

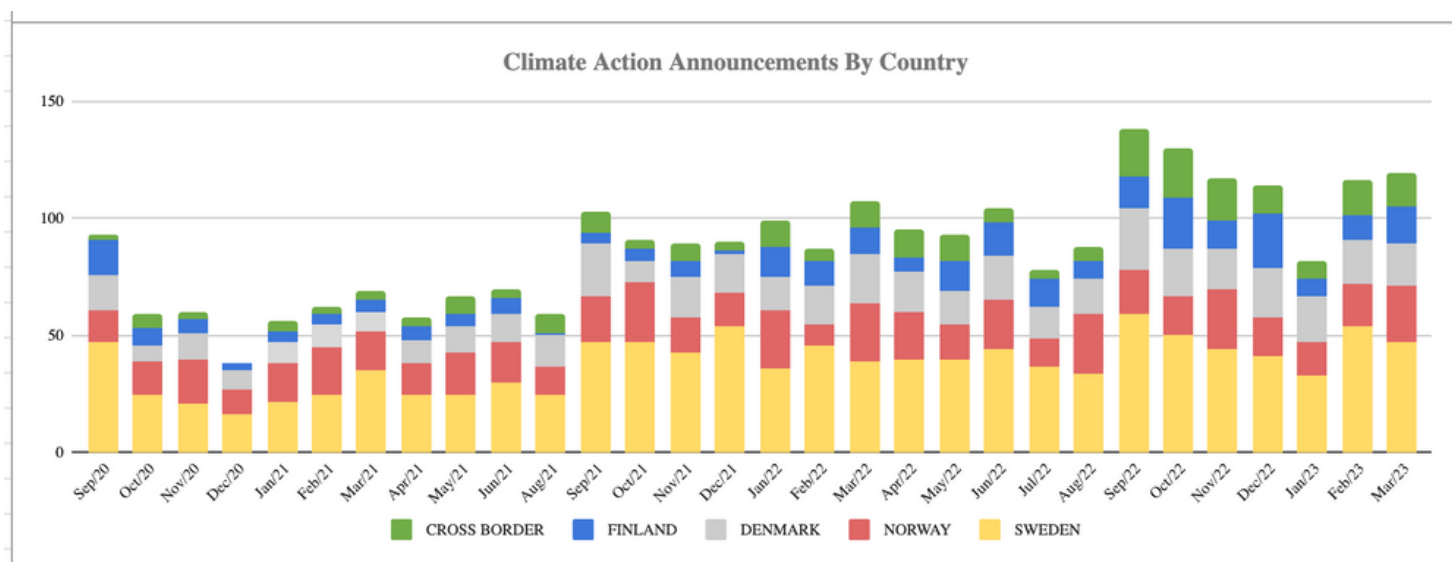
MUNDUS NORDIC GREEN INDICES

March 2023

The Mundus Nordic Green Indices are designed as a complement to the daily Mundus Nordic Green News. Published monthly, the indices track total activity, dissecting it via country and technology type. In addition, we cover changes in government policy and activity in the financial markets, publishing the key drivers of the green economic transformation in one location.

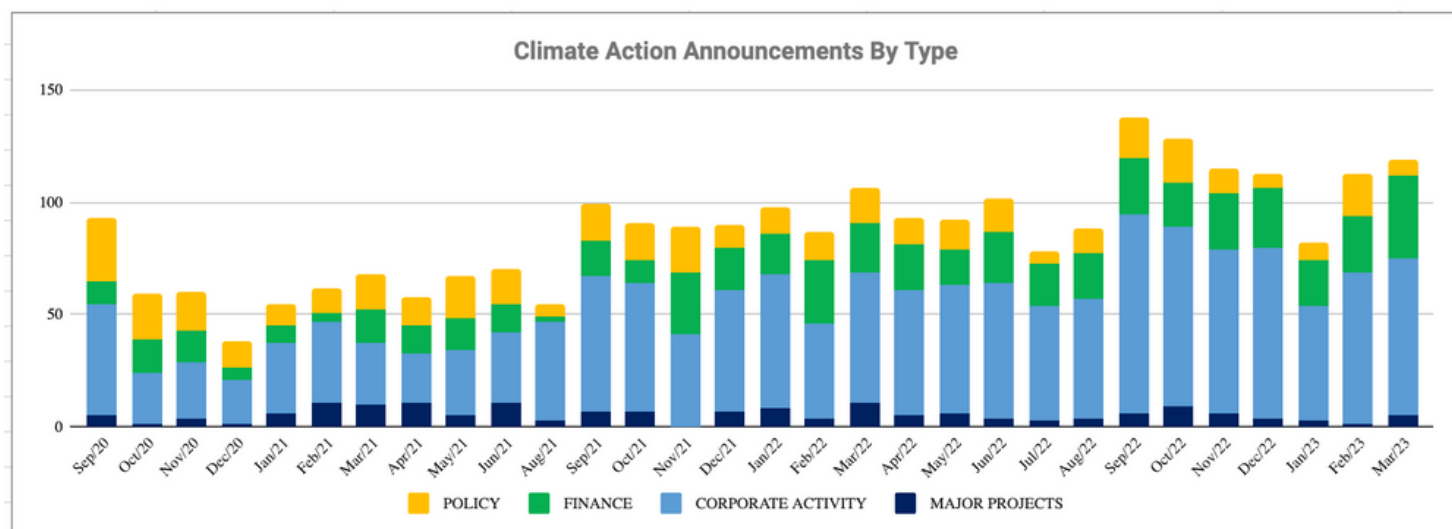
CLIMATE ANNOUNCEMENTS BY COUNTRY

September 2020 - March 2023



CLIMATE ANNOUNCEMENTS BY TYPE

September 2020 - March 2023



- The overall level of activity inched up to 121 in March, from 116 in February. When adjusted for the extra days in March, this isn't much of an increase, and overall volumes are still more than 10% down vs their peak last Fall.
- Looking at the subindices, there are dramatically divergent trends. Our key measure of Corporate Activity is stable at around 70, down 20% from its post summer peak. National Policy announcements are in the doldrums, as governments take a breather after the hectic events of last year's energy crisis. The action is all in Finance, which exploded in March. As has been reported in previous Nordic Green Indices, financial activity in the cleantech sector has been strong and stable, running on a plateau of around 20-25 announcements per month. That makes March's 38 a significant outlier
- Interpreting the data is challenging, and we suspect a result of a number of issues. The Finance story is arguably pretty clear, although there are several underlying elements. Firstly, for cleantech growth firms, now is a good time to be raising capital, despite the generally bleak outlook in other industries, ie software. Biden's IRA, together with several major pieces of EU policy and legislation have created the incentives for finance to back green start-ups. Secondly, this clearer global outlook means that firms are managing their portfolios, selling some parts of their business in order to focus on other more exciting opportunities. Thirdly, Nordic firms are looking for global growth opportunities, buying into assets both at home and in the US, Australia and Africa. And finally, Nordic states continue to play a role in financing renewables in developing countries and via export finance. For more, see Page 3 for our break out analysis of the month's Finance activity.
- But when it comes to Nordic markets, we suspect that political uncertainty is a key driver. Sweden's domestic politics are a key factor, with a climate-denying far-right doing all it can to hold up, or even reverse green decisions. And with Sweden representing more than 40% of Nordic activity, reduced opportunity at home is having an effect on what Swedish firms can do. In addition, Finland has just had an election, and with a new government still forming, there is a 50/50 chance that the Finns, right-wing populists, will also gain power there. While the situation is more stable in Denmark and Norway, it is probably the case that the rest of Europe is now catching up with the Nordics on policy, and the opportunities are good elsewhere, meaning that Nordic firms no longer need to invest at home. And finally, there is also the shadow of the US IRA. While there is no evidence of a wholesale exodus of Nordic firms heading to the US, both Freyr Batteries and Northvolt are posed to put their next megafactories there, rather than in Europe.
- Major projects, with a value of over €100m, continue to bump along at relatively low levels. 4 of the 5 of this month's announcements were relating to the wind industry, which is proven technology and now highly investable globally. In fact, of these, 2 were Orsted decisions to invest in the US and Taiwan. And 2 were orders for cables to transport power from offshore wind. The final major project was the inauguration of the world's largest merchant battery by Wärtsilä in Texas. While it is true that large projects take significant time to reach the level of definition necessary for a financial commitment, there is an apparent cautiousness from firms, who may be balancing risk and reward before making larger commitments, while still progressing with smaller developments.

FINANCIAL ANNOUNCEMENTS IN MARCH 2023

Fundraising by Nordic companies

- Northvolt in discussions in securing additional USD 5 billion in financing
- Hexagon Purus raises NOK 1.3 billion and strengthens ties with Japanese conglomerates
- Removr to receive NOK 36 million for direct air capture pilot
- Danish green hydrogen company Everfuel set to raise DKK 300 million
- Swedish Candela secures SEK 210 million in funding round led by EQT Ventures and investors
- Green Hydrogen Systems plans capital raising to support growth and expansion strategies
- Finnish forestry tech firm CollectiveCrunch raises EUR 1.4 million for international expansion
- Marine energy company Minesto raises SEK 120 million through rights issue
- Sweden's Absolicon raises SEK 43.5 million to market solar thermal tech to multinationals

Portfolio management

- ABB invests in Direct Energy Partners to accelerate Direct Current microgrid adoption
- Vattenfall acquires potential 145 MW wind power project in Sweden
- Equinor acquires additional 3.1% stake in Norwegian Scatec for NOK 305 million
- Ørsted acquires 160 MW Irish solar project to reach onshore capacity goal
- French company Lhyfe invests in Finnish hydrogen project developer Flexens
- Norwegian private equity giant HitecVision sets sights on biogas investments
- Norway's Storebrand Infrastructure Fund invests in Germany's largest planned offshore wind farm
- EQT invests EUR 100 million in German ESG supply chain monitoring platform

M&A

- Viridor proposes acquisition of Quantafuel to expand plastic recycling capabilities
- Danish KK Wind Solutions becomes world's largest wind industry converter manufacturer after Vestas acquisition and secures financing from NIB
- Doconomy buys Dreams Technology for SEK 420 million to strengthen its climate-smart financial services
- Koncentra Group acquires German KS Large Bore Pistons
- CIP acquires South African renewable energy developer Mulilo Energy Holdings
- Statkraft considers listing EV charging operator Mer to raise funds for growth strategy
- Arise acquires controlling stake in Finnish land-based wind and solar power company Pohjan Voima
- HODL SPAC Europe AB takes advantage of growing solar energy market with Windon AB acquisition
- Niam Infra Fund acquires majority stake in Bright Sunday, offering solar energy as a service to commercial and industrial customers
- Ikea buys three NSW solar farms in second major Australian investment
- OX2 to acquire ESCO Pacific, boosting renewable energy portfolio in Australia

State financing

- Umeå Municipality receives SEK 11 million for continued climate work in EU NetZeroCities program
- TECO 2030 receives NOK 50 million grant from Innovation Norway to power green maritime industry
- Sweden invites asset managers to allocate SEK one trillion of pension savings, requiring ESG integration
- Finnfund sells its stake in Africa's largest wind farm to BlackRock, as farm exceeds expectations
- Swedfund invests USD 30 million in Mirova Gigaton Fund to finance solar projects in developing countries
- Eksfin provides guarantees for Scatec's new solar power plant in Brazil for aluminium industry
- Norway supports Brazil's call for additional donors to reactivate the Amazon Fund
- Norway to invest NOK 56 million in renewable energy projects in developing countries
- Denmark's Export and Investment Fund finances Topsoe's first factory for Power-to-X electrolysis units

Our classification of individual news items uses 4 categories:

- **POLICY:** Typically Government announcements of changes to national policies or the creation of new institutions to progress climate action. This category also includes significant policy announcements without a direct financial impact by large corporates.
- **FINANCE:** Corporate capital raising or restructuring in financial markets and portfolio management. Announcements of portfolio allocations by insurers, banks and other institutions to investments in climate action and opportunity. Subsidies to industry and international commitments by governments.
- **CORPORATE ACTIVITY:** Announcements by corporates and SMEs of new projects or products addressing climate action and climate opportunity. This category includes investment plans, joint ventures, Letters of Intent and Memoranda of Understanding.
- **MAJOR PROJECTS:** Major corporate announcements, such as final investment decisions on investments valued at in excess of one hundred million euros, corporate restructures which create new divisions headed by a C-level executive.

As Mundus' indices measure activity that underpins the economic transformation, we exclude news coverage of issues such as lobbying, financial reporting and analysis of market trends, which are not direct drivers of change.

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