Green Bond Impact Report

December 2023

1. INTRODUCTION

About Ilija Batljan Invest AB (IB Invest)

IB Invest is an investment company founded and directly or indirectly owned 100% by Ilija Batljan. IB Invest targets investments within social infrastructure through being main owner of Samhällsbyggnadsbolaget i Norden AB (SBB), holdings that substantially contributes to climate change mitigation or adaptation (sustainable company holdings) as well as digital investments. Including ownership in SBB (with 98% of the assets been social infrastructure) about 85-90% of total investments are made within the sustainable area.

Sustainability at IB Invest

IB Invest has a solid process for evaluating investments from an environmental, social and governance perspective. The experience within the team includes life cycle assessment, business development within Greentech, development of strong governance and ESG KPI's as well as global reporting standards on ESG.

The sustainability profile of and impact of each investment is evaluated and benchmarked towards best practice within the appropriate industry. When relevant, external experts are engaged to evaluate the sustainability performance of the potential investments.

2. CASE STUDIES: INVESTEMNTS UNDER IBIAB GREEN BOND FRAMEWORK

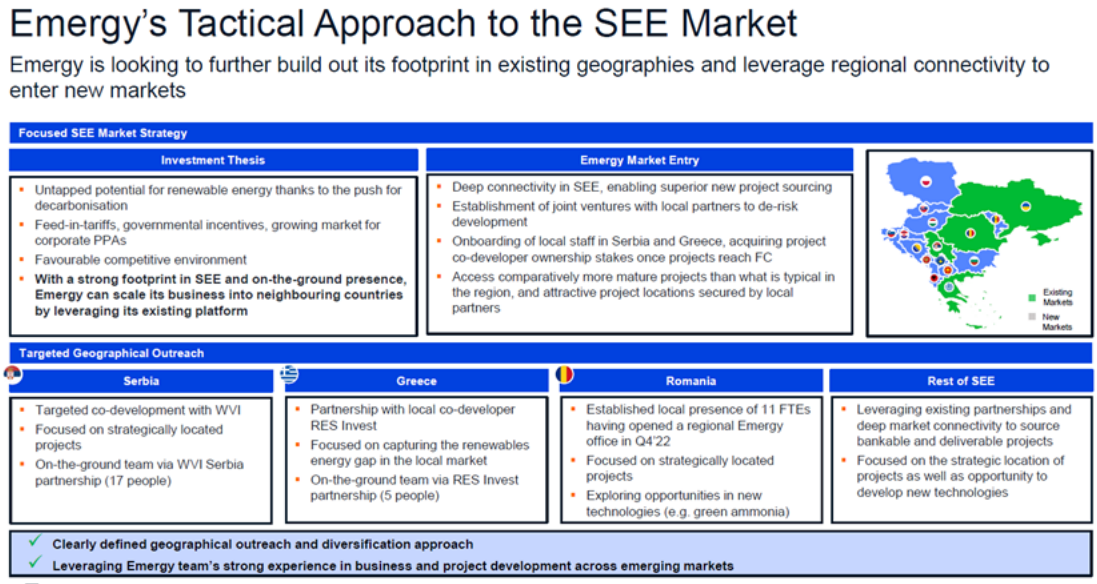
Emergy

Emergy is a renewable development platform operationally headquartered in Oslo, Norway. The company develops and constructs onshore wind farms in four South-Eastern European (SEE) countries, aiming to further expand its geographical reach and technological capabilities.

There is large need for renewables in SEE market related to:

- Diversification from Russian commodities
- Circumvent EU cross-border carbon tax (Western Balkans)
- Exit from coal

This is also supported with various Governments incentives to drive foreign direct investments in renewables.



Emergy is currently finalizing its first projects to be build. The projects Alibunar1 and Alibunar2 comprises the construction and operation of a 168 MW windfarm. The project is located approximately 50km northeast of Belgrade in Alibunar municipality in the South Banat District of the province of Vojvodina, Serbia on an area of 5,200 hectares currently comprised of agricultural land. The project involves the construction of 40 wind turbine generators (WTG), two (25-220 kV) substations, a 20 kV switchyard, a 220kV transmission line, (temporary) concrete batching plant, materials warehouse, grid connection, internal windfarm roads and connection to state road, logistic area, optical fibre communication cable network, parking areas, and temporary crane stands and platforms. Preparational construction works are started (early works) following financial close in Q2 2024. Construction is expected to be completed over an approximately two-year period with COD by Q2 2026. The windfarm is assumed to have an operational life of 25+5 years.

Hexicon

Hexicon is an early-stage project developer in floating wind, opening new markets in deep water areas, and a technology provider with a patented floating wind design – TwinWind™. The dual business model supports the world's transition to a sustainable energy system. The innovative twin turbine design enables more turbines per sea area which increases the energy yield and reduces the environmental impact. Floating wind can quickly be deployed at scale, to support the electrification of society at large.

Hexicons vision is to enable the world's transition to a sustainable energy supply system. Over the coming years, we will invest to become a leading, sustainable and profitable cleantech company that achieves our financial and operational targets.

Hexicons net project portfolio amounts to 6,700 MW, and net prospect portfolio to 4,000 MW, totalling 10,700 MW.

In June 2023, Hexicon announced that the joint venture with Mainstream Renewable Power, Freja Offshore, has submitted an application for an offshore wind farm in the Baltic Sea named Cirrus off the south coast of Sweden with potential to deliver 10 TWh annually. Cirrus can provide renewable and cost-effective energy to over 2 million households annually, or the equivalent of half a million single-family Swedish homes.

In July 2023, the UK Government confirmed that Hexicon AB's TwinHub project in the Celtic Sea was successful in the latest Contracts for Difference (CfD) Allocation Round (AR4). Project and its 32MW floating wind project secures 15 year revenue support from UK Government for first floating offshore wind project in England and Wales.

Hexicon announced in October 2023 that its JV Freja Offshore, has submitted another application for an offshore wind farm. The wind farm Dyning has a capacity of 2,5 GW and will be able to deliver 10 TWh annually which can supply more than the entire energy need of the regions Sörmland and Östergötland in Sweden.

Coloreel

Coloreel is a Swedish textile innovation brand with a groundbreaking technology for embroidery that enables high-quality coloring of textile thread on demand, unlocking a world of potential.

Coloreel is part of the movement to reduce waste and move the textile industry towards more sustainable production. By coloring the thread directly, there is no wastewater, hence no water pollution. And, using a single reel of thread and needle also means minimized thread waste and minimized microfiber pollution.

Coloreels unique technology makes previously complicated designs accessible, including gradients, textures and other stunning effects. Using only a single thread and needle means that it also significantly improves quality and efficiency, enabling immediate start up and faster delivery. In short, Coloreel empowers creativity and enhances quality and efficiency, making the ordinary extraordinary. In the future, the technology can also be used for sewing, knitting, weaving and more.

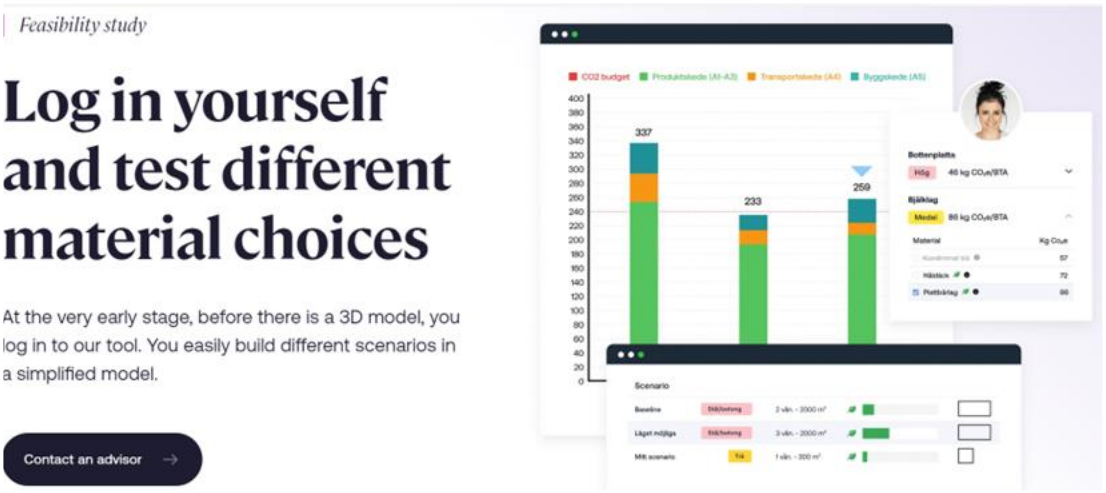
Coloreel reduces water consumption by 97%. By dyeing a 100% recycled polyester thread in real time, water consumption is reduced by at least 97% compared to traditional dyeing methods. This is documented in Coloreel's environmental product declaration (EPD) and verified by a third party. The full EPD can be found in the international database Environdec.

On average 215 trillion litres of water per year are consumed by the textile industry. Coloreel-powered embroidery machines can drastically reduce wastewater from thread dyeing. A comparison between Coloreel's technology and one of the world's leading thread manufacturers shows that traditional thread dyeing produces 50 times more wastewater than Coloreel's direct dyeing does.

Plant

Global warming is one of the greatest challenges of our time. Construction and real estate companies account for 20 percent of Sweden's climate impact. Plant is supporting construction and real estate companies to take responsibility. Plant is delivering a high degree of automation as part of the solution to reducing emissions from the construction and real estate industry.

Plants developers deliver advanced software together with a team of sharp specialists in climate-optimized construction. With knowledge in machine learning, automation, cloud services, construction production and LCA, modern technology is used to solve tomorrow's climate problems.



3. ALLOCATION AND IMPACT REPORT

IB Invest has a strong focus on sustainability. The company is reporting every year its emissions in accordance with GHG protocol. During 2021 and 2022 the emissions was:

	Energy use (kWh)			CO_2 Emissions Location Based (ton CO_2e)			CO_2 Emissions Location Based (ton CO_2e)	
	2021	2022		2021	2022		2021	2022
Scope 1								
No emissions								
Scope 2	1,327,061.27	1,243,353.27		33.6	30.79		23.05	21.66

Eligible assets, value and impact

A list of all eligible assets is presented in three categories: Wind and solar power investments, other equity investments eligible under the green framework, and energy efficient buildings with solar power installations. For the avoidance of doubt IB Invest will report the impact corresponding to the share of equity holdings for equity investments. The impact indicators may vary within each investment category.

	Capacity of energy generation in projects (MW)	**Annual GHG emissions expected to be reduced/avoided (ton CO_2e)**	**Total investment/value (SEKm)**
Wind and Solar power investments. Companies included Emergy and Hexicon.	IB Invest share 19% of 8,800	1250000 ton CO2e	700
Biogas and Solar power investments, exited. Preceeds recieved reinvested in Wind power including finacial costs. Companies included Scandinavian biogas and Exeger	IB Invest share in Exeger var 4,3% and in Scandinavian Biogas 8.7%	CICERO Green allocated a Dark Green shading to all of Scandinavian Biogas' revenues and investments. Expected to reduce GHG emsissions with 100 000 ton CO2e. Exegers solar cell material converts any light to electrical energy, in a process inspired by the natural principle of photosynthesis. With this material, Exeger is supporting reduction of negative climate impact from traditionally powered products.	430
For other equity investments eligible under the green framework, impact metrics will be defined for each investment depending on climate change mitigation or adaption activity. Companies included Coloreel, Plant, Organowood	IB Invest share in Organowood 19%, in Plant 5% and Coloreel 5%	E.g., Coloreel, saving water and wastewater: By dyeing a 100% recycled polyester thread in real time, water consumption is reduced by at least 97% compared to traditional dyeing methods. This is documented in Coloreel's environmental product declaration (EPD) and verified by a third party. A comparison between Coloreel's technology and one of the world's leading thread manufactures shows that traditional thread dyeing produces 50 times more wastewater than Coloreel's direct dyeing does.	125
Energy efficient buildings with solar power installation (full production or ongoing)	IB Invest share 100% in solar power production with yearly potential of 750 MWh	10 ton CO2e on yearly base	332

Remaining balance

All proceeds have been allocated to eligible assets and projects.