

## **Green Bond Framework**

### **An Introduction to East Renewable AB (publ) ("East Renewable")**

East Renewable is a Swedish holding company that indirectly holds 46.5% of Syvashenergoprom LLC ("**Syvashenergoprom**"), a 245.7MW wind farm in the Kherson region of southern Ukraine. East Renewable is joint venture partner with Total Eren S.A.'s subsidiary which holds the 53.5% indirect interest in Syvashenergoprom. Syvashenergoprom is the winner of the Bronze Award Sustainability Energy from the EBRD Sustainability Award for 2019.

### **The UN Sustainable Development Goals**

East Renewable through its affiliate Syvashenergoprom will endeavor to support the UN Sustainable Development Goals including: Goal 1 – No Poverty, Goal 3 – Good Health and Well Being, Goal 4 – Quality Education, Goal 5 – Gender Equality, Goal 7 – Affordable and Clean Energy, Goal 8 – Decent Work and Economic Growth, Goal 9 – Industry, Innovation and Infrastructure, Goal 10 – Reduce Inequalities, Goal 12 – Responsible Production and Consumption, and Goal 13 – Climate Action.

Syvashenergoprom has an environmental and social impact action plan to help the local community. Syvashenergoprom will donate money for the local community to address poverty and support education and healthcare. Syvashenergoprom will have a nurse on staff that will help its employees and also donate time to care for the health of the community. Syvashenergoprom is an equal opportunity employer that support gender equality, providing good paying job opportunities for the local community, which will reduce inequalities and help economic development. Lastly, as a wind power company, Syvashenergoprom is focused on climate action and will provide tours and help educate the community on the sustainability of clean energy from wind power.

### **Green Bond Framework**

This Green Bond Framework is aligned with the Green Bond Principles published in 2018 by the International Capital Markets Association ("**ICMA**") and has been prepared in cooperation with Arctic Securities AS. Recognising that the Green Bond market and best practices are still evolving, East Renewable will follow market developments and when necessary make appropriate updates to this Green Bond Framework.

### **Use of Proceeds**

The net proceeds from East Renewable's Green Bonds will be provided for assets and projects with environmental benefits that promote the transition towards low-carbon and climate resilient growth. Only such assets and projects that comply with the list of Eligible Assets and Eligible Projects below are deemed eligible for Green Bond funding. Funds can be used for the financing of new assets and projects, as well as for refinancing of investments made within one and a half years preceding the issue date of the Green Bonds. Green Bonds will not be used to finance investments linked to fossil energy generation, nuclear energy generation, research and/or development within weapons and defense, mining, gambling or tobacco.

Eligible Assets and Projects: Syvashenergoprom's 245.7MW wind farm in southern Ukraine is the main asset for the use of proceeds.

## Process for Project Evaluation and Selection

Investments are evaluated and selected based on the above stated eligibility criteria by the executive management team in cooperation with the investment committee, where the latter consists of members of the board of directors. In accordance with East Renewable's internal investment policies, East Renewable conducts research and technical studies when necessary to ensure projects comply with local market regulations.

East Renewable invests solely in wind power projects that meet the following criteria: Wind power projects that have met international and Ukraine standards for environmental impact assessments, have attractive equity returns and are bankable.

## Management of Proceeds

The net proceeds of issued Green Bonds will be earmarked for the refinancing of East Renewable's EUR 60,000,000 Bond with ISIN NO0010841794 which has been used for the following green purposes:

<b>East Renewable AB</b>	
<b>Use of Proceeds for EUR 60 million bond refinancing</b>	<b>In EUR</b>
Equity Investment in East Renewable Ukraine AB	35,000,000
Repayment of the East Renewable AB acquisition bond inclusive of interest	10,936,986
Interest and fees to bondholders	4,470,709
Fees and costs to financial advisor	3,566,983
Repayment of NBT AS loans inclusive of interest which was used for development cost of Syvashenergoprom	2,166,040
Development costs and allocated corporate costs for Syvashenergoprom	2,859,282
Amount used for Syvashenergoprom second financial close as standby equity	1,000,000
<b>Total bond proceeds</b>	<b>60,000,000</b>

<b>East Renewable AB</b>	
<b>Use of Proceeds for EUR [75] million Green Bond at 99% of Par Value</b>	<b>In EUR</b>
Refinancing of EUR 60 million bond	60,000,000
Accrued interest on EUR 60 million bond	887,671
One year of pre-funded interest for Green Bond at 13.5% interest	10,125,000
Estimated fees and costs to financial and legal advisers and other transaction fees	3,237,329
<b>Total Uses of Green Bond Proceeds</b>	<b>74,250,000</b>

In the event fees and costs related to the bond issue will be lower than the estimated amount such funds be managed and allocated by East Renewable's finance department.

In the event not all net proceeds are fully allocated immediately, such proceeds will be credited to a separate account that will be managed by East Renewable's finance department and applied towards funding Eligible Assets and Eligible Projects. As long as East Renewable has any Green Bonds outstanding and the dedicated account has a positive balance, funds will, on a quarterly basis, be allocated from the dedicated account to East Renewable's green project portfolio in respect of financing and/or refinancing Eligible Projects as approved by East Renewable's finance department.

If, for any reason, a financed Eligible Asset and Eligible Project does not meet the eligibility criteria, it will be removed from East Renewable's green project portfolio.

## **Reporting**

East Renewable will provide investors with a yearly report, detailing the progress of its Green Bonds. The report will include an allocation report as well as an impact report and be made available on the East Renewable's website. East Renewable will provide qualitative performance indicators such as electricity production and tons of CO<sub>2</sub> avoided in its annual report.

## **External Review**

East Renewable will obtain a second opinion from CICERO to confirm the transparency of this Green Bond Framework and its alignment with the ICMA Green Bond Principles 2018. The second opinion will be made available on East Renewable's website together with this Green Bond Framework and other related Green Bond documents.