

Grüner Förderkredit für grüne Offshore-Großinvestition in der Ostsee

Robert Weigert
Leiter Treasury, Eurogrid GmbH

Jens Fröhlich
Leiter Fördermittel, Exportfinanzierung und ESG-
Advisory, IKB Deutsche Industriebank AG

Referent

eurogrid
GmbH

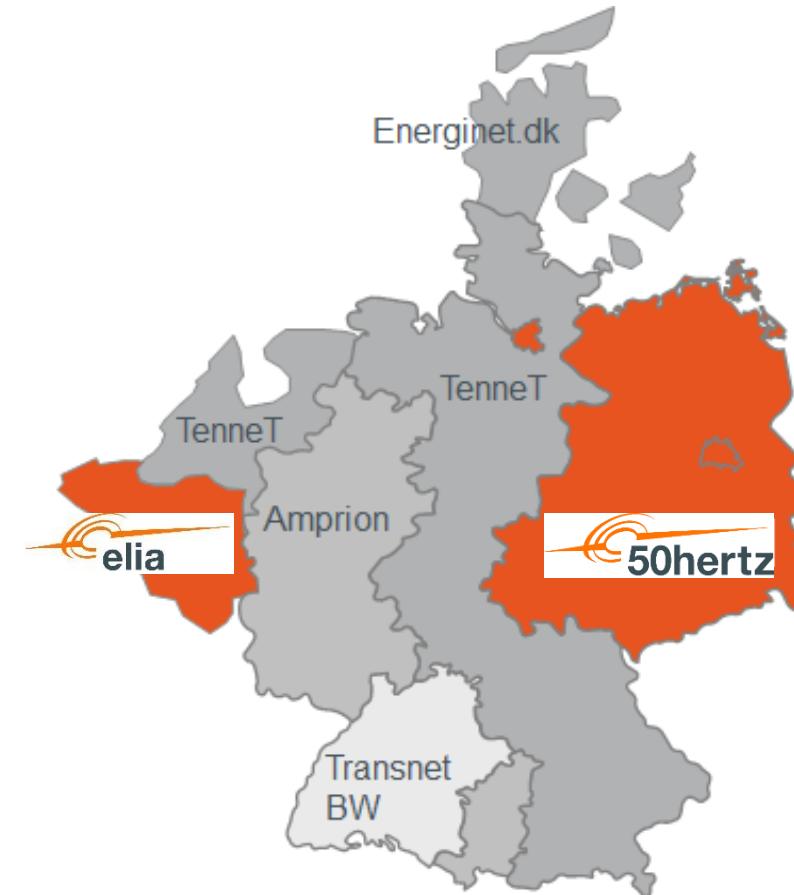
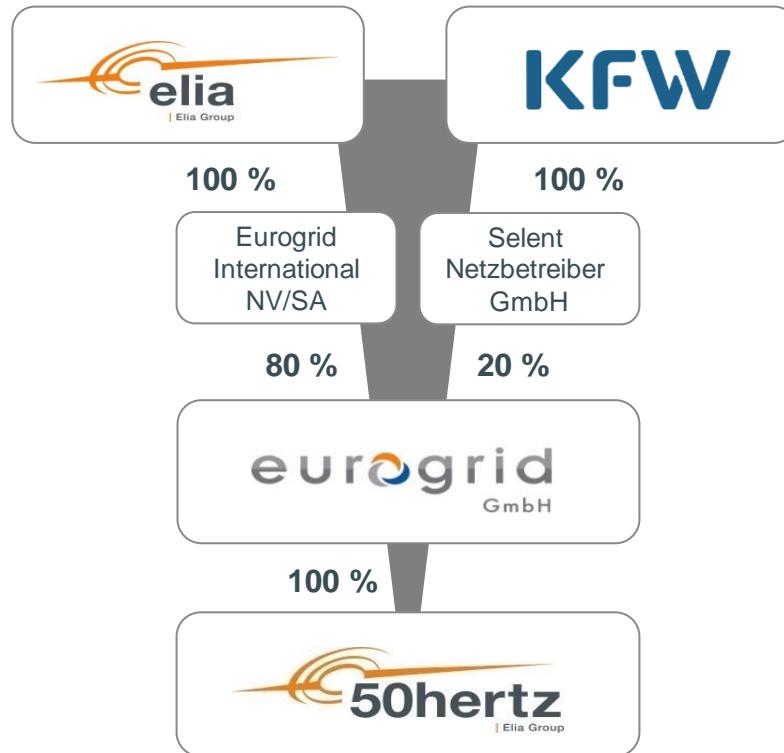
Gastgeber

IKB 
Deutsche Industriebank

Green Finance Presentation

Robert Weigert, Head of Treasury Eurogrid GmbH
March 2023

Long lasting, supportive shareholdership...



... but challenging when it comes to funding programs provided by KfW

Transmission grids are the technical backbone of the energy supply in Germany and in Europe



Transmission grid ownership



In charge of operation, maintenance and the development of **extra-high-voltage lines and power junctions** (substations) as well as for the connection of **large-scale generators and consumers** (including offshore).



System operation



Responsible for system security: **system stability** of the transmission system around the clock: frequency control and voltage regulation, congestion management.



Market development



Facilitator for the **development of the energy market**.



Trustee

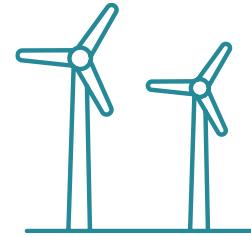
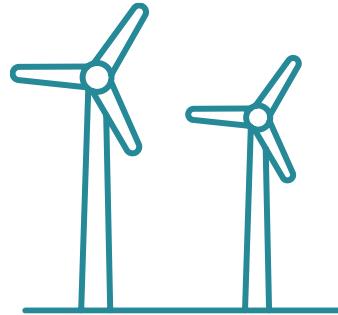


Responsible for managing cash flows resulting from the German Renewable Energy Law (EEG), the Electricity Price Brake and others (e.g. KWK-G).

17.55 GW

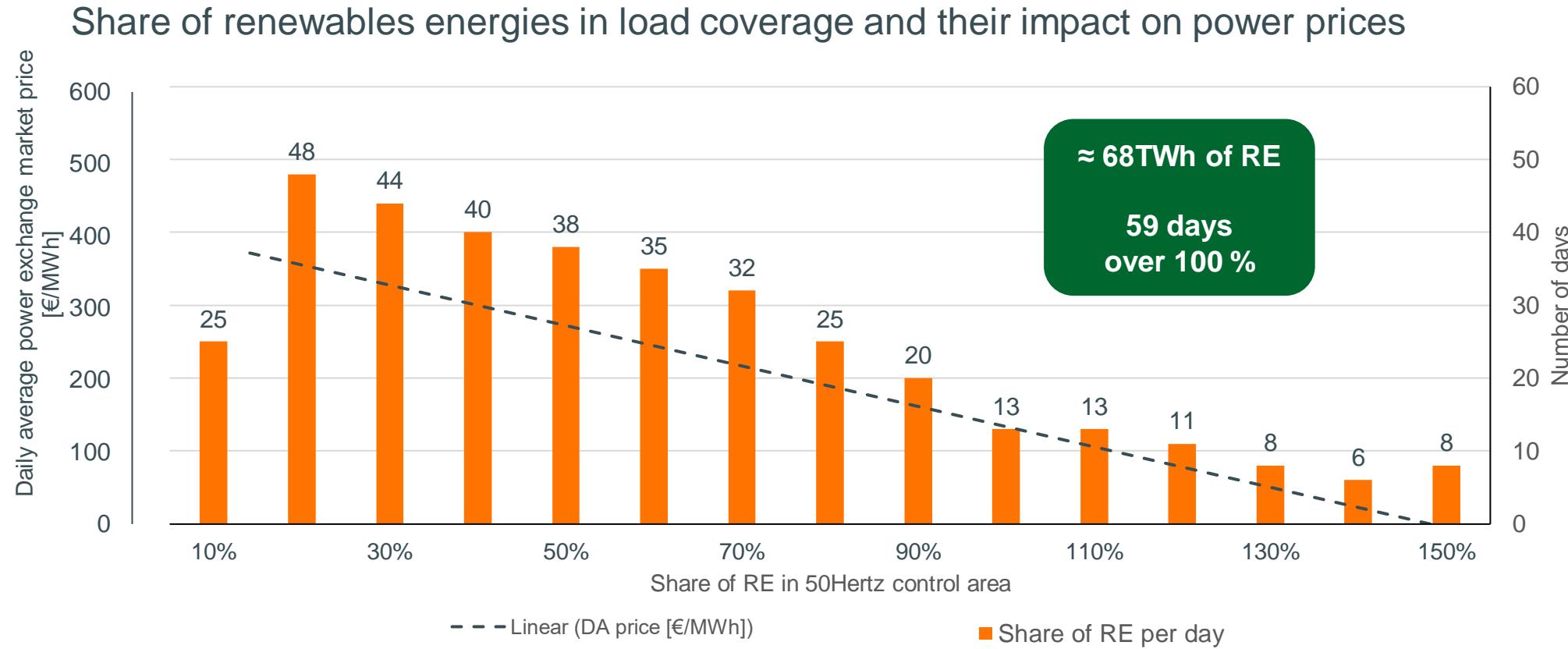
New record of windpower feed-in on January 15th, 2023
in the period from 18.30 to 18.45

0.35 GW curtailment of wind generation in this period



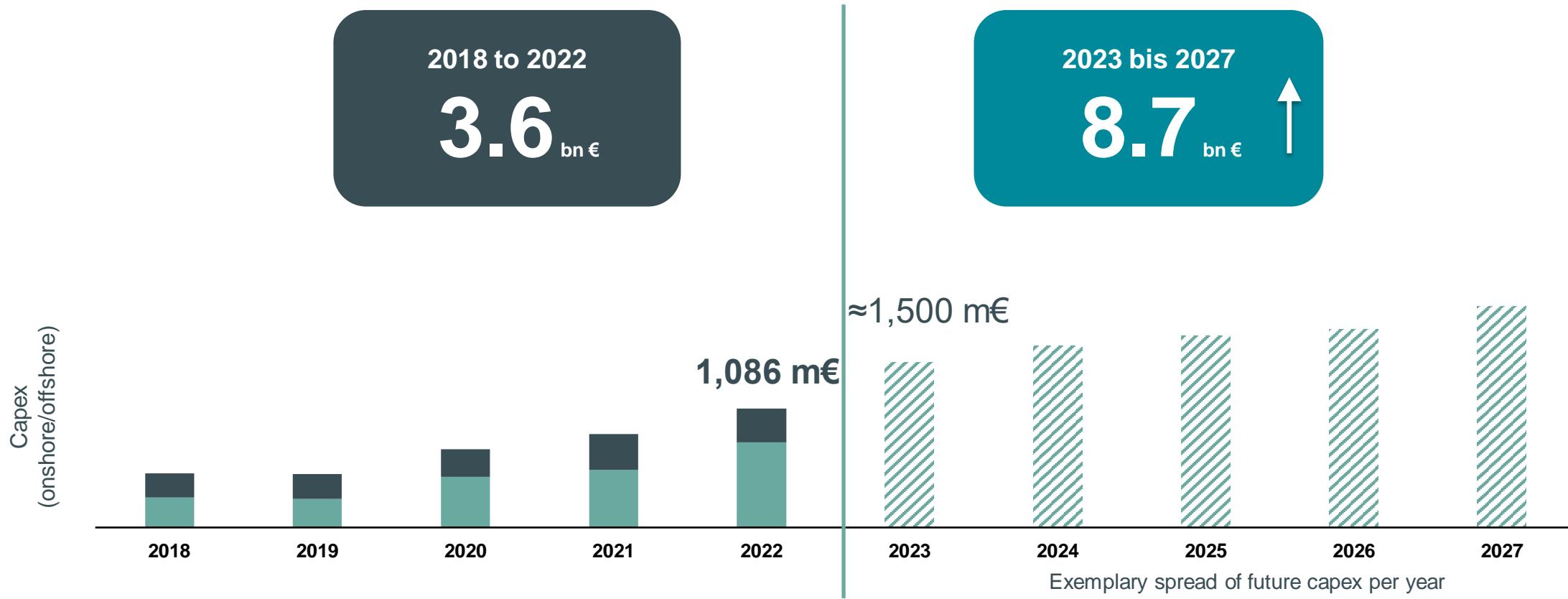
System is secure and prepared to cope with such enormous feed-in

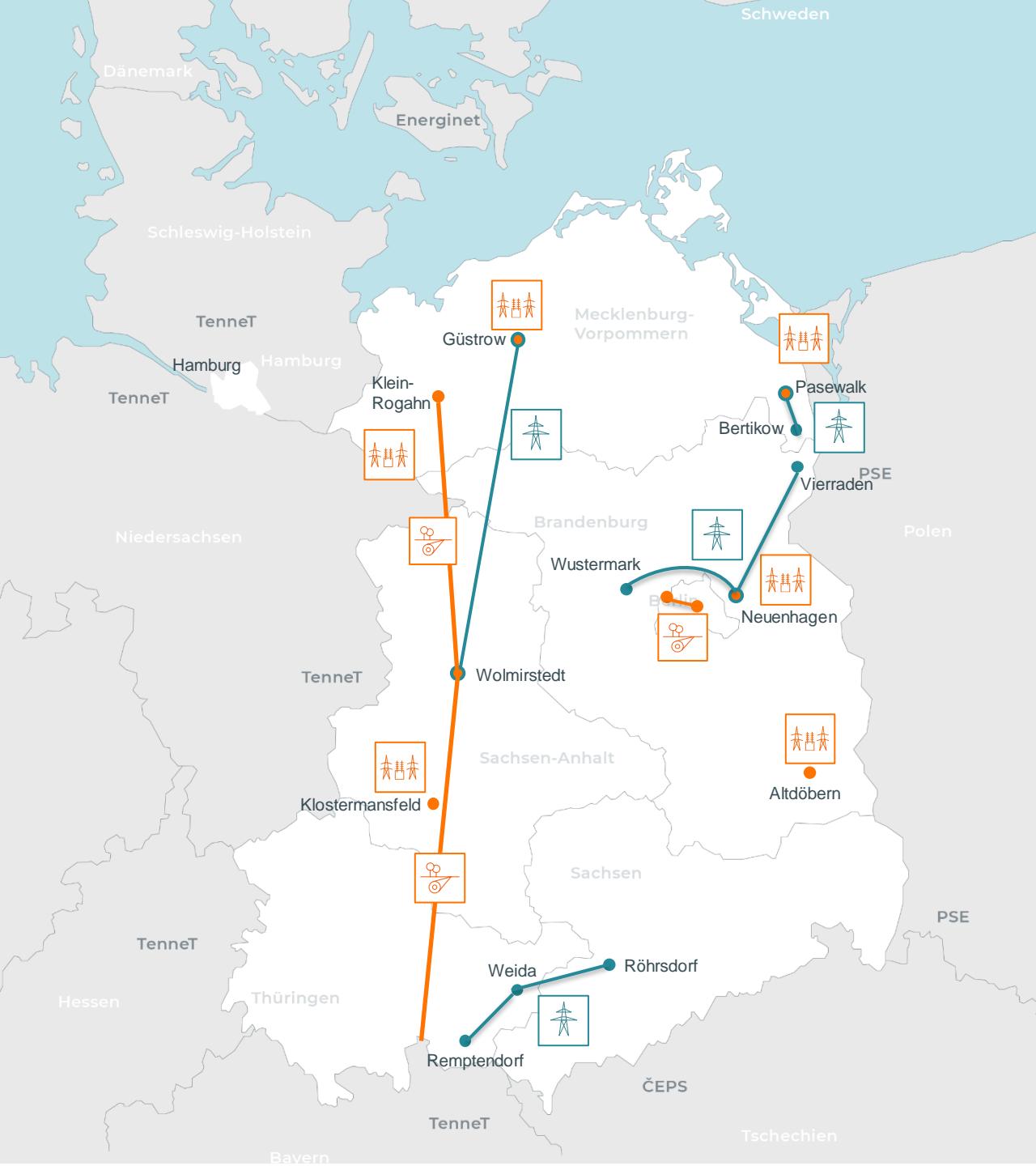
Renewable energies on their way to base load ability



Share of renewable energies in electricity consumption increased to 65 percent in 2022.

50Hertz boosts investments for a climate neutral society

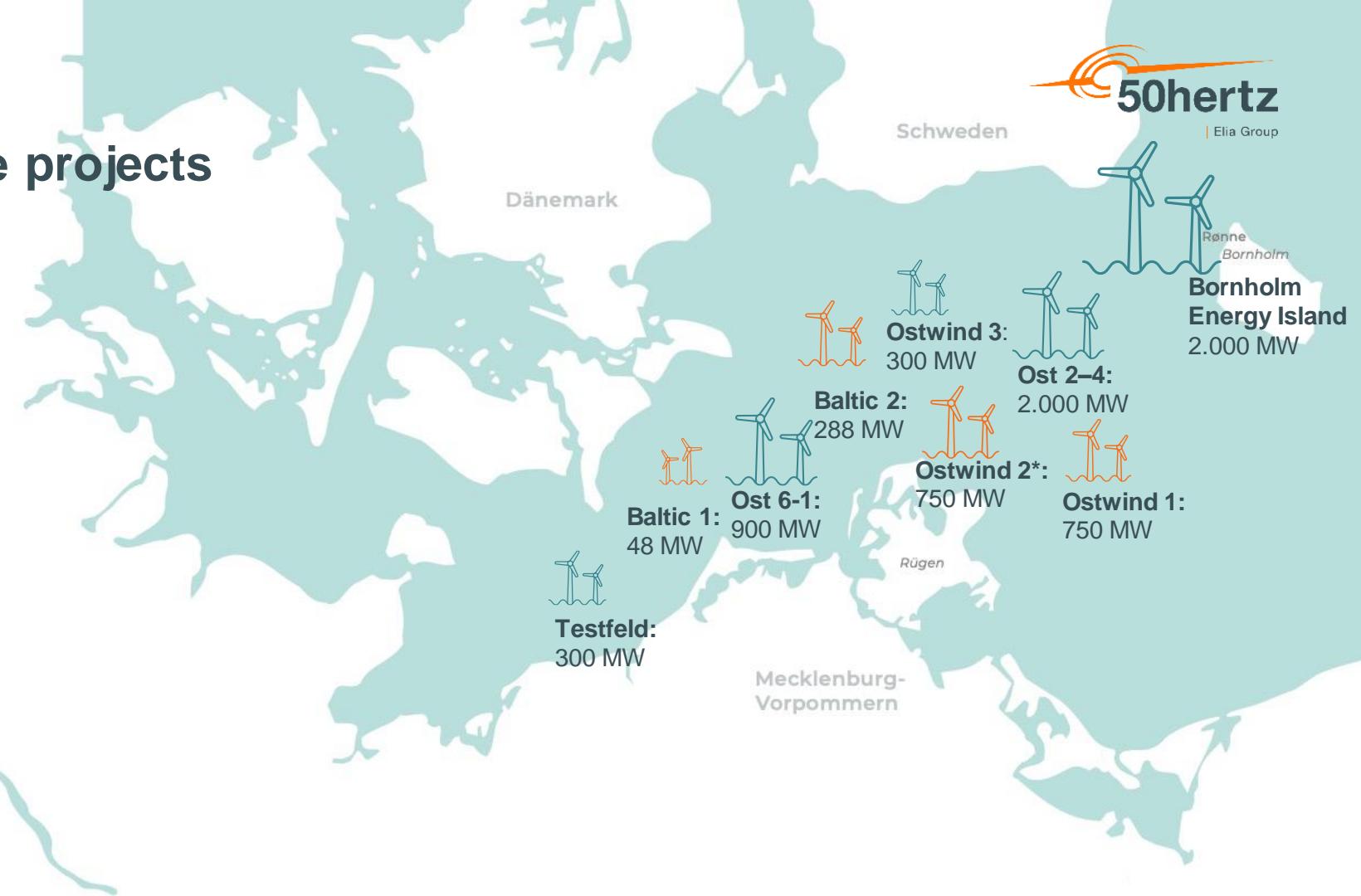




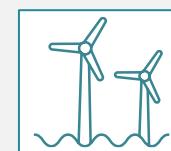
Current key onshore projects

-  **SouthEastLink**
-  **Neuenhagen – Wustermark (North ring Berlin)**
-  **Bertikow – Pasewalk**
-  **Neuenhagen – Vierraden (Uckermarkleitung)**
-  **Röhrsdorf - Weida – Remptendorf**
-  **Güstrow – Wolmirstedt**
-  **Berlin diagonale power link**
-  **Various substations projects**

Status in 50Hertz' offshore projects



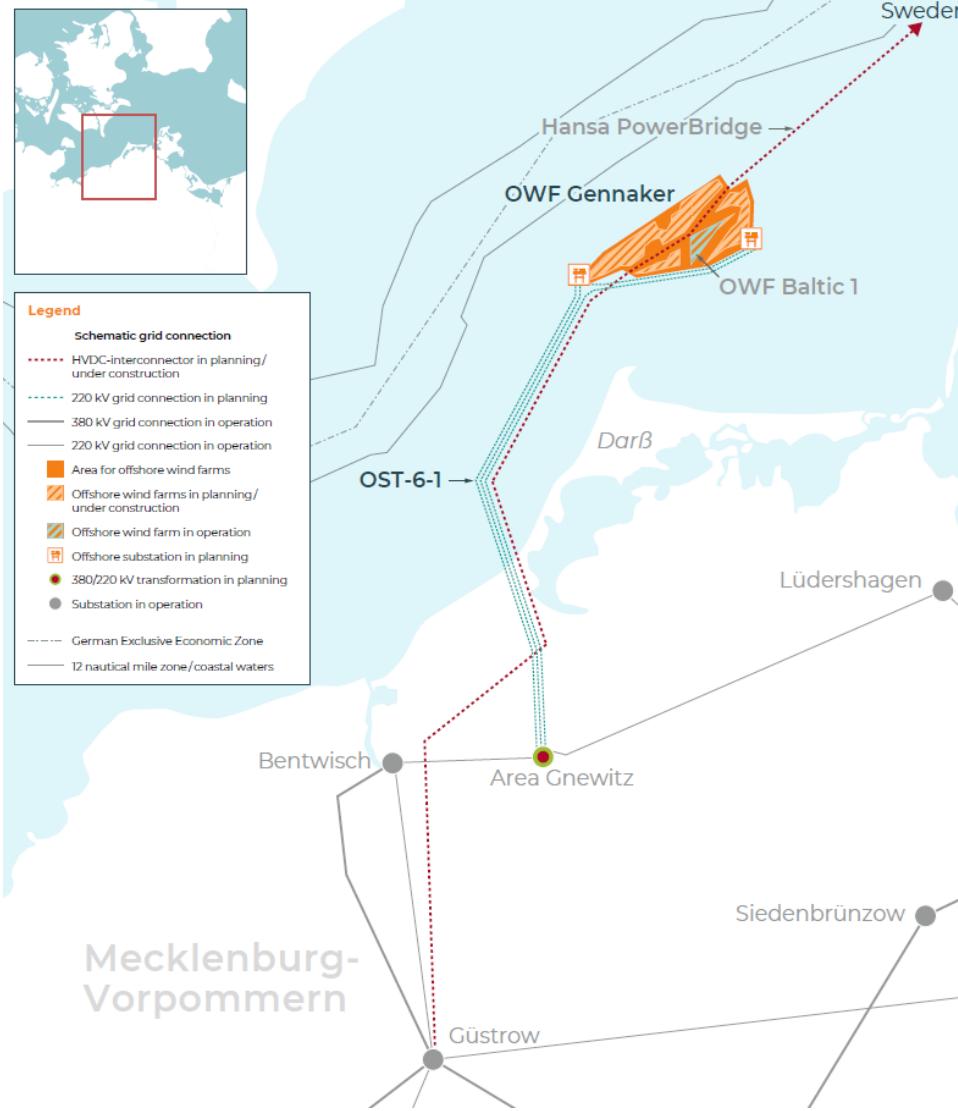
Offshore-Connections accomplished
(more than **1.8 GW**)



Offshore-Connections planned
(about **8 GW**)

* Plattform Arcadis Ost 1 feeds in since 1/2023

Offshore Project – Ost-6-1



- connecting OWF Gennaker, about 15kms off Fischland-Darß
- more than 900 MW
- 37-54 kms offshore & 35 kms onshore cable routes
- 2 platforms & 3 cables system (max 90 kms each route)
- approval procedures have started



Sustainable and secure funding is core for realisation of project portfolio

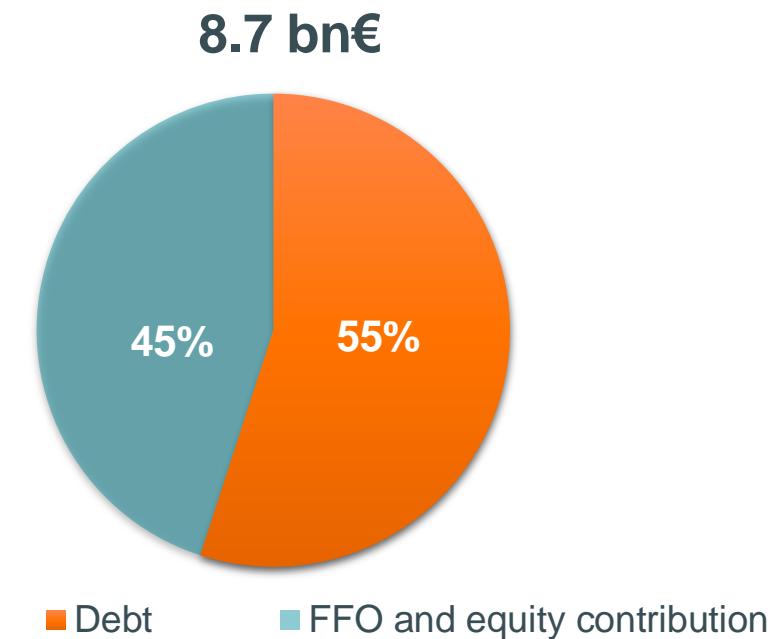
**STANDARD
& POOR'S**

BBB+, negative
last report in December 2022

**MOODY'S
INVESTORS SERVICE**

Baa1, negative
unsolicited since April 2019,
last report in January 2023

2023 to 2027



Investment program requires solid profitability and stable shareholders' contribution.

Sustainability and green financing in recent years

- 2015
 - 1st active participation in ESG-rating processes
- 2016
 - 150m€ syndicated loan with 6 banks, incl. KfW under „Energiewende“-program
- 2017
 - 1st Green Bond Framework
- 2020
 - Updated Green Bond Framework & SPO & CBI certification
 - 1st Green Bond, 750m€, 12 yrs – dedicated for 2 offshore projects
- 2022
 - Adjusted Green Bond Framework (now incl. specific onshore projects) & new SPO
 - 2nd Green Bond, 750m€, 9 yrs
- 2023
 - 1st Green Loan, 600m€, 10 yrs, amortising scheme
 - Further Green Bond issuance intended

First green funding secured in 2023



First Green Loan

- ❖ 600 Mio. €, representing about 30% of the project's budget.
- ❖ 10 year term, with amortising scheme
- ❖ Club deal with 7 Banks
- ❖ Co-financing of offshore project „OST-6-1“; connection of planned offshore-windfarm „Gennaker“ with approx. 900 MW capacity in the Baltic Sea
- ❖ Funds provided by a EU-Taxonomy linked KfW-loan scheme „Klimaschutzoffensive für Unternehmen“ (Climate Protection Initiative for Corporates) to lending banks
- ❖ Green Loan based on Green Loan Frameworks of lenders

Disclaimer

This document ("Document") has been prepared by Eurogrid GmbH ("Company") and its wholly-owned subsidiary 50Hertz Transmission GmbH ("50Hertz").

No representation or warranty, no liability

Although all reasonable care has been taken to ensure that the content of the Document and the information and statements provided during the presentation are accurate, no representation or warranty, express or implied, is or will be made, and no liability is or will be accepted, by the Company, 50Hertz or by any of their respective officers, employees, representatives or agents ("Representatives") in relation to the fairness, accuracy, completeness or reasonableness of this Document and/or the information and statements contained herein (including, *inter alia*, all estimates, valuations, forecasts, assumptions or statements of opinion or expectation) or any other information and statements made available in this context during the presentation or otherwise; in fact the information and the statements may be incomplete, condensed and may not contain all information which might be material to a person receiving the Document or information respectively statement for the purpose contemplated thereby.

In particular, no reliance on forward looking statements, statistical and third-party data

In particular, to the extent provided statements in the Document and/or the presentation are forward looking, such as, *inter alia*, expectations, projections or prospects, they are based on Representatives' current views and on numerous assumptions and expectations which involve known and unknown risks and uncertainties such as regulatory changes that could cause actual results, performances or events to differ materially from those expressed or implied in such statements.

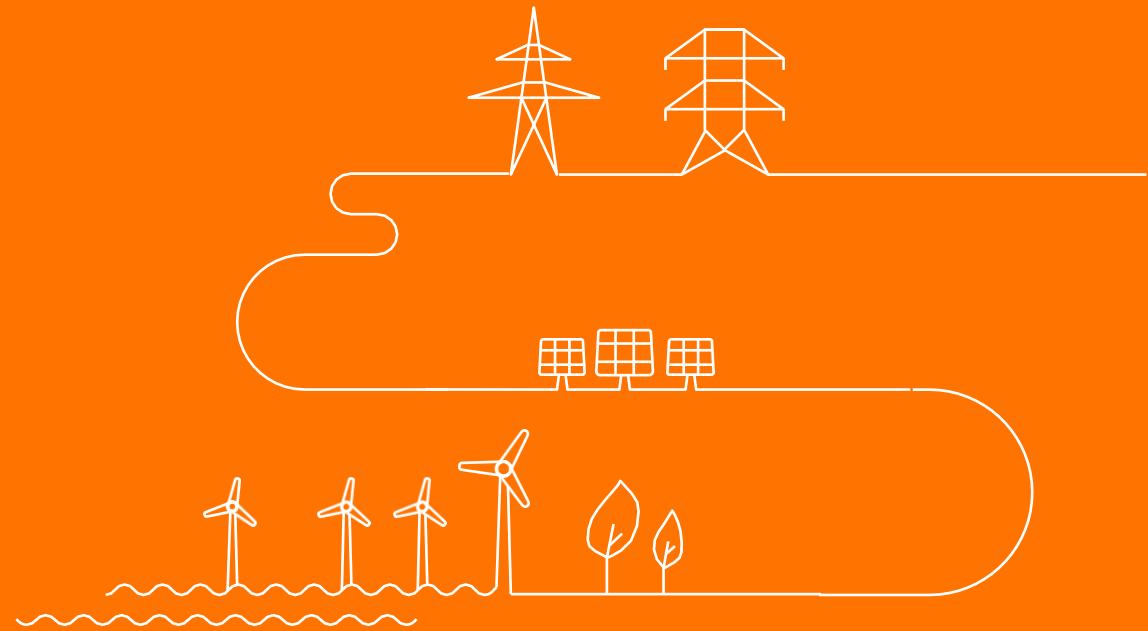
This Document (together with any other information that may be furnished by the Company and/or 50Hertz in particular in the presentation) also includes or may include statistical data and cites or may cite third-party data such as projections regarding the future growth of the market. This data is taken or derived from publicly available information published by industry sources or other third parties. Neither the Company nor 50Hertz nor their Representatives have independently verified this data. No reliance should therefore be placed on the statistical data and third-party data cited in this Document, in particular on its accuracy and/or completeness.

No obligation to update or to carry out measures

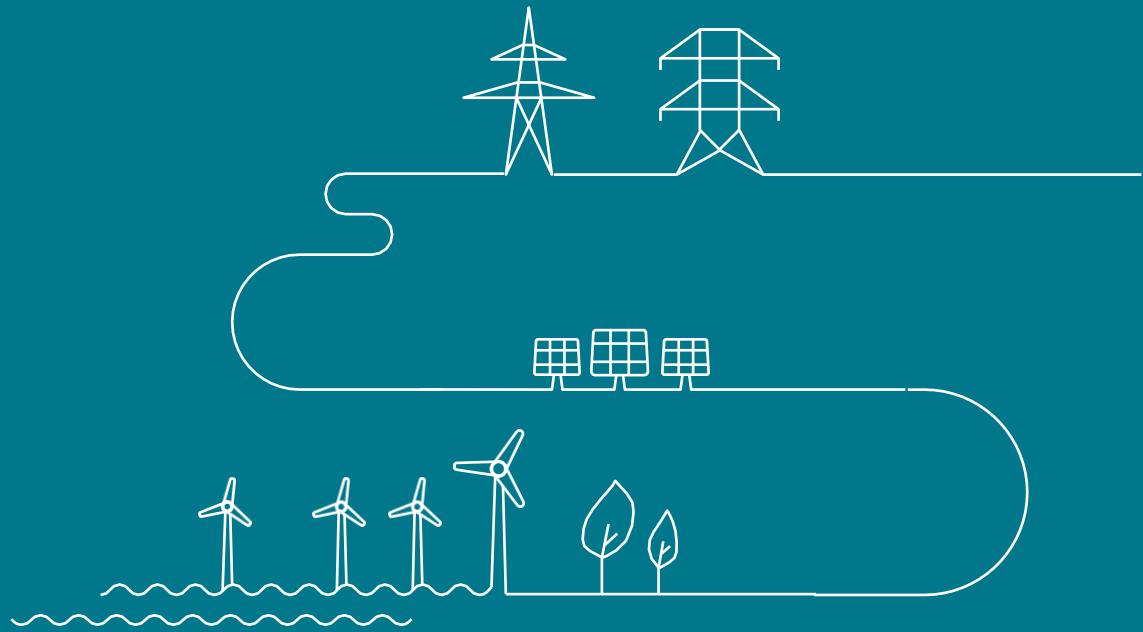
This Document and the presentation speak only as of their dates. Neither the Company, nor 50Hertz, nor any Representative undertakes any obligation to update the Document or any other written, electronic or oral information supplied in this context (including, in particular, all expectations and other forward looking statements) or to correct any inaccuracies which may become apparent whether as a result of new information, future events or otherwise. The issue of this Document and the information respectively statements provided during the presentation shall not be taken as any form of commitment on the part of the Company or 50Hertz to proceed with any measures.



**Thank you very much for
your kind attention!**



Back up



Critical winter 2022/23 jointly mastered

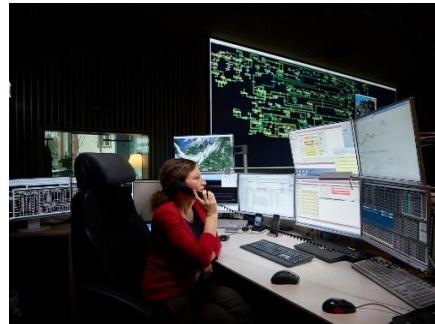
Overview of measures taken by politics, energy sector and TSOs



Higher grid utilisation



Intensified power flow management through phase shifters



Intense national and international cooperation in system operations



Return of hardcoal / lignite capacities to the market incl. extension of operation of 3 nuclear plants

- Security of supply and the system were not at risk at all this winter!

Sustainability is essential part of our corporate management...

The (updated) sustainability strategy is based on the United Nations Sustainable Development Goals (SDGs) and with the sustainability program "ActNow", the sustainable strategy along five dimensions is operationalized



1 Climate Action

- Enabling decarbonisation of the power sector
- Carbon-neutrality in system operations by 2040
- Carbon-neutrality in our own activities by 2030
- Transition to a carbon-neutral value chain for new assets and construction works

2 Environment & Circular Economy

- Preserve and strengthen ecosystems and biodiversity
- Embed circularity in our core business processes
- Ensure compliance with environment performance standards

3 Health & Safety

- Going for zero accidents
- Build our safety culture
- We are all safety leaders
- We strive for health and wellbeing of our staff

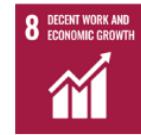


4 Diversity, Equity & Inclusion

- Inclusive leadership across the organization and engaging all staff
- Inclusive recruitment and selection practices in hiring processes
- Equal opportunities for all staff
- Open and inclusive company culture and healthy work-life balance
- Recognition of societal DEI role

5 Governance, Ethics & Compliance

- Governance: Accountable rules & processes
- Ethics: Sustainable mindset & behaviors
- Compliance: Conformity with external & internal rules
- Transparency: Openness & meaningful stakeholder dialogue



Current Green Bond Framework

Updated Green Bond Framework
May 2022

- ICMA's **Green Bond Principles** aligned
- Framework aims to align with the draft **EU Green Bond Standard** and the **EU Taxonomy**, including the EU Taxonomy Climate delegate Act

Use of Proceeds:

- Category: Renewable Energy (SDG 7 & 13)
- 24 month refinancing period
- Onshore projects (lines, cables and substations) now eligible



imug rating confirms that the Green Bond Framework by Eurogrid GmbH is in line with the Green Bond Principles (GBP) 2021.

FRAMEWORK



- ✓ Use of Proceeds
- ✓ Process for Project Evaluation and Selection
- ✓ Management of Proceeds
- ✓ Reporting



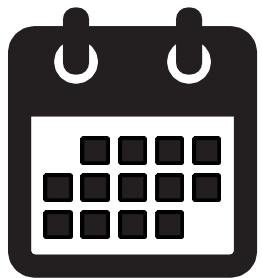
ISSUER



- ✓ Sustainability Performance / Strategy
- ✓ Controversy Check
- ✓ Controversial Activities Research



**Ihr Feedback zu diesem Roundtable ist uns wichtig!
Geben Sie Ihre Bewertung direkt über
die virtuelle Plattform ein.**



12.50 Uhr

Mittagspause & Networking

13.45 Uhr

Diskussionsrunde