

ASSESSMENT REPORT

Post-Issuance Reasonable Assessment Engagement

First Climate Bond issued by True Securitizadora S.A. in 2021

Climate Bond Standard version 4.0 and CBI Solar Energy - Version 2.1 (August 2020)

NINT - Natural Intelligence LTDA.
Rua Lauro Müller 116, Sala 3507
22290-160
Rio de Janeiro - RJ

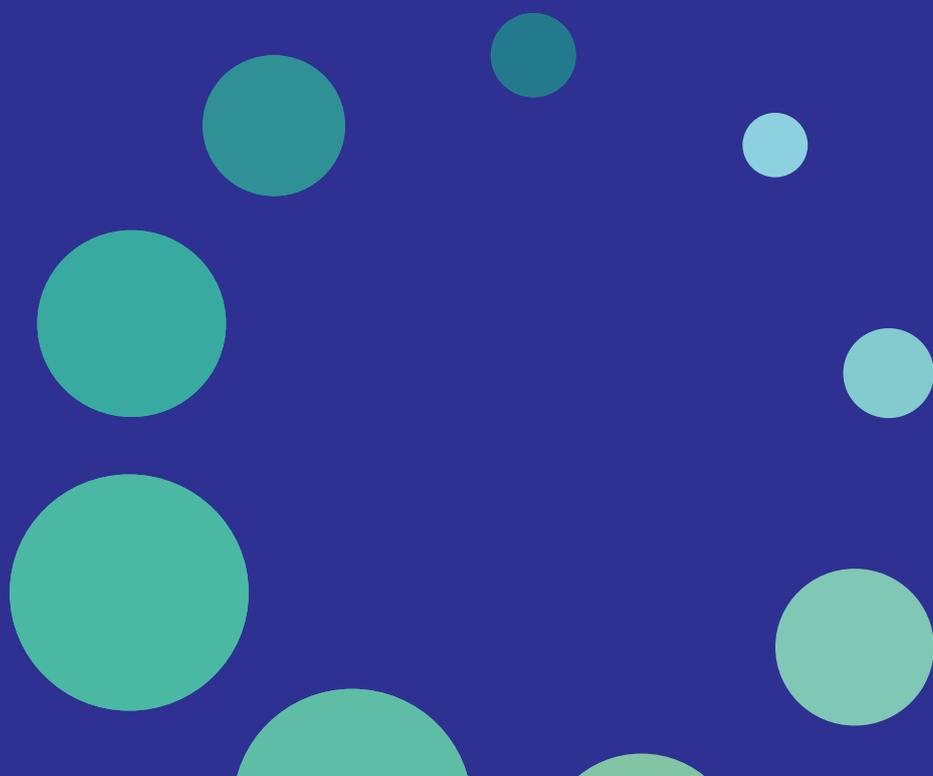
August 28, 2023

About NINT

A NINT (Natural Intelligence), formerly known as SITAWI's Sustainable Finance Program, is the largest ESG research and advisory firm in Latin America, with a +100 staff and local presence in Brazil and Latin America. We are one of the 5 best environmental and social research houses for investors according to Extel Independent Research in Responsible Investment - IRRRI 2019 - and a pioneer in the green bond market in Brazil. We have provided second party opinions for more than 200 ESG debt instruments. Since 2020 we are among the top 10 global providers of second opinions for sustainable bonds, according to Environmental Finance. In February 2023, NINT has integrated ERM group.

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1. Engagement Summary

The purpose of this Report is to provide a Post Issuance Verification for the Real Estate Receivables Certificate (“Bond” or “CRI”, in Portuguese acronym) issued by True Securitizadora S.A. (“True Securitizadora” or “Issuer”), backed by Real Estate Credit Notes (“CCI”) from Athon Energia S.A. (“Athon”), as a Certified Climate Bond.

The issuance occurred on August 4th, 2021 and amounted to BRL 82,850,000.00, in three distinct series. NINT - Natural Intelligence LTDA. (“Approved Verifier”) conducted the assessment, as an independent third-party provider accredited by the Climate Bonds Standards Board.

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

NINT’s assessment method follows the Climate Bonds Standards, Version 4.0¹. The assessment followed the Climate Bond Initiative (CBI)’s general requirements (applicable to all bonds) and the Solar Sector Eligibility Criteria of the Climate Bonds Standard & Certification Scheme Version 2.3 under the Climate Bonds Standard (April 2023)².

The assessment process consisted of the following:

- Planning the assessment;
- Risk Assessment;
- Performing the assessment, including client preparation, obtaining evidence 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 July and August 2023.

The assessment process was performed under 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 Ethics Standards Board for Accountants (IESBA, 2019).

¹ [Climate Bonds Standard Version 4.0](#)

² [Solar Sector Eligibility Criteria](#)



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 the sector’s main ESG risks and opportunities.

NINT had access to all documents and professionals requested, thus being able to provide an opinion with a reasonable³ level of assurance regarding completeness, accuracy, and reliability. The Issuer displayed a high level of transparency during this process.

NINT is not a shareholder, subsidiary, supplier, or client of True Securitizadora or Athon Energia S.A. In August 2021, NINT provided a pre-issuance CBI Verifier Report for the same issuance being assessed herewith. Therefore, NINT declares no conflict of interest to provide an independent assessment regarding this issuance.

The assessment contained in this Report is based on both public and confidential documents provided by True Securitizadora and Athon Energia S.A. We cannot attest to these sources’ completeness, preciseness, or reliability. Therefore, NINT will not be held responsible for any decisions based upon the information in this report provided to us by these sources that turn out to be incomplete, inaccurate, or unreliable.

NINT is responsible for providing an external and independent assessment of the conformance of the Bond with the Climate Bonds Standard version 4.0 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.

³ “An assessment engagement in which the practitioner reduces engagement risk to an acceptably low level in the circumstances of the engagement as the basis for the practitioner’s conclusion. The practitioner’s conclusion is expressed in a form that conveys the practitioner’s opinion on the outcome of the measurement or evaluation of the underlying subject matter against criteria” (ISAE 3000, 2013)”.



2. Assessment Statement

In our opinion, the First Climate Bond Issuance of True Securitizadora S.A. issued in 2021 is in conformance, in all material respects, with the Solar Sector Eligibility Criteria of the Climate Bonds Taxonomy and with the applicable sector-specific technical criteria (Version 2.3, April 2023) as well as the Climate Bond Standard (Version 4.0).

The proceeds from the Bond were allocated to small-scale photovoltaic power plants for distributed generation in Maranhão, Pará, and Rio de Janeiro, in Brazil: GOY 100, GOY200, GOY300, QSS100, QSS200, MAB 201, MAB 203, MAB 204, MAB 205, MRO 100 and MTS 100. The use of proceeds is defined in the Securitization Term sheet.

Practitioner Team

Camila Horst Toigo

Camila Toigo
Practitioner
camila.toigo@nintgroup.com

Cristóvão Alves

Cristóvão Alves
Review and Quality Control
cristovao.alves@nintgroup.com

Rio de Janeiro, August 28th, 2023



3. Summary of Findings

Upon guidance from the Climate Bond Standards, Version 4.0, NINT assessed the Bond issuance and the Nominated Projects & Assets, with the following subdivisions:

1. Post-Issuance Requirements⁴ Assessment
2. The Solar Sector Eligibility Criteria of the Climate Bonds Standard & Certification Scheme Version 2.3 (April 2023)⁵ Assessment

A. Post-Issuance Requirements Assessment

The following assessment is based on Section 3 of the Climate Bonds Standards Version 4.0, namely the Post-Issuance Requirements. It is organised according to the items listed in the Standard provided by CBI. The Climate Bonds Standard Requirements are listed, followed by each requirement’s factual findings. Each of the four sections (3.1. Use of Proceeds; 3.2. Process for Evaluation and Selection of Projects and Assets; 3.3. Management of Proceeds; 3.4. Reporting Prior To Issuance) is concluded with NINT’s assessment conclusion.

3.1 Use of Proceeds

3.1.1. The Net Proceeds of the debt instrument must be allocated to the Nominated Projects & Assets.

As defined in the Pre-Issuance CBI Verifier Report, prepared by NINT (at the time, under the name SITAWI) in April 2021, the net proceeds obtained through the climate issuance would be allocated exclusively to Athon’s solar energy projects. In the Pre-Issuance, thirteen projects were identified as “Nominated Projects and Assets”, however, in the Post-Issuance verification process, Athon argued GOY701 is not a project, but a Special Purpose Vehicle (SPV) that did not receive proceeds from the CRI series issued. The same information is valid for MAB202.

As verified in the Securitization Term Sheet, in the audited Financial Statement and in the company’s balance sheets, eleven projects were funded by the climate issuance. The list of the Nominated Projects & Assets and their information is presented in the Table 1 below:

Table 1 - Use of Proceeds

Cluster	Project	Municipality	State	Status
ENEL RJ I	GOY 100	Campos dos Goytacazes	Rio de Janeiro	Operational since June 2021
	GOY 200	Campos dos Goytacazes	Rio de Janeiro	
	GOY 300	Campos dos Goytacazes	Rio de Janeiro	
ENEL RJ II	QSS 100	Quissamã	Rio de Janeiro	Operational since April 2022
	QSS 200	Quissamã	Rio de Janeiro	

⁴ [Post Issuance Requirements](#)

⁵ [Solar Sector Eligibility Criteria](#)



CELPA II	MAB 201	Marabá	Pará	Operational since March 2021
	MAB203	Marabá	Pará	
	MAB 204	Marabá	Pará	
	MAB 205	Marabá	Pará	
CELPA III	MRO 100	Mãe do Rio	Pará	Operational since June 2022
CEMAR II	MTS 100	Matões	Maranhão	Operational since April 2022

The allocation of the net proceeds was verified through 2021 Financial Statement sent by Athon. The Financial Statement was externally audited. NINT concluded the proceeds raised were fully (100%) allocated to the eligible projects and assets listed in Table 1, within 24 months after the issuance.

3.1.2. All Nominated projects and assets must meet the documented objectives of the debt instrument and must be in conformance with the Sector Eligibility Criteria requirements of the Standard.

NINT assessed the Nominated Projects and Assets under the Solar Sector Criteria Version 2.3 (August 2023) of the Climate Bonds Standard version 4.0. NINT concluded the bond is in conformance, in all material respects, with the Solar Criteria. NINT’s conclusion is presented in section B of this Report.

The financing of small-scale photovoltaic power plants is defined in the CRI Securitization Term Sheet. This document also states technical information on the projects. From that, NINT assessed that the projects are in conformance with eligible facilities (onshore solar electricity generation facilities) defined by CBI. Therefore, all projects listed in item 3.1.1 remain in conformance with the CBI criteria as assessed on the pre-issuance Verifier Report.

3.1.3. The Issuer must allocate the Net Proceeds to the Nominated projects and assets within 24 months of issuance of the debt instrument. The 24-month deadline can be extended by the Climate Bonds Standard Secretariat for up to 5 years (and exceptionally up to 10 years if duly justified by the nature of the projects to be financed). An extension will be granted at the discretion of the Climate Bonds Standard Secretariat, provided the justification for it can be substantiated by the Issuer and confirmed by the Approved Verifier. At the end of the allocation period specified in the Certification, the Issuer must provide a Post-Issuance Verification Report by an Approved Verifier. The Issuer must provide annual Post-Issuance Verification Reports until the Approved Verifier confirms that 100% of the proceeds have been allocated.

The company has allocated 100% of the Net Proceeds to the Nominated Projects & Assets within 24 months of the issuance, as evidenced by the 2021 audited Financial Statements sent by Athon, as detailed in item 3.1.1 of this Report.

There was no extension requested on the 24-month deadline.

Furthermore, Athon has published its Sustainability Report and Financial Statements annually, containing information regarding the projects financed by the issuance, as reported in the item 3.4 of this section.



3.1.4. Net proceeds may be reallocated to other Nominated projects and assets at any time while the debt instrument remains outstanding, provided the Approved Verifier has verified such assets.

The net proceeds were entirely allocated to the nominated projects and assets listed in item 3.1.1. No other project received funding from the issuance.

3.1.5. Nominated projects and assets must not be nominated to other Certified debt Instruments, unless the Issuer demonstrates that different Certified Climate Bonds are funding distinct portions of the Nominated projects and assets, or the Certified debt Instrument is being refinanced via another Certified debt Instrument.

Athon issued another three green debt instruments between January and May 2022, which were carried out in accordance with the Athon Green Framework (externally verified by NINT in August 2023). Namely, these operations were:

- Athon's first Green Commercial Notes, issued in April 2022 amounting BRL 32,000,000;
- Athon's first Green Debenture, issued in May 2022 amounting BRL 75,000,000;
- Athon Geração Distribuída's first Green Debenture, issued in January 2022 amounting BRL 103,000,000.

As shown in the item 3.1.8, a portion of both of these operations were used to finance Clusters CELPA II and III and CEMAR III. Moreover, the two Green Debentures also directed funding part of the Cluster ENEL RJ II. The climate bond funded distinct portions of the Nominated projects and assets.

The proceeds from the climate bonds allocated to the eligible projects are lower than the total cost of them, which mitigates the risk of contamination of proceeds.

3.1.6. Where a proportion of the Net Proceeds of the debt instrument are used for refinancing, the Issuer must track the respective shares of the Net Proceeds used for financing and refinancing and identify which Nominated projects and assets may be refinanced. This may also include the expected look-back period for refinanced Nominated projects and assets which should reflect the functional lifetime of the projects or assets for delivering the stated climate mitigation/ adaptation/ resilience benefits. The remaining functional lifetime of the projects or assets must be equal to or greater than the term of the instrument being certified. The Net Proceeds may only be used for refinancing operating expenditures that were incurred within three years prior to the issuance of the Certified Debt Instrument.

No portion of the Net Proceeds of the issuance was used for refinancing. According to financial evidence disclosed by Athon, 100% of the proceeds were used for the financing capital expenses of the eligible projects. The lifetime of the projects is also longer than the term of the issuance.

3.1.7. The Issuer must track the Net Proceeds of the debt instrument following a formal internal process which is documented in accordance with Clause A.3.3.



To track the allocation of the net proceeds, Athon maintains an internal expense control process. As evidence, the company provided for NINT spreadsheets containing a track of each expenditures, segregated by SPV and type of expenditure.

Furthermore, Athon ring-fenced the proceeds to each SPV, as the total value was transferred to separate accounts (one for each financed project). In other words, the proceeds were directed from True’s separate account to Athon and then to the SPVs, and from proceeds were allocated to the eligible projects. The SPVs kept the net proceeds in cash-equivalent instruments and allocated the proceeds whenever needed. NINT verified this process through the 2021 Financial Statement, which details the SPVs’ financial statements.

Therefore, it is possible to conclude that Athon monitored the net proceeds obtained through the issuance following a formal internal process.

3.1.8. The Net Proceeds of the debt instrument must be no greater than the Issuer’s total Investment Exposure or debt obligation to the Nominated projects and assets or the relevant proportion of the total Market Value of the Nominated projects and assets which are owned or financed by the Issuer. When satisfying this clause, the Issuer may choose either (i) the Investment Exposure or debt obligation to the Nominated projects and assets, or (ii) their Market Value.

The total issuance amount was BRL 82.85 MM. According to Athon, the total value of the projects is of, approximately, BRL 136.9 MM. Thus, the issuance represents 60.5% of the projects’ total costs. It is important to highlight that Athon is the only shareholder and investor in the financed projects. Therefore, the sum of the allocated proceeds is lower than the total cost of the projects.

Table 2 showcases the total costs of the projects compared to the Climate Issuance and other green debt instruments.

Table 2 - Use of Proceeds

Cluster	Project	Total Costs (BRL)	Proceeds from green bonds allocated to the projects (BRL) ⁶	Proceeds from Climate Bonds allocated to the projects (BRL)
ENEL RJ I	GOY 100	8,976,763	-	9,181,472
	GOY 200	7,230,328	-	
	GOY 300	3,344,701	-	
ENEL RJ II	QSS 100	8,709,458	540,000	3,668,752
	QSS 200	11,701,258	1,035,000	7,337,504
CELPA II	MAB 201	27,030,631	706,000	17,306,596
	MAB203			
	MAB 204			
	MAB 205			
CELPA III	MRO 100	34,608,154	8,735,654	16,413,417
CEMAR II	MTS 100	35,295,119	3,247,000	23,385,562
Total		136,896,412	14,263,654	78,722,239*

⁶ Including the other three Green Bonds issued by the company and its subsidiaries.



*Net proceeds.

3.1.9. Additional Nominated projects and assets may be added to, or used to substitute or replenish, the portfolio of Nominated projects and assets as long as the additional Nominated projects and assets are eligible under the Standard and are consistent with the debt instrument’s objectives. Where additional Nominated projects and assets are covered by Sector Criteria which were not included in the scope of either the Pre-Issuance Verification or the Post-Issuance Verification Engagements, the Issuer must engage an Approved Verifier to provide a Verification Report covering at least the conformance of the additional Nominated projects and assets with the relevant Sector Criteria.

The Nominated Projects & Assets, namely GOY 100, GOY200, GOY300, QSS100, QSS200, MAB 201, MAB 203, MAB 204, MAB 205, MRO 100 and MTS 100, are the same assets identified during the pre-issuance phase. No additional Nominated Projects & Assets were added.

In our opinion, the Bond is in conformance, in all material respects, with the ‘Use of Proceeds’ portion of the Post-Issuance Certification Requirements.

3.2 Process for Evaluation and Selection of Projects and Assets

3.2.1. The Issuer must document and maintain a decision-making process to determine the continued eligibility of the Nominated projects and assets. This includes, without limitation:

i. A statement on the climate-related objectives of the Bond.

As stated in the pre-issuance report and in Athon’s Green 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. The Framework, which is available on Athon’s website, as well as the SPO issued by NINT, details the process for selecting and evaluating eligible projects for green and climate operations.

Athon provided an update on the projects’ climate benefits, since all of the financed projects are now operational. Table 3 describes the nominated projects, its estimated installed capacity (according to Environmental license for projects) and gross annual power generation per projects. NINT assessed the light bills of the projects.

Table 3 - Nominated Projects Climate Benefits

Cluster	Project	Installed Capacity (MWp)	Gross Annual Generation (MWh/yr)	Total GHG emissions avoided (tCO2e/yr)
ENEL RJ I	GOY 100	2,38	5,467	232,89
	GOY 200			
	GOY 300			
ENEL RJ II	QSS 100	3	6,971	296,96



	QSS 200			
CELPA II ⁷	MAB 201	5	11,981	510,39
	MAB 203			
	MAB 204			
	MAB 205			
CELPA III	MRO 100	5	12,131	516,78
CEMAR II	MTS 100	5	12,969	552,48

ii. How the climate-related objectives of the debt instrument are positioned within the context of the Issuer’s overarching goals, strategy, policy and/or processes relating to environmental sustainability.

iii. The Issuer’s rationale for issuing the debt instrument.

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.

The Athon’s rationale for issuing climate and/or green debt instruments can be found in Athon’s Green Framework, publicly available on the company’s website.

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

iv. A process to determine whether the Nominated projects and assets meet the sector eligibility requirements specified of the Standard.

At the time of pre-issuance, NINT has assessed the Nominated Projects and Assets under the Solar Sector Eligibility Criteria of the Climate Bonds Standard and concluded that the issuance complied with all material aspects described in the Solar Sector Criteria of the Climate Bonds Standard (Version 3.0).

Climate Bonds Taxonomy: The Nominated Projects & Assets fall into the “Solar” under “Energy” investment area as included in the Climate Bonds Taxonomy⁸.

Sector Eligibility Criteria: The Nominated Projects & Assets meet the specific eligibility requirements provided in the Solar Sector Eligibility Criteria document.

When it comes to the latest version of the Climate Bonds Standard (version 4.0, released after the conclusion of the pre-issuance report) and the Solar Sector Criteria,

⁷ The values indicated for MAB 201, MAB 203, MAB 204 and MAB 205 were presented by Athon grouped as MAB 200, which is composed by the four projects in addition to MAB 202, which did not receive funding from this issuance.

⁸ [Climate Bonds Taxonomy](#)



NINT concluded that the projects remain in conformance with the requirements specified of the Standard (view section B).

v. Other information provided by the Issuer as described in Clause A.2.2

NINT (at the time, under the name SITAWI) assessed Athon’s key ESG policies and practices, as detailed in its pre-issuance Second Party Opinion (SPO) of June 2021, which concluded that the company could manage and mitigate the ESG risks of its Nominated Projects & Assets.

In addition, the securitization term sheet establishes the obligation to follow environmental and social legislation. Some of the issues explicitly mentioned are the absence of slavery-like labour and child labour.

Athon also stated that the development and construction of the projects generated around 270 direct and indirect job positions, while impacting 1,329 people by the electricity generated. The projects were set to inject BRL 2.5 million in local economies where the solar farms were constructed. NINT assessed the methodology and confirm the results.

In our opinion, the Bond is in conformance, in all material respects, with the ‘Process for Evaluation and Selection of Projects and Assets’ portion of the Post-Issuance Certification Requirements

3.3 Management of Proceeds

3.3.1. The Net Proceeds of the debt instrument must be credited to a sub-account, moved to a sub-portfolio, or otherwise identified 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”) associated with the small-scale photovoltaic power plants implemented by 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 proceeds to be ring-fenced. The SPVs are legal entities created to uniquely develop the eligible projects and assets.

The proceeds were temporarily held in Athon’s account, as the payments were destined to a centralizing account. Then, the proceeds were allocated to the SPVs, which directed the proceeds to the projects. Even though it was foreseen that past expenses since May 2020 could be reimbursed, all of the net proceeds were destined to financing new investments.

According to Athon’s 2021 audited Financial Statement, the proceeds were fully allocated within less than 24 months after the issuance.



3.3.2. The debt instrument Issuer must either maintain an earmarking process or ring-fence the proceeds per Clause A.2.3 to manage and account for the allocation of Net Proceeds to the Nominated projects and assets.

The proceeds raised remained in Athon's cash until they were channeled to the SPVs responsible for the projects. As stated in the item 3.1.7, Athon maintains an internal control of expenses to track the allocation of proceeds.

3.3.3. While the debt instrument remains outstanding, the balance of the tracked Net Proceeds must be reduced by amounts allocated to Nominated projects and assets. Pending such allocations to Nominated projects and assets, the balance of unallocated Net Proceeds must be:

i. Held in temporary investment instruments that are cash, money-market instruments or other liquid, short-term cash equivalent instruments within a Treasury function; and/or

ii. Held in temporary investment instruments that do not relate to greenhouse gas intensive projects or any projects which are inconsistent with the delivery of a low carbon and climate resilient economy; and/or

iii. Applied to temporarily reduce the indebtedness of a revolving nature before being redrawn for investments in or disbursements to Nominated projects and assets.

The proceeds of the bond were fully allocated to the Nominated Projects & Assets between until December 2021. While the proceeds were not fully allocated to the eligible projects, they were held in cash or cash-equivalent, as evidenced by the 2021 financial statement and foreseen in the Green Framework.

In our opinion, the Bond is in conformance, in all material respects, with the 'Management of Proceeds' portion of the Post-Issuance Certification Requirements.

3.4 Post-Issuance Reporting

3.4.1 Following the issuance of a Certified UoP instrument, to maintain the Certification all Issuers must submit annual Update Reports within 12 to 24 months from the date of issuance of the debt instrument until its maturity. Any Post-Issuance Verification Report by an Approved Verifier in any year is deemed to satisfy the Issuer's requirement to submit an Update Report for that year.

The issuer committed to preparing a report with information about the allocation of proceeds and the environmental benefits to reaffirm the transaction's compliance with the Climate Bonds Standard. All of the update reports were disclosed on Athon Energia's website. Still, the company managed to update the bondholders through different channels and has committed to publishing this post-issuance report on its website.



Although the company has undertaken to report on the issuance's indicators, Athon did not elaborate update reports in conformance with CBI's requirements.

In the 2022 Sustainability Report, Athon presents its portfolio, including the eleven projects that received the proceeds from this issuance. Information about the projects are disclosed in the report, such as their capacity installed, date of completion and geographical location.

In the 2021 audited Financial Statement, the company presents the status of the allocation of net proceeds, confirming that 100% of such proceeds were allocated to the nominated projects.

In addition, NINT developed a Framework Verification Report in August 2023, set to be published on Athon's website. It contains a deeper assessment about the allocation and management of proceeds from not only this issuance, but also three other Green Bonds issued by the company and its subsidiaries. In the SPO, NINT also verified the issuance's alignment with CBI Standards Criteria.

3.4.2 The Issuer should also provide an Update Report on a timely basis in case of material developments. Material developments include, but are not limited to, early repayment, change of control or acquisition, change of name, changes to the eligibility of assets and projects and any material amendments to transaction documents, including any winding-up process or enforcement.

There were no material developments involving the issuance nor the projects financed.

3.4.3. Issuers are encouraged to provide their Update Reports through existing bond market reporting channels, such as the US Municipality sector's Electronic Municipal Market Access (EMMA) website.

Athon did not provide Update Reports following the CBI's Update Report template through any bond market reporting channels.

3.4.4. An Update Report may contain three types of reporting: allocation reporting, eligibility reporting, and impact reporting:

i. Allocation reporting confirms the allocation of bond proceeds to eligible projects and assets and is mandatory for all Certified debt instruments.

ii. Eligibility reporting confirms the characteristics or performance of projects and assets to demonstrate their eligibility under the relevant Sector Criteria and is mandatory for all Certified debt instruments.

iii. Impact reporting discloses the metrics or indicators which reflect the expected or actual impact of eligible projects and assets and is encouraged for all Certified debt instruments.

Both allocation and impact reporting were covered by Athon through its 2021 financial statements and annual sustainability report, while eligibility reporting was included in the annual framework verification developed by NINT in 2023. The three documents are available on the Athon's website. It is important to reinforce that the reporting did not comply with CBI's Update Report template. In other words, although Athon



reported on environmental indicators and proceeds allocation, it did not follow the CBI's Update Report template.

3.4.5. The three different types of reporting can be included in a single Update Report, which must be provided to the Climate Bonds Standard Secretariat and made publicly available or provided annually to the bondholders/lenders for as long as the debt instrument remains outstanding.

3.4.6. The timing of reporting under this clause can be aligned with the Issuer's regular reporting schedule and does not need to follow the anniversary of the Certification or issuance of the Bond.

The timing of reporting was not aligned with the anniversary of the issuance of the Bond, as it followed the issuer's regular reporting schedule. One more time, NINT reinforces although Athon reported on environmental indicators and proceeds allocation, it did not follow the CBI's Update Report template.

3.4.7. The Allocation Reporting must include, without limitation:

i. Confirmation that the Bonds issued under the Issuer's Green Finance Framework are aligned with the Climate Bonds Standard.

ii. A statement on the climate-related objectives of the Bond.

iii. The list of Nominated projects and assets to which Net Proceeds have been allocated (or re-allocated).

iv. The amounts allocated to the Nominated projects and assets.

v. An estimate of the respective shares of the Net Proceeds used for financing and refinancing and which Nominated projects and assets have been refinanced. This may also include the expected look-back period for refinancing Nominated projects and assets.

vi. The geographical distribution of the Nominated projects and assets.

3.4.8. The Eligibility Reporting must include, without limitation:

i. Confirmation that the Nominated projects and assets continue to meet the relevant eligibility requirements applicable when obtaining the Certification.

ii. Information on the environmental characteristics or performance of Nominated projects and assets, which is prescribed by the relevant Sector Criteria.

As previously mentioned, all of the items were included either on the Sustainability Report or on the 2021 Financial Statement. However, any specific Allocation Reporting, following CBI's Update Report template, was performed.

3.4.9. Some Bonds have a very stable allocation of proceeds and do not need to track any performance indicators to maintain the eligibility of the projects and assets (such as financing for a single large-scale solar facility). This means that the annual Update Report can be concise and restate the information from previous reports.



3.4.10. Where there are limits on the detail that can be made available in the Update Report about specific Nominated projects and assets (as per Clause A.2.4.3), information disclosed must include the investment areas into which the Nominated projects and assets fall and an explanation of why detail on Nominated projects and assets is limited.

There was no limitation on the level of detail provided from Athon.

3.4.11. The impact reporting shall, without limitation:

i. Provide the expected or actual outcomes or impacts of the Nominated projects and assets concerning the climate-related objectives of the Bond.

i. Use qualitative performance indicators and, where feasible, quantitative performance measures of the outcomes or impacts of the Nominated projects and assets for the climate-related objectives of the Bond.

ii. Provide the methods and the key underlying assumptions for the calculation of the performance indicators and metrics.

3.4.12. Examples of quantitative performance measures of the outcomes of Nominated projects and assets can include but are not limited to: renewable energy capacity installed, greenhouse gas emissions avoided, emissions intensity, energy performance of buildings, number of passengers carried by public transport, volume of wastewater treated. Impact metrics and indicators can include but are not limited to: greenhouse gas emissions reduced/avoided, the number of households provided with access to clean power, a decrease in water use, a reduction in the number of cars required.

3.4.13. Methods include, but are not limited to, the framework used and the calculation methodology, including annualized metrics and/or lifetime calculations. Both institutional and proprietary frameworks may be used: institutional frameworks may be referenced by name, but proprietary and new frameworks should be described in sufficient detail to allow assessment.

As previously stated, Athon provided the impact metric of **GHG emissions avoided** and the performance measures of **renewable energy capacity installed** and **total energy generated** for them to be disclosed in this post-issuance report. All indicators were disclosed in Athon's Sustainability Report, even though the emission-linked one was not segregated by projects.

The Athon Green Framework is available on their website, as well as the NINT SPO regarding the same framework, containing an assessment of the metrics and methodologies used for each indicator. However, any specific Impacting Reporting, following CBI's Update Report template, was performed.

3.4.14. The Issuer must make available to the public any Verification Reports or other relevant material which supports the Update Report.

Athon has published the pre-issuance CBI assessment⁹ and the Green Framework SPO¹⁰, both developed by NINT, on their website. The company also publishes its audited

⁹ [CBI Assessment Report](#)

¹⁰ [Green Framework SPO](#)



Financial Statements and Sustainability Reports annually, more importantly, the 2021 Financial Statement¹¹ and the 2022 Sustainability Report¹². Also, as mentioned before, the Post-Issuance CBI Report elaborated by NINT will be disclosed on Athon’s website.

In our opinion, the Bond is in conformance, in all material respects, with the ‘Reporting’ portion of the Post-Issuance Certification Requirements.

¹¹ [2021 Financial Statement](#)

¹² [2022 Sustainability Report](#)



B. Climate Bonds Initiative’s taxonomy and Solar Sector Eligibility Criteria of the Climate Bonds Standard Version 2.3 (April 2023) Assessment

The following assessment is based on the Solar Sector Eligibility Criteria. It is organized according to the items listed in 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 NINT’s assessment conclusion.

Proceeds related to the establishment, acquisition, expansion, and/ or ongoing management of the solar energy or thermal generation facilities listed below are eligible for Use-of-Proceeds Certification.

- **Onshore solar electricity generation facilities**
- **Wholly dedicated transmission infrastructure, grid connections and other supporting infrastructure for onshore solar electricity generation facilities including inverters, transformers, energy storage systems and control systems.**
- **Onshore solar thermal facilities such as solar hot water systems.**
- **Onshore solar heat/cool and power cogeneration facilities.**

According to the Solar Sector Eligibility Criteria, “onshore solar electricity generation facilities” are eligible, provided that a “minimum of 85% of the electricity generated comes from solar energy resources”.

Since 100% of the net proceeds were allocated in the development, construction and operation of onshore solar electricity generation facilities, where all of the energy generated comes from solar energy resources, it is feasible to state that the projects financed remain in conformance with the CBI Solar Sector Criteria.

In our opinion, the bond is in conformance, in all material respects, with the Solar Sector Eligibility Criteria (Version 2.3, April 2023) under the Climate Bonds Standard 4.0.



4. Supporting Documents

- Securitization term sheet
- Athon 2022 Sustainability Report
- Athon 2021 Financial Statement
- Pre-Issuance CBI Verifier Report (2021)
- Company's website





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