

SOLO SOLE S.R.L.

GREEN BOND

SECOND PARTY OPINION

Assessment of the alignment with the Green Bond Principles

Roma, 14 March 2019



SOGESA Consulting Srl

Sede legale e operativa • Viale Giuseppe Mazzini, 6 • 00195 Roma • Tel. 06 86760968 • Fax 06 88652283

Ufficio di Milano • Via Cecilio S. Plinio, 74 • 20129 Milano • Tel. 02 84342339 • Fax 02 84342336

E-mail: info@sogesaconsulting.it • PEC: sogesaconsulting@gigapec.it • www.sogesaconsulting.com

P.IVA/Cod. Fisc. 09149841000 • CCIAA REA 1143178 • Organizzazione con certificazione di qualità ISO 9001:2015

Index

1. Scope and objectives	3
2. Basis of SOGESA Consulting's opinion	4
3. Responsibilities of the Management of Solo Sole and SOGESA Consulting	5
4. Work undertaken.....	5
5. Findings and SOGESA Consulting's opinion	6

1. SCOPE AND OBJECTIVES

Solo Sole S.r.l. ("Solo Sole" or the "Issuer") is an Italian company incorporated with the purpose of the acquisition and management of a 990 kWe/4 Mwt concentrated solar power plant ("CSPP") that will produce electricity from renewable sources currently under construction in the municipality of Enna by the company Archimede Srl.

The estimated production of electricity of such CSPP reaches the yearly value of 2.432 MWhe, equivalent to a lower emissions amount of 1.130 Co2/Tons (based on the average emissions level of the European thermoelectric plants). The CSPP project has already been admitted to the incentive tariff scheme granted by GSE – Gestore Servizi Energetici.

Solo Sole is considering the issuance of a bond in EURO (henceforth referred to as "BOND") of Euro 5.300.000,00 and would like to label it as a "Green Bond" as defined within the Green Bond Principles (GBP) by ICMA – International Capital Market Association. The capital investments related with the acquisition of the CSPP will be financed by new equity to be injected in Solo Sole by its shareholders for the amount exceeding the issued BOND.

The Issuer intends to use the proceeds of the BOND following the signing with Archimede Srl of an Operation & Management agreement immediately at the BOND issuance day (such contract will be executed the day the CSPP will be transferred by Archimede Srl to Solo Sole), and 2) a Transfer Agreement concerning the CSPP and its relevant connection facilities which will be executed once the CSPP is fully operational. The Transfer Agreement will be signed when the Sicily Region will authorize the transaction, in order to avoid losing the right to the incentive tariff.

According to GSE the transfer of the shares of the owner of a company which has been granted with an incentive tariff is always allowed. The price to be paid to Archimede Srl, to be funded by the BOND, will be based on the actual costs accounted for the realization of the CSPP.

At the BOND issuance day, Solo Sole will pay to Archimede Srl an amount of 1.600.000,00 in relation with the O&M agreement above mentioned.

According to Solo Sole, the CSPP has a work completion term by October 12, 2019; furthermore, in order to be admitted to the incentive tariff the plant has to enter into operation by May 25, 2021.

The bondholders will be granted by a number of securities in order to secure the payments of the Issuer under the notes of the BOND.

SOGESA Consulting S.r.l. ("SOGESA Consulting") has been commissioned by Solo Sole to provide a Green Bond Second Party Opinion on the alignment with GBP. Our methodology to achieve this is described under 'Work Undertaken' below. We were not commissioned to provide

independent assurance or other audit activities. No assurance is provided regarding the financial performance of the BOND, the value of any investments in the BOND, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the BOND has met the criteria established on the basis set out below.

The scope of this SOGESA Consulting opinion is limited to the Green Bond Principles by ICMA – International Capital Market Association – June 2018.

2. BASIS OF SOGESA CONSULTING'S OPINION

To provide as much flexibility for the issuer Solo Sole, we have adapted our Green Bond Principles assessment methodologies, which incorporates the requirements of the Green Bond Principles, to create a Solo Sole - specific Green Bond Second Party Opinion Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin SOGESA Consulting's opinion. The overarching principle behind the criteria is that a green bond should "enable capital-raising and investment for new and existing projects with environmental benefits".

As for our Protocol, the criteria against which the BOND has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of a green bond must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a green bond should outline the process it follows when determining eligibility of an investment using Green Bond proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a green bond should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the bond investors should be made of the use of bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

3. RESPONSIBILITIES OF THE MANAGEMENT OF SOLO SOLE AND SOGESA CONSULTING

The management of Solo Sole has provided the information and data used by SOGESA Consulting during the delivery of this review. Our statement represents an independent opinion and is intended to inform Solo Sole's management and other interested stakeholders in the BOND as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by Solo Sole.

SOGESA Consulting is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, SOGESA Consulting shall not be held liable if any of the information or data provided by Solo Sole's management and used as a basis for this assessment were not correct or complete.

4. WORK UNDERTAKEN

Our work constituted a high level review of the available information, based on the understanding that this information was provided to us by Solo Sole in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a Solo Sole - specific Protocol, adapted to the purpose of the BOND, as described above;
- Assessment of documentary evidence provided by Solo Sole on the BOND and supplemented by a high-level desktop research. These checks refer to current assessment, best practices and standards methodology;
- Discussions with Solo Sole management, and review of relevant documentation;
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

5. FINDINGS AND SOGESA CONSULTING'S OPINION

SOGESA Consulting's findings are listed below:

1. Principle One: Use of Proceeds

Solo Sole intends to use the proceeds of the BOND exclusively to fund the acquisition of a CSPP still under construction.

SOGESA Consulting determined that the CSPP that will be acquired by Solo Sole will reach significant savings in GHG emissions relative to fossil fuel usage and meets the requirements for inclusion under the Green Bond Principles.

According to Solo Sole's business plan, the CSPP will use n. 23.110 linear Fresnel reflectors designed in order to concentrate the solar radiation into circuits filled with a heat transfer fluid working at a temperature of 330 celsius degrees. The thermal energy absorbed by such fluid will be transformed by a turbine into mechanical energy and then into electrical energy by an alternator connected with the turbine itself.

The BOND is issued by the new company Solo Sole that plans to acquire in the future the CSPP. For that reason, the BOND could be labelled as "Green" only if and when the Transfer Agreement will be executed. Anyway, the complete analysis of the operations framework that Solo Sole plans to carry out, allows to bypass such possible deferred green bond labelling as:

- 1) the legal risk that the Sicily Region will not approve the transfer is close to zero;
- 2) and Solo Sole will be involved in the CSPP management operations via the O&M agreement with Archimede Srl and the immediate disbursement of euro 1.600.000,00 to that company.

On the basis of the information provided by Solo Sole and the work undertaken, it is SOGESA Consulting's opinion that the BOND will meet the criteria established in the Protocol and that it is aligned with the stated definition of green bonds within the Green Bond Principles by ICMA, which is to "enable capital-raising and investment for new and existing projects with environmental benefits".

2. Principle Two: Process for Project Evaluation and Selection

Solo Sole is a new company with no relevant previous experience in management of CSPP or similar projects.

In order to secure the availability of the specific technical skills connected with the complexity of the CSPP, at the BOND issuance day Solo Sole will sign an O&M agreement with Archimede Srl. The O&M will be signed before the Bond issue but with deferred effect on the date of the

final acceptance certificate. For the first two years (i.e. in the time between the certificate of provisional acceptance and that of final acceptance) O&M activities will be conducted by the EPC contractor himself.

3. Principle Three: Management of Proceeds

SOGESA Consulting has reviewed evidence showing how Solo Sole plans to trace the proceeds from the BOND, from the time of issuance to the time of disbursement.

The amount of the proceeds exceeding the sum that will be paid immediately to Archimede Srl in connection with the O&M agreement, will be managed within treasury or equivalent, and thereafter disbursed in accordance with the debt obligation. The details of the disbursement and the outstanding value will be tracked using Solo Sole internal financial reporting system. At the end of each financial period, Solo Sole will review the outstanding balance of the BOND. As stated above, SOGESA Consulting provides no assurance regarding the financial performance of the BOND, the value of any investments in the BOND, or the effects of the transaction.

4. Principle Four: Reporting

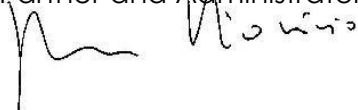
As Solo Sole has the purpose of acquiring and managing the CSSP, it will timely provide confirmation to bondholders that the acquisition of the plant has been fully executed by the Transfer Agreement. Such confirmation should include the information of any possible amount of the proceeds of the BOND that has not been used for such transaction. Solo Sole will deliver in its annual financial statements all the relevant qualitative and quantitative information concerning the environmental impact of the CSPP in terms of energy savings and operational efficiency.

Roma, 14 March 2019

for SOGESA Consulting S.r.l.

Stefano Dionisio

Partner and Administrator



Pierluigi Pireddu

Technical Director

