

Green Bond Fact Sheet

Alupar			Date: 17/01/2019
Issue date: 26-12-2019 Maturity date: 15-12-2044 Tenor: 25			
Issuer Name	Transmissora Serra da Mantiqueira (TSM)	Amount Issued	BRL530m/USD131m
Country of risk	Brazil	CBI Database	Included
Issuer Type ¹	Non-Financial Corporate	Bond Type	Sr Unsecured
Green Bond Framework	N/A	Second party opinion	Sitawi
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input checked="" type="checkbox"/> Energy	<input type="checkbox"/> Solar <input type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input checked="" type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Buildings	<input type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Transport	<input type="checkbox"/> Electric vehicles <input type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Flood protection <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input type="checkbox"/> Waste management	<input type="checkbox"/> Recycling <input type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure	<input type="checkbox"/> Waste to energy <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input type="checkbox"/> FSC Forestry <input type="checkbox"/> FSC Cellulose & paper	<input type="checkbox"/> Land remediation <input type="checkbox"/> Energy/water efficiency	<input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience	<input type="checkbox"/> ICT	<input type="checkbox"/> Industry: process
Issue details			
Reporting	The issuer will report on the allocation of proceeds annually on its website until full allocation, while multiple environmental impact indicators (as well as licensing status for the line) will be disclosed until bond maturity. In addition, Sitawi will perform a post-issuance verification within one year after issuance.		
Company information	Alupar is a Brazilian energy holding company operating in generation and transmission, with multiple subsidiaries. It also has operations in Peru and Colombia. In total, it has the concession of 30 transmission systems totalling 7,929kms of lines, as well as 10 energy generation assets totalling 687MW of installed capacity (through seven hydro and one wind project in operation, and two hydro projects under construction).		
Firsts, records and certifications			
Proceeds description	The proceeds will finance and refinance payments related to the implementation of a transmission infrastructure project connected to SIN (Brazil's national grid). The project is being developed by Transmissora Serra da Mantiqueira S.A, a special purpose vehicle controlled by Alupar. It involves the construction of 330kms of 500kV transmission lines, which started in 2017 and is expected to conclude in 2022.		
Climate Bonds view	The investment is not specifically related to transmission of renewable energy. However, as noted in the SPO, while various (renewable and non-renewable) energy sources contribute towards SIN, securing a continuous and reliable electricity supply is particularly important for renewable sources in Brazil, and the average emissions intensity for SIN is far below that of other isolated systems in the country. Finally, the proportion of renewable sources within SIN has been growing rapidly and is expected to continue growing.		
Underwriters	Itau BBA		
Deal comments			
Credit Rating			
Pricing summary	IPCA + 4.5%		
Investors summary			

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign