

**S.S.H. SCANDINAVIAN  
SOLAR PARKS  
HOLDING Ltd  
—  
S.S.H. SOLAR FINANCE  
PLC**

***Green Bond  
Framework***

**March 2023**

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## 1. Introduction

The primary purpose of S.S.H. Scandinavian Solarparks Holding Ltd (Holding Company) is the production of electricity from solar sources. S.S.H Solar Finance PLC (Issuer), a subsidiary of the Holding Company intends to issue a green bond to fund the Group's green projects, where Group refers to S.S.H. Scandinavian Solarparks Holding Ltd and its subsidiaries. The Green Bond Framework set up for this purpose follows the International Capital Market Association (ICMA) Green Bond Principles (GBP) and complies with the requirements of the Green Bond Standard version 3.

## 2. About

### 2.1 Issuer Overview

The Issuer was incorporated in Cyprus on 1st of September 2011 under the name of Anna Maria Solar Energy Ltd. as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Gevgelis 9, Office 301, Nicosia, 1071, Cyprus. The primary business purpose of the Issuer at its registration was the construction of solar parks and the solar power electricity production.

The Issuer was acquired on 8.9.2014 as a subsidiary company of S.S.H. Scandinavian Solarparks Holding Ltd.

On .../.../2023 the Issuer was renamed to S.S.H. Solar Finance PLC.

On .../.../2023 the Issuer was converted from a private limited liability company into a public limited liability company.

As of .../.../.... and its conversion to a Public Limited liability Company, the Issuer carries out financing operations within its Group.

The Issuer has the purpose to raise capital (debt and/or equity) by selling financial securities for the purpose of granting financing to the Group's companies to cover the capital needs for their project development plans and/or their working capital.

Within this activity, the Issuer performs the following two main functions:

- Sourcing external debt and/or equity financing.
- Redistribution of raised funds within its Group

## 2.2 Holding Company Overview

S.S.H. Scandinavian Solarparks Holding Ltd is an independent power producer that develops, owns, and operates utility scale solar power generation plants. The Holding Company is licensed by Cyprus Transmission System Operator (CERA) as a to producer of electricity generated by Photovoltaic Parks. In this capacity, the Company complies and acts in accordance with the stipulations and provisions of the entire Legislative Framework governing the electricity market in Cyprus.

S.S.H. Scandinavian Solarparks Holding Ltd has an entrepreneurial growth strategy: to identify attractive solar projects at an early stage in their development, complete their construction and bring them online, selling solar power via long term power purchase agreements. This strategy provides affordable, zero emission electricity to utilities and private consumers.

The Holding Company has signed agreements with Licensed Electricity Suppliers to sell the electricity generated by its Photovoltaic Parks providing a constant monthly income.

It is an independent power producer with main business activities:

- Identify attractive solar projects, complete their construction and bring them online to the grid
- Sell electricity power to the open market via long term power purchase agreements signed with Licensed Electricity Suppliers
- Provide affordable, zero emission electricity to utilities and corporate consumers Geographically, the Holding Company focuses in the solar electricity energy production sector in Cyprus.

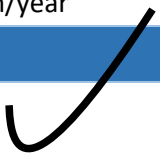
As of today, the Holding Company owns 12 Solar parks in operation located in the geographical area of Cyprus with a total estimated production of 13.355.000Kwh per year.

Additionally, there is a new project development plan in the pipeline with an estimated total production capacity of 26.000.000Kwh which is expected to be completed within the next five years.

The Holding Company has the following ownership interest in solar energy production parks:

Park	% Ownership	Location	Production Capacity	Installed Capacity
SSH Scandinavian Solarparks Holding	100 %	Geri	1.050.000 Kwh/year	0.6 Mw
Virginia Solar	100 %	Tseri	90.000 Kwh/year	50 Kw
X.S Fosilio	100 %	Tseri	185.000 Kwh/year	100 Kw

<b>Gavriel Solar</b>	100 %	Tseri	190.000 Kwh/year	100 Kw
<b>AnnaMaria Solar</b>	100 %	Tseri	285.000 Kwh/year	150 Kw
<b>Agerino Energy</b>	100 %	Dali	175.000 Kwh/year	100 Kw
<b>Sterifoto</b>	100 %	Athienou	190.000 Kwh/year	100 Kw
<b>Northern Sun</b>	100 %	Pareklisia	310.000 Kwh/year	150 Kw
<b>Sundance City</b>	100 %	Avgorou	235.000 Kwh/year	100 Kw
<b>Theditaky Tsiolas</b>	100 %	Avgorou	220.000 Kwh/year	100 Kw
<b>SSH Solar Energy</b>	100 %	Geri	790.000 Kwh/year	394 Kw
<b>SSH Idalium</b>	85 %	Dali	2.615.000 Kwh/year	1.3 Mw



#### **Purchase agreements of produced electricity**

The Holding Company sales its generated electricity energy to licensed electricity power suppliers which directly retail electricity to their customers.

Currently each of the Holding Company's owned Photovoltaic Parks has signed long-term Power Purchase Agreements (PPA) with two electricity power suppliers – the Electricity Authority of Cyprus (EAC) and Bioland Promithia Ltd - providing a constant monthly income to S.S.H.

#### **Solar Market for EU and Cyprus**

Favorable economic conditions and industry trends in the EU market indicate a high likelihood for the Holding Company to continue its strong performance.

EU solar industry is expected to grow by a CAGR of 18 -20 % from 2022 to 2030. At the end of 2021 Cyprus had a total installed capacity of 247 MW PV cumulative, and a target for 804 MW by 2030.

The country is undergoing a process aiming towards full electricity market liberalization by the end of 2022.

The high energy prices are a key driver for the solar market to expand with high margins.

### Renewable Energy financing

In just over a decade, Renewables has grown to represent more than 50% of power Project Bonds since 2010 and nearly 41% of Total Project Bonds issued during the same period. Cumulatively to date Green Bonds issued to finance renewable energy projects amount to \$662 billion.

Most utility-scale projects financed in the capital markets, has used photovoltaic (PV) technology. PV technology directly converts sunlight into electricity through the acceleration of electrons in the PV cells. PV plants using crystalline silicon panels (c-Si) including monocrystalline and polycrystalline, have been used for many years and are the most common technologies financed with Project Bonds.

### 2.3 Approach to Sustainability

Sustainable development is at the heart of **Group's** business and an integral part of its business model. The **Holding Company** has an entrepreneurial growth strategy: to identify attractive solar projects at an early stage in their development, complete their construction and bring them online, selling solar power via long term power purchase agreements.

Access to energy is fundamental for economic development and people's standard of living, which implies that contribution to UN SDG 7 has a positive impact on several other SDGs.

This strategy provides affordable, zero emission electricity to utilities and private consumers. The Projects power combined are reaching 13, 4 million kilowatts per year and in comparison, an average household consumes in a year 15,000 kilowatts, therefore, approximately more than 800 households are benefited and have led to actual greenhouse gas ("GHG") emissions avoidance of:

The CO<sub>2</sub> tonnes saved per 10.000 Kwh produced per year is approximately the following:

10.000 Kwh = 3,836 tonnes saved CO<sub>2</sub> per year

13.400.000 Kwh (in SSH case) = 1.340 \* 3,836 = 5.140,24 tonnes per year

## 3. Green Bond Framework

As part of **Group's continued** commitment to sustainability, the Issuer, has developed this **Green Bond Framework (the "Framework")** in accordance with the Green Bond Principles 2021 (the

“GBP”), administered by the International Capital Market Association (“ICMA”), and the Climate Bonds Standard (the “CBS”), under which the Issuer is intending to issue Green Bonds specifically to finance and/or refinance expenditures related to the Projects.

In alignment with the broader sustainability strategy, S.S.H. Solar Finance PLC has established this Green Bond Framework to be able to issue a Green Bond and attract dedicated funding.

The Green Bond Framework follows the key pillars of Green Bond Principles:

3.1 - Use of proceeds

3.2 - Process for project evaluation and selection


3.3 - Management of proceeds

3.4 - Reporting


This Framework also describes the approach to External Review.

### 3.1 Use of Proceeds

The proceeds of the issuance of SSH Green Bonds will be allocated to finance or refinance Holding Company’s Eligible Projects which fall into the category “renewable energy”. We aim for our Green Bond to support Group’s input to the achievement of the United Nations Sustainable Development Goals (SDG) noted below. The projects meet the following Eligible Criteria:

Eligible Project category	Eligible Green Projects	Alignment with the EU Environmental Objective	Related SDG
Renewable Energy	<b>The Projects*</b> Financing of expenditures, project costs and hedging costs, specifically associated with the development, construction, operation and maintenance of the Projects	Climate Change Mitigation  4. Energy  4.1 Electricity generation using solar photovoltaic technology	

**\*Projects:**

- **SSH IDALIUM SOLAR ENERGY – 1,3 MW - Dali, Cyprus – Completed**  
(€ 1,300,000 million)
  - **SSH ARKOSYKIA SOLAR ENERGY – 3,5 MW - Dali, Cyprus - Under construction**  
(€ 3,000,000 million)
  - **SSH IDALIUM SOLAR ENERGY 2 Extension – 0,5 MW – Dali, Cyprus - Under development process**  
(€ 500,000 hundred thousand)
  - **SSH SOLAR ENERGY 2 – 1,4 MW – Malounta, Cyprus – Under development process**  
(€ 1,300,000 million)
- 

**Total projects cost: 6.100.000 euros**

The amount of Green Bonds issued under this Framework will be approximately 5.000.000 euro, which is well below the initial construction cost of the Projects.

Nominated Projects & Assets are not nominated to other Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bonds, green loans or other labelled instruments.

Through the Eligible Projects, SSH contributes to the realization of the United Nations Sustainable Goals, more specifically to **“SDG 7: Affordable and Clean Energy”**. They also contribute to the EU environmental objectives Climate Change Mitigation (Regulation 2020/852 “Taxonomy Regulation”).

Green Bonds provide funds for activities with environmental benefits that promote the transition towards increased use of renewable energy. Only such activities that comply with the list of Eligible Assets and Projects as stated below are deemed as eligible. The raised funds can be used for the financing of new assets and projects, as well as for the refinancing of investments made within 2 years preceding the issue date of a Green Bond.

Green Bonds cannot not be used to finance investments linked to fossil energy generation, nuclear energy generation, tobacco, potentially environmentally negative resource extraction, gambling or research and/or development of weapons.

Being a Solar Energy firm, the **Holding Company's** operations are inherently aligned with the Green Bond Principles eligibility category of Renewable Energy. The Holding Company's business model

includes designing, building, operating and owning Solar Parks. Bond Proceeds may be used for both capital and operational expenditures, including those relating to leasing or purchase of land, designing, and building Solar Parks, building pipeline for selling electricity and bolt-on acquisitions where the revenues from the latter stem from renewable energy or storage of renewable energy. Based on its business model the Holding Company has defined the following development stages of the Eligible Assets and Projects outlined above:

Development stages of Eligible Assets and Projects:

- Designing, building, operating and owning Solar Parks on proprietary land or leased land plots.
- Metering, marketing and selling and trading with electricity stemming from renewable generation
- Designing, building, operating and owning storage for electricity from renewable generation

### 3.2 Process for Project Evaluation and Selection

#### ***Rational for issuance***

Our sustainability strategy and environmental commitments are the cornerstone for the issuance of our Green Bond. We aim to finance our transition towards low-carbon operations, strengthen our resilience and minimize our exposure to environmental risks.

#### ***Process to determine the eligibility of projects***

The **Holding Company** has set up an internal Green Bond Committee, consisting of the CEO and the board's advisory panel. The Green Bond Committee will be responsible for evaluating and selecting assets and projects eligible for Green Bond funding in accordance with the Eligibility Criteria. In addition, the Green Bond Committee will ensure that investments are in line with all relevant internal policies and guiding documents, as well as potential oversight of the Eligibility Criteria dependent on future market developments. The decisions made by the Green Bond Committee will be documented and records will be kept.

### 3.3 Management of Proceeds

**The net proceeds from the current bond issue are anticipated to be €4.950.000 after deducting expenses related to the Issue. The net proceeds from the Bond issue shall solely be used to finance the Group's solar project business development plan, to acquire equity investment into solar**

power projects, to engineer procurement construction and operation and maintenance of utility scale solar plants in Cyprus, in compliance with the Green Bond framework.

The net proceeds of any bond issued under this Green Bond framework will be earmarked for the activities defined as eligible in the 3.1 Use of Proceeds section. Should an asset or product no longer qualify as eligible during the life of the bond, the asset or project will be replaced by another asset or project that meets the definitions set out in this Green Bond framework. Traceability of the net proceeds will be ensured by a system whereby each investment and expenditure is noted in a spreadsheet and assigned a specific account number. All investment and expenditures in line with the Use of Proceeds categories as outlined in this framework will be tagged as Green and monitored on an ongoing basis by the Holding Company's executive management team that will keep and monitor a separate register of Eligible Projects and net proceeds from the Green Bond issuance.

### 3.4 Reporting

To enable investors and other stakeholders to follow the development of the Holding Company's assets and projects funded by proceeds from their Green Bonds, an investor letter will be made available on a yearly basis on the Holding Company's website. The investor letter, which will include an allocation report and an impact report, will be published annually as long as the Company has any Green Bonds outstanding.

Allocation reporting:

- Examples of projects and/or assets financed by Green Bonds
- A list of all approved eligible assets and projects, including amounts allocated
- Amounts invested in each investment category as defined in the Use of Proceeds section and the relative share of new financing versus refinancing

The balance of the "Green" account Impact reporting: The Holding Company will strive to report on the environmental impact of its investments financed by its Green Bonds. For ongoing investments and activities where final impact is not yet observable, the Holding Company will aim to provide an estimate of the final impact.

The impact indicators may vary with investment category, as defined in this Green Bond Framework. The impact metrics selected may include the following:

- A list of all Solar Parks and their expected environmental benefit in terms of Solar Energy generated, and
- estimates of improvements in terms of CO<sub>2</sub> or CO<sub>2</sub>-equivalent emissions avoided.

## 4. External Review

### 4.1 Pre-issuance certification

To further enable the Holding Company to finance its operations and expand its solar park business portfolio, the Board of Directors has decided for the SSH Scandinavian Finance Plc to issue a Green Bond within the Green Bond Framework aligned with the United Nations' Sustainable Development Goals. This Green Bond Framework is aligned with the Green Bond Principles published in 2021 by the International Capital Markets Association and is reviewed by the Institute of Energy for SE Europe (IENE). Recognizing that the Green Bond market and best practices are still evolving, the Issuer will follow market developments and, when deemed necessary, make appropriate updates to this Green Bond Framework.

IENE has entered into an agreement with the Holding Company to prepare a Verification Report which is necessary for the issuance of a Green Bond to be certified by Climate Bond Initiative (CBI) and in accordance with the Climate Bond Standard.

IENE is an Approved Verifier for issuing Green Bonds. It is a non-governmental and non-profit organization, whose goal is to promote a broader understanding of the key energy issues in the region and provide a suitable platform for the exchange of views and information, open to professionals, companies, stakeholders, and others who are actively involved in the energy sector. Thus, IENE strives to contribute towards the implementation of European Union's sustainable development strategy that combines social and economic development with environmental protection. In the context of its activities IENE, as an independent organization, provides Advisory Services to companies active in the broad energy sector.

#### 4.2 Post issuance verification

Starting one year after the Green Bond issuance and until full allocation of the proceeds S.S.H. Scandinavian Solarparks Holding is going to request by an external independent third party an assurance report on the allocation of Green Bond proceeds to Eligible Projects.

## Disclaimer

The certification of the Bonds as Climate Bonds by the Climate Bonds Initiative is based solely on the CBS and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Bonds or any of the Projects, including but not limited to the offering documents, the transaction documents, the Issuer or the management of the Issuer.

The certification of the Bonds as Climate Bonds by the Climate Bonds Initiative was addressed solely to the board of directors of the Issuer and is not a recommendation to any person to purchase, hold or sell the Bonds and such certification does not address the market price or suitability of the Bonds for a particular investor. The certification also does not address the merits of the decision by the Issuer or any third party to participate in any nominated project and does not express and should not be deemed to be an expression of an opinion as to the Issuer or any aspect of any nominated project (including but not limited to the financial viability of any nominated project) other than with respect to conformance with the CBS.

In issuing or monitoring, as applicable, the certification, the Climate Bonds Initiative has assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to the Climate Bonds Initiative. The Climate Bonds Initiative does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any nominated project or the Issuer. In addition, the Climate Bonds Initiative does not assume any obligation to conduct (and it has not conducted) any physical inspection of any nominated project. The certification may only be used with the Bonds and may not be used for any other purpose without the Climate Bonds Initiative's prior written consent.

The certification does not and is not in any way intended to address the likelihood of timely payment of interest when due on the Bonds and/or the payment of principal at maturity or any other date.

The certification may be withdrawn at any time in the Climate Bonds Initiative's sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.