

Green Bonds Report

2024

CONTENT

- Helgeland Kraft Green Bond Framework3
- Reporting4
 - Allocation5
 - Limited assurance report 6
 - Impact8
- Presentation of selected projects9
 - Øvre Forsland9



HELGELAND KRAFT AND GREEN FINANCE

Helgeland Kraft is a producer of renewable energy and develops power grids for the Helgeland region in the northern part of Norway. We offer electricity for sale to households and businesses throughout Norway.

Helgeland Kraft established a [Green Bonds Framework](#) (the "Framework") in 2022 as part of its financing strategy. The Framework is based on the Green Bond Principles published by the International Capital Market Association (ICMA) and has been assessed by the independent third-party Center for International Climate and Environmental Research (CICERO). The Framework received the grade Dark Green with a good governance score. The Framework and the [Second Opinion](#) are available at Helgeland Kraft's website.

For 2024 reporting, green project categories were mapped to the EU Taxonomy eligibility criteria¹, but we have not concluded on alignment. We are proactively advancing our alignment efforts to meet the Taxonomy's standards and strengthen investor confidence.

GREEN PROJECT CATEGORIES	UN SDGs	ICMA GBPs	EU TAXONOMY
<p>1 Renewable energy</p> <p>Development, construction, installation, operation, improvement, repair and maintenance of facilities, as well as the related infrastructure, connected to the generation of electricity from hydro power projects in Norway subject to (i) a power density above 5W/m² or (ii) life-cycle emissions below 100g CO₂e/kWh, or run-of-river plants without artificial reservoirs.</p>	 	Renewable energy	Electricity generation from hydropower
<p>2 Distribution of electricity</p> <p>Construction, installation, improvement, operation, repair, and maintenance of projects and assets in Norway power grids for distribution of electricity (over and underground)², smart grid solutions and smart meters, as well as other monitoring systems aimed at enabling reduction of energy consumption.</p>	 	Renewable energy, energy efficiency	Transmission and distribution of electricity
<p>3 Clean transportation</p> <p>Infrastructure in Norway for zero-emission transport, such as charging infrastructure for electric vehicles.</p>	 	Clean transportation	Infrastructure enabling low-carbon road transport and public transport

1 More information on eligibility can be found [here](#). Document 52022XC1006(01).
 2 Radial lines where end-user applies electricity in fossil fuel activities will not be eligible.



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.

Impact Report

The Impact Report aims to disclose the environmental impact of the Green Projects financed under the Framework. The impact assessment are 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)
 - Actual annual energy generation (GWh)
 - Annual reduction and/or avoidance of GHG emissions
- **2 Distribution of electricity:**
 - Delivered energy to end-users (TWh/year)
 - Number of customers (at year end)
 - Increase/improvement in distribution capacity
- **3 Clean transportation**
 - Number of charging stations
 - Annual reduction and/or avoidance of GHG emissions



ALLOCATION REPORT

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
TOTAL		1100			1100

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 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 three categories specified in our Framework. The allocations fall entirely under CAPEX.

Green Finance Projects (MNOK)

Green Projects (MNOK)	Current year ³	Accrued ⁴	Remaining ⁵	Total invested	Completion date
1 Laksen Power Station		130	-	130	2012
2 South Helgeland Line Expansion	153	153	-	153	2014
1 Øvre Forsland Power Station		170	-	170	2014
1 Tosbotn Development	347	647	223	870	2019
Allocated to the green finance instruments		1 100		1100	

Projects in the pipeline for future green finance allocation:

1 Vassenden Power Station		244	244		2020
1 Grytåga Capacity Upgrade		173	173		2023
2 Ranosen Substation		200	200		2027
2 LEIMEI 132 kV		200	200		2032
1 SMISTO Development		330	330		2023
1 Kaldåga Capacity Upgrade		206	206		2028
1 Sjona Capacity Upgrade		130	130		2030
1 Abjøra Kolsvik Capacity Upgrade		190	190		2032
2 Baustein Infrastructure – Green Industry Establishment		380	380		
3 LadOpp Infrastructure Development for EV Charging		120	120		
TOTAL	500	2 173	2 396		

3 **Current year** refers to green bond allocations made in the current reporting year (2024), including refinancing of South Helgeland Line Expansion and Tosbotn Development.

4 **Accrued** refers to the total refinancing allocated to each project to date (cumulative).

5 **Remaining** refers to the amount not yet refinanced, expected to be covered in future green finance issuances.

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, 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 2024 as presented in table *Green Finance Projects* on page 5 (the "Subject Matter") contained in the Helgeland Kraft AS' Green Bond Report 2024 as of 31 December 2024 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's Green Bond Report 2024, and accordingly, we do not express a conclusion on this information. This includes statements related to the impact report and EU Taxonomy alignment from Helgeland Kraft AS' Green Bond Framework.

Criteria applied by Helgeland Kraft AS

In preparing the Subject Matter, Helgeland Kraft AS applied the relevant criteria from the Helgeland Kraft AS Green Bond Framework issued June 2022 (the "Criteria"). The Criteria can be accessed at Helgeland Kraft AS' website ([Grønt rammeverk | Konsem](#)) and is available to the public.

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.

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 Green Bond Report in order to develop an understanding of how the reporting of allocation is in line with Helgeland Kraft AS' Green Bond Framework 2022.
- Performed inquiries to develop an understanding of the process for the use of proceeds in accordance with Helgeland Kraft AS' Green Bond Framework 2022.
- Conducted analysis and reviewed, on a sample basis, the information in the Green Bond Report against source data and other information prepared by the responsible individuals for the allocation of proceeds for 2024.
- Assessed the overall presentation of the Green Bond Report against the Criteria.

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 (NO0013329342) for the purpose of Helgeland Kraft AS Green Bond Framework and is not intended to be and should not be used by anyone other than those specified parties.



Shape the future
with confidence

Bodø, 26 August 2025
ERNST & YOUNG AS

The assurance report is signed electronically

Lena Aasjord Andreassen
State Authorized Public Accountant (Norway) – Sustainability auditor

PEÑNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Andreassen, Lena Aasjord

Statsautorisert revisor

På vegne av: Ernst & Young AS

Serienummer: no_bankid:9578-5999-4-1200932

IP: 147.161.xxx.xxx

2025-08-26 12:48:11 UTC



Dette dokumentet er signert digitalt via [Penneo.com](https://penneo.com). De signerte dataene er validert ved hjelp av den matematiske hashverdien av det originale dokumentet. All kryptografisk bevisføring er innebygd i denne PDF-en for fremtidig validering.

Dette dokumentet er forseglet med et kvalifisert elektronisk segl. For mer informasjon om Penneos kvalifiserte tilstjenester, se <https://eu1.penneo.com>.

Slik kan du bekrefte at dokumentet er originalt

Når du åpner dokumentet i Adobe Reader, kan du se at det er sertifisert av **Penneo AS**. Dette beviser at innholdet i dokumentet ikke har blitt endret siden tidspunktet for signeringen. Bevis for de individuelle signatørenes digitale signaturer er vedlagt dokumentet.

Du kan bekrefte de kryptografiske bevisene ved hjelp av Penneos validator, <https://penneo.com/validator>, eller andre valideringsverktøy for digitale signaturer.



IMPACT REPORT

1 Renewable energy production (projects in green finance asset pool)⁶	2024	2023	2022
Energy generation capacity (MW)	59	59	59
Actual annual energy generation (GWh)	154	143	197
Annual reduction and/or avoidance of GHG emissions ⁷ (Tonnes CO ₂ e)	29 485	27 283	37 706
2 Distribution of electricity (entire supply area)			
Delivered energy to end-users (TWh/yr)	6,4	6,4	6,4
Number of customers (at year end)	47 088	47 002	46 879
Increase ⁸ in distribution capacity (km)	55	1	41
Improvement ⁹ in distribution capacity (km)	102	61	81
3 Infrastructure enabling low-carbon road transport and public transport			
Number of charging stations	20	13	8
Annual reduction and/or avoidance of GHG emissions (Tonnes CO ₂ e) ¹⁰	612	367	271

6 The total energy generation capacity (MW) and actual annual energy generation (GWh) include data from Laksen, Øvre Forsland, Tosbotn power stations.

7 The baseline emission factor for electricity or the Combined Margin (CM grid factor) to be applied is 191g CO₂/kWh based on the Nordic Public Sector Issuers' Position Paper on Green Bonds Impact Reporting (2024).

8 The increase in distribution capacity covers new power lines installed at year end. The KPI corresponds to the difference between number of existing above-ground cables converted into new underground/sea cables.

9 The improvement in distribution capacity provides information on upgrades at year end.

10 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 MAJOR PROJECTS

ØVRE FORSLAND

Øvre Forsland is a hydropower plant developed by Helgeland Kraft in Leirfjord Municipality, Nordland County, Norway. Licensed under Section 8 of the Norwegian Water Resources Act, the plant is regulated by the Norwegian Water Resources and Energy Directorate (NVE). It contributes to renewable electricity production in line with national climate goals.

The plant was designed by Stein Hamre Arkitekter and received the 2016 Architizer A+ Award for Architecture & Sustainability. It is located near FV17, approximately 30 km north of Sandnessjøen, and is accessible via a 3 km trail through Forslandsdalen, with public rest areas along the route.

In addition to electricity generation, the project includes basic visitor infrastructure and improved trail access. It meets criteria for green financing through international environmental standards.

Environmental management and measures

- **Minimum Water Flow (Environmental Flows)**

To protect the aquatic ecosystem of Forslandselva, the following minimum release requirements have been established:

- Summer (July 1–August 31): 1,000 l/s
- Rest of the year (September 1–June 30): 2,000 l/s

If the natural inflow is lower than these thresholds, the full inflow must be passed through the river, and the plant must suspend operations.

- **Bypass Valve and Flow Regulation**

A bypass valve was installed to prevent abrupt drying. All operational changes must be gradual and start/stop cycling is prohibited to protect aquatic life.



Supplied households **1700**



Electricity produced **33 GWh**

Contribution to Green Bond Framework:

The Øvre Forsland Power Station project aligns with Green Bond eligibility criteria by supporting:

- Renewable energy generation from a sustainable source. UN SDG 7: Affordable and clean energy
- Reduction in CO₂ emissions by displacing fossil-fuel-based electricity. UN SDG 13: Climate action
- Reduced environmental impact through infrastructure design
- Energy security by providing stable and clean electricity to the regional grid
- Power density: 124,4 W/m²