

# Assessment Report

Pre-Issuance Limited Assessment Engagement

First Climate CRI of True Securitizadora S.A. in 2021

*Climate Bond Standard version 3.0 and CBI Solar Energy  
Criteria (Version 2.1)*

June 18<sup>th</sup>, 2021

## About SITAWI

SITAWI Finance for Good is a Brazil-based organization whose mission is to mobilize capital for positive environmental and social impact. We develop financial solutions for social impact and advise the financial sector on how to incorporate environmental and social issues into strategy, risk management and investment analysis. We are one of the 5 best ESG research houses for investors according to Extel Independent Research in Responsible Investment - IRRRI 2019 – and a pioneer in the green bond market in Brazil.

## Index

1. Engagement Summary .....	2
2. Assessment Statement .....	4
3. Summary of Findings .....	5
4. Supporting Documents.....	15

# 1. Engagement Summary

This Report aims to provide a Pre-Issuance Verification for Real Estate Receivables Certificate (“CRI”) to be issued by True Securitizadora S.A (“Issuer”), backed by Real State Credit Notes (“CCI”) from Athon Energia S.A. (“Athon”), as a Certified Climate Bond. The assessment was conducted by SITAWI Finance for Good (“Verifier”), as an independent third-party provider accredited by the Climate Bonds Standards Board.

The proceeds obtained from the issuance will be used to fund 13 (thirteen) small-scale photovoltaic power plants for distributed generation in Brazil. The name of the projects are GOY 100, GOY200, GOY300, GOY701, QSS100, QSS200, MAB 201, MAB 202, MAB 203, MAB 204, MAB 205, MRO 100 and MTS 100 (“Nominated Projects & Assets”).

SITAWI’s assessment method follows the Climate Bonds Standards, Version 3.0<sup>1</sup>. The assessment followed Climate Bond Initiative (CBI)’s general requirements (applicable to all bonds) and the Solar Sector Eligibility Criteria of the Climate Bonds Standard Version 1.2 under the Climate Bonds Standard (Version July 2020).

The assessment process consisted of:

- Planning the assessment;
- Risk Assessment;
- Performing the assessment, including client preparation, obtaining evidences and practitioner assessment;
- Forming the assessment conclusion;
- Preparing the assessment report;
- Submission for CBI certification.

The assessment relied on both confidential and public information and documents provided by Athon Energia S.A., desk research, and remote interviews conducted with the sustainability and finance areas. This process was carried out between January 27<sup>th</sup> and June 18<sup>th</sup>, 2021.

The assessment process was performed in accordance with relevant general principles & professional standards of independent auditing, and in line with the International Standard on Assessment Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000), International Standard in Quality Control (ISQC 1, 2009) and Code of Ethics for Professional Accountants of International Ethic Standards Board for Accountants (IESBA, 2019).

The professionals that performed this assessment have previous knowledge and experience on applying Climate Bonds Standard version 3.0 and Climate Bond Sector Criteria and are familiar with sectorial ESG main risk and opportunities.

SITAWI had access to all documents and professionals requested, thus being able to provide an opinion with a limited<sup>2</sup> level of assurance regarding completeness, accuracy, and reliability. Athon displayed a high level of transparency during the execution of this process.

---

<sup>1</sup> <https://www.climatebonds.net/files/files/climate-bonds-standard-v3-20191210.pdf>

<sup>2</sup> “An assurance engagement in which the practitioner reduces engagement risk to a level that is acceptable in the circumstances of the engagement but where that risk is greater than for a reasonable assurance engagement as the basis for expressing a conclusion in a form that conveys whether, based on the procedures performed and evidence obtained, a matter(s) has come to the practitioner’s attention to cause the practitioner to believe the subject matter information is materially misstated.” (ISAE 3000).

SITAWI is not an Athon Energia S.A.'s shareholder, subsidiary, supplier, or client. In 2019 and 2020, SITAWI provided two second-party opinions for a green bond issuance and a green bond framework, respectively. Currently, there is also an ongoing second-party opinion for another issuance. All aforementioned projects and assets are not part of the scope of this assessment report. SITAWI declares to have no conflict of interest to provide an independent assessment regarding the current issuance.

The assessment contained in this Report is based on both public and confidential documents provided by Athon Energia S.A. We cannot attest the completeness, preciseness, or reliability of these sources. Therefore, SITAWI will not be held responsible for any decisions based upon information contained in this report.

SITAWI is responsible to provide an external and independent assessment on the conformance of the Bond with the Climate Bonds Standard version 3.0 requirements and associated sector-specific technical criteria. We reinforce that the analysis and opinion in this report shall not be taken as an investment recommendation or a proxy for liquidity or returns.

## 2. Assessment Statement

The proceeds from the Bond will be allocated to thirteen solar farms located in the states of Maranhão, Pará, and Rio de Janeiro, in Brazil: GOY 100, GOY200, GOY300, GOY701, QSS100, QSS200, MAB 201, MAB 202, MAB 203, MAB 204, MAB 205, MRO 100 and MTS 100. The use of proceeds is defined in the Securitization Term.

Based on the limited assessment procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects the First Climate Bond Issuance of True Securitizadora S.A. in 2021 is not in conformance, in all material respects, with the Solar Sector Eligibility Criteria of the Climate Bonds Standard Version 3.0 of Climate Bonds Taxonomy and applicable sector-specific technical criteria (Version 2.1)<sup>3</sup>. Athon and the Issuer is committed to reviewing the bond up to 24 months to confirm compliance with the Climate Bonds Standard.

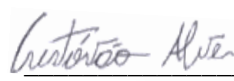
### Practitioner Team




**Camilla Aguiar**  
Practitioner  
[cfontenelle@sitawi.net](mailto:cfontenelle@sitawi.net)



**Valéria Andrade**  
Practitioner  
[vandrade@sitawi.net](mailto:vandrade@sitawi.net)



**Cristóvão Alves**  
Practitioner  
Leader  
[calves@sitawi.net](mailto:calves@sitawi.net)



**Gustavo Pimentel**  
Leader Responsible  
for Quality  
[gpimentel@sitawi.net](mailto:gpimentel@sitawi.net)

Rio de Janeiro, June 18<sup>th</sup>, 2021

<sup>3</sup> [https://www.climatebonds.net/files/files/standards/Solar/Sector%20Criteria%20-%20Solar%20v2\\_1.pdf](https://www.climatebonds.net/files/files/standards/Solar/Sector%20Criteria%20-%20Solar%20v2_1.pdf)

### 3. Summary of Findings

Upon guidance from the Climate Bond Standards, Version 3.0, SITAWI has assessed the Bond issuance and the Nominated Projects & Assets, with the following subdivisions:

1. Pre-Issuance Certification Checklist Assessment
2. Solar Energy Eligibility Criteria of the Climate Bonds Standard Version 2.1 Assessment

#### 3.1. Pre-Issuance Certification Checklist Assessment

The following assessment is based on the Part A of the Climate Bonds Standards Version 3.0, namely the Pre-Issuance Requirements. It is organized according to the items listed in the Pre-Issuance Certification Checklist<sup>4</sup> provided by CBI. Climate Bonds Standard Requirements are listed, followed by each requirement of factual findings. Each of the four sections (1. Use of Proceeds; 2. Process for Evaluation and Selection of Projects and Assets; 3. Management of Proceeds; 4. Reporting Prior To Issuance) is concluded with SITAWI's assessment conclusion.

#### 1. Use of Proceeds

- 1.1 **The Issuer shall document the Nominated Projects & Assets which are proposed to be associated with the Bond and which have been assessed as likely to be Eligible Projects & Assets. The Issuer shall establish a list of Nominated Projects & Assets which can be kept up to date during the term of the Bond.**

The Securitization Term indicates that 58,52% of its proceeds will be allocated to future expenses and 41,48% to reimbursements of 13 solar energy projects. The list of the projects and location is defined below:

*Table 1- Nominated Projects & Assets*

Cluster	Project	Municipality	State	Status
Enel RJ I	GOY100	Campo dos Goytacazes	Rio de Janeiro	In construction
	GOY 200	Campo dos Goytacazes	Rio de Janeiro	In construction
	GOY 300	Campo dos Goytacazes	Rio de Janeiro	In construction
ENEL RJ II	GOY 701	Campo dos Goytacazes	Rio de Janeiro	In construction
	QSS 100	Quissamã	Rio de Janeiro	In construction
	QSS 200	Quissamã	Rio de Janeiro	In construction
CELPA II	MAB 201	Marabá	Pará	Operational since May 2021
	MAB 202	Marabá	Pará	Operational since May 2021
	MAB 203	Marabá	Pará	Operational since May 2021
	MAB 204	Marabá	Pará	Operational since May 2021
	MAB 205	Marabá	Pará	Operational since May 2021
CELPA III	MRO 100	Mãe do Rio	Pará	In construction
CEMAR II	MTS 100	Matões	Maranhão	In construction

<sup>4</sup> <https://www.climatebonds.net/files/files/pre-issuance-certification-checklist-CBS-v3.docx>

**1.2 The expected Net Proceeds of the Bond shall be no greater than the Issuer’s total investment exposure to the proposed Nominated Projects & Assets, or the relevant proportion of the total Market Value of the proposed Nominated Projects & Assets which are owned or funded by the Issuer.**

According to the Securitization term, the estimated issuance value is BRL 73,500,000.00. The financial instrument is a Real Estate Receivables Certificate (CRI, in Portuguese acronym), backed by a non-convertible bond, which will fund future capital expenses and reimbursement related to the Nominated Projects & Assets.

The estimated proceeds of the bond are smaller than Athon’s exposure to the Nominated Projects and Assets. According to Athon, it is estimated that the Nominated Projects & Assets will sum up to BRL 100,871,500.00. Thus, the issuance is equal to 72,86% of Athon’s exposure to the Nominated Projects & Assets.

*Table 2- Expected Net Proceeds of the Bond*

Cluster	Project	Total Costs (BRL)	Green Bond Funding Source (BRL)	Estimated Reimbursement	Estimated Future Expenses
Enel RJ I	GOY100	4.864.000,00	4.492.187,50	2.323.861,46	2.168.326,04
	GOY 200	4.864.000,00	4.492.187,50	2.323.861,46	2.168.326,04
	GOY 300	1.900.000,00	2.515.625,00	1.301.362,42	1.214.262,58
ENEL RJ II	GOY 701	4.864.000,00	3.416.666,67	1.023.686,44	2.392.980,23
	QSS 100	4.864.000,00	3.416.666,67	1.023.686,44	2.392.980,23
	QSS 200	4.864.000,00	3.416.666,67	1.023.686,44	2.392.980,23
CELPA II	MAB 201	5.043.500,00	3.400.000,00	3.400.000,00	0
	MAB 202	5.043.500,00	3.400.000,00	3.400.000,00	0
	MAB 203	5.043.500,00	3.400.000,00	3.400.000,00	0
	MAB 204	5.043.500,00	3.400.000,00	3.400.000,00	0
	MAB 205	5.043.500,00	3.400.000,00	3.400.000,00	0
CELPA III	MRO 100	24.717.000,00	14.500.000,00	1.468.655,18	13.031.344,82
CEMAR II	MTS 100	4.943.400,00	4.050.000,00	600.101,95	3.449.898,05
		4.943.400,00	4.050.000,00	600.101,95	3.449.898,05
		4.943.400,00	4.050.000,00	600.101,95	3.449.898,05
		4.943.400,00	4.050.000,00	600.101,95	3.449.898,05
		4.943.400,00	4.050.000,00	600.101,95	3.449.898,05
		<b>100.871.500,00</b>	<b>73.500.000,00</b>	<b>30.489.309,59</b>	<b>43.010.690,42</b>

**1.3 Nominated Projects & Assets shall not be nominated to other Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bonds, green loans, or other labelled instruments (such as social bonds or SDG bonds) unless it is demonstrated by the Issuer that:**

**1.3.1 Distinct portions of the Nominated Projects & Assets are being funded by different Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bond, green loans or other labelled instruments or;**

**1.3.2 The existing Certified Climate Bond, Certified Climate Loan or Certified Climate Debt Instrument is being refinanced via another Certified Climate Bond, Certified Climate Loan or Certified Climate Debt Instrument.**

According to Athon and the Issuer, the Nominated Projects & Assets have never been nominated for any other green/climate our sustainable label.

Based on the limited assessment procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects the bond is not in conformance with the 'Use of Proceeds' portion of the Pre-Issuance Certification Checklist.

## 2. Process for Evaluation and Selection of Projects and Assets

**2.1 The Issuer shall establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets. The decision-making process shall include, without limitation:**

### 2.1.1 A statement on the climate-related objectives of the Bond.

According to the Green CRI Framework, the climate-related objectives of the issuance are the reduction of greenhouse gas (GHG) emissions, through the increase of renewable energy available in the Brazilian power grid. Table 3 describes the nominated projects, its estimated installed capacity (according to Athon and the Environmental license) and expected gross annual power generation per Special Purpose Vehicle (SPV) .

Table 3 – Nominated Projects Climate Benefits

Cluster	Project	SPV	CNPJ <sup>5</sup>	Installed Capacity (MWp)	Gross Annual Generation (GWh/yr) <sup>6</sup>	Expected GHG emissions avoided (tCO <sub>2</sub> e/yr) <sup>7</sup>
Enel RJ I	GOY100	ATHON CAMPOS DOS GOYTACAZES 100 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	33.525.0 25/0001-68	1.28	2.10	0.13
	GOY 200	ATHON CAMPOS DOS GOYTACAZES 200 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	33.525.0 35/0001-01	1.28	2.10	0.13
	GOY 300	ATHON CAMPOS DOS GOYTACAZES 300 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	33.474.3 51/0001-93	0.50	0.71	0.04
ENEL RJ II	GOY 701	ATHON CAMPOS DOS GOYTACAZES 701 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	34.298.2 22/0001-54	1.28	2.10	0.13
	QSS 100	ATHON QUISSAMÃ 100 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	31.997.0 31/0001-92	1.28	2.13	0.13
	QSS 200	ATHON QUISSAMÃ 200 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	32.523.5 87/0001-00	1.28	2.13	0.13
CELPA II	MAB 201	ATHON MARABÁ 201 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	33.512.4 96/0001-31	1.31	2.21	0.14

<sup>5</sup> CNPJ, "Cadastro Nacional da Pessoa Jurídica" in Portuguese, is an identification number issued to Brazilian companies by the government.

<sup>6</sup> Gross energy production was calculated based on solar studies using the PVsyst software and Solargis' database

<sup>7</sup> The avoided GHG emissions was estimated by multiplying the GHG emission factor of the Brazilian power grid (0,0617 tCO<sub>2</sub>/MWh) by the gross annual power generation in 2020. The GHG emission factor was provided by the Ministry of Science, Technology, Innovations and Communications. Available at: [https://antigo.mctic.gov.br/mctic/opencms/ciencia/SEPED/clima/textogeral/emissao\\_corporativos.html](https://antigo.mctic.gov.br/mctic/opencms/ciencia/SEPED/clima/textogeral/emissao_corporativos.html)



	MAB 202	ATHON MARABÁ 202 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	33.524.7 82/0001-17	1.31	2.21	0.14
	MAB 203	ATHON MARABÁ 203 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	33.524.9 13/0001-66	1.31	2.21	0.14
	MAB 204	ATHON MARABÁ 204 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	33.524.9 38/0001-60	1.31	2.21	0.14
	MAB 205	ATHON MARABÁ 205 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	33.524.9 58/0001-30	1.31	2.21	0.14
<b>CELPA III</b>	MRO 100	ATHON MÃE DO RIO 100 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	34.480.3 79/0001-04	6.42	11.06	0.68
<b>CEMAR II</b>	MTS 100	ATHON MATÕES 102 EQUIPAMENTOS FOTOVOLTAICOS LTDA	34.386.4 89/0001-01	1.32	2.40	0.15
		ATHON MATÕES 103 EQUIPAMENTOS FOTOVOLTAICOS LTDA	33.474.3 75/0001-42	1.32	2.40	0.15
		ATHON MATÕES 104 EQUIPAMENTOS FOTOVOLTAICOS LTDA	34.472.0 24/0001-65	1.32	2.40	0.15
		ATHON MATÕES 105 EQUIPAMENTOS FOTOVOLTAICOS LTDA	34.298.5 72/0001-10	1.32	2.40	0.15
		ATHON MATÕES 106 EQUIPAMENTOS FOTOVOLTAICOS LTDA	34.299.2 95/0001-60	1.32	2.40	0.15
<b>Total</b>				<b>26.47</b>	<b>45.38</b>	<b>2.80</b>

**2.1.2 How the climate-related objectives of the Bond are positioned within the context of the Issuer’s overarching objectives, strategy, policy and/or processes relating to environmental sustainability.**

True Securitizadora S.A. is a securitization company whose issuance is backed by Real State Credit Notes (“CCI”) from the solar power plants of Athon Energia S.A (the originator).

Athon Energia S.A. is a company that offers solutions related to innovation and renewable power generation, notably developing solar energy projects. The company’s mission is to foster the transition towards a sustainable world through the generation of clean energy and the development of energy-efficient technology.

Athon is committed to serving the development of low carbon and renewable power in the Brazilian power grid, while promoting sustainable development in the communities near its projects. The Company is also enhancing governance and procedures to advance its climate commitments, such as the compensation of its GHG emissions and the climate risks disclosure.

Considering the aforementioned points, the climate-related objectives of the CRI are aligned with its core business and strategy of Athon.

**2.1.3 Issuer’s rationale for issuing the Bond.**

Athon’s rationale for issuing the CRI is to optimize the projects’ capital structure, matching the long term and stable revenues with its liabilities

**2.1.4 A process to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part C (Clauses 9 and 10) of the Climate Bonds Standard.**

The Securitization Term states that the issuance's proceeds will be directed to the Nominated Projects & Assets (Annex VI of the Securitization Term), which are solar farms. Therefore, all Nominated Projects are already defined and meet the CBI eligibility criteria and fall into the investment areas below.

9. Climate Bonds Taxonomy: The Nominated Projects & Assets fall into the "Solar" under "Energy" investment area as included in the Climate Bonds Taxonomy.

10. Sector Eligibility Criteria: The Nominated Projects & Assets meet the specific eligibility requirements provided in the Solar Sector Eligibility Criteria document (see section 3.2).

**2.2 Issuer should include under Clause 2.1 further aspects of the decision-making process, including:**

**2.2.1 Related eligibility criteria, including, if applicable, exclusion criteria or any other process, applied to identify and manage potentially material environmental, social or governance risks associated with the Nominated Projects & Assets.**

Athon Energia S.A. and its subsidiaries have an internal process and dedicated sector to manage environmental and social risks. Besides, clauses 8.3.1. XIII, 8.3.1.XVI, and 8.3.1.XVII of the Securitization Term point out the obligation to follow environmental and social legislation. Some of the issues explicitly cited are prohibition of slavery-like labor, child labor and environmental violations. In addition, health and safety aspects are also specified.

**2.2.2 Green standards or certifications referenced in the selection of Nominated Projects & Assets.**

According to the Clause 4.34.1 of the Securitization Term, the Nominated Projects & Assets do not hold green standards or certifications.

**2.2.3 The issuer shall assess that all proposed Nominated Projects & Assets to be associated with the Bond meet the documented objectives as stated under Clause 2.1.1 and are likely to conform to the relevant eligibility requirements under Part C (Clauses 9 and 10) of the Climate Bonds Standard.**

9. Climate Bonds Taxonomy: All of the Nominated Projects & Assets fall into the "Solar" under "Energy" investment area as included in the Climate Bonds Taxonomy.

10. Sector Eligibility Criteria: The Nominated Projects & Assets meet the specific eligibility requirements provided in the Solar Sector Eligibility Criteria document (see section 3.2).

Annex VI of securitization form the Nominated Projects & Assets (see 3.1 section, CBI clause 1.1), which comply with CBI's clauses 9 and 10.

Based on the limited assessment procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects the bond is not in conformance with the 'Process for Evaluation and Selection of Projects and Assets' portion of the Pre-Issuance Certification Checklist.

### 3. Management of Proceeds

**3.1 The systems, policies, and processes to be used for management of the Net Proceeds shall be documented by the Issuer and disclosed to the Verifier, and shall include arrangements for the following activities:**

**3.1.1 The Net Proceeds of the Bond can be credited to a sub-account, moved to a sub-portfolio, or otherwise tracked by the Issuer in an appropriate manner and documented.**

The Issuer is a securitization company whose issuance is backed by Real State Credit Notes (“CCI”) from the solar power plants of Athon Energia S.A (the originator).

The nominated projects and assets are linked to special purpose vehicles (SPVs), a separate legal entity for the projects’ development, as disclosed in the Securitization Term Annex. Such SPVs have segregated subaccounts and financial statements, which enables the proper tracking of the proceeds. The SPVs are legal entities created to uniquely develop the eligible projects and assets.

These proceeds will be temporarily held in a current account entitled to the Issuer. Whenever required, the proceeds will be allocated to the respective SPV, which, in turn, will direct the proceeds to the Nominated Projects and Assets. Past expenses to be reimbursed occurred since May 2020

Table 4 summarizes the Nominated Projects, the SPVs and the investment amount for each one of them. Default is an early maturity date event, according to Securitization form clause 12.1

*Table 2 - Nominated project, SPVs and estimated amount allocated*

Cluster	Project	SPV	State	Climate Bond proceeds (BRL)
<b>Enel RJ I</b>	GOY 100	ATHON CAMPOS DOS GOYTACAZES 100 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	Rio de Janeiro	4,492,187.50
	GOY 200	ATHON CAMPOS DOS GOYTACAZES 200 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	Rio de Janeiro	4,492,187.50
	GOY 300	ATHON CAMPOS DOS GOYTACAZES 300 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	Rio de Janeiro	2,515,625.00
<b>ENEL RJ II</b>	GOY 701	ATHON CAMPOS DOS GOYTACAZES 701 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	Rio de Janeiro	3,416,666.67
	QSS 100	ATHON QUISSAMÁ 100 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	Rio de Janeiro	3,416,666.67
	QSS 200	ATHON QUISSAMÁ 200 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	Rio de Janeiro	3,416,666.67
<b>CELPA II</b>	MAB 201	ATHON MARABÁ 201 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	Pará	3,400,000.00
	MAB 202	ATHON MARABÁ 202 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	Pará	3,400,000.00
	MAB 203	ATHON MARABÁ 203 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	Pará	3,400,000.00
	MAB 204	ATHON MARABÁ 204 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	Pará	3,400,000.00
	MAB 205	ATHON MARABÁ 205 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	Pará	3,400,000.00
<b>CELPA III</b>	MRO 100	ATHON MÃE DO RIO 100 EQUIPAMENTOS FOTOVOLTAICOS LTDA.	Pará	14,500,000.00

<b>CEMAR II</b>	MTS 100	ATHON MATÓES 102 EQUIPAMENTOS FOTOVOLTAICOS LTDA	Maranhão	4,050,000.00
		ATHON MATÓES 103 EQUIPAMENTOS FOTOVOLTAICOS LTDA	Maranhão	4,050,000.00
		ATHON MATÓES 104 EQUIPAMENTOS FOTOVOLTAICOS LTDA	Maranhão	4,050,000.00
		ATHON MATÓES 105 EQUIPAMENTOS FOTOVOLTAICOS LTDA	Maranhão	4,050,000.00
		ATHON MATÓES 106 EQUIPAMENTOS FOTOVOLTAICOS LTDA	Maranhão	4,050,000.00
Total				73,500,000.00

The proceeds will be used for future capital expenses and reimbursement related to solar farms, in accordance with the CRI's securitization term. According to Athon and the Issuer, the proceeds will be fully allocated within 24 months after the issuance. Furthermore, all SPVs' financial statements are going to be audited by a specialized third-party company.

**3.1.2 The balance of unallocated Net Proceeds can be managed as per the requirements in Clause 7.3.**

According to the Framework and Securitization Form, the unallocated net proceeds will be withheld in temporary investment instruments that are cash equivalent, such as public debt securities ("Letras Financeiras do Tesouro – LFT"), and temporary investment instruments that do not include greenhouse gas intensive projects such as Bank Deposit Certificate ("Certificado de Depósito Bancário").

**3.1.3 The earmarking process can be used to manage and account for funding to the Nominated Projects & Assets and enables estimation of the share of the Net Proceeds being used for financing and refinancing.**

According to the Framework the proceeds will be used exclusively for future or refinance of the eligible projects and assets, with the direct allocation of the proceeds to the SPVs. It is estimated that 58.52% of the proceeds will be allocated to future expenses and 41.48% of it to reimbursements.

Based on the limited assessment procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects the bond is not in conformance with the 'Management of Proceeds' portion of the Pre-Issuance Certification Checklist.

**4. Reporting Prior To Issuance**

**4.1 The Issuer shall prepare a Green Bond Framework and make it publicly available prior to Issuance or at the time of Issuance. The Green Bond Framework shall include, without limitation:**

**4.1.1 Confirmation that the Bonds issued under the Green Bond Framework are aligned with the Climate Bonds Standard. This may include statements of alignment with other applicable standards, such as the EU Green Bond Standard, the ASEAN Green Bond Standard, Chinese domestic regulations, Japanese Green Bond Guidelines, etc.;**

The Green CRI Framework is established in accordance with Climate Bond Standard version 3.0. This framework also mentions the Green Bond Principles, 2016, by the International Capital markets Association (ICMA).

**4.1.2 A summary of the expected use of proceeds, as defined under Clause 1.1, and the expected contribution of the relevant sectors or sub-sectors to the rapid transition required to achieve the goals of the Paris Climate Agreement;**

According to the Framework, the proceeds from the Climate CRI will be allocated to SPVs which are responsible for the development of the photovoltaic power plants. The Green CRI aims renewable energy generation, increased installed capacity, the reduction of greenhouse gas (GHG) emissions, through the increase of renewable energy available.

**4.1.3 A description of the decision-making process, as defined under Clause 2.1, with particular reference to the requirements in Clause 2.1.2;**

The Framework discloses that:

The development or acquisition of a project is preceded by a due diligence to assess the project's compliance with social and environmental requirements. The objective of the assessment is to assure that the project is eligible as a green project based on the issuance's use of proceeds.

The process is conducted by a Project Assessment Committee. It was created to ensure that all significant aspects are considered. Such Committee comprises Athon's CEO, COO, Environment and Land Coordinator, Connection Coordinator, Human Resources and Proceedings Coordinator and Projects Coordinator.

In this analysis, main social and environmental aspects are considered, such as adequacy of the land, compliance with laws referring to environmental impacts and protection, reduced use of water resources, compliance with human rights and health, safety and environmental best practices.

When possible, the Committee shall signal any non-compliance and promote its timely correction.

**4.1.4 Information on the methodology and assumptions to be used for: confirming, where required by relevant Sector Eligibility Criteria, the characteristics or performance of Nominated Projects & Assets required to conform to the relevant eligibility requirements under Part C of the Climate Bonds Standard; and any other additional impact metrics that the issuer will define.**

The Framework declares that the Nominated Projects & Assets fit into CBI Taxonomy and sectoral solar criteria, once the proceeds will be exclusively allocated to solar power plants.

**4.1.5 A summary of the approach to the management of unallocated Net Proceeds in accordance with Clause 3.1;**

As stated in the Framework, the company shall invest the temporary unallocated proceeds in high liquidity instruments, namely public debt securities ("Letras Financeiras do Tesouro"), bank deposit certificates ("Certificados de Depósitos Bancários") or other fixed income instruments that do not include greenhouse gas projects - inconsistent with the low carbon and climate-resilient economy.

**4.1.6 The intended approach to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding;**

Athon commits to provide information regarding the Climate Bond's allocation and impact, in a dedicated report to be publicly available on its website as long as the CRI is outstanding.

- 4.1.7 The list of proposed Nominated Projects & Assets associated with the Bond and the investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall. Where there are limits on the amount of detail that can be made available about specific Nominated Projects & Assets, information shall be presented on the investment areas which the Nominated Projects & Assets fall into, as provided in Clause 9.1, and the Issuer shall provide an explanation of why detail on Nominated Projects & Assets is limited; 15 Climate Bonds Standard Version 3.0**

The Framework specifies that the resources will be fully allocated to the development and construction of solar power plants.

- 4.1.8 Where a proportion of the Net Proceeds are used for refinancing, an estimate of the share of the Net Proceeds used for financing and refinancing, and the relevant Nominated Projects & Assets or investment areas which may be refinanced. This may also include the expected look-back period for refinanced Nominated Projects & Assets.**

It is estimated that 58.52% of the proceeds will be allocated to future expenses and 41.48% of it to reimbursements.

**4.2 The Issuer shall include in the Disclosure Documentation:**

- 4.2.1 The investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall.**

The Securitization Term (clause 4.34) indicates that the Nominated Projects & Assets fall in the 'Solar' classification under the 'Energy' head of the Climate Bonds Taxonomy.

- 4.2.2 The intended types of temporary investment instruments for the management of unallocated Net Proceeds in accordance with Clause 7.3.**

According to the Securitization Term and the Framework, Athon shall invest the temporary unallocated proceeds on high liquidity instruments, namely public debt securities ("Letras Financeiras do Tesouro"), bank deposit certificates ("Certificados de Depósitos Bancários") or other fixed income instruments that do not include greenhouse gas projects - inconsistent with the low carbon and climate-resilient economy.

- 4.2.3 The Verifier engaged by the Issuer for the mandatory verification engagements.**

The Securitization Term (Clause 4.34) mentions that an accredited Verifier was engaged by the Issuer for the mandatory verification engagements.

- 4.2.4 The intended approach to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding, including the location of the published documents.**

The Securitization Term, clauses 4.34.2 and 4.34.3, includes the intended approach to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding. The Update Reports will be published on Athon Energia's website<sup>8</sup>.

According to the Framework, annually, Athon will monitor and report on its website the environmental and financial information of the related projects to assure that the transaction is compliant with the framework. The Company is committed to providing the following information:

- Use of proceeds: transaction's amount allocated between the projects and balance of proceeds yet to be used;

---

<sup>8</sup> <http://www.athonenergia.com.br/>

- Environmental impacts: status of development and environmental licensing of the projects, annual production and installed capacity, reduction of greenhouse gas emissions and generation density (W/m<sup>2</sup>); and
- Social impacts: estimated jobs created near the projects, impact on the local economy and the community.

#### 4.2.5 The CBI Disclaimer provided in the Certification Agreement.

The Securitization Term includes the CBI Disclaimer provided in the Certification Agreement.

Based on the limited assessment procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects the bond is not in conformance with the 'Reporting Prior to Issuance' portion of the Pre-Issuance Certification Checklist.

### 3.2. Climate Bonds Initiative's taxonomy and Solar Sector Eligibility Criteria of the Climate Bonds Standard Version 1.2 Assessment

The following assessment is based on the Part C of the Climate Bonds Standards Version 3.0, namely the Eligibility of Projects & Assets. It is organized according to the items listed in the Solar Energy under the Climate Bonds Standard provided by CBI. The Sectoral Criteria Requirements are listed, followed by each requirement's factual findings. The section is concluded with SITAWI's assessment conclusion.

**Criteria 1 -Eligible Project & Assets relating to solar energy generation shall be projects or assets that operate or are under construction to operate in one or more of the following activities**

- 1) Onshore solar electricity generation facilities
- 2) Wholly dedicated transmission infrastructure and other supporting infrastructure for onshore solar electricity generation facilities including inverters, transformers, energy storage systems and control systems.
- 3) Onshore solar thermal facilities such as solar hot water systems.

As indicated in the Securitization Term and the Framework, the thirteen eligible projects fall under the activity 1 above: The development, construction and operation of solar farms.

Based on the limited assessment procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects the bond is not in conformance with Solar Energy Sectoral Criteria under the Climate Bonds Standard 3.0.

## 4. Supporting Documents

- Securitization Term
- Interview with the Issuer and Athon Energia S.A.
- Athon Energia S.A.'s institutional presentation
- Contrato de Cessão Fiduciária