

A photograph of solar panels is shown in a triangular shape on the left side of the page, pointing towards the bottom right. The panels are blue with silver grid lines.

**ASSURANCE REPORT
FOR PRE-ISSUANCE CERTIFICATION
OF THE GREEN BOND**
to be issued by Recap Energy AB

ISSUING ENTITY:	Recap Energy AB
VERIFIER:	Multiconsult Norge AS
DOCUMENT CODE:	10247645-01-TVF-RAP-001
DATE:	23.11.2022

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For enquiries regarding this report please contact energi@multiconsult.no

Background

Issuing Entity:

Recap Energy AB

Green Bond:

Recap AB Green Bond (€ 8.5 MEUR)

ISIN: TBC

Period of bond issuance:

Issue date: On or about 9th of December 2022

Maturity date: On or about 9th of December 2024

Underwriters:

JOOL

CBI approved verifier:

Multiconsult

Period of verification:

November 2022

Verifier contact:

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Recap Energy AB (Recap) develops and owns Solar PV facilities, either rooftop mounted or ground mounted. Recap also offers energy storage solutions. Their core business model is to offer Energy as a Service (EaaS) and power purchase agreements (PPAs) to commercial and industrial (C&I) sector. With this model the client only pays for the energy they use, and Recap makes the investment. Initially focused on the Spanish market, Recap has in the last 5 years expanded to Colombia, Nordics, Brazil, India and Portugal.

Recap are planning to expand their energy services in established markets such as ground mounted solar, energy storage and wind power.

Through issuance of green bonds, Recap aims to raise funds for development of new eligible projects, refinance of existing portfolios, and acquisition of eligible projects and assets.

This issuance targets a portfolio of developed and operating rooftop solar PV facilities (9.8 MW). The total value of the portfolio is approx. 15 – 20 MEUR.

Recap has engaged Multiconsult, a CBI approved verifier, to review Recap's Green Bond Framework and programmatic certification.

Subject Matter & Applicable Criteria

Recap intends to issue several bonds under The Green Bond Framework, each bond containing a specific sets of assets. The bonds will finance one or more of the following activities:

1. Financing expenditures relating to development and construction of Eligible Projects and Assets
2. Financing supporting expenditures for development and construction of Eligible Projects and Assets
3. Refinance Eligible Projects and Assets
4. Acquisition of Eligible Projects and Assets operating renewable energy and storage assets into portfolio during lifetime of the bond (max. 10% of portfolio size in MW)

Recap's Green Bond Framework is established in accordance with the Climate Bond Standard and aligned with the Green Bond Principles (GBP) developed by the International Capital Markets Association (ICMA). The bond issuances (and consequently, the verification) is to follow Climate Bond Standard Version 3.0 and current sector criteria for:

- Solar Energy
- Wind Energy
- Electrical Grids and Storage

Responsibilities

Issuing Entity (Recap Energy AB)

Recap has the responsibility for providing information and documents on its portfolio, incl. nomination of assets, management and disbursement of proceeds etc. as per the Climate Bonds Information Form and included in the Issuer's Green Bond Framework.

Verifying Entity (Multiconsult)

The work undertaken as part of this engagement includes confirming the transaction's conformance with the Climate Bonds certification requirements, which include:

- Conformance of issuance with the Climate Bonds Standard Version 3.0;
- Conformance with the Internal Processes & Controls requirements;
- Conformance with Reporting Pre-Issuance requirements.

Independence of the Verifier

Multiconsult is a Norwegian globally active independent consulting firm, listed on the Oslo Stock Exchange.

Multiconsult uses an ISO-9001 compliant Quality Management System to ensure high delivery standards towards its clients. The company has set up numerous internal policies – amongst which are the “Quality Policy”, “Policy for Corporate Social Responsibility”, “Ethical Code of Conduct” as well as “HSE and Environment Policy”. Copies of these policies, as well as the Multiconsult Management System, can be made available upon request.

Our impartiality is of vital importance to our clients and is their guarantee of receiving independent and neutral professional advice. Multiconsult has no vested interests in manufacturing or construction and is a qualified member of the International Federation of Consulting Engineers (FIDIC) through its membership in the Norwegian Association for Consulting Engineers (RIF). We confirm that:

- No members of this verification team are currently engaged in any other work for Recap;
- No members of this verification team have developed any current proposals for work with Recap;
- Multiconsult does not have any current jobs or proposals with Recap on record keeping or compliance management systems that are at all relevant to the Climate Bond Initiative;
- Multiconsult has never advised Recap on record keeping or compliance management systems that are at all relevant to the Climate Bond Initiative.
- Multiconsult has no financial interest in Recap or climate bonds, other than fees for current independent evaluation.

Ref. Appendix D for more information about Multiconsult.

Work Performed

We planned and performed the verification by obtaining evidence and other information and explanations that are considered necessary to obtain a reasonable level of assurance that Recap's issuance meets the requirements of the Climate Bond Initiative's Pre-Issuance Requirements as described in Parts A and C of Climate Bond Standard Version 3.0 (ref. Appendix C). We believe that the procedures we have performed and the evidence we have obtained are sufficient and appropriate to provide a basis for our conclusion. For this assignment we:

- Reviewed the Issuer's Green Bond Framework that includes processes, systems and controls in place for management of bond proceeds;
- Reviewed the Issuer's Climate Bond Information Form and supporting documentation;

This assignment has been executed as a desk-study. Clarifying Q&A sessions have been held with Recap by e-mails on an as-needed basis.

Because of the inherent limitations in any internal control structure it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the verification was not designed to detect all weakness or errors in internal controls so far as they relate to the requirements set out above as the verification has not been performed continuously throughout the period but has been performed as a one-time activity. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Conclusion

Based on the limited assurance procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects, the Issuer's 2022 Green Bond is not in conformance with the Climate Bonds Standard's Pre-Issuance Requirements.

Multiconsult conducted the pre-verification in accordance with the Climate Bond Standard Version 3.0 and with International Standard on Assurance Engagements 3000 (Assurance Engagements other than Audits or Reviews of Historical Information). The verification included Climate Bond Standard Version 3.0 and current sector criteria for Solar Energy, Electrical Grids and Storage and Wind Power.

Multiconsult's verification approach draws on an understanding of the risks associated with conforming to the Climate Bond Standard Version 3.0 and the controls in place to mitigate these. Multiconsult planned and performed the verification by obtaining evidence and other information and explanations that Multiconsult considers necessary to give limited assurance that the Recap Green Bond continues to meet the requirements of the Climate Bond Standard Version 3.0.

We refer to the following appendices for the list of documents reviewed (Appendix A), proxy methodology (Appendix B) and detailed process summary (Appendix C).



Mari Sofie Brelin Furu

Head of Renewable Energy Advisory Services

Multiconsult Norge AS

23.11.2022

APPENDICES

Appendix A: List of Documents Reviewed

Appendix B: Issuance Project Portfolio

Appendix C: Audit Procedures and Findings

Appendix D: About Multiconsult



Appendix A: List of Documents Reviewed

Document Title	Publishing Responsible	Publishing Date
“Recap’s Green Bond Framework” including: <ul style="list-style-type: none"> a) Recap Sustainability Goals and Strategy b) Use of Proceeds c) Process for Project Evaluation and Selection d) Management of Proceeds e) Reporting f) Recap Green Bond Project Portfolio 1 	Recap	October 2022
“Climate Bond Information Form”	Recap	November 2022
“Recap Energy website” https://recapenergy.com/	Recap	November 2022

Appendix B: Issuance Project Portfolio

The Climate Bonds Initiative (CBI) sector criteria for Solar power is met for the projects in the portfolio related to the issuance. Table 1 shows the projects in the portfolio.

All of the projects are rooftop solar PV facilities. According to the sector criteria for solar power. All onshore solar electricity generation are eligible projects.

Project	Capacity Installed	Location	Initial targets for battery storage solution	Project	Capacity Installed	Location	Initial targets for battery storage solution
1	9.88 kWp	Canarias		22	40.56 kWp	Extremadura	X
2	26.40 kWp	Canarias		23	53.13 kWp	Extremadura	X
3	22.00 kWp	Canarias		24	62.37 kWp	Extremadura	
4	36.91 kWp	Canarias		25	32.34 kWp	Extremadura	
5	19.52 kWp	Canarias	X	26	236.25 kWp	Comunidad Valenciana	
6	38.50 kWp	Canarias	X	27	100.62 kWp	Extremadura	X
7	20.13 kWp	Canarias		28	98.28 kWp	Castilla la Mancha	X
8	34.32 kWp	Extremadura	X	29	491.49 kWp	Castilla la Mancha	
9	30.03 kWp	Andalucía	X	30	310.64 kWp	Comunidad Valenciana	
10	197.83 kWp	Castilla la Mancha		31	21.06 kWp	Canarias	X
11	29.70 kWp	Extremadura		32	338.80 kWp	Castilla y León	
12	100.32 kWp	Extremadura	X	33	100.10 kWp	Cataluña	
13	113.46 kWp	Extremadura		34	29.24 kWp	Extremadura	
14	34.32 kWp	Castilla la Mancha		35	55.04 kWp	Extremadura	
15	124.74 kWp	Andalucía	X	36	49.28 kWp	Madrid	
16	261.44 kWp	Castilla y León	X	37	120.40 kWp	Extremadura	X
17	35.69 kWp	Castilla y León	X	38	99.68 kWp	Comunidad Valenciana	
18	77.22 kWp	Extremadura	X	39	99.00 kWp	Madrid	
19	60.84 kWp	Extremadura	X	40	2,375.12 kWp	Andalucía	
20	1,000.50 kWp	Cataluña		41	375.75 kWp	Cataluña	
21	18.30 kWp	Canarias	X	42	2,416.05 kWp	Castilla la Mancha	

Table 1. Operating Rooftop Solar PV facilities included in the portfolio for nominated projects [Recap's GBF]

Appendix C: Audit Procedures and Findings

Eligibility Criteria	Procedure	Findings
Compliance to Part A: Pre-Issuance Requirements	Examination of the information presented in Climate Bond Information Form and Green Bond Framework to determine if Part A (Pre-Issuance Requirements) is met.	<ul style="list-style-type: none"> • Issuer’s information indicates adequate measures to meet the General Requirements. • Projects and assets potentially eligible for Green Bond financing will be identified as eligible projects and assets in Recap’s ongoing operations. • Potential Eligible Projects and Assets will be prepared for evaluation by the CFO and evaluated by an internal evaluation committee. The Committee includes the CEO, Technical Director and the environmental manager. The committee will evaluate the identified projects and assets to ensure compliance with the Green Bond Principles and will determine if a project or asset is eligible or not. • The internal evaluation committee will convene when considered necessary. • The outcome of the internal evaluation committee reviews will be reported in the Annual Green Bond Report
Compliance to Part C: Eligibility of Projects & Assets	Examination of the information presented in Climate Bond Information Form and Green Bond Framework to determine if Part C (Eligibility of Projects & Assets) is met.	<ul style="list-style-type: none"> • The Nominated Projects & Assets will fall under the investment area: Solar, Wind, Energy storage • The eligibility criteria are based on the Sector criteria for: Solar Energy, Wind Energy, Electrical Grids and Storage. • In its nomination of assets, Recap is ensuring that the selected projects are eligible and in accordance with the relevant sector criteria.

Compliance with Climate Bonds Standard

Part A: Pre Issuance Requirements

Requirement	Finding
1. Use of Proceeds	
1.1 The Issuer shall document the Nominated Projects & Assets which are proposed to be associated with the Bond and which have been assessed as likely to be Eligible Projects & Assets. The Issuer shall establish a list of Nominated Projects & Assets which can be kept up-to-date during the term of the Bond.	<p>The Issuer has nominated a portfolio of operating rooftop solar PV projects. In addition, the Green Bond Framework is set up for future bond issuance of eligible projects and assets within Solar, Wind and Energy Storage. The portfolio of operating roof-top solar power projects are eligible projects that meets the CBI sector criteria for solar power. Future nominated projects needs to meet the relevant CBI sector criteria and be in accordance with Recap's green bond framework.</p> <p>Eligible Nominated Projects and Assets will be listed annually in Recap's Green Bond Project Portfolio.</p>
1.2 The expected Net Proceeds of the Bond shall be no greater than the Issuer's total investment exposure to the proposed Nominated Projects & Assets, or the relevant proportion of the total Market Value of the proposed Nominated Projects & Assets which are owned or funded by the Issuer.	The value of the nominated assets is by the issuer estimated to be 15 – 20 MEUR. Size of The Green bond issuance is 8.5 MEUR.
1.3 Nominated Projects & Assets shall not be nominated to other Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bonds, green loans or other labelled instruments (such as social bonds or SDG bonds).	The issuer has confirmed that Nominated Projects & Assets will not be nominated to other Certified Climate Bonds Certified Climate Loans, Certified Climate Debt Instruments, green bonds, green loans or other labelled instruments (such as social bonds or SDG bonds).

Compliance with Climate Bonds Standard

Pre Issuance Requirements Part A

Requirement	Finding
2. Process for Evaluation and Selection of Projects & Assets	
2.1 The Issuer shall establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets.	Recap’s Green Bond Framework describes as decision-making processes adequate to nominate eligible projects and assets. In short, the decision-making process follows these steps: 1. The CFO of Recap will prepare an eligibility analysis for potential projects or investments. 2. An internal evaluation committee will review the proposed projects and investments. The committee includes the CEO, Technical Director and Environmental manager. 3. Projects and investments considered by the committee to be suitable under the relevant CBI sector criteria and Recap’s Green Bond Framework will be included in Recap’s Green Bond Portfolio.
2.2 The Issuer should include under Clause 2.1 further aspects of the decision-making process.	The portfolio of operating rooftop solar PV facilities meet the sector criteria for Solar Power. The decision-making process described in the Green bond framework ensures that future nominated projects will meet the relevant CBI sector criteria and thereby are eligible projects and assets.
2.3 The Issuer shall assess that all proposed Nominated Projects & Assets to be associated with the Bond meet the documented objectives as stated under Clause 2.1.1 and are likely to conform to the relevant eligibility requirements under Part C of the Climate Bonds Standard.	The decision-making process described in the Green bond framework ensures that future nominated projects will meet the relevant CBI sector criteria.

Compliance with Climate Bonds Standard

Pre Issuance Requirements Part A

Requirement	Finding
3. Management of Proceeds	
<p>3.1. The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer and disclosed to the Verifier, and shall include tracking of proceeds, managing unallocated proceeds and earmarking funds to Nominated Projects and Assets.</p>	<p>The Green Bond Framework describes an adequate system for management of proceeds.</p> <p>The inflow of proceeds are traced and placed in designated bank accounts. Unallocated proceeds will be documented. Unallocated proceeds will be either;</p> <ol style="list-style-type: none"> 1. Held in temporary investment instruments that are cash, or cash equivalent instruments; 2. Or applied to temporarily reduce indebtedness of a revolving nature before being redrawn for investments or disbursements to projects. <p>Funds will be ringfenced and allocated to nominated assets within 1 month from issuance. If an asset no longer meets the eligibility criteria, Recap will remove the corresponding loan from the Green Bond portfolio and endeavor to replace it with an eligible asset as soon as possible, no later than within 1 year, subject to availability.</p>
4. Reporting Prior to Issuance	
<p>4.1. The Issuer shall prepare a Green Bond Framework and make it publicly available prior to Issuance or at the time of Issuance.</p>	<p>The Recap Green Bond Framework is prepared and will be made publicly available on Recap's website. The Framework is in line with the Climate Bonds Standard.</p>

Compliance with Climate Bonds Standard

Pre Issuance Requirements Part A

Requirement	Finding
4. Reporting Prior to Issuance (continuation)	
<p>4.2. The Issuer shall include in the Disclosure Documentation:</p> <ul style="list-style-type: none"> • The investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall; • The intended types of temporary investment instruments for the management of unallocated Net Proceeds in accordance with Clause 7.3; • The Verifier engaged by the Issuer for the mandatory verification engagements; • The intended approach to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding, including the location of the published documents; • The Climate Bonds Initiative Disclaimer provided in the Certification Agreement. 	<ul style="list-style-type: none"> • The Nominated Projects & Assets fall into investment area Solar, Wind and Grid and Storage. • While any Green Bond net proceeds remain unallocated to Green projects and assets, they will either be held in temporary investment instruments that are cash, or cash equivalent instruments. Or applied to temporarily reduce indebtedness of a revolving nature before being redrawn for investments or disbursements projects. • Reports on allocation of proceeds and green credentials/outcomes will be made available to bondholder/lender on an annual basis. The report on green credentials/outcomes will be included as a section in CSR project reports. Will also be available on website. • Recap have confirmed that the Disclaimer will be made available to investors as part of the pre issuance information.

Compliance with Climate Bonds Standard

Part C: Eligibility of Projects & Assets

Requirement	Finding
9. Climate Bonds Taxonomy	
9.1. Nominated Projects & Assets, as identified by the Issuer under Clauses 1.1 and 5.1, shall fall into one or more of the investment areas listed as included in the Climate Bonds Taxonomy.	The Nominated Projects & Assets will fall under the investment area Energy.
10. Sector Eligibility Criteria	
10.1. Nominated Projects & Assets shall meet the specific eligibility requirements provided in the relevant Sector Eligibility Criteria documents. If there are different versions of the relevant Sector Eligibility Criteria documents, then the version which was current at issuance of the bond may be used for demonstration of the eligibility of Nominated Projects & Assets for the duration of the bond.	The nominated projects needs to meet the current sector criteria for Solar Energy, Wind Energy and Electrical Grids and Storage.

Appendix D: About Multiconsult

Multiconsult is a leading Norwegian engineering and architecture company. With 3,200 highly competent employees divided into strong subject areas, Multiconsult can undertake the most complex projects the market has to offer. The Multiconsult group offers services within planning, design, architecture, environmental sciences, engineering, contracts and procurement, project management and follow-up, both in Norway and internationally. The goal is to make it easier to develop and implement value-creating and sustainable projects for the company's many customers.

The Multiconsult group includes the companies Multiconsult Norway, LINK architecture, Multiconsult Polska, Multiconsult UK and Iterio. The group has offices in Norway, Sweden, Denmark, Poland and the United Kingdom, as well as presence in Asia and Africa. The head office is in Oslo, Norway. Multiconsult ASA is listed on the Oslo Stock Exchange.

For more information about the company, visit <http://www.multiconsultgroup.com>



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