

Investor Report Green Bonds 2026



Investor Report – Green Bonds

Ziklo Bank issued its first green bond in May 2017 and was among the first in Europe to ever issue a green bond linked to the passenger car sector¹. Since then, Ziklo Bank has further intensified the sustainability focus by establishing new goals, updating its Green Bond Framework in 2019, 2022 and most recently in 2024 with stricter eligibility criteria as well as by being an active issuer in the green bond market. The auto industry is experiencing a rapid transition from fossil fueled vehicles to electric vehicles and Ziklo Bank is determined to contribute to a new transportation landscape consisting of electric vehicles in “green cities” with less climate impact. Since April 2024 the Framework is awarded a Dark green shading from S&P’s Shades of Green. In March 2026 the bank had nineteen green bonds outstanding with a total volume of SEK 10,600 million. Green bonds are issued under the bank’s MTN/EMTN programme, where green bond funding is used to refinance the bank’s portfolio of green loans.

Allocation

Ziklo Bank’s activity in green bond issuance has continued since the previous report, and from April 1st 2025 to Investor report cut-off date March 31st 2026, the bank has issued seven bonds with a total value of SEK 4,300 million (4,250). The issue volume of the bonds was between 300 and 750 million. The bank’s overall objective is to reduce the impact of climate change and to promote the transition to sustainable mobility. The goal of 30% reduction of greenhouse gas emissions by 2025 was successfully achieved and the new main goal is set at a reduction of 70% by 2030. From a business strategy point of view, the utilization of green financing also allows the bank to benefit from risk differentiation, increased business opportunities and competitive advantage.

Liquidity from current and future bonds is allocated to investments covered by the bank’s green bond framework. These investments consist of loan and leasing contracts entered into by a customer for the use of a “green vehicle” that has zero CO₂ emissions. These contracts constitute the green loan portfolio of Ziklo Bank.

Ziklo Bank updated the green bond framework in April 2024. This framework states only fully electric vehicles with zero specific CO₂ emissions will be financed. The framework follows the core components and key recommendations of the Green Bond Principles published by ICMA. S&P Global Ratings powered by Shades of Green has awarded the framework with a Dark green shading. The work involved in green bonds and the green loan portfolio is carried out in cooperation with the bank’s Sustainability and Treasury departments.

S&P Global
Ratings



In March 2026, the green loan portfolio amounted to SEK 17,986 million (14,506) while outstanding bond volumes amounted to SEK 10,600 million (8,750). The number of pure electric vehicles sold and financed is increasing sharply. Since only vehicles with zero CO₂ emissions are permitted, this results in a dark green portfolio, enabling greater support and facilitating the issuance of green bonds.

For information on Ziklo Bank’s sustainability work, see the Sustainability Report and Sustainability Policy at ziklo.com.

Framework for Green Bonds

Ziklo Bank’s green bond framework is based on the International Capital Markets Association’s (ICMA) “Green Bond Principles” and sets out the conditions for issuing Ziklo Bank’s green bonds and refinancing. The framework, together with Shades of Green’s statement, can be found at ziklo.com.

Bond liquidity is used to refinance Ziklo Bank’s green loan portfolio of loan and leasing contracts. Each individual contract has an electric passenger car, electric light commercial vehicle or an electrical truck as its financing object, whereupon the vehicle is zero emitting. As such and according to Ziklo Bank, the vehicles promote a transition to low carbon dioxide emissions and climate-resistant growth.

The green bond framework stipulates that the vehicles shall be considered as eligible assets and defined as clean transportation providing they;

- have zero specific CO₂ emissions

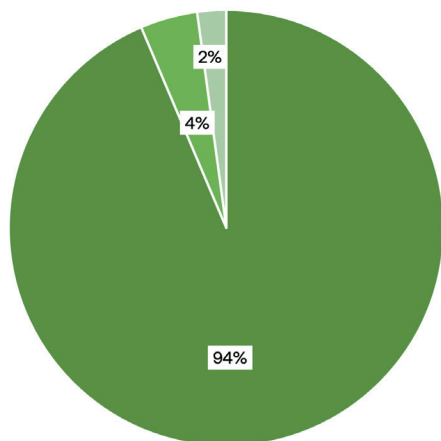
New contracts are continuously allocated to the portfolio, which is then amortized over the contract’s duration. The duration of new contracts is up to 120 months but the average remaining contract term being 24 months as of March 31, 2026 as the major part is shorter leasing contracts. 92% of the original value of the financing object was financed by Ziklo Bank. Furthermore, the bank’s ambition is for the green loan portfolio to always be larger than the outstanding volume of green bonds.

¹Source: GlobalCapital

2026-03-31	million SEK
Approved Green Loan Portfolio	17,986
Outstanding Volume of Green Bonds	10,600
Remaining approved investment amount	7,386

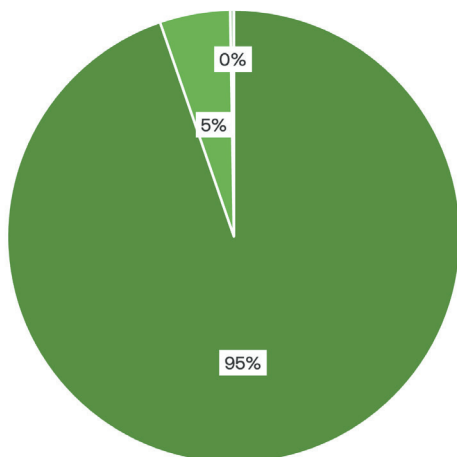
2026-03-31 Vehicles	Number	Balance (MSEK)
Electric cars	51,023	16,903
Electric light commercial vehicles	2,691	758
Electric trucks	128	326
Total	53,842	17,986

Green Loan Portfolio 260331 % of Balance



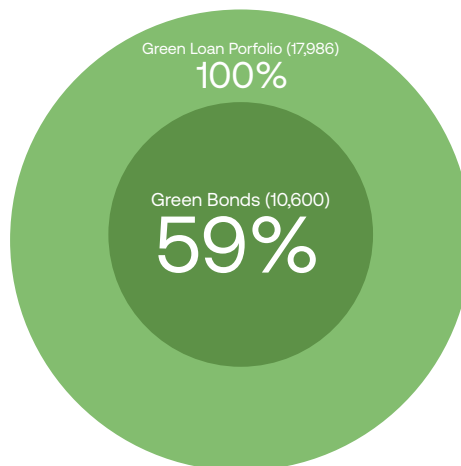
■ Electric cars ■ Electric light commercial vehicles ■ Electric trucks

Green Loan Portfolio 260331 % of Number



■ Electric cars ■ Electric light commercial vehicles ■ Electric trucks

Green Bond Balance 260331



Green Bond Portfolio as per 260331

ISIN	Frame-work	Amount (M)	Due Date	Coupon (%)
SE0013105707	2022	800	2027-02-22	Stif 3M +0,92
SE0013884079	2022	600	2027-05-19	4,368
SE0013884087	2022	400	2027-05-19	Stif 3M +1,30
SE0013105715	2022	300	2028-11-22	Stif 3M +1,22
SE0013105723	2022	150	2028-11-22	4,535
SE0022420048	2024	1,050	2026-09-17	Stif 3M +0,50
SE0013106069	2024	800	2027-04-23	Stif 3M +0,78
SE0013362183	2024	500	2028-04-26	Stif 3M +0,65
SE0013106762	2024	750	2028-06-19	Stif 3M +0,80
SE0026852980	2024	300	2029-02-19	Stif 3M +0,66
SE0026852998	2024	400	2029-02-19	3,00
SE0013107323	2024	700	2029-03-26	Stif 3M +0,72
SE0013106077	2024	350	2029-04-23	Stif 3M +1,07
SE0013106085	2024	350	2029-04-23	4,055
SE0022420055	2024	500	2029-09-17	Stif 3M +0,92
SE0013362191	2024	500	2030-03-26	Stif 3M +0,95
SE0013106770	2024	750	2030-06-19	Stif 3M +1,05
SE0013362415	2024	650	2030-09-16	Stif 3M +0,98
SE0026853004	2024	750	2031-02-19	Stif 3M +0,94
TOTAL AMOUNT		10,600		

Impact - CO₂ Reduction Including Calculation Methodology

When estimating the climate benefit, the following standardized reasoning focuses on CO₂ emissions.

Ziklo Bank is aware that vehicles have an environmental impact in ways other than CO₂ emissions. A comprehensive life-cycle analysis has not been conducted for all vehicles in our portfolio, nor have particle emissions been included. From a green perspective, we do not imply any social benefits associated with financing transportation, nor any negative effects such as societal costs related to road accidents.

All vehicles in the green loan portfolio are now fully electric and have zero specific CO₂ emissions. Based on this, the estimated CO₂ reduction is calculated as the difference between the emissions of vehicles financed by Ziklo Bank and a reference baseline. For passenger cars and light commercial vehicles, the baseline is defined as the average CO₂ emissions of newly registered vehicles in Sweden. In 2025, the average emission was 54g² CO₂/km for newly registered cars and 131g³ CO₂/km for light commercial vehicles. For trucks, where no equivalent average emission for newly registered vehicles is available, a model-based emission factor of 920g⁴ CO₂/km has been applied.

Based on the average annual mileage for cars, 12,430 km/year⁵, and an average emission level of 54g CO₂/km, the 51,023 cars in the portfolio contribute to an annual reduction of 34,248 tonnes of CO₂.

The same methodology has been used in the calculation of CO₂ emissions for the light commercial vehicles and trucks included in the green portfolio. The average annual mileage for light commercial vehicles is 14,320 km/year⁶ and the average emission is 131g CO₂/km. This gives an annual reduction of 5,048 tonnes of CO₂ calculated on the basis of 2,691 vehicles. For trucks, an indicative average annual mileage of 68,035 km/year⁷ has been applied, based on available statistics for different transport segments. The applied emission factor is 920g CO₂/km. This results in an estimated annual CO₂ reduction of 8,012 tonnes for the 128 trucks in the portfolio.

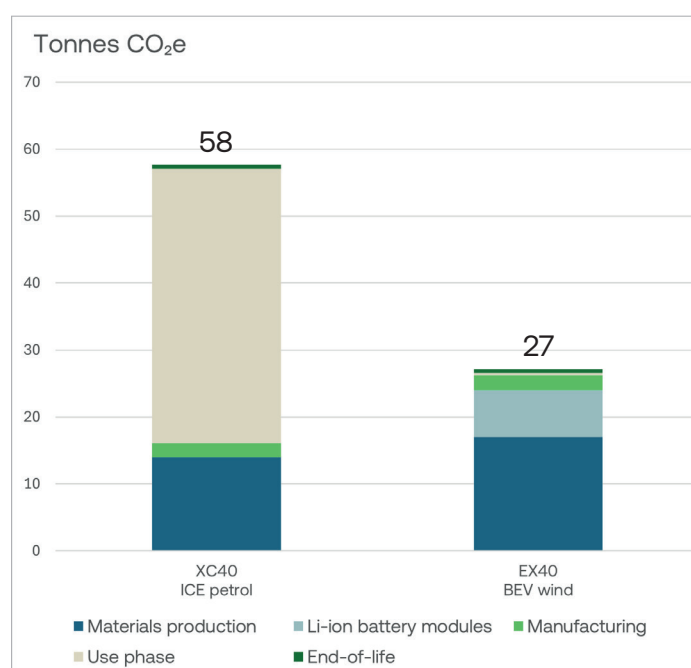
By comparing the environmentally rated vehicles as per March 31, 2026, with the reference baseline, the estimated annual CO₂ reduction for the entire green loan portfolio amounts to 47,308 tonnes, see table.

The outstanding volume of green bonds corresponds to an annual CO₂ reduction of 27,880 tonnes.

2026-03-31	Green Loan Portfolio	Total CO ₂ reduction Green Loan Portfolio	CO ₂ reduction Green Bonds
Gram CO ₂ per km for cars	0	54	
Grams CO ₂ per km for light commercial vehicles	0	131	
Grams CO ₂ per km for trucks	0	920	
Vehicles (number)	53,842	53,842	
Balance (MSEK)	17,986		10,600
CO ₂ emissions tonnes/year	0	47,308	27,880

Life Cycle Emissions of Electric Vehicles Compared to Petrol Cars

Electric vehicles, such as the fully electric Volvo EX40, have a significantly lower climate impact over their lifetime compared to internal combustion engine vehicles, particularly when powered by fossil-free electricity. While the production of electric vehicles results in higher initial emissions than petrol cars, the difference during the use phase is substantial. When charged with electricity from wind power – a scenario that closely reflects Sweden's predominantly fossil-free electricity mix, largely based on hydro and wind – the operational emissions are close to zero. Over a driving distance of 200,000 kilometers, the EX40 shows a climate impact that is more than 50 percent lower than that of a comparable petrol-powered XC40⁸.



²⁻³ [Vägtrafikens utsläpp 2025 \(trafikverket.se\)](#)

⁴ [Emissionsberäkningsmodellen HBEFA – Bransch \(trafikverket.se\)](#)

⁵⁻⁷ [Körsträckor 2025 \(trafa.se\)](#)

⁸ [Volvo Cars Carbon footprint report](#)

Review Performed by Compliance Function

Ziklo Bank's regulatory compliance function has reviewed this investor report, as well as the use, management and traceability of green bond issues. This review has not resulted in any remarks.

UN Sustainable Development Goals

Ziklo Bank's green bonds framework addresses two of the UN Sustainable Development Goals.



Example of Cars in the Green Loan Portfolio



VOLVO EX90 WLTP CO₂ 0g/km



VOLVO EX40 WLTP CO₂ 0g/km



POLESTAR 4 WLTP CO₂ 0g/km



VOLKSWAGEN ID.5 WLTP CO₂ 0g/km

Volvo Cars

Volvo Cars aim to be pioneers in protecting people and the world by working towards net zero greenhouse gas emissions. By 2040 Volvo Cars is aiming to reach net zero greenhouse gas emissions by reducing emissions across the entire value chain. Volvo Cars is also aiming towards becoming a circular business by 2040 and therefore focus on eliminating waste and pollution, making greater use of recycled material with remanufacturing and re-using parts together with a continued focus on durability. Volvo Cars has expanded its car portfolio with new fully electric model EX60, in addition to the EX30, EX40, EC40, EX90 and ES90. Volvo Cars is accelerating its electrification and aims to offer a complete line-up of fully electric cars by 2030⁹.

AB Volvo

Volvo Group is committed to driving the transition to sustainable, safe, and more productive transport and infrastructure solutions, while making the journey to become a net-zero society. In 2030, around 35% of all vehicles sold by Volvo Group will be electric and their ambition is to reach net-zero value chain greenhouse gas emissions by 2040. The company was an early mover in the electrification journey. In 2015 Volvo's first fully-electric bus entered service and by 2018 the first fully-electric commercial Volvo truck premiered. Volvo Group now offer fully electric solutions ranging from compact excavators to city buses and heavy-duty trucks with zero greenhouse gas tailpipe emissions. The electrified offer within the Volvo Group are heavy duty trucks consisting of FH, FM, FMX models and light/medium duty FE and FL models¹⁰.

Polestar

Polestar is serious about operating sustainably. By 2035 the Polestar 0 Project aim to create a truly climate-neutral production car and by 2040 Polestar have a goal of reaching climate neutrality by eliminating all greenhouse gas emissions across the operations, and all phases of the cars' life cycles. This includes emissions from supply chain and manufacturing, within logistics as well as energy use during the car's use phase. Polestar aims to manufacture cars with reduced virgin materials reliance, improved lifespans, and minimal waste at end-of-life. Polestar has launched its new Polestar 5 joining the family of fully electrified cars within the company. Estimated deliverance is during the fall of 2026¹¹.

Other Car Brands

Ziklo Bank finances cars from many different brands and the ambition is to become even more brand agnostic so that the bank can continue offer its customers financing solutions linked to a large range of fully-electric vehicles. Ziklo Bank's portfolio consists of a numerous different fully electric car models such as Volkswagen ID.5, Tesla Model Y, Renault Zoe and Audi Q4 e-tron. Vehicle electrification is now a permanent feature in the automotive sector. Each year we will see car manufacturer add more EVs to their lineups, from well-established existing manufacturers as well as from new OEMs.

⁹ Text and information from annual reports, [Volvo Car AB](#), and/or [Ziklo Bank AB](#).

¹⁰ Text and information from annual reports, [Aktiebolaget Volvo](#), and/or [Ziklo Bank AB](#).

¹¹ Text and information from annual reports, [Polestar Holding AB](#), and/or [Ziklo Bank AB](#).

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