cement, steel and aluminium used for buildings construction.⁷

Core to the Issuer's business as setting a Scope 1 and 2 GHG emission reduction target require efforts with regard to liaising with the SBTi, calculating and mapping emissions across the value chain, assessing the technical feasibility of the reduction planned and drafting action plans to reach it.

Moderately Material⁸ to Cibus' business model and sustainability profile from an ESG perspective if issued alone and if issued on the same financial instrument as KPI 2.

- By setting SBTi targets on its Scope 1 and 2 GHG emissions, the issuer is setting climate-related disclosure requirements that do not directly lead to an environmental impact. The issuer expectation according to the targets to be set is to reduce Scope 1 and 2 GHG emissions, which represent 32% of the company's total GHG emissions, by 42%. Scope 3 emissions were not included since they are not required from SBTi for small and medium-sized enterprises. Therefore, on a "standalone basis", these efforts would be considered moderately material as they are based on a climate-related disclosure initiative with a focus on the GHG emissions of Cibus' direct operations, but not covering its downstream operations – therefore not addressing GHG emissions across the whole corporate value chain.
- It is worth noting that KPI 2 addresses Scope 1, 2 and 3 GHG emissions, which covers 76% of the company's total GHG emissions, and which Cibus has committed to issuing along KPI 1 for all transactions under this framework. While this technically increases the perimeter of GHG emissions covered by reduction targets, it should be noted that KPI 2 is an intensity target, expressed in CO₂e/m². At the moment of writing, Cibus does not have visibility on the evolution of the KPI's denominator. Meanwhile since 2020, the company's Scope 3 emissions have gone from 11,960 to 20,487 tons of CO₂e, which has caused an overall increase in the company's total GHG emissions. Therefore, KPI 1 is still considered as moderately material.

⁷ International Energy Agency (IEA), June 2023, Sectorial overview – Buildings, <https://www.iea.org/reports/buildings>.

⁸ ISS ESG bases this analysis on the Issuer's own emissions reporting and makes no comment on the quality or consistency of the Issuer's Scope 1, 2 or 3 emissions reporting, either in relation to GHG Protocol, or to established norms for the Issuer's sector. ISS ESG notes that Scope 3 reporting may be different between companies in the same sector and does not undertake any benchmarking of an Issuer's reporting.

2. Calibration of SPT 1

SPT 1 is defined as ‘Approval by SBTi of near-term GHG emission reduction targets no later than 30 June 2024’

Opinion	<i>The SPT is (i) ambitious against the company’s past performance, (ii) ambitious against industry peers, and (iii) it is in line with international target. The target is set in a clear timeline and is supported by a strategy and action plan disclosed in the company’s framework.</i>			
Level of Ambition⁹	No Evidence	Limited	Good	Robust
SPT 1 Characteristics and Features	SPT definition:	Approval by SBTi of near-term GHG emission reduction targets no later than 30 June 2024.		
	Baseline performance and year:	No SBTi verified targets as of June 2023.		
	Target performance and observation date:	Have SBTi near-term GHG emission reduction targets approved no later than 30 June 2024.		
	Trigger event:	Depending on Cibus’ performance in relation to the applicable SPTs per the Target Observation Date, the structural characteristics of a Finance Instrument will change. The Trigger Event may result in a premium redemption option or step-up/step-down option of the Finance Instruments. The size of the increase in the redemption price or step-up and/or step-down option will be specified in the security documentation for each respective Finance Instrument issued under Cibus’ Framework.		
	Long-term target:	N/A		
	Strategy and action plan to reach the target:	To develop its SBTs aligned with 1.5°C scenario, Cibus is working with a third-party consultant. To achieve possible SBTi emission targets, Cibus is calculating and mapping emissions across the value chain, assessing the technical feasibility of the reduction planned and drafting action plans to reach it.		
	Key factors/risks beyond the Issuer’s direct control that may affect the achievement of the SPTs:	Potential delays in the process of submitting SBTs and getting approval by the SBTi.		
Recalculations or pro-forma adjustments of baselines	Situations that could lead to recalculation of the baselines, the KPIs, the SPTs, and their respective reported values could be, but are not limited to, changes to the corporate structure (including acquisitions and divestments), regulatory changes as well as changes to the methodology for calculation of any KPI to reflect changes in market practice or relevant market standards (e.g. GHG Protocol).			

⁹ The SPT selection assessment is classified on a 4-level scale: ‘No Evidence’, ‘Limited’, ‘Good’ or ‘Robust’. For further information on the ISS methodology related to the SPT assessment please refer to Annex 2 at page 21.

SPT 1

Analysis

The level of ambition of the SPT is assessed as follows:

(i) Against past performance:

Cibus will set the SPT(s) to reduce its Scope 1 and 2 GHG emissions relying on the SBTi methodology. SBTi-validated targets are developed in line with the GHG Protocol Corporate Standard and it will cover relevant GHG emissions for the real estate industry (an expected 42% reduction of Scope 1 and 2 GHG emissions should be covered).

As the issuer has never set emissions reductions targets nor had targets verified by the SBTi, the target can be considered ambitious against the company's past performance.

(ii) Against peers:

We conducted a benchmarking of the SPT set by Cibus against the Real Estate peer group (NACE 68.31) of 49 companies including the Issuer. A group of 5 peer listed companies was provided by the Issuer with the remaining companies derived from the ISS ESG Universe.

Among the Issuer's peers, eight have Scope 1 and 2 targets already validated by SBTi for near-term GHG emission reduction (for six companies the target is in line with the reductions required to keep the global mean temperature increase to 1.5°C, while for two companies the reduction is in line with the well-below 2°C scenario). The issuer is expecting to send its SBTi application by the third quarter of 2023. This means that if successful Cibus will belong to the top 18% of companies that already have an SBTi-approved target or are committed to setting one.

Thus, we conclude that the SPT is ambitious against its peers.

(iii) Against international targets:

Paris Agreement

Cibus has not yet benchmarked its Scope 1 and 2 emissions targets that will be used to get the SBTi validation, since they are still being determined. However, like all SBTi-validated targets, those will be developed in line with the GHG Protocol Corporate Standard and it will cover all relevant GHG emissions for SME. The SPT will be achieved when the SBTi approves the issuer's SBT. Therefore, the science-based target itself will permit Cibus to be Paris-aligned. However, as the SPT sets the achievement of the science-based target, it cannot in and of itself permit the company to be Paris-aligned. Rather, once the issuer follows the emission trajectory set out in the SBT, that pathway will be Paris-aligned. It is important to note that the target is not yet available, and therefore no details can be provided. The SBTi analysis is considered credible as it is provided by an independent third party based on a methodology established in the industry. Thus, the SPT can be considered as in line with international targets

Contribution to SDGs¹⁰

The United Nations Sustainable Development Goal 7 “Affordable and clean energy” defines the following sub-targets: “7.2: By 2030, increase substantially the share of renewable energy in the global energy mix” and the Sustainable Development Goal 13 “Climate action” defines the following sub-targets: “13.2: Integrate climate change measures into national policies, strategies and planning.

SPT 1, by getting SBTi approval of near-term GHG emission reduction targets by 2024, is likely to contribute to SDG 13.2¹¹.

¹⁰ The Sustainable Development Goals (SDGs) mapping in this SPO considers the Key Performance Indicators and the associated Sustainable Performance Targets, ISS ESG SDGA proprietary methodology and resources and guidelines from public institutions, such as the [ICMA KPI registry](#), [the ICMA High-Level Mapping to the Sustainable Development Goals](#) and the UN SDG targets and indicators.

¹¹ It is not possible (i) to assess the SPT’s level of contribution and (ii) to quantitatively compare the SPT ambition against the SDGs mentioned.

3. Selection of KPI 2

KPI 2 is defined as 'Scope 1, 2 & 3 GHG emissions in kg of CO₂e/m²'

Opinion	<i>The KPI is relevant, core and moderately material to the Issuer's overall business. It is appropriately measurable, quantifiable, externally verifiable, externally verified and benchmarkable. It covers Scope 1, 2 and 3 GHG emissions (excluding Scope 3, Category 1, 2, 3 and 6), which represent 76% of the company's total GHG emissions.</i>		
Assessment ¹²	Not Aligned	Aligned	Best Practice
KPI 2 Characteristics and Features	KPI definition:	Intensity Scope 1, 2 and 3 GHG emissions per gross leasable area in kg of CO ₂ /m ² : <ul style="list-style-type: none"> ▪ Scope 1: Direct GHG emissions arising from the combustion of direct energy sources used for company buildings. For Cibus, this corresponds mainly to direct emissions from natural gas consumption, as well as direct fugitive emissions (mainly refrigerants). ▪ Scope 2: Indirect emissions from purchased electricity, heating, and cooling. For Cibus, it corresponds to the indirect emissions imported from Cibus properties. ▪ Scope 3: Emissions coming from the operation of leased assets, mainly emissions from tenant's energy consumption. 	
	Scope and perimeter:	The KPI Scope and perimeter are transparently defined as it covers Scope 1, 2, and Scope 3 Category 13 GHG emissions. Scope 3 Category 13 covers roughly 67% of Cibus' estimated total GHG emissions. Thus, KPI 2 represents approximately 76% of Cibus' total GHG emissions, excluding Scope 3 Category 1-3 and Category 6.	
	Quantifiable/Externally verifiable:	The KPI is quantifiable since it is calculated as " Total Scope 1, 2 and Scope 3 Category 13 GHG emissions divided by the gross floor leasable area in square meters". The Issuer is referring to key reporting and accounting protocols for GHG emissions such as the Greenhouse Gas Protocol (GHG Protocol).	
	Externally verified:	The historical and baseline data for the KPI selected have been verified by a qualified third-party. The Issuer commits to having the future data verified by an external reviewer as well.	
	Benchmarkable:	By referring to commonly acknowledged GHG accounting standards and protocol, the KPI is easily comparable with the data reported by other companies and with international targets such as the Paris Agreement. Benchmarking of the SPT in relation to this KPI has been analyzed below.	

¹² The KPI selection assessment is classified on a 3-level scale: 'Not Aligned', 'Aligned' or 'Best Practice'. For further information on the ISS methodology related to the KPI assessment please refer to Annex 2 at page 20.

KPI 2

Analysis

The KPI is considered:

Relevant to Cibus's business as its industry is highly GHG-emitting and exposed to climate change. Climate protection, energy efficiency and renewable energy are considered key ESG issues faced by the Real Estate industry according to key ESG standards¹³ for reporting and ISS ESG assessment. Collectively, buildings in the European Union are responsible for 40% of the energy consumption and 36% of greenhouse gas emissions, which mainly stem from construction, usage, renovation, and demolition.¹⁴ In 2021, direct and indirect emissions from buildings operations rebounded above pre-pandemic levels: CO₂ emissions from buildings operations have reached an all-time high of 10 Gt of CO₂, around a 5% increase from 2020 and 2% higher than the previous peak in 2019.¹⁵ The buildings and construction sector are not thus on track to achieve decarbonization by 2050 and the gap between the actual climate performance of the sector and the decarbonization pathway is widening. To align with the Net Zero Scenario, carbon emissions from building operations need to more than halve by 2030, requiring significant efforts to reduce energy demand through clean and efficient technologies at all ends uses.¹⁶

Core to the Issuer's business as Scope 1, 2 and 3 GHG emissions reduction measures affect key processes and operations that are core to the business model of the Issuer.

- To reduce Scope 1 GHG emissions the company's target is to get rid of natural gas in Scope 1 by the end of 2024. In order to do so, Cibus will switch to other heating methods such as geothermal heating, air-to-heat pumps, and waste heat recovery systems where feasible. As in Denmark, geothermal heating is not a viable alternative, district heating will be considered.
- Scope 2 GHG emissions will be tackled through major renovations of Finnish properties' whose refurbishment is under Cibus' responsibility. As well, measures will be taken to act on the remaining share of the managed assets in Finland to switch to green district heating in the managed properties. Cibus will also resort to Renewable Energy Certificates (RECs) to mitigate its GHG emissions and reduce its carbon footprint. It should be noted that these contracts are short-term contracts, subject to availability, price pressures, and debates regarding additionality, which may compromise the GHG emission reduction strategy for Scope 2¹³. It is important to note that the majority of GHG reduction will be through enhancing mitigation measures taken by tenants. Thus, cooperation with tenants is key to the achievement of Scope 3 reduction. To mitigate emissions generated downstream by the users, Cibus will cooperate with tenants to incentivize the switch to renewable energy sources for both electricity and heating, as well as to monitor and decrease their overall energy consumption. For example, by the end of Q1 2023 tenants have invested in solar panels on the roofs of 44 properties in Finland and buildouts of additional solar panels are planned and discussions regarding further installations are being held with several tenants. Also, at several properties in Sweden and Finland lighting has been replaced with LED lighting, bringing major energy savings. The use of district heating and geothermal heating is described by Cibus as part of the strategy. Though Cibus explains that the purchase of Guarantees-of-origins will be a key part of the reduction

¹³ Bjørn, et al., 2022, Nature Climate Change, Renewable energy certificates threaten the integrity of corporate science-based targets

measures. It should be noted that these contracts are short-term contracts, subject to availability, price pressures, and debates regarding additionality, which may compromise the GHG emission reduction strategy for Scope 3.

- In order to pilot the reduction trajectory, the Chief Operating Officers will on the group level ensure that both the resources and the competences are on a sufficient level and ensure that adequate resources are allocated in each country. On the country-level, the Chief Information Officers will ensure a successful implementation of the action plan. In addition, Cibus will require close cooperation with service providers, including both an ESG consultancy company on a group level and the property management companies (including technical management) on the country level.

Moderately Material¹⁴ to Cibus' business model and sustainability profile from an ESG perspective:

- The KPI is material to the company's direct and indirect operations because the KPI focuses on Scope 1 and 2 and 3 GHG emissions covering the entirety of the Company's operations. KPI 2 represents 76% of the estimated total of Cibus' GHG emissions. It should be noted that part of Scope 3 (categories 1-3, and category 6) is excluded from the KPI. Likewise, visitors' emissions are excluded, in line with SBTi methodology.
- Nonetheless, it should also be noted that KPI 1 is for Cibus to have its near-term science-based targets (SBTs) for 2030 approved by the Science Based Target Initiative (SBTi) for Scope 1 & 2 emissions. As Cibus committed to issuing both of the KPIs simultaneously for the transaction under this framework, it strengthens the Company's overall strategy to decarbonize its business along the value chain.
- However, because KPI 2 is an intensity KPI, there is no guarantee that the associated reduction target will correspond to an absolute decrease in GHG emissions. In fact, KPI 2 is an intensity target expressed in CO₂e/m², but at the moment of writing Cibus does not have visibility on the evolution of the KPI's denominator. Meanwhile since 2020, the company's Scope 3 emissions have gone from 11,960 to 20,487 tons of CO₂e, which has caused an overall increase in the company's total GHG emissions. Therefore, KPI 2 is considered as moderately material.

¹⁴ ISS ESG bases this analysis on the Issuer's own emissions reporting and makes no comment on the quality or consistency of the Issuer's Scope 1, 2 or 3 emissions reporting, either in relation to GHG Protocol, or to established norms for the Issuer's sector. ISS ESG notes that Scope 3 reporting may be different between companies in the same sector and does not undertake any benchmarking of an Issuer's reporting.

4. Calibration of SPT 2

SPT 2 is defined as 'reduction of Scope 1, 2 and 3 GHG emissions per square meter by 65% by 2030'

Opinion	<i>The SPT is (i) ambitious against the company's past performance, (ii) ambitious against industry peers, and (iii) it is committed to be in line with international recognized initiatives. The target is set in a clear timeline and is supported by a strategy and action plan disclosed in the company's framework.</i>
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Level of Ambition ¹⁵	No Evidence	Limited	Good	Robust
SPT 2				
Characteristics and Features	SPT definition:	SPT 2 is defined as a reduction of Scope 1, 2 and 3 GHG emissions per square meter by 65% by 2030 from a 2022 baseline.		
	Baseline performance and year:	22.2 kg CO ₂ e/m ² in 2022		
	Target performance and observation date:	7.7 kg CO ₂ e/m ² in 2030		
	Trigger event and observation date:	Depending on Cibus' performance in relation to the applicable SPTs per the Target Observation Date, the structural characteristics of a Finance Instrument will change. The Trigger Event may result in a premium redemption option or step-up/step-down option of the Finance Instruments. The size of the increase in the redemption price or step-up and/or step-down option will be specified in the security documentation for each respective Finance Instrument issued under Cibus' Framework.		
	Long-term target:	N/A		
	Strategy and action plan to reach the target:	<p>To reduce its Scope 1, 2 and 3 GHG emissions, Cibus is focusing its efforts on key levers for action:</p> <ul style="list-style-type: none"> ▪ Switch to low-carbon technologies for heating including heat pumps, district heating, and geothermal heating, where feasible, along the value chain ▪ Major renovations of Finnish properties' whose refurbishment is under Cibus' responsibility ▪ Switch to renewable electricity through the purchase of Guarantees-of-origins and installation of solar panels on the roof ▪ Optimization and reduction of both direct and indirect energy consumption ▪ Mobilization of tenants to implement such measures 		
Key factors/risks beyond the Issuer's direct control	<ul style="list-style-type: none"> ▪ Cibus does not have full control over its tenants and the reduction of Scope 3 emissions are highly 			

¹⁵ The SPT selection assessment is classified on a 4-level scale: 'No Evidence', 'Limited', 'Good' or 'Robust'. For further information on the ISS methodology related to the SPT assessment please refer to Annex 2 at page 21.

	that may affect the achievement of the SPTs:	correlated to the willingness of tenants to take mitigating measures.
	Recalculations or pro-forma adjustments of baselines	The loan agreement will include a recalculation policy. Should there be a notable change that impacts the SPT by 5% or more, the baseline may be adjusted to inherit this change.
SPT 2		
Analysis	The level of ambition of the SPT is assessed as follows:	

(i) Against past performance:

The Issuer provided 3 years of relevant historical data, including for the baseline year of 2022. The data are shown in Table 2. Calculating the compound annual growth rate (CAGR) of the past performance shows that the Issuer has achieved an average yearly change of 0.69% between 2020 and 2022 for KPI 2. Indeed, Cibus explains that the increase (2.7%) between 2021 and 2022 is due to the inclusion of refrigerants in the reporting, if excluded the like-for-like reduction would have been 1.4% .

TABLE 2.	2020	2021	2022 - BASELINE	2030 – SPT 2
KPI 2 in kg CO₂/m²	22.3 ¹⁶	23.3	23.9	7.7
CAGR 2020 – 2022			+0.69% %	
CAGR 2022 – 2030				-13.20%

Source: Cibus Framework

Cibus sets SPT 2 to achieve a 65% reduction of Scope 1, 2 and 3 intensity emissions by 2030 compared to a 2022 baseline. Calculating the compound annual growth rate (CAGR) amounts to an average of 13.2 % annual reduction between 2022 and 2030.

Since the projected average annual reductions to achieve SPT 2 is quantitatively larger than the historical data, we conclude that SPT 2 is ambitious against past performance.

(ii) Against peers:

We conducted a benchmarking of the SPT set by Cibus against the Real Estate peer group (NACE 68.31) of 49 companies including the Issuer. A group of 5 peer-listed companies was provided by the Issuer with the remaining companies derived from the ISS ESG.

Aside from Cibus, 5 other peers also set a target covering Scope 1, 2 and 3 emissions. From this subgroup, 4 companies set an absolute emissions reduction target and 2 (including Cibus) set an intensity target. Of those 5 peers, 4 have GHG emission reduction targets that have already been approved by the Science-Based Target Initiative (SBTi), out of which three companies align with a 1.5°C scenario.

¹⁶ Cibus explains that the data may differ from previous annual reporting since calculations were made by a different external consultant. Also Cibus has acquired properties in 2021 and 2022 that have had an impact.

We note that setting absolute target can be regarded as more ambitious, as with intensity target the reduction pathway for GHG emission is less transparent. Also, targets set in line with the Paris Agreement, as verified by the SBTi, can be regarded as more ambitious than those not having such assurance.

Though Cibus does not yet have SBTi-validated target, it should be noted that Cibus has set SPT 1 to have SBTi-approved Scope 1 and 2 emission reduction target, and that both SPT will always be issued on the same instrument. As the SPT 1 does not cover Scope 3, any eventual validation by the SBTi would only relate to Scope 1 and 2 nonetheless, Cibus confirms that the reduction measures will be taken accordingly with the SBTi-validated target for Scope 1 and 2 and that the realization of SPT 2 won't only be triggered by the Scope 3 reduction.

Also, Cibus belongs to the top 6 companies (12.5%) of the industry peer group that set Scope 1, 2 and 3 emissions reduction targets.

Therefore, we conclude that SPT 2 set by Cibus is ambitious compared to industry peers in terms of setting a target.

(iii) Against international targets:

Paris Agreement

Cibus has submitted its 2030 target in line with 1.5°C trajectory to the SBTi and is pending their validation.

It is to be noted that KPI 1 and KPI 2 will always be issued simultaneously on the same financial instrument. Considering that SPT 1 will be achieved when the SBTi approves the issuer's reduction trajectory, SPT 2 will be consequently in line with Paris Agreement.

As per SBTi, targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. As Cibus confirms that they will adjust the target based on the SBTi review and that SPT 2 won't only be triggered by a reduction of Scope 3, we consider the SPT to be committed to be in line with the Paris Agreement.

Contribution to SDGs¹⁷

See SPT 1 section.

¹⁷ The Sustainable Development Goals (SDGs) mapping in this SPO considers the Key Performance Indicators and the associated Sustainable Performance Targets, ISS ESG SDGA proprietary methodology and resources and guidelines from public institutions, such as the [ICMA KPI registry](#), [the ICMA High-Level Mapping to the Sustainable Development Goals](#) and the UN SDG targets and indicators.

PART 3: LINKING THE TRANSACTION(S) to CIBUS' ESG PROFILE

A. CONSISTENCY OF FINANCE INSTRUMENTS WITH CIBUS' SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

Cibus' sustainability objective is to make a positive contribution to the environment, people and society, while minimising the negative impact. This sustainability objective is executed through three key focus strategic areas: (i) being a sustainable partner, (ii) having the climate in focus and (iii) offering accessible marketplaces. With regards to its strategic focus on climate, Cibus has signed up to the Paris Agreement and commits to achieving climate neutrality by 2030 at the latest. In 2023, the Company will submit its climate targets and associated action plan for approval to the Science Based Target Initiative (SBTi). Cibus has in place processes and mechanisms to identify and mitigate ESG risks (including climate risks such as physical and transition risks).

Cibus identified that the majority of greenhouse gas (GHG) emissions in its operations take place in Scope 3 that is, emissions resulting from heating and electricity consumption in properties where the purchases are made by the tenant and Cibus lacks operational control (roughly 67% of Cibus' estimated total GHG emissions, according to the company). To achieve its climate targets, Cibus is partnering with tenants with stated ambitions to reduce the overall climate footprint, including many which have set climate goals compatible with the Paris Agreement's 1.5°C goal. Cibus monitors the performance of its tenants on their stated climate targets and conducts annual meetings with tenants to discuss climate impacts and how to improve performance. In addition, Cibus is facilitating tenants' investments in renewable energy and own investments in green energy sources. At several properties in Sweden and Finland lighting has been replaced with LED lighting, bringing major energy savings. Currently, Cibus is in the process of changing into green district heating, where available, and in other locations analysing alternative heating methods, such as geothermal heating and heat recovery systems. Moreover, Cibus continues work on making its own investments in green energy sources and plans to become a supplier of green electricity to its customers.

In 2022, Cibus became a member of the UN Global Compact and reports its progress in accordance with the UN Global Compact's requirements. Thus, Cibus commits to not participate in projects or assignments, or to hire any supplier where there is a risk of violating or infringing any of the UN Global Compact's ten principles.

Cibus also reports on sustainability through the European Public Real Estate Association (EPRA sBPR), which works to improve and standardize property companies' reporting of sustainability using the latest Global Reporting Initiative guidelines (GRI Standard).

Consistency with KPIs

KPI 1: Cibus has set becoming climate-neutral by 2030 as one of its priority long-term goals. KPI 1 focuses on setting SBTi-approved GHG emission reduction targets covering its Scope reducing the company's Scope 1 and 2 emissions and is therefore consistent with its climate-neutrality objective.

KPI 2: Cibus has set becoming climate-neutral by 2030 as one of its priority long-term goals. To achieve this goal, the company has outlined strategies including improving efficiency for energy consumption and building management. KPI 2 focuses on reducing the company's Scope 1, 2 and 3 GHG emissions by 65% is therefore consistent with the company's energy efficiency improvement objective as well as with its long-term goal of climate neutrality.

B. CIBUS' BUSINESS EXPOSURE TO ESG RISKS

This section aims to provide an overall level of information on the ESG risks to which the Issuer is exposed through its business activities, providing additional context to the issuance assessed in the present report.

ESG risks associated with the Issuer's industry

The Issuer is classified in the Real Estate industry as per ISS ESG's sector classification. Key challenges faced by companies in terms of sustainability management in this industry are displayed in the table below. Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ESG KEY ISSUES IN THE INDUSTRY
Green building considerations
Climate protection, energy efficiency and renewables
Environmental and social aspects in site selection
Health and well-being of occupants
Occupational health and safety

ESG strengths and points of attention related to the Issuer's disclosures

Leveraging ISS ESG's Research, the following strengths and points of attention¹⁸ have been identified:

STRENGTHS	POINTS OF ATTENTION
<p>The company has set the target of becoming carbon neutral. Further, the company reports on its greenhouse gas emission inventories, energy intensity and greenhouse gas emission intensity of its retail properties and has an action plan to achieve carbon neutrality.</p> <p>The company has implemented some measures regarding energy efficiency of buildings. Moreover, the company has a strategy related to the use of renewable energy sources in its portfolio, alongside already established measures.</p>	<p>The company majorly operates in Finland, Sweden, and Norway, that have high legal standards, which limits the risk of health and safety of its employees. However, the company has not disclosed information regarding its health and safety management system, integration of contractors into their health and safety management system and contractor accident rates and fatalities.</p> <p>Further, the company has not reported measures for its employee's mental health management.</p>

¹⁸ Please note that Cibus is not part of the ISS ESG Corporate Rating Universe. Thus, the information is based on a disclosure review conducted by the analyst in charge of the Real Estate sector, based on publicly available information exclusively. No direct communication between the Issuer and the analyst has taken place during the process. The below is not based on an ISS ESG Corporate Rating but considers ISS ESG Research's methodology.

	The company has disclosed limited information regarding a supplier standard regarding labour rights and working conditions and procedures to ensure compliance with the standard.
The company has implemented measures regarding multi-modal transportation access and facilities for its tenant/and or customer including access to public transport, alternative forms of transportation and promotion of use of green vehicles.	Reduction of negative impact from construction, refurbishment and closure activities, such as noise, vibration, dust, pollution, indoor and outdoor microclimate, and safety risks are not sufficiently disclosed by the company.
The company has implemented some measures to promote environmental awareness amongst its tenants including individual metering of energy and events focused on increasing environmental awareness.	There is no information on company's commitment to refrain from site selection in protected areas and areas of high biodiversity value, and to make use of brownfield sites instead of greenfield sites. Further, the company has not disclosed its measures for biodiversity management for property management and the percentage of brownfield developments.
	The company has disclosed limited information regarding its strategy or measures to ensure tenant and/or customer health, wellbeing, and safety.
	There is no information available on whether any of the company's properties have been certified to a sustainable/ green building standard such as BREEAM, LEEDs, HQE, etc. Further, the company has disclosed limited information regarding reduction of water use of its buildings, measures to minimize of on-site waste during construction and green procurement of building materials.

Please note that the consistency between the issuance subject to this report and the Issuer's sustainability strategy is further detailed in Part III.A of the report.

Sustainability impact of products and services portfolio

Leveraging ISS ESG's Sustainability Solutions Assessment methodology, ISS ESG assessed the contribution of the issuer's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to the evaluation of final product and services characteristics and does not include practices along the issuer's production/services process.

Social Impact of Product Portfolio

Cibus Nordic Real Estate AB is a real estate company, acquires, develops, and manages properties (such as supermarkets, hypermarkets, grocery stores, and daily goods chains) in the Nordic region.

The products and services of this company have neither positive nor negative contribution to social sustainability objectives. Hence, the social impact of its product portfolio is considered neutral.

Environmental Impact of Product Portfolio

Cibus Nordic Real Estate AB is a real estate company, acquires, develops, and manages properties (such as supermarkets, hypermarkets, grocery stores, and daily goods chains) in the Nordic region. The products and services of this company have neither positive nor negative contribution to environmental sustainability objectives. Hence, the environmental impact of its product portfolio is considered neutral.

Breaches of international norms and ESG controversies

At Issuer level

At the date of publication and leveraging ISS ESG Research, no controversy in which the Issuer would be involved has been identified.

At industry level

Based on a review of controversies over a 2-year period, the top three issues that have been reported against companies within the Real Estate industry are as follows: Accounting / disclosure standards, Failure to respect the right to just and favourable conditions of work and Anti-competitive behaviour.

Please note, that this is not a company specific assessment but areas that can be of particular relevance for companies within that industry.

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ANNEX 1: Methodology

Alignment of the concept set for transactions against the Sustainability-Linked Bond Principles, as administered by ICMA and Sustainability-Linked Loan Principles, as administered by LMA

The Sustainability-Linked Finance Framework of Cibus, as well as the concept and processes for issuance have been reviewed against the Sustainability-Linked Bond Principles administered by the ICMA / Sustainability-Linked Loan Principles by the LMA. Those principles are voluntary process guidelines that outline best practices for financial instruments to incorporate forward-looking ESG outcomes and promote integrity in the development of the Sustainability-Linked Bond / Loan market by clarifying the approach for issuance.

The alignment of the concept of the Cibus' issuance has been reviewed against the mandatory and necessary requirements as per the Appendix II - SLB Disclosure Data Checklist of those principles, and against the encouraged practices as suggested by the core content of the Principles.

Analysis of the KPI selection and associated SPT

In line with the voluntary guidance provided by the Sustainability-Linked Bond Principles / Sustainability-Linked Loan Principles, an in-depth analysis of the sustainability credibility of the KPI selected and associated SPT has been conducted.

The analysis has determined whether the KPI selected is core, relevant and material to the Issuer's business model and consistent with its sustainability strategy thanks to long-standing expertise in evaluating corporate sustainability performance and strategy. The analysis also reviewed whether the KPI is appropriately measurable by referring to key reporting standards and against acknowledged benchmarks. Based on the factors derived from the SLBP and using a proprietary methodology, the KPI selection assessment is classified on a 3-level scale:

Not Aligned	Aligned	Best Practice
The KPI is not aligned if one of the core requirement from the SLBP selection of KPIs section is not satisfied.	The KPI is aligned if all the core requirements from the SLBP selection of KPIs section are satisfied.	The KPI follows best practice if all the core requirements from the SLLP selection of KPIs section are satisfied and if the KPI is fully material and follows best-market practices in terms of benchmarkability.

The ambition of the SPT has been analyzed against the Issuer's own past performance (according to Issuer's reported data), against the Issuer's industry peers (for example per ISS ESG Peer Universe data), and against international benchmarks such as the Paris agreement (based on data from the Transition Pathway Initiative or Science-Based Targets initiative). Finally, the measurability and comparability of the SPT, and the supporting strategy and action plan of the Issuer have been evaluated.

Based on the factors derived from the SLBP and using a proprietary methodology, the SPT selection assessment is classified on a 4-level scale:

No Evidence	Limited	Good	Robust
If none of the three dimensions (past performance, industry peers and international benchmarks) are positively assessed.	If the SPT is ambitious against only one of the three dimensions.	If the SPT is ambitious against two of the three dimensions.	If the SPT is ambitious against all the dimensions.

ANNEX 2: Quality management processes

SCOPE

Cibus commissioned ICS to compile a Sustainability-Linked Bonds/Loans SPO. The Second Party Opinion process includes verifying whether the Sustainability-Linked Finance Framework aligns with the ICMA Sustainability-Linked Bond Principles / LMA Sustainability-Linked Loan Principles and to assess the sustainability credentials of its Sustainability-Linked Bonds/Loans, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Sustainability-Linked Bond Principles (as of June 2023)
- LMA Sustainability-Linked Loan Principles (as of February 2023)

ISSUER'S RESPONSIBILITY

Cibus' responsibility was to provide information and documentation on:

- Framework

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Second Party Opinion of the Sustainability-Linked Instruments to be issued by Cibus has been conducted based on a proprietary methodology and in line with the ICMA Sustainability-Linked Bond Principles / LMA Sustainability Loan Principles.

The engagement with Cibus took place from June to July 2023.

ISS' BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About the SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyze the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

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