

## NOOR ENERGY 1 P.S.C.

### POST-ISSUANCE VERIFICATION LETTER

#### SOLAR ENERGY CRITERIA OF THE CLIMATE BONDS STANDARD

**Type of engagement:** Assurance Engagement

**Period engagement was carried out:** July 2019

**Approved verifier:** Sustainalytics

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#### Scope and Objectives

In January 2019, NOOR ENERGY 1 P.S.C. ("NOOR ENERGY") entered into an agreement to have access to commercial and mezzanine base and standby facilities (green loans) through which it intends to finance the DEWA IV solar energy project, the fourth phase of the Mohamed bin Rashid Al Maktoum project of the Dubai Electricity and Water Authority. In July 2019, NOOR ENERGY engaged Sustainalytics to review the Dewa IV project and the financing of that project to date and provide an assessment as to whether the project and green loans meet the Post-Issuance Requirements of the Climate Bonds Standard. Dubai-based NOOR ENERGY is Special Purpose Vehicle (SPV) that was developed specifically to carry out the DEWA IV project. The project itself is managed by a consortium led by Riyadh-based ACWA Power, a 24.99% shareholder in the project, and Dubai Electricity and Water Authority (DEWA), which holds 51% of shares.

Green loan projects include:

- DEWA IV – Hybrid Concentrated Solar Power plants with Storage and Photo Voltaic Solar power plants, aggregate capacity 950 MW

Schedule 1 provides details of the green loan project and Disbursement of Proceeds as of 17 June 2019.

#### Compliance Evaluation Criteria

Post-issuance requirements under Climate Bonds Standards Version 2.1:

- Part A: General Requirements - All the requirements in Part A shall be met to be eligible for post-issuance certification.
- Part B: Eligible Projects & Assets - Part B requirements shall be met based on the projects & assets associated with the loan and the specified eligibility criteria.
- Part C: Requirements for Specific Loan Types - Part C requirements shall be met to be eligible for post-issuance certification and are used selectively, depending on the type of loan in question.

#### Issuing Entity's Responsibility

NOOR ENERGY is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, total development cost of each projects, and disbursed amounts.

#### Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of NOOR ENERGY's green loans, issued to finance a hybrid concentrated solar and photo voltaic solar energy project, and provided an independent opinion informing NOOR ENERGY as to the conformance of the green loan with the Post-Issuance requirements and solar energy criteria of the Climate Bonds Standard.

Sustainalytics has relied on the information and the facts presented by NOOR ENERGY with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by NOOR ENERGY.

Sustainalytics makes all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the loan.

### Verifier’s Responsibility

Sustainalytics conducted the verification in accordance with the Climate Bonds Standard Version 2.1 and with International Standard on Assurance Engagements 3000 (ISAE 3000) – Assurance Engagements other than Audits or Reviews of Historical Information.

The work undertaken as part of this engagement included conversations with relevant NOOR ENERGY employees and review of relevant documentation to confirm the conformance of NOOR ENERGY’s green loan with the Programmatic Post-Issuance Requirements (Part A, Part B and Part C) of the Climate Bonds Standard Version 2.1.

### Exceptions

No exceptions were identified.

The project is aligned with the Post-Issuance requirements of the Climate Bonds Standard and were in conformance to the solar energy criteria.

### Conclusion

Based on the limited assurance procedures conducted, nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the allocation of the NOOR ENERGY green loans, issued to fund the eligible green project, is not in conformance with the Post-Issuance requirements of the Climate Bonds Standard.

### Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
<b>Compliance to Part A: General Requirements</b>	Verification of the solar project funded by the green loan in 2018-2019 to determine if Part A: General Requirements were met (See Schedule 2A and 2A).	All solar projects reviewed complied with the General Requirements.	None
<b>Compliance to Part B: Eligible Projects &amp; Assets</b>	Verification of one solar project funded by the green loans in 2019 to determine if projects fall into (i) one of the investment areas of the Climate Bonds Taxonomy (ii) meet the solar energy technical criteria.	The Dewa IV solar project falls under the Sector Criteria for Solar and meets the requirements of the CBI.	None
<b>Compliance to Part C: Requirements for Specific Loan Types</b>	Loan Type Applicable: Use of Proceeds Loan.	The requirements of Project Holding, Settlement Period and Earmarking have been met.	None

## Schedule 1: Detailed Overview of Nominated Projects and Assets

NOOR ENERGY will allocate the proceeds of its green loans to a hybrid Concentrated Solar Power Technology with Storage and Solar Photo Voltaic Technology project being constructed in four phases, with a total installed capacity of 950 MW. See Appendix 1 for a breakdown of the size of the green loan facilities, and the amounts allocated to the Dewa IV project as of 17 June 2019. Details of the Nominated Project are provided below (Note: As of 17 June 2019, the Project is being funded through initial equity and equity bridge loans and the green loans are still undrawn. See Appendix 1 for additional detail):

## Schedule 2A: Post-Issuance General Requirements of the Climate Bonds Standard

Nominated Projects & Assets	<p><b>4.1</b> Statement on the environmental objectives of the loan</p> <p><b>4.2</b> Nominated Projects meet the Climate Bonds criteria</p> <p><b>4.3</b> Confirmation that Nominated Projects and Assets will not be nominated to other Climate Bonds</p>
Use of Proceeds	<p><b>5.1</b> Net Proceeds of the loan allocated to the Nominated Projects</p> <p><b>5.2</b> Funds allocated to Nominated Projects within 24 months of issuance of the loan</p> <p><b>5.3</b> Estimate of the share of the Net Proceeds used for financing and re-financing</p> <p><b>5.4</b> Net Proceeds of the loan shall be tracked by the Issuer following a formal internal process</p> <p><b>5.5</b> Net Proceeds of the loan shall be no greater than the total investment or the total Fair Market Value of the Nominated Projects &amp; Assets at the time of issuance</p>
Non-Contamination of Proceeds	<p><b>6.1</b> Tracking of proceeds</p> <p><b>6.2</b> Managing of unallocated proceeds</p> <p><b>6.3</b> In the case of a Force Majeure, the Issuer may apply to the Climate Bonds Standard Board for an extension to the asset allocation period</p>
Confidentiality	<p><b>7.1</b> Information about the Nominated Projects &amp; Assets provided to the Verifier and to the Climate Bonds Standard Board</p> <p><b>7.2</b> Issuer should disclose information about the loan and the Nominated Projects &amp; Assets to the market</p>
Reporting Post-Issuance	<p><b>8.1</b> Report containing the list of Nominated Projects &amp; Assets to which proceeds of the loan have been allocated</p>

## Schedule 2B: Conformance to the Post-Issuance Requirements of the Climate Bonds Standard

<b>Procedure Performed</b>	<b>Factual Findings</b>	<b>Error or Exceptions Identified</b>
Verification of Nominated Projects & Assets	<p><b>4.1</b> The objective of the loan is to use proceeds to finance concentrated PV-solar technology with storage, total capacity of 950MW</p> <p><b>4.2</b> NOOR ENERGY's management confirms that the nominated projects meet the Eligibility Criteria.</p> <p><b>4.3</b> NOOR ENERGY's management confirms that the projects shall not be nominated to other Climate Bonds.</p>	None
Verification of requirements specified under Use of Proceeds	<p><b>5.1</b> Net Proceeds of the loan will be allocated to the one Nominated Project.</p> <p><b>5.2</b> NOOR ENERGY's management has confirmed that an amount of funds equivalent to the green loan issuance have been allocated to Nominated Projects.</p> <p><b>5.3</b> NOOR ENERGY's management has confirmed that all Net Proceeds of the loan will be used for financing only.</p> <p><b>5.4</b> NOOR ENERGY's management has confirmed that Net Proceeds of the loan shall be tracked by the Issuer following a formal internal process.</p> <p><b>5.5</b> NOOR ENERGY's management has confirmed that the Net Proceeds of the loan shall be no greater than the total investment in the Nominated Projects or the Total Development Cost of the Nominated Projects.</p>	NOOR ENERGY has confirmed that green loan base facilities have not been drawn upon as of 17 June 2019. The company has shared a drawdown schedule that indicates that the facilities are expected to be drawn down between 22 April 2020 and 22 December 2022, with the possibility of extension to 22 September 2023. Furthermore, it should be noted that the standby facilities are not intended to be drawn upon, but are in place to accommodate unforeseen circumstances involving the overrun of project costs.
Verification of requirements specified under Non-Contamination of Proceeds	<p><b>6.1</b> NOOR ENERGY's management confirms that project proceeds are segregated and tracked in a systematic manner and were exclusively used to finance Nominated Projects.</p> <p><b>6.2</b> NOOR ENERGY's management confirms that pending the investment of proceeds, funds will be held by the banks.</p> <p><b>6.3</b> N/A</p>	None
Verification of requirements specified under Confidentiality	<p><b>7.1</b> NOOR ENERGY's management confirms that all relevant information about the Nominated Projects has been provided to the Verifier and to the Climate Bonds Standard Board to support the assessment of conformance with the Climate Bonds Standard.</p> <p><b>7.2</b> NOOR ENERGY's management confirms that all relevant information about the loan and the</p>	None

	Nominated Projects has been disclosed to the market.	
Verification of requirements specified under Reporting Post-Issuance	<b>8.1</b> NOOR ENERGY's management has provided a report containing the list of Nominated Projects to which proceeds of the loan have been allocated (See Schedule 1).	None

## Appendix 1: Allocation reporting

Below is a table of the NOOR ENERGY's total amounts, amounts drawn/incurred as of 17 June 2019 and amounts available to be drawn and incurred under the base case for funding and additional standby funding sources. Sustainalytics notes that the green loans (commercial base and standby facilities and mezzanine base and standby facilities) have not been drawn upon, as the company is still able to meet financing needs through its equity bridge loan. Furthermore Sustainalytics highlights that the project is aimed to be completed by 22 December 2022, with a potential Long Stop Completion Date nine months later. As such, it is anticipated that the base facilities will be fully drawn upon for financing the Dewa IV project no later than the Long Stop Completion Date of 22 September 2023. Sustainalytics has reviewed NOOR ENERGY's drawn schedule, which indicates that the base facilities are anticipated to be drawn upon monthly between 22 April 2020 and until 22 December 2022.

Base Case Funding Sources	Amount Drawn/incurred as of 17th June 2019	Amounts Available to be drawn/incurred	Total Amount
Initial Equity	USD 1,362,397.82	USD 0.00	USD 1,362,397.82
Equity Bridge Loan	USD 678,409,689.97	USD 875,747,564.84	USD 1,554,157,254.81
Expected Early Generation Revenue	USD 0.00	USD 163,003,797.01	USD 163,003,797.01
Commercial Base Facilities (Senior Debt)	USD 0.00	USD 2,430,165,670.88	USD 2,430,165,670.88
Mezzanine Base Facilities	USD 0.00	USD 180,000,000.00	USD 180,000,000.00

Standby Funding Sources	Amount Drawn/incurred as of 17th June 2019	Amounts Available to be drawn/incurred	Total Amount
Standby Equity	USD 0.00	USD 52,930,334.20	USD 52,930,334.20
Commercial Standby Facilities (Senior Debt)	USD 0.00	USD 74,845,321.70	USD 74,845,321.70
Mezzanine Standby Facilities	USD 0.00	USD 5,543,406.62	USD 5,543,406.62

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## Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world's leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization and supports various stakeholders in the development and verification of their frameworks. In 2015, Global Capital awarded Sustainalytics "Best SRI or Green Bond Research or Ratings Firm" and in 2018 and 2019, named Sustainalytics the "Most Impressive Second Party Opinion Provider". The firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance in 2018, and in 2019 was named the "Largest Approved Verifier for Certified Climate Bonds" by the Climate Bonds Initiative. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan the Minister of the Environment Award in the Japan Green Contributor category of the Japan Green Bond Awards in 2019.

For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com)

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