

# Green Finance Report

## 2025





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# HELGELAND KRAFT AND GREEN FINANCE

Helgeland Kraft is a publicly owned Norwegian energy group, headquartered in Mosjøen and owned by 14 municipalities in the Helgeland region. The group plays a key role in regional value creation through renewable power production, electricity grid operations, power sales in Norway and Sweden, and the development of new energy and infrastructure solutions.

In 2022, Helgeland Kraft established its [Green Bonds Framework](#) to support investments aligned with its sustainability strategy and the transition to a low-carbon energy system. The framework provided a foundation for financing projects within renewable energy, grid infrastructure, energy efficiency and electrification, in line with recognized market standards.

In 2025, the Green Bond Framework was expanded and updated to cover a broader range of eligible green projects. [The revised framework](#) now includes additional categories such as battery and energy storage solutions, as well as nature-based initiatives and biodiversity measures. This expansion reflects Helgeland Kraft's ambition to contribute not only to climate mitigation and electrification, but also to increased system flexibility and the protection and restoration of natural ecosystems, supporting long-term sustainable development in the region.





## GREEN PROJECT CATEGORIES

| ICMA Green Bond Category                       | Eligible projects <sup>1</sup>                                                                                                                                                                                                                                                                                                                                                 | Contribution to the UN SDGs                                                                                                                                                 | Contribution to EU Taxonomy activities <sup>2</sup>                                                                                                       | Objective                                                 |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| <b>1</b> Renewable energy                      | Development, construction, installation, operation, improvement, repair and maintenance of and investment in facilities, as well as related infrastructure, connected to the generation of renewable energy, such as hydropower.                                                                                                                                               |       | 4.1 Electricity generation from solar PV technology<br>4.3 Electricity generation from wind power<br>4.5 Electricity generation from hydropower           | Climate change mitigation                                 |
| <b>2</b> Energy efficiency<br>Renewable energy | Construction, installation, improvement, repair, maintenance and operation of: <ul style="list-style-type: none"> <li>projects and assets in the power grid for distribution of electricity (over and underground)</li> <li>energy storage, smart grid solutions and smart meters, as well as monitoring systems aimed at enabling reduction of energy consumption.</li> </ul> |       | 4.9 Transmission and distribution of electricity<br>4.10 Storage of energy                                                                                | Climate change mitigation                                 |
| <b>3</b> Clean transportation                  | The financing or refinancing of zero-emission transport solutions such as: <ul style="list-style-type: none"> <li>procurement of zero tailpipe emission vehicles,</li> <li>construction, installation, improvement, repair, maintenance and operation of supporting infrastructure for electric vehicles such as charging infrastructure.</li> </ul>                           |       | 6.5. Transport by motorbikes, passenger cars and light commercial vehicles<br>6.15 Infrastructure enabling low-carbon road transport and public transport | Climate change mitigation                                 |
| <b>4</b> Biodiversity                          | The financing or refinancing of investments in activities that promote, restore and/or preserve biological diversity including but not limited to <sup>3</sup> : <ul style="list-style-type: none"> <li>protection and restoration of natural resources and ecosystems</li> <li>conservation and restoration of forest, woodlands and wet- lands</li> </ul>                    |   |                                                                                                                                                           | Protection and restoration of biodiversity and ecosystems |

<sup>1</sup> If covered by the definition of economic activities in the EU Taxonomy, eligible projects in this Green Financing Framework shall comply with the Technical Screening Criteria for Substantial Contribution to climate change mitigation, relevant for the economic activity, as they are defined in Regulation EU 2022/852 at any time.

<sup>2</sup> Non-exclusive list

<sup>3</sup> Where applicable, the recommendation of Natura 2000 will be taken into consideration. For more information, please visit: [Natura 2000 - Environment - European Commission](https://ec.europa.eu/nature/natura2000/) (europa.eu).



# REPORTING

The Framework states that the Green Bond Report shall include an allocation report and an impact report.

## Allocation Report

The allocation report includes the following information:

- The nominal amount of Green Bonds outstanding.
- Green Projects that have been funded by Green Bonds.
- Amounts invested in each of the Green Project categories and the share of new financing versus refinancing.
- Share of CAPEX vs. OPEX
- The amount of net proceeds awaiting allocation to Green Projects (if any).
- Information on the possible changes/developments in the EU Taxonomy criteria that may be of relevance for our Green Project criteria.

### Applied principles for allocation

Helgeland Kraft AS has for the financial year 2025 identified MNOK 500 allocated to green projects. The company has for the financial year 2025 allocated funds to Tosbotn Development, Vassenden Power Station and Grytåga Capacity Upgrade

For projects within the renewable energy category, the assets have been assessed to meet one or more of the following criteria:

- The electricity generation facility is a run-of-river plant and does not have an artificial reservoir; or
- The power density of the electricity generation facility is above 5 W/m<sup>2</sup>; or
- The life-cycle GHG emissions from electricity generation from hydropower are below 100 g CO<sub>2</sub>e/kWh

Information on page 6 shows the allocation of funds between refinanced and newly financed amounts.

The report has not been prepared in accordance with the EU Taxonomy alignment criteria.

## Impact Report

The Impact Report aims to disclose the environmental impact of the Green Projects financed under the Framework. The impact reporting is, on a best-effort basis, aligned with the portfolio approach set out in the Green Bond Principles Handbook - Harmonised Framework for Impact Reporting (2023). Impacts are aggregated by project category and calculated based on available data, with impact estimates used for projects under construction. The impact assessment for 2025 is based on the following metrics (including sector-specific indicators suggested in the Green Bond Principles Handbook, Harmonised Framework for Impact Reporting (2023)):

- **1 Renewable energy:**
  - Energy generation capacity (MW)<sup>4</sup>
  - Actual annual energy generation (GWh)
  - Annual reduction and/or avoidance of GHG emissions (tCO<sub>2</sub>)
- **2 Energy efficiency:**
  - Delivered energy to end-users (TWh/year)
  - Number of customers (thousands at year end)
  - Extension of distribution capacity (GWh)
- **3 Clean transportation**
  - Number of added charging stations
  - Annual reduction and/or avoidance of GHG emissions

<sup>4</sup> The Green Finance Framework refers to energy generation capacity in GWh; however, in this report, capacity is reported in MW, as GWh measures energy produced over time rather than installed capacity.



# ALLOCATION REPORT 2025

## Green Finance Instruments (MNOK)

| Instrument                      | ISIN         | Outstanding amount | Issue date | Maturity date | Allocated to green project |
|---------------------------------|--------------|--------------------|------------|---------------|----------------------------|
| Helgeland Kraft AS 25/31 5,017% | NO0013457333 | 500                | 17.01.2025 | 17.01.2031    | 500                        |
| <b>TOTAL</b>                    |              | <b>500</b>         |            |               | <b>500</b>                 |

The funds from green financing are allocated 100 percent for refinancing projects within the financing period. The issuances under the Helgeland Kraft Green Financing Framework (2025) are conducted as refinancing of bonds related to the financing of Tosbotn Development, Vassenden Power Station, and Grytåga Capacity Upgrade. Green projects fall under one of the four categories specified in our Allocation principle (page 5). The allocations fall entirely under CAPEX.

## Green Finance Projects (MNOK)

| Green Projects (MNOK)                             | 2025 <sup>5</sup> | Accrued <sup>6</sup> | Remaining <sup>7</sup> | Total invested | Completion date |
|---------------------------------------------------|-------------------|----------------------|------------------------|----------------|-----------------|
| <b>1</b> Tosbotn Development                      | 223               | 223                  | -                      | 223            | 2019            |
| <b>1</b> Vassenden Power Station                  | 244               | 244                  | -                      | 244            | 2020            |
| <b>1</b> Grytåga Capacity Upgrade                 | 33                | 33                   | 53                     | 86             | 2023            |
| <b>Allocated to the green finance instruments</b> | <b>500</b>        | <b>500</b>           |                        | <b>553</b>     |                 |

### Projects in the pipeline for future green finance allocation:

|                                                                 |             |             |      |
|-----------------------------------------------------------------|-------------|-------------|------|
| <b>2</b> Ranosen Substation                                     | 200         | 200         | 2027 |
| <b>2</b> LEIMEI 132 kV                                          | 200         | 200         | 2032 |
| <b>1</b> SMISTO Development                                     | 330         | 330         | 2023 |
| <b>1</b> Kaldåga Capacity Upgrade                               | 500         | 500         | 2028 |
| <b>1</b> Sjøna Capacity Upgrade                                 | 130         | 130         | 2030 |
| <b>1</b> Abjøra Kolsvik Capacity Upgrade                        | 190         | 190         | 2032 |
| <b>2</b> Baustein Infrastructure – Green Industry Establishment | 380         | 380         |      |
| <b>3</b> LadOpp Infrastructure Development for EV Charging      | 120         | 120         |      |
| <b>TOTAL</b>                                                    | <b>2050</b> | <b>2103</b> |      |

<sup>5</sup> Green bond allocations made in the current reporting year (2025), including refinancing of Tosbotn Development, Vassenden Power Station, and Grytåga Capacity Upgrade.

<sup>6</sup> **Accrued** refers to the total refinancing allocated to each project to date (cumulative).

<sup>7</sup> **Remaining** refers to the amount not yet refinanced, expected to be covered in future green finance issuances.





# ALLOCATION REPORT 2024

## Green Finance Instruments (MNOK)

| Instrument                     | ISIN         | Outstanding amount | Issue date | Maturity date | Allocated to green project |
|--------------------------------|--------------|--------------------|------------|---------------|----------------------------|
| Helgeland Kraft AS 22/28 FRN   | NO0012627118 | 300                | 23.08.2022 | 23.08.2028    | 300                        |
| Helgeland Kraft AS 23/30 5.44% | NO0013010348 | 300                | 06.09.2023 | 09.09.2030    | 300                        |
| Helgeland Kraft AS 24/34 4,65% | NO0013329342 | 500                | 11.09.2024 | 11.09.2034    | 500                        |
| <b>TOTAL</b>                   |              | <b>1100</b>        |            |               | <b>1100</b>                |

The funds from green financing are allocated 100 percent for refinancing projects within the financing period. The issuances under the Helgeland Kraft Green Bond Framework (2022) are conducted as refinancing of bonds related to the financing of Laksen Power Station, South Helgeland Line Expansion, Tosbotn Development, and Øvre Forsland Power Station. Green projects fall under one of the four categories specified in our Green Bonds Framework. The allocations fall entirely under CAPEX.

## Green Finance Projects (MNOK)

| Green Projects (MNOK)                             | 2024 <sup>8</sup> | Accrued <sup>9</sup> | Remaining <sup>10</sup> | Total invested | Completion date |
|---------------------------------------------------|-------------------|----------------------|-------------------------|----------------|-----------------|
| <b>1</b> Laksen Power Station                     |                   | 130                  | -                       | 130            | 2012            |
| <b>2</b> South Helgeland Line Expansion           | 153               | 153                  | -                       | 153            | 2014            |
| <b>1</b> Øvre Forsland Power Station              |                   | 170                  | -                       | 170            | 2014            |
| <b>1</b> Tosbotn Development                      | 347               | 647                  | 223                     | 647            | 2019            |
| <b>Allocated to the green finance instruments</b> | <b>500</b>        | <b>1 100</b>         |                         | <b>1100</b>    |                 |

<sup>8</sup> Green bond allocations made in the previous reporting year (2024), including refinancing of Tosbotn Development, Vassenden Power Station, and Grytåga Capacity Upgrade.

<sup>9</sup> **Accrued** refers to the total refinancing allocated to each project to date (cumulative).

<sup>10</sup> **Remaining** refers to the amount not yet refinanced, expected to be covered in future green finance issuances.



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To the Board of Directors in Helgeland Kraft AS

## INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT

### Scope

We have been engaged by Helgeland Kraft AS to perform a limited assurance engagement related to green bonds (NO0013457333), as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Helgeland Kraft AS' allocation of proceeds in 2025 as presented in table *Green Finance Projects* column 2025 on page 6 (the "Subject Matter") contained in the Helgeland Kraft AS' Green Finance Report 2025 as of 31 December 2025 and for the year then ended.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in Helgeland Kraft AS's Green Finance Report 2025, including statement related to the *Impact Report*, and accordingly, we do not express a conclusion on this information.

### Criteria applied by Helgeland Kraft AS

In preparing the Subject Matter, Helgeland Kraft AS applied the criteria as described in "*Applied principles for allocation*" on page 5 of the Green Finance Report 2025 ("the Criteria").

### Helgeland Kraft AS' responsibilities

Helgeland Kraft AS's management are responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

### EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements *Other Than Audits or Reviews of Historical Financial Information* ("ISAE 3000"). This standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

### Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.



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EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if a reasonable assurance engagement had been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Review of Helgeland Kraft AS' process to prepare and present the Subject Matter in order to develop an understanding of how the reporting of allocation is in line with the Criteria
- Performed inquiries to develop an understanding of the process for the use of proceeds in accordance with the Criteria
- Conducted analysis and reviewed, on a sample basis, the information in the Subject Matter against source data and other information prepared by the responsible individuals for the allocation of proceeds for 2025.

We believe that our procedures provide us with an adequate basis for our conclusion. We also performed such other procedures as we considered necessary in the circumstances.

### Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as for the year then ended in order for it to be in accordance with the Criteria.

### Restricted use

This report is intended solely for the information and use of Helgeland Kraft AS and the bondholders of NO0013457333 for the purpose of Helgeland Kraft AS' allocation of proceeds in 2025 as presented in table *Green Finance Projects* on page 6 and is not intended to be and should not be used by anyone other than those specified parties.





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Trondheim, 3 July 2026  
ERNST & YOUNG AS

The assurance report is signed electronically

Amund Petter Amundsen  
State Authorized Public Accountant (Norway) – Sustainability auditor

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Amund Petter Amundsen

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# IMPACT REPORT

| <b>1 Renewable energy (projects in green finance asset pool) <sup>11</sup></b>       | <b>2025</b> | <b>2024</b> | <b>2023</b> |
|--------------------------------------------------------------------------------------|-------------|-------------|-------------|
| Energy generation capacity (MW)                                                      | 117         | 117         | 117         |
| Actual annual energy generation (GWh)                                                | 482         | 436         | 369         |
| Annual reduction and/or avoidance of GHG emissions (tCO <sub>2</sub> ) <sup>12</sup> | 92 044      | 83 281      | 70 501      |
|                                                                                      |             |             |             |
| <b>2 Distribution of electricity (entire supply area)</b>                            |             |             |             |
| Delivered energy to end-users (TWh/yr)                                               | 6,6         | 6,5         | 6,4         |
| Number of customers (thousands at year end)                                          | 47          | 47          | 47          |
| Extension of distribution capacity (GWh) <sup>13</sup>                               | 100         | 100         | -           |
|                                                                                      |             |             |             |
| <b>3 Infrastructure enabling low-carbon road transport and public transport</b>      |             |             |             |
| Number of added charging stations                                                    | 1           | 7           | 5           |
| Annual reduction and/or avoidance of GHG emission (tCO <sub>2</sub> ) <sup>14</sup>  | 1120        | 612         | 367         |
|                                                                                      |             |             |             |

11 The total energy generation capacity (MW) and actual annual energy generation (GWh) include data from Laksen, Øvre Forsland, Tosbotn, Vassenden, and Grytåga power stations. Numbers from previous reports have been recalculated to reflect the inclusion of Vassenden and Grytåga this year.

12 The baseline emission factor for electricity or the Combined Margin (CM grid factor) to be applied is 191g CO<sub>2</sub>/kWh based on the Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting (2024).

13 Calculated as the year-on-year increase in delivered energy to end-users (GWh).

14 The numbers from the previous report are corrected. The annual reduction and/or avoidance of GHG emissions is provided by Kople, whose calculations are based on the EIB Project Carbon Footprint Methodologies, [version 11.3](#) (2023).





# PRESENTATION OF SELECTED PROJECTS



## LAKSEN

Laksen hydropower plant is located in Vefsn Municipality and utilizes an elevation drop of approximately 80 meters between Laksen and Grytåvatnet. The plant forms part of an already regulated hydropower system, connected to existing infrastructure in the Grytåga watercourse. By building on an established regulated area, the project limits additional land use and avoids new major interventions in untouched nature.

Helgeland Kraft holds all required regulatory approvals to operate the plant within defined water level limits and concession conditions. These include minimum flow requirements that ensure sufficient water remains in the river throughout the year, reflecting seasonal ecological needs and supporting responsible water management.

The layout and technical design of Laksen were adapted during planning and construction to account for local geological conditions. Adjustments to dam and gatehouse placement reduced excavation volumes, material transport, and terrain modification. The facility complies with applicable NVE dam safety guidelines, contributing to long-term operational safety and resilience.

Through stable, long-term production of renewable electricity, Laksen makes a direct contribution to climate change mitigation and regional energy security. The project aligns with Helgeland Kraft's Green Financing Framework by supporting renewable power generation under the category Electricity generation from hydropower, while meeting strict regulatory, environmental, and safety requirements.

 Electricity produced **20 GWh**

 Supplied households **1000**

### Contribution to Green Finance Framework:

- Supports clean energy production and reduces reliance on fossil fuels
- Increases capacity and grid stability with minimal environmental impact
- Strengthening regional energy security while ensuring regulatory and environmental compliance
- Power density : 14,7 W/m<sup>2</sup>



