

## **INDEPENDENT PRACTITIONER'S ASSURANCE REPORT**

### **To the management of the TERNA ENERGY FINANCE SINGLE PERSON SOCIETE ANONYME**

This report is intended solely for the management of TERNA ENERGY FINANCE SINGLE PERSON SOCIETE ANONYME (hereinafter "the Company") for the purpose of reporting on the issuance process of a €150.000.000 bond guaranteed by TERNA ENERGY S.A. (hereinafter "the Parent") in accordance with the criteria of the Climate Bonds Standard (hereinafter "the Bond Issuance Process").

### ***Underlying Subject Matter and Applicable Criteria***

The underlying subject matter for our assurance is the Company's Bond Issuance Process, being:

- ▶ The Parent's process for evaluation and selection of nominated projects and assets to be funded via the Bond;
- ▶ Policies and procedures established by the Parent for the management of proceeds raised from the Bond;
- ▶ Policies and procedures established by the Parent for reporting on the use of proceeds and eligible investment associated with the Bond.

The applicable criteria for our procedures ("the criteria") have been established by the Climate Bonds Initiative, being the:

- ▶ Pre-issuance requirements of the Climate Bonds Standard (version 2.1);
- ▶ Wind Sector Eligibility Criteria of the Climate Bonds Standard.

### ***Specific Purpose***

This report is intended solely for the purposes specified in the first paragraph above and for your information and must not be used for any other needs and/ or purposes. The report refers exclusively to the Company's Bond Issuance Process and must not be associated with any Company's financial statements as a whole.

### ***Responsible Party's Responsibilities***

The Company's management is responsible for the Bond Issuance Process in accordance with the criteria applicable by the Climate Bonds Initiative. In particular, the Company's management is responsible for internal controls being designed and implemented to prevent the Bond Issuance Process from being materially misstated.

In addition, the Company's management is responsible for ensuring that the documentation provided to the practitioner is complete and accurate. The Company's management is also responsible for maintaining the internal control system that reasonably ensures that the documentation described above is free from material misstatements, whether due to fraud or error.

### ***Practitioner's Responsibilities***

We conducted our assurance engagement in accordance with International Assurance Standards, particularly ISAE 3000 (revised). This standard requires that we comply with ethical standards and plan

and perform our assurance engagement to obtain limited assurance about the Company's Bond Issuance Process.

We apply International Standard on Quality Control 1 (ISQC 1), and accordingly, we maintain a robust system of quality control, including policies and procedures documenting compliance with relevant ethical and professional standards and requirements in law or regulation.

We comply with the independence and other ethical requirements of the IESBA Code of Ethics for Professional Accountants, which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on the practitioner's judgment. The procedures include, in particular, inquiry of the personnel responsible for financial reporting and risk management and additional procedures aimed at obtaining evidence about the Bond Issuance Process.

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower.


In respect of the underlying subject matter mentioned above we have performed mainly the following procedures:

- ▶ Read the statement made by the Parent on the environmental objective to consider whether the bond met the Climate Bonds Standard requirements;
- ▶ Read the Parent's Green Bond Framework to understand how it has met the eligibility criteria of the Climate Bonds Standard;
- ▶ Interviewed selected Company's and Parent's personnel to understand relevant policies and procedures;
- ▶ Reviewed details relating to the installation of the nominated projects and assets.

***Practitioner's conclusion***

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects, the Company's Bond Issuance Process, is not in conformance with the Climate Bonds Standard Pre-issuance requirements.

On Behalf of Ernst & Young (Hellas)  
Certified Auditors Accountants S.A.



Vassilios Kaminaris  
Partner

Athens, Greece  
01 October 2019