

# EXTERNAL REVIEW IN THE FORMAT OF SECOND PARTY OPINION

ON COMPLIANCE OF THE GREEN BONDS AND THE RELATED FINANCE FRAMEWORK OF CASPIAN SOLAR LTD. WITH THE GREEN BOND PRINCIPLES OF THE INTERNATIONAL CAPITAL MARKET ASSOCIATION (ICMA)

2026

# EXTERNAL REVIEW IN THE FORMAT OF SECOND PARTY OPINION

ON COMPLIANCE OF CASPIAN SOLAR LTD.'s GREEN BONDS AND THE RELATED GREEN FINANCE FRAMEWORK
WITH THE GREEN BOND PRINCIPLES OF THE INTERNATIONAL CAPITAL MARKET ASSOCIATION (ICMA)

*16 April, 2026*

## EXECUTIVE SUMMARY

### Opinion on compliance / non-compliance of the Issuer's Green Bonds and the related Green Finance Framework with the GBP[1]

We believe that Caspian Solar Ltd.'s Green Bonds and the related Green Finance Framework comply with the Green Bond Principles of the International Capital Market Association.

### Opinion on assigning a degree of alignment with the GBP ranging from "Excellent" (High) to "Poor" (Low)

In accordance with the results of the assessment, as well as in accordance with the Grading Scale for the Level of Alignment with the GBP we assigned the degree of compliance "Excellent" meaning that Caspian Solar Ltd. demonstrates an excellent level of proceeds management and allocation, eligible project selection, of quality of proceeds administration, as well as of reporting and disclosure on ongoing projects of environmental significance.

### Scope of External Review

This assessment is intended to evaluate the alignment of Caspian Solar Ltd.'s (hereinafter referred to as the Company, or Issuer) upcoming Green Bonds and the related Green Finance Framework (hereinafter referred to as GFF, or Framework) with GBP, including a review of the potential use of proceeds from the Company's debut green bond issuance, tentatively scheduled for April-May 2026, specifically, to finance a solar renewable energy project in South Africa.

This external review by GFC in the form of a Second Party Opinion contains an evaluation of the Company's Green Finance Framework as approved on July 21st, 2025, by the decision of the sole shareholder.

The preparation of the Second Party Opinion includes the study of the Company's relevant documentation and inputs provided through direct interaction with the Company as per Annex, as well as other publicly available information that may provide a description, details on and confirmation of compliance of processes involved in the implementation of the Company's policies for green bonds and loans.

AIFC Green Finance Centre Ltd. (GFC) confirmed with the Company, through document review and interviews held, that the proceeds from green bonds will be used exclusively to finance and/or refinance eligible green projects that correspond to the GBP and contribute to environmental

**Evaluation Date:** April 16th, 2026

[1] See Methodology section below for clarification

objectives. The project evaluation and selection process and the management of proceeds also correspond to the core components of the GBP. Reporting and disclosure of information on the use of proceeds and on the expected impact of the implemented projects will be provided on an annual basis and made available to investors, regulators and the relevant stock exchange.

**USE OF PROCEEDS.** GFC considers that investments in the Eligible Projects as defined in the Use of Proceeds section of the Green Finance Framework are aligned with the GBP and can have positive environmental impacts.
The project being considered by the Issuer for financing through the prospective issue of green bonds under the Green Finance Framework, specifically, the construction and operation of a 115 MW Solar Power Plant in South Africa, corresponds to a GBP category for renewable energy (including electricity generation from renewable energy and renewable energy appliances). Company shall ensure compliance with its own criteria established in the Green Finance Framework.

**PROJECT EVALUATION AND SELECTION**. The Company has established a process for green project selection and evaluation carried out in accordance with the Company's internal processes, including financial and technical evaluations, and with its Green Finance Framework, with a separate Green Finance Working Group (GFWG) constituted for approving a list of eligible green projects.
GFC considers that the project selection process is aligned with GBP in terms of establishing, documenting, and maintaining a decision-making process to determine the eligibility of projects and assets.

**MANAGEMENT OF PROCEEDS**. Allocation of the Company's net proceeds from green bonds/loans to Eligible Green Projects will be made through a special account for separate tracking and control of the funds. The Company will maintain a register of green bonds/loans and keep track of their intended use, thus comprehensively monitoring allocated and unallocated funds.
GFC considers that the management of proceeds is aligned with the GBP in terms of tracking of proceeds, managing unallocated proceeds, earmarking funds to eligible projects and assets, as well as documenting and disclosing the related processes to the reviewers.

**REPORTING.** The Issuer adopted a Green Finance Framework and made it available prior to issuance. The Company intends to make available an allocation report and an impact report on instruments issued under this Framework. The first report will be provided within one year of issuance of the Company's inaugural green bond. Reporting of allocated and unallocated proceeds and impact will be done at least yearly with the Annual Report, and the GFWG will be responsible to ensure that this reporting is done as required.
GFC considers that the reporting processes are aligned with the GBP in terms of disclosing projects and assets invested in, the intended approach to providing update reports to reaffirm conformance with the Framework, as well as external review aspects.

**Issuer Location:** Astana, Kazakhstan

**For Inquiries Contact the GFC external review team:**

**Milana Takhanova,** Head of External Review, GFC

M.Takhanova@aifc.kz

**Ainur Zhakupova**, Deputy Head of External Review, GFC

A.Zhakupova@aifc.kz

# TABLE OF CONTENTS

EXECUTIVE SUMMARY ..... 2

1. METHODOLOGY OF THE AIFC GREEN FINANCE CENTRE LTD. ON PREPARATION OF AN EXTERNAL REVIEW ..... 5

2. DESCRIPTION OF THE COMPANY'S GREEN FINANCE FRAMEWORK AND OTHER SUSTAINABILITY-RELATED STRATEGIC DOCUMENTS ..... 8

COMPANY OVERVIEW AND SUSTAINABILITY-RELATED POLICIES ..... 8

DESCRIPTION OF THE COMPANY'S GREEN FINANCE FRAMEWORK ..... 10

USE OF PROCEEDS ..... 11

PROCESS FOR PROJECT EVALUATION AND SELECTION ..... 12

MANAGEMENT OF PROCEEDS ..... 13

REPORTING ..... 14

EXTERNAL REVIEW ..... 15

3. EVALUATION OF THE COMPANY'S GREEN FINANCE FRAMEWORK AND OTHER DOCUMENTS ..... 15

GENERAL ASSESSMENT AND DETERMINATION OF THE DEGREE OF COMPLIANCE ..... 15

EVALUATION OF THE CRITERION – USE OF PROCEEDS ..... 16

ABOUT THE PROJECT EXPECTED TO BE FINANCED AS PART OF THE USE OF PROCEEDS FROM THE FIRST GREEN BOND ..... 17

EVALUATION OF THE CRITERION – PROCESS FOR PROJECT EVALUATION AND SELECTION ..... 22

EVALUATION OF THE CRITERION – MANAGEMENT OF PROCEEDS ..... 23

EVALUATION OF THE CRITERION – REPORTING AND DISCLOSURE ..... 24

FINAL WEIGHTED CRITERIAL GRADE ..... 25

DISCLOSURE AND LIMITATIONS ..... 25

ANNEX. List of Documents Reviewed and Interviews ..... 26

# 1. METHODOLOGY OF THE AIFC GREEN FINANCE CENTRE LTD. ON PREPARATION OF AN EXTERNAL REVIEW

To assess the compliance of companies' Sustainable Finance Frameworks and the corresponding business processes with the international Green, Social Bond Principles, Sustainability Bond Guidelines and Green, Social Loan Principles, AIFC Green Finance Centre Ltd. (hereinafter referred to as GFC) applies a number of approved methodologies as part of its External Review activity.

Specifically, GFC's Methodology in relation to sustainable bond issues (i.e. green, social and sustainability bonds) is employed for the preparation of External Reviews (Second Party Opinions) for compliance of a Green/Social/Sustainability Bond and other sustainability debt issues, including the Issuer's Green/Social/Sustainability Financing Framework, with the Green Bond Principles (hereinafter referred to as GBP, or Principles), Social Bond Principles ((hereinafter referred to as SBP, or Principles) and Sustainability Bond Guidelines (hereinafter referred to as SBG, or Guidelines). The Principles are formulated by the International Capital Market Association (hereinafter referred to as ICMA).

With regard to green and social loans, a separate methodology is employed by GFC to express an independent opinion (Second Party Opinion) on the compliance of loans, including borrowers' sustainability finance frameworks to raise funds in the form of green/social loans, to the Green Loan Principles and Social Loan Principles (hereinafter referred to as GLP and SLP, respectively). The Principles were formulated by the Loan Market Association (Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association).

Given the full harmonization between the Green/Social Bond Principles and the Green/Social Loan Principles established by the above international standards setters, GFC's external review (Second Party Opinion) methodologies for sustainability bonds and sustainability loans are also aligned to a significant degree. Accordingly, in order to streamline the process of evaluating a company's Green Finance Framework that covers both bonds and loans, GFC applies to these sustainable finance instruments its Methodology on preparation of an external review for compliance of a sustainable bond issue to the green/social bond principles or sustainability bond guidelines, due to said Methodology setting more stringent requirements for compliance with international standards in relation to the issuance of bonds, while the criterial analysis required by the Methodology will be applied equally to possible loan instruments.

The preparation of a report in the form of a Second Party Opinion includes the study of the Issuer’s relevant documentation, regulatory documents, reports, and presentations, if any, as well as other publicly available information that may provide a description, details on and confirmation of compliance of processes involved in the implementation of the company's policies for sustainability bonds, sustainability loans and sustainable financing in general. The information used for these purposes is obtained through direct interaction with the Issuer and/or from any open sources that the GFC considers reliable.

In the External Review GFC expresses its opinion according to criteria-based assessments in the following order:

1. Opinion on compliance/non-compliance of the Company's Sustainability Finance Framework with the GBP, SBP, SBG. *Minimum threshold levels for all assessment criteria need to be met all at once for us to confirm that the Issuer's Sustainability Finance Framework is in line with the GBP, SBP, SBG.*

2. Opinion on assigning a degree of alignment with the GBP, SBP, SBG ranging from "Excellent" (High) to "Poor" (Low). *Here, the assessment is carried out by calculating a weighted criterial grade depending on the significance of criteria. This opinion serves as additional information and is aimed at establishing a degree of alignment with the GBP, SBP, SBG. According to this methodology, any degree of alignment other than "Poor" (Low) should be considered consistent with the GBP, SBP, SBG.*

   In preparing the External Review, four criteria are assessed:
   1. Use of Proceeds;
   2. Process for Project Evaluation and Selection;
   3. Management of Proceeds;
   4. Reporting.

Each criterion is graded on a scale of "1" to "5". For each criterion, there is a number of indicators (subfactors). Each indicator (subfactor) that is assessed as fulfilled is assigned either a "1" score (for an important indicator that corresponds to a core principle in the GBP or SBP), a "0.5" score, or a "0.25" score (for less significant indicators that correspond to recommendations or encouraged practices in the GBP or SBP), depending on the criterion scoring scale. The final score for each criterion is calculated as a sum of scores assigned to the indicators (subfactors). The tables for criterion scoring, as well as the tables matching a sum of scores to a grade are provided in GFC's Methodology for each criterion.

For a positive opinion to be provided regarding the compliance of the Company's Green Finance Framework with the GBP, SBP, SBG, this methodology establishes a grade threshold for each assessed criterion at "3" at the least. If these requirements are met, in our opinion, the Issuer's Green Finance Framework will comply with the GBP, SBP, SBG. If these conditions are not met, we shall conclude that the Issuer's Green Finance Framework does not comply with the GBP, SBP, SBG and issue a respective opinion.

To express an opinion on the degree of alignment with GBP, SBP, SBG ranging from "Excellent" (High) to "Poor" (Low), the following algorithm for calculating criteria grades shall be used. A weighted criterial grade is calculated by multiplying a criterion grade by its weight (significance). We established that the significance of each criterion corresponds to the following weight in the overall grade:

| *Criterion* | *Weight (significance) in the cumulative assessment:* |
|---|---|
| *Use of Proceeds* | 45% |

| | |
|---|---|
| *Process of Project Evaluation and Selection* | 20% |
| *Management of Proceeds* | 15% |
| *Reporting and Disclosure* | 20% |

## Grading Scale for the Level of Alignment with the GBP, SBP, SBG according to GFC's Methodology

| *Threshold Grade* | *Degree* | *Definition* |
|---|---|---|
| High<br>> 4.5 | Excellent | Proceeds from the issuance of Green/Social/Sustainability bonds are most likely to be used for the implementation of Green/Social/Sustainability projects, respectively. The Green/Social/Sustainability bond issuer demonstrates an excellent level of proceeds management and allocation, eligible project selection, of quality of proceeds administration, as well as of reporting and disclosure on ongoing projects of environmental and/or social significance |
| Average<br>3,5 – 4,5 | Good | Proceeds from the issuance of Green/Social/Sustainability bonds are very likely to be used for the implementation of Green/Social/Sustainability projects, respectively. The Green/Social/Sustainability bond issuer demonstrates a good level of proceeds management and allocation, eligible project selection, of quality of proceeds administration, as well as of reporting and disclosure on ongoing projects of environmental and/or social significance |
| Satisfactory<br>3 – 3,5 | Satisfactory | The likelihood that proceeds from the issuance of Green/Social/Sustainability bonds will be directed to the implementation of Green/Social/Sustainability projects, respectively, is at an average level. The Green/Social/Sustainability bond issuer demonstrates a satisfactory level of proceeds management and allocation, eligible project selection, of quality of proceeds administration, as well as of reporting and disclosure on ongoing projects of environmental and/or social significance. |
| Low<br>< 3 | Poor | The likelihood that proceeds from the issuance of Green/Social/Sustainability bonds will be directed to the implementation of Green/Social/Sustainability projects, respectively, is at a low level. The Green/Social/Sustainability bond issuer demonstrates a poor level of proceeds management and allocation, eligible project selection, of quality of proceeds administration, as well as of reporting and disclosure on ongoing projects of environmental and/or social significance. |

The prepared External Review is submitted to the Issuer, after which it is to be publicly disclosed. Public disclosure is carried out through the publication of the External Review on GFC's website - https://gfc.aifc.kz/, and can also be communicated through a press release via news services and/or relevant web sources.

## 2. DESCRIPTION OF THE COMPANY'S GREEN FINANCE FRAMEWORK AND OTHER SUSTAINABILITY-RELATED STRATEGIC DOCUMENTS

### COMPANY OVERVIEW AND SUSTAINABILITY-RELATED POLICIES

Caspian Solar Ltd. was established in accordance with the Constitutional Law of the Republic of Kazakhstan and the legislation of the Astana International Financial Centre in the form of a Private Company trading as "Private Company Caspian Solar Ltd." The Company's main activity is commercial and management consulting.

Caspian Solar Ltd. is part of a group of companies engaged in implementing solar and wind power plant construction projects in various jurisdictions (with 48 MW of wind power plants completed in the Republic of Kazakhstan, over 1.6 GW worth of solar and wind power plant projects being underway in the Republic of Kazakhstan, Serbia, South Africa, etc.). According to its statements, the Company strives to carry on its business in a manner not only ensuring a balanced sustainable business growth, but also contributing positively to the environment, the livelihoods of the local population and the socio-economic development of the region of operations.

In its sustainability policies the Company commits to support the UN 2030 Agenda for Sustainable Development and the international efforts on climate change, and, therefore, to contribute to the achievement of SDGs, in particular through participation in the transition to a green economy globally and especially in developing countries, which it deems its key principles of everyday activities. Recognizing the importance of all 17 UN SDGs, the Company has focused its efforts on achieving the following six Goals that are most relevant to the business and specifics of the renewable energy industry and to achieve which the Company will implement the corresponding tasks:

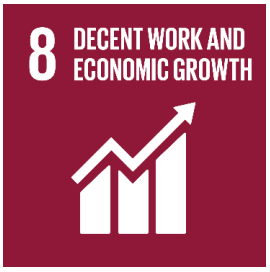
GOAL 7




Objectives:

- Effective usage of natural resources;
- Promoting universal access to affordable, reliable and modern energy supplies;
- Promoting an increase in the share of energy from renewable sources;
- Implementation of an integrated approach to the use of natural energy resources;
- Continuous improvement of energy efficiency and energy saving.

GOAL 8




Objectives:

- Human rights compliance;
- Promoting inclusive and sustainable economic growth;
- Promoting employment and decent work for all;
- Health care for workers;
- Business ethics compliance;
- Training of qualified personnel, improving the qualifications of employees;
- Development of environmental management to achieve environmental policy goals;
- Scientific validity of management decision-making.

GOAL 9




Objectives:

- Creation of robust infrastructure;
- Investments in energy infrastructure and clean energy technologies;
- Promoting inclusive and sustainable industrialization and innovation;
- Implementation of innovative technologies aimed at careful and responsible use of resources, increasing labor productivity.

GOAL 12




Objectives:

- Development of production in accordance with the principles of sustainable development;
- Minimization of impact on biological and physical natural systems during production activities;
- All-round rationalization of production;
- Integrated approach in production;
- Waste minimization;
- Elimination of losses;
- Wide application of secondary raw materials;
- Ensuring a state of environmental safety that corresponds to the modern level of development of science and technology.

GOAL 13




Objectives:

- Ensuring compliance of activities with international and state environmental legislation and the requirements of international standards in the field of environmental management;
- Greening all spheres of life activity;
- Encouraging policies that promote environmental protection;
- Identification of risks in the field of sustainable development in the environmental sphere;
- Optimal usage of limited resources.

GOAL 15




Objectives:

- protection and restoration of terrestrial ecosystems;
- promoting the rational use of natural resources;
- implementation of "zero" waste practices.

Thus, the Company is focused on sustainable development and social responsibility, as well as promoting the country's strategic course for the development of a green economy and renewable energy.

A strong commitment to the principles of sustainable development and continuous improvement is expressed in ensuring safe working conditions, responsible environmental management, supporting local communities and increasing economic value for stakeholders. When implementing projects, the Company analyzes potential risks to the environment, employees and the local population in order to ensure that risks are identified, assessed against permissible levels and are properly controlled by the Company.

The main goal of the Company's activities in relation to energy and emissions is the efficient use of natural energy resources and/or their savings to be achieved through the following tasks:

- reducing the level of impact on the environment, including by reducing CO2 (carbon dioxide) emissions into the atmosphere and recycling any type of waste;
- minimization of costs through rational use of energy resources and advanced energy-efficient technologies;
- continuous improvement of energy efficiency and energy saving;
- increasing the level of competence and awareness of the Company's employees in the field of energy efficiency and energy saving;
- cooperating with suppliers of raw materials and transportation services who have set targets for reducing greenhouse gas emissions, for the transportation of finished products;
- compliance with all applicable legal and regulatory obligations established by the AIFC Law, the legislation of the Republic of Kazakhstan or the legislation of the country of the subsidiaries involved in the green projects or the countries in which renewable energy projects are planned to be implemented.

The Company commits to annual reporting on the use and management of proceeds from green bonds/loans raised.

## DESCRIPTION OF THE COMPANY'S GREEN FINANCE FRAMEWORK

The Green Finance Framework (GFF) was developed taking into account the recommendations specified in the Green Bond Principles of the International Capital Market

Association (ICMA Green Bonds Principles, or GBP) and the Green Loan Principles of the Loan Market Associations (Green Loan Principles, Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association, or GLP), and is consistent with environmental legislation and other regulatory legal acts of the countries in which the Company implements projects.

This GFF applies to the Company's subsidiaries (provided that these subsidiaries are green bonds issuers on AIX or other stock exchange established and/or governed by the AIFC Law), where 70% of the shares or more in the authorized capital is owned by the Company, that are involved in the green projects compliant with the legislation of the country of registration of such subsidiaries and the legislation of the country of project delivery.

The GFF is applicable to the subsidiaries as mentioned above until subsidiaries implement their own green finance procedures.

The projects and assets selected for financing under a specific issue of Caspian Solar green bonds will not be nominated to a pool of funded projects under another issue of Caspian Solar green bonds or other affiliated companies of Caspian Solar, except in cases where the issuer can clearly demonstrate and transparently disclose that distinct green bonds finance clearly demarcated individual parts (or different implementation stages) of nominated projects and assets, or that specific green bonds are refinanced with other green bonds. Reporting on the intended use of proceeds from green bonds and green loans in accordance with GBP and GLP contributes to a gradual increase in transparency, which facilitates the process of tracking funds flowing into environmental projects while improving the understanding of the expected results from them.

For each transaction using green financing instruments, the Company undertakes to adhere to the four key elements of GBP and GLP:

1) Use of Proceeds;
2) Process for Project Evaluation and Selection;
3) Management of Proceeds;
4) Reporting.

Within the GFF, the Company may issue green bonds and take on green loans in accordance with the prevailing conditions described in the GFF below.

The GFF may be further updated and expanded as the securities market, market practices and the regulatory environment develop, and as international and national standards are updated.

## USE OF PROCEEDS

The funds raised by the Company from green bonds or green loans obtained are intended exclusively (in the amount of 100%) for financing and/or refinancing (in part or in full) green projects by the companies implementing RES projects in accordance with the GFF. In the case of refinancing, the lookback period for projects shall not exceed 5 years prior to green bond issuance or green loan borrowing. Eligible green project expenditures refer to costs that may include direct investment (capital) expenditures, individual operating costs directly related to the implementation of green projects, as well as other costs related to green projects, including R&D and development.

**GREEN PROJECTS ELIGIBLE FOR FINANCING AND/OR REFINANCING WITH PROCEEDS FROM GREEN BONDS OR GREEN LOANS RAISED ARE CLASSIFIED ACCORDING TO (BUT NOT LIMITED TO) THE FOLLOWING CATEGORIES:**

TABLE 1ELIGIBLE GREEN PROJECTS

| ELIGIBLE PROJECTS | PROJECT CATEGORY ACCORDING TO THE ICMA/LMA/LSTA GREEN BOND/LOAN PRINCIPLES | THRESHOLD CRITERIA | UN SDG ALIGNMENT |
|---|---|---|---|
| Acquisition, construction and operation of facilities in the field of wind and solar renewable energy sources<br><br>Development, construction or production of components for renewable energy projects, auxiliary infrastructure for the production of energy storage systems (battery, mechanical, accumulating) | Renewable energy sources | no restrictions | SDG 7. Affordable and Clean Energy<br>SDG 9. Industrialization, innovation and infrastructure<br>SDG 13. Climate Action |
| New, expanded and improved transmission systems (grids, substations), new formation and communication technologies (smart grid and mini-grid) for scaling up renewable energy sources; dedicated transmission lines; heat and electricity meters and sensors; inverters/controllers; transformers; voltage regulators; switchgear; clean energy transport routes; green hydrogen storage systems | Renewable energy sources | no restrictions | SDG 7. Affordable and Clean Energy<br>SDG 9. Industrialization, innovation and infrastructure<br>SDG 13. Climate Action |

For the first issue of green bonds and/or potentially green loans, the Company selected projects related to the acquisition and construction of solar generation facilities, implemented through subsidiary companies of Caspian Solar Ltd. (together forming a group to which the GFF applies), with a total installed capacity of up to 77 MW in Serbia, up to 245 MW in the Republic of Kazakhstan and 115 MW in the Republic of South Africa, which correspond to UN SDGs No. 7: Ensure access to affordable, reliable, sustainable and modern energy for all".

## PROCESS FOR PROJECT EVALUATION AND SELECTION

To ensure transparency of the project assessment and selection criteria and processes for financing and/or refinancing projects using proceeds from green bonds and/or green loans, the Company establishes and discloses the fulfillment of the following criteria:

1) the project meets the criteria of Section 3 "Use of Proceeds" of the GFF;
2) the project can bring an additional positive environmental effect, measurable quantitatively and qualitatively.

In the process of selecting Eligible Projects, the criterion of 'Do No Significant Harm to the Environment' must be met. This principle of no harm is deemed to be met if the projects

comply with the requirements of the legislation and regulatory requirements of the countries in which Eligible Projects are to be implemented, such as the obtaining of environmental impact assessments.

Taking into account and assessing environmental factors when considering acceptable projects includes checking for activities which may result in a significant deterioration of the living environment, social conditions of work and life of the population, which are classified as illegal by national legislation and regulatory requirements of the countries of project delivery or international conventions and treaties, or are subject to withdrawal from international circulation or prohibition.

The general procedure for selecting green projects in the Company can be presented as follows. For the purposes of establishing a project's compliance with green financing criteria, the Company created a special Green Financing Working Group (hereinafter referred to as the "GFWG"/ "Working Group"), responsible for identifying and selecting acceptable green projects. The GFWG includes independent experts with experience in corporate finance management, construction and/or maintenance of renewable energy facilities, energy supply and/or environmental protection, logistics, etc.

The tasks of the GFWG include:

- review, selection, approval and monitoring of compliance of eligible green projects;
- quarterly monitoring of the green financing project portfolio;
- determination of quantitative metrics for achieving a positive environmental effect;
- preparing annual reports for investors/creditors and/or engaging an independent external reviewer;
- monitoring compliance with this GFF by the Company's employees;
- revision of the GFF, if necessary.

All green projects selected and approved by the GFWG will be included in the register of eligible green projects and will be formed into a separate green financing project portfolio.

## MANAGEMENT OF PROCEEDS

Proceeds from issued green bonds or from received green loans will be credited by the Company to a separate analytical special account for separate accounting and control of funds. All assets that meet the criteria will be marked in a separate asset portfolio as "Green Bonds" and "Green Loans", and proceeds from issued green bonds or from green loans will be tracked in the Company's management reporting system.

The GFWG will monitor the total volume of assets in the Company's Green Bonds and Green Loans asset portfolio on a quarterly basis to ensure that it is equal to or exceeds the total proceeds from issued green bonds and green loans obtained.

If, for any reason, the total amount in the Green Bonds and Green Loans portfolio is less than the total amount of outstanding green bonds or green loans, the Company will retain the unallocated amount in accordance with the Company's regular liquidity management policy by investing in short-term and/or liquid instruments, until the amount is allocated to the projects identified in the Green Bonds and Green Loans portfolio.

Unallocated funds cannot be used to finance projects powered by fossil fuels. The Company intends to fully allocate borrowed funds as soon as possible, but not later than within 48 months from the date of issuance of each green loan/green bond.

The GFWG monitors the targeted spending of borrowed funds for projects financed and/or refinanced by green financial instruments on a quarterly basis. If, based on the results of monitoring of the targeted use of proceeds, the Company comes to the conclusion that it does not comply with the intended purpose, the project is excluded from the register of eligible green projects by decision of the GFWG and, if possible, shall be replaced by another eligible project, with appropriate disclosures in post-issuance annual reports on the green bond issued (loan raised). The Company will seek to engage external verifiers to check the management of proceeds at the stage of preparing post-issuance Green Financing Reports.

## REPORTING

The Company undertakes to provide investors and creditors with a Green Financing Report (the "Green Financing Report") annually until the proceeds have been fully allocated, and to promptly provide such reports if any material changes occur.

The first report is published on the Company's website (https://caspian-solar.kz/) no later than 30 days after the expiration of one year from the date of issuing a green financing instrument. These reports may include, but are not limited to:

Allocation Report:

• Net proceeds from each green bond issued/green loan received by the Company;

• The aggregate amounts of funds allocated to each of the Eligible Project category (as specified in Table 3);

• Balance of unallocated proceeds at the end of the reporting period.

Impact Report

Where possible, the Company will provide additional information and examples of eligible projects financed or refinanced through green bonds and/or green loans, including quantitative performance indicators, as described in the table below. Disclosures related to the use of proceeds, impact reporting, and projects financed or refinanced are subject to the Company's commitment to confidentiality and availability of such information.

TABLE 2IMPACT INDICATORS

| CATEGORY OF ELIGIBLE PROJECTS | POSSIBLE QUANTITATIVE IMPACT INDICATORS |
|---|---|
| Renewable energy and "green" hydrogen | Total installed capacity (MW)<br>Total annual output of generated power (MWh/year)<br>GHG emissions reduction (tCO2e)<br><br>Additional:<br>Number of people provided with access to clean energy<br>Reduction in water use |

## EXTERNAL REVIEW

The Company shall ensure that an external review is prepared in any of the following formats: an opinion of an external consultant (Second Party Opinion), verification, certification or rating of compliance of this GFF with the GBP and GLP.

The first annual report on the use and management of proceeds shall be reviewed and signed by an independent reviewer to confirm the green status of the bond/loan. This may be in the form of a letter signed by the independent reviewer and may also include a statement from the financial auditor regarding the use of proceeds. Subsequent annual reports on the use and management of proceeds may be reviewed by an independent reviewer at the Company's discretion.

External reviews and annual reports on issued green bonds/received green loans will be published on the website of the Company or one of the Group's companies from the date of issue/receiving until the maturity of the green bonds/green loans.

# 3. EVALUATION OF THE COMPANY'S GREEN FINANCE FRAMEWORK AND OTHER DOCUMENTS

In this section, we describe the assessment of the GFF and other relevant documents of the Company for compliance with the GBP in accordance with GFC's Methodology for preparing an external review. The information used for these purposes was obtained by means of direct interaction with the Company (see Annex).

## GENERAL ASSESSMENT AND DETERMINATION OF THE DEGREE OF COMPLIANCE

GFC confirmed with the Company, through document review and interviews held, that the proceeds from green financing instruments will be used exclusively to finance and/or refinance eligible green projects. The categories and criteria for eligible green projects correspond to the GBP and contribute to environmental objectives. The project evaluation and selection process and the management of proceeds also correspond to the core components of the GBP. Reporting and disclosure of information on the use of proceeds and on the expected impact of the implemented projects will be provided on an annual basis and made available to investors, regulators and the relevant stock exchange.

1. **Opinion on compliance / non-compliance of the Issuer's Green Bonds and the related Green Finance Framework with the GBP**. Based on the evaluation for meeting the minimum threshold levels for all assessment criteria, we are of the opinion that the Company's inaugural green bonds and the related GFF meet the mandatory and partially additional values of the criteria, and, accordingly, **we are of the opinion that Caspian Solar Ltd.'s Green bonds and the Green Finance Framework comply with the Green Bond Principles of the International Capital Market Association.**

2. **Opinion on assigning a degree of alignment with the GBP ranging from "Excellent" (High) to "Poor" (Low).** In accordance with the results of the assessment, as well as in accordance with the Grading Scale for the Level of Alignment with the GBP **we assigned the degree of compliance "Excellent"** meaning that Caspian Solar Ltd. demonstrates an excellent level of proceeds management and allocation, eligible project selection, of quality of proceeds administration, as well as of reporting and disclosure on ongoing projects of environmental and social significance.

Grading Scale for the Level of Alignment with the GBP

| *Threshold Grade* | *Degree* | *Definition* |
|---|---|---|
| High<br>5 | Excellent | Proceeds from the issuance of Green Financing Instruments are most likely to be used for the implementation of Green Projects. The Issuer demonstrates an excellent level of proceeds management and allocation, eligible project selection, of quality of proceeds administration, as well as of reporting and disclosure on ongoing projects of environmental significance. |

## EVALUATION OF THE CRITERION – USE OF PROCEEDS

The indicators listed below reflect our assessment of the criterion "Use of Proceeds".

| *Indicator* | *Characteristic of the indicator (permissible, mandatory indicator, not recommended)** | *Grade* |
|---|---|---|
| 1. 100% of proceeds are allocated to implementing and financing/refinancing of Green Projects that bring environmental benefits and are evaluated by the Issuer for compliance with the eligible project categories in line with the GBP with regard to their qualitative and/or quantitative characteristics | Permissible | 5 |
| WEIGHTED CRITERIAL GRADE | | 2,25 |

The Green Eligible Projects Categories specified in the GFF correspond to the projects categories set forth in the GBP and GLP, specifically, the following:

- Renewable energy (including production, transmission, equipment and products).

In terms of the alignment of green eligibility criteria set in GFF criteria with specific taxonomies, and peer benchmarks, the level of ambition can be deemed aligned with recognised international green taxonomies (EBRD Paris-Aligned list, Climate Bonds Initiative's (CBI) Taxonomy). For example, with regards to wind and solar energy the threshold criteria – no restrictions – are aligned with EBRD Paris-Aligned list and CBI Taxonomy.

The categories of eligible projects established in the GFF are also aligned with the priority UN Sustainable Development Goals to which they contribute as per ICMA's High-Level Mapping to the Sustainable Development Goals Guidance, June 2023[2].

[2] https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Green-Social-and-Sustainability-Bonds-A-High-Level-Mapping-to-the-Sustainable-Development-Goals-June-2023-220623.pdf

Therefore, GFC considers that investments in the Eligible Projects as defined in the Use of Proceeds section of the GFF are aligned with the GBP and GLP and can have positive environmental impacts.

## ABOUT THE PROJECT EXPECTED TO BE FINANCED AS PART OF THE USE OF PROCEEDS FROM THE FIRST GREEN BOND

The Issuer primarily operates within the renewable energy sector, focusing on solar energy markets. Caspian Solar Ltd. plans to allocate the proceeds from the green bonds for the construction and operation of a solar generation facility with a total installed capacity of 115 MW in the Republic of South Africa (hereinafter referred to as the "Project"), implemented through an affiliated company of Caspian Solar Ltd. - Noble Protea Ventures SA (both fully controlled by a holding group - LLC Kaganat Solar (*Caspian Solar Ltd. is controlled by LLC Kaganat Solar holding company via Zhyldyz Ltd*). The project corresponds to UN SDGs No. 7: Ensure access to affordable, reliable, sustainable and modern energy for all".

Given that this project in South Africa has been selected for financing through the Company's green bonds, the Company made sure that, in line with its GFF, the project expenditures that have been selected for financing through the Company's upcoming green bond are not nominated to a pool of green projects under another issue of Caspian Solar Ltd.'s green bonds or other affiliated companies of Caspian Solar Ltd., except in cases where the Issuer can clearly demonstrate and transparently disclose that the various green bonds finance clearly demarcated parts (or different implementation stages) of nominated projects and assets. In this particular instance, the Company's GFWG has made a decision on the inclusion of this project's capital expenditures in the pool of eligible green project explicitly and clearly disclosing the following circumstance:

The Company's upcoming debut green bonds shall cover the nominated project's capital expenditures in the amount of CNY 625 million to finance the following costs, including, but not limited to:

- Acquisition, construction, delivery, and installation of fixed assets, including customs duties, fees, and license payments;
- Preliminary work (building investments)
- Design and survey work and permitting documentation (building investments)
- Construction and installation work + commissioning
- Major repairs and modernization of buildings and structures
- Production software
- Photovoltaic modules
- Logistics
- General contract costs
- Technological connection to the grid
- Land
- Intangible assets
- Technical audit
- Construction and installation insurance.

Financing for another part of the Project's budget related to the general and operating expenses associated with the implementation of the Project in South Africa will be covered from the proceeds of green bonds of a sister company (also part of the Group). The Project's operating cost funding includes, but is not limited to:

1. General corporate expenses related to project implementation:
• Personnel salaries at the project production site
• Mandatory insurance premiums
• Utilities
• Communication services and IT support
2. Consulting services:
• Payment for the services of external consultants and contractors
• Research and development (R&D)
3. Other operating expenses:
• Transportation costs incurred in connection with project implementation
• Security services at the production site

The relevant decisions of the Green Finance Working groups of Caspian Solar Ltd. and of the sister company on this demarkation of costs have been made available to GFC as external reviewer.

The main environmental benefit of the Project will be the reduction of contribution to climate change in South Africa. SPPs, as low-carbon alternatives to thermal power plants, make it possible to avoid (prevent) GHG emissions into the atmosphere.

## GENERAL INFORMATION ABOUT THE PROJECT

### Project: Construction and operation of a 115 MW Postmasburg Solar Power Plant in South Africa

#### Description of the Project:

The 115 MW Postmasburg Solar Power Plant (also known as Postmasburg Solar PV Energy Facility 2) in South Africa is a utility-scale solar PV project situated within the jurisdiction area of the Tsantsabane Local Municipality, ZF Mgcawu District of the Northern Cape Province, South Africa. The Solar PV facility covers approximately 247 hectares. It consists of site development, construction of a photovoltaic power plant and supply of electric energy to traders under PPA. 100% of the PV modules have been successfully delivered to the RSA and stored in a warehouse in Port Elizabeth. The project envisages the aggregator model: sale of electricity by the generator to the trader via PPAs.

Project obtained all the necessary licenses and permits according to South African legislation and is ready for construction. All project permits are obtained and are effective: EIA, EA, EMPR, NERSA registration, South African Heritage Resources Agency (SAHRA), SALA, SPLUMA, DMR consent, biodiversity permits, telecommunication consents, building plans, access road approval, general authorization in terms of NWA as well as Biodiversity permits for PV facility and Grid connection, General Authorization for water use.

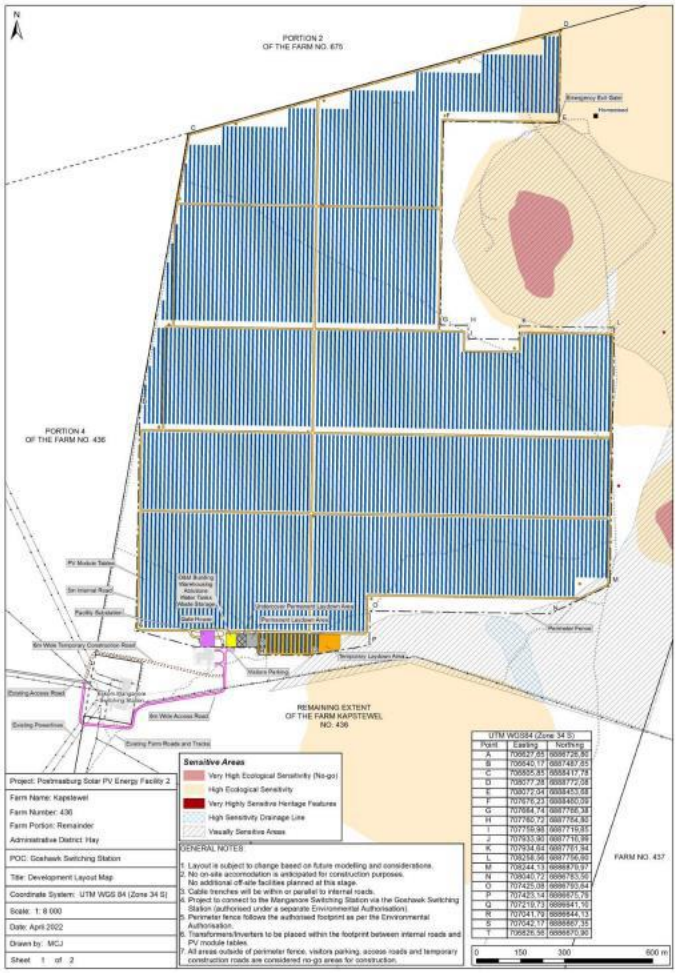
**Employment generation and alleviating power shortage**: Solar power plant will employ 380 employees during construction, 33 employees during operation, and contribute to solving the electricity shortage problem in South Africa.

**Grid connection**: The facility will integrate into the Eskom grid through a two-bay switching station. The New Goshwak Switching Station is to be constructed adjacent to the solar PV facility step-up substation with a transformation capacity of 120 MVA. The grid connection will be established through the new 132 kV feeder at Goshwak SWS to the existing Eskom Manganore Switching Station.

**Project Summary:**

✓ Timeframe for operational commissioning: April 2027
✓ Term of operation: over 25 years
✓ Expected Output for 115 MW SPP: approx. 286 828 MWh/year

Fig.1. Land Layout




.....

Environmental impact of the project – annual avoided greenhouse gas emissions amounting to 262 734 $tCO_2$ per year.

Thus, the main environmental benefit of the project will be the reduction of South Africa's contribution to climate change. As mentioned above, SPPs, as low-carbon alternatives to thermal power plants, make it possible to avoid (prevent) considerable amounts of GHG emissions into the atmosphere. South Africa produces around 80% of its energy from a mainly ageing fleet of coal fired power stations. According to South Africa's latest (2023) Grid Emission Factor Report, the 2023 Domestic Generation Grid Emission Factor was 0.94 tCO2e/MWh, which is marginally lower than the 2022 DGGEF of 0.96 tCO2e/MWh. Overall emissions have fallen from 1.013 tCO2e/MWh in 2021 to 0.942 tCO2e/MWh in 2023, but still remain very high. The country works towards a low-carbon electricity system and its Paris Agreement goal of net zero by 2050.

Carbon footprint considerations

The lifecycle emissions of solar plants are low enough to allow solar energy to be designated as a low carbon solution. Lifecycle emissions include all emissions related to the construction, operation (including upstream and downstream fuel emissions) and decommissioning of the power plants.

The table below provides a comparison across different fuel sources. The emissions are quoted in terms of CO2-eq (or carbon dioxide equivalent), which normalises the greenhouse effect of other gases released in the process (e.g. methane) to that of CO2.

Comparison of normalised lifecycle emissions (g CO2 -eq / kWhe) for power plants using various fuel sources[3].

| Fuel Source | Lifecycle Emissions Intensity ($g\ CO_2$-eq / $kWh_e$) |
|---|---|
| Coal | 850-1300 |
| Natural Gas | 400-650 |
| Nuclear | 10-40 |
| Solar PV | 35-100 |
| Solar Thermal | 10-35 |
| Solar Thermal / Gas Hybrid | 234-345 |
| Wind | 10-20 |
| Hydro | 7.5-20 |
| Biomass | 65-350 |
| Marine | 15-25 |

The CBI's Solar Technical Working Group notes[4] that the carbon footprint of solar PV in general has decreased approximately 50% in the last 10 years due to performance improvements, raw material savings and manufacturing process improvements. The group also notes that the lifecycle emissions of solar thermal plants remain relatively low to fossil fuel alternatives, even when the emissions of the fossil fuel hybrid element are factored in, provided the extent of fossil fuel use in the hybrid plant is controlled.

Water requirements

The withdrawal of water in the lifecycle of solar PV systems, that is water diverted or withdrawn from groundwater or surface water sources, is relatively lower than in other forms of electricity generation. Assuming strong sun locations, water withdrawal use ranges from 0.8 l/kWh to 1.9 l/kWh. Other forms of high carbon energy range from 1.2 l/kWh to 230 l/kWh. In terms of water consumption, that is water permanently withdrawn from sources and no longer available, solar PV consumes 0.1 l/kWh. This compares to ranges of 0.75 l/kWh to 75 l/kWh for high carbon electricity generation.

Land use impacts

Ground-based solar plants require land at approximately 2.5 to 3.5 hectares per MW depending on technology and location.

*GFC comment: the project site's area is approx. 247 hectares, which is below the lower benchmark of 287 hectares for a 115 MW SPP.*

Given the forecast electricity generation by the SPP of 286 828 MWh/year and based on the national Combined Margin Grid Emission Factor of 964 g CO2/kWh or 0.964 tCO2/ MWh (for South Africa[5], the annual greenhouse gas (GHG) emissions avoided can be expected to be 286 828 MWh x 0.964 tCO2/MWh = 276 502 tCO2.

Also, according to the Intergovernmental Panel on Climate Change (IPCC), the average life cycle CO2 equivalent emissions for Solar PV utilities are 0.048 tCO2 equivalent/MWh, therefore, with this adjustment, annual avoided emissions are expected to be GHG emissions will be 286 828 MWh x (0. 964-0.048 tCO2)/MWh = 262 734 tCO2.

## Consideration of general environmental and social impacts of solar assets

The Environmental Impact Report (EIR) concluded that the proposed Postmasburg Solar PV Energy Facility 2 has been considered via a balanced approach, mindful of cumulative impacts and need and desirability requirements, and that no fatal flaws have been identified that warrant refusal of the proposed development.

[3] https://www.climatebonds.net/files/files/standards/Solar/Solar%20Criteria%20Background%20Paper.pdf
[4] https://www.climatebonds.net/files/files/standards/Solar/Solar%20Criteria%20Background%20Paper.pdf
[5] According to the IFI Dataset of Default Grid Factors table, version 3.2 (used by IFIs as a basis for accounting for greenhouse gas emissions), Combined Margin Grid Emission Factor for South Africa in relation to wind and solar energy projects is set at 964 gCO2/kWh, while the Operating marginal GHG emission factor of the power system for South Africa is set at 1070 gCO2/kWh (including for use in accounting for greenhouse gas emissions according to the PCAF methodology)

According to this Report, it is believed proposed Postmasburg Solar PV Energy Facility 2 will be sustainable in the long term and that the proposed development will be an asset to the Postmasburg area, Northern Cape region and the broader South African society through supplementing the electricity supply for the National Eskom Grid.

*Summary of EIA findings (Potential Impacts of the Preferred Layout Alternative)*

| Impact | Without Mitigation | With Mitigation |
|---|---|---|
| Impacts on vegetation and listed or protected plant species resulting from construction activities | Medium Negative | Medium-Low Negative |
| Direct Faunal Impacts During Construction | Medium Negative | Medium-Low Negative |
| Avifaunal impacts due to habitat loss and construction activities | Medium Negative | Medium-Low Negative |
| Soil Erosion Risk During Construction | Medium Negative | Low Negative |
| Alien Plant Invasion Risk During Operation | Medium Negative | Low Negative |
| Soil Erosion Risk During Operation | Medium Negative | Low Negative |
| Faunal impacts during operation | Medium-Low Negative | Low-Negative |
| Avifaunal impacts due to power lines and operational activities | Medium-Low Negative | Low Negative |
| Impact on broad-scale ecological processes due to cumulative loss and fragmentation of habitat | Medium-Low Negative | Low Negative |
| Potential impact on Pre-colonial Archaeology | Low Negative | Very-Low Negative |
| Potential impacts on Graves | Low Negative | Low Negative |
| Visual Impact of Solar Facility on Landscape Character / Environment | Regional Negative | Low Negative |

*Minimum Social Safeguards*

Minimum safeguards are to be understood as due diligence and remedy procedures implemented by a company that is carrying out an economic activity in order to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The latter includes the principles and rights set out in eight of the ten fundamental conventions identified in the International Labour Organization (ILO) Declaration of the on Fundamental Principles and Rights at Work (5) and the International Bill of Human Rights (6).

As per the draft EIA, the operation of the facility will have a positive influence on social aspects. The SPP construction and operation shall create both temporary and permanent jobs. A personnel policy will be developed that will be agreed with local government, with each employee to be engaged through an individual employment contract.

In potential emergency situations no strong public concern is expected, as there will be no use of toxic chemicals that may result in significant changes in the natural environment, for, chemical reagents are not used in the technological process. Any emergency risks are predicted to be local, i.e. impacting only the territory of the facility's site.

## Conclusion on the renewable energy project

We are of the opinion that the project to be implemented and financed through the upcoming Green Bonds (*Construction and operation of a 115 MW Postmasburg Solar Power Plant in South Africa*) complies with the descriptions and criteria for eligible green projects set out in the GFF, as well as with the Renewable Energy category specified in the Green Bond Principles of International Capital Markets Association (ICMA), is assessed as permissible and cleared for implementation given the EIA findings of there being no significant environmental or social impacts, and is, therefore, determined as environmentally sustainable for green finance purposes.

## EVALUATION OF THE CRITERION – PROCESS FOR PROJECT EVALUATION AND SELECTION

The objectives of eligible green projects are positioned within the context of the Company's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, which is in alignment with the GBP, and the Company established a decision-making process which it uses to determine the eligibility of projects and assets.

Specifically, the Company has established a process for green project selection and evaluation carried out in accordance with the Company's internal processes, including financial and technical evaluations, and with its Green Finance Framework, with a separate Green Finance GFWG constituted for approving a list of eligible green projects.

GFC considers that the project selection process is aligned with GBP in terms of establishing, documenting, and maintaining a decision-making process to determine the eligibility of projects and assets. The indicators listed below reflect our assessment of the criterion "Process for Project Evaluation and Selection".

| *Indicator (Subfactor)* | *Score* | *Comment* |
|---|---|---|
| 1. Disclosure by the Issuer of information in the context of its goals, policies, strategies, and processes related to sustainable development in environmental aspects, including goals to achieve improvements in the ecological environment, as well as the issuer's participation in various activities and initiatives that indicate commitment to the principles of sustainable development and improvements in the ecological environment. | 1 | Compliant, disclosed in GFF |
| 2. Disclosure by the issuer of the objectives of green projects with directions and indicators of environmental effect. | 1 | Compliant, disclosed in GFF |
| 3. The issuer has an internal document defining criteria for the selection of projects of environmental orientation and the procedure of their assessment, selection, and coordination with the issuer's governing bodies. | 1 | Compliant, disclosed in GFF |
| 4. Disclosure of complementary information on processes by which the Issuer identifies and manages perceived environmental risks associated with the relevant project(s) | 1 | Compliant, disclosed in GFF |
| 5. Disclosure of clear qualification criteria used in determining the compliance of projects with the categories of environmental projects and their selection, including exclusion criteria | 1 | Compliant, disclosed in GFF |

| | | |
|---|---|---|
| 6. The Issuer has quality certificates for ongoing environmental projects or conclusions from leading international or independent Kazakhstani verifiers confirming the compliance of projects with the required environmental standards, including conclusions on compliance with the current regulatory requirements for infrastructure facilities prepared within the framework of the project documentation. The leading verifiers are those who have certificates and licenses to conduct expertise or proven experience in assessing environmental projects, the quality of social services (for social projects) and / or compliance with investment requirements in the field of sustainable development | 0 | |
| 7. The Issuer has created a special subdivision, which, among other things, controls the selection and implementation of projects. The division's employees generally understand the tasks assigned to them, while some of them have experience in supporting green projects | 0,5 | Compliant, disclosed in GFF |
| 8. Engaging an independent qualified party to make a decision on the selection of projects corresponding to the categories of environmental projects / social projects | 0 | |
| 9. The Issuer has a policy for determining environmental risks either in the project documentation or in the policy for determining environmental and / or social risks, which discloses qualification criteria for determining environmental risks associated with the implementation of projects | 0 | |
| Sum of scores | 5,5 | |
| Final Grade for Criterion | 5 | |
| WEIGHTED GRADE FOR CRITERION | 1 | |

## EVALUATION OF THE CRITERION – MANAGEMENT OF PROCEEDS

Allocation of the Company's net proceeds from green bonds to Eligible Green Projects will be made through a special analytical (i.e. "virtual") account for separate tracking and control of the funds. The Company will maintain a register of green bonds and keep track of their intended use, thus comprehensively monitoring allocated and unallocated borrowings.

GFC considers that the management of proceeds is aligned with the GBP in terms of tracking of proceeds, managing unallocated proceeds, earmarking funds to eligible projects and assets, as well as documenting and disclosing the related processes to the reviewers.

The indicators listed below reflect our assessment of the "Management of Proceeds" criterion.

| *Indicator (Subfactor)* | *Score* | *Comment* |
|---|---|---|
| 1. The net proceeds from the issuance of Green bonds are credited to a sub-account or moved to a different portfolio or otherwise tracked by the issuer in an appropriate manner | 1 | Compliant, disclosed in GFF |
| 2. The separate accounting method for the Green bond proceeds is clearly defined in the Issuer's documentation | 0,5 | Compliant, disclosed in GFF |
| 3. The Issuer, while the Green bonds are outstanding, monitors the sub-account on an ongoing basis, and there is a procedure in place for excluding projects that become unfit from the portfolio | 1 | Compliant, disclosed in GFF |

| | | |
|---|---|---|
| 4. The Issuer informs investors about the intended types of instruments for temporary placement of unused Green bond proceeds | 1 | Compliant, disclosed in GFF |
| 5. Clear rules in place for investing temporarily unused Green bond proceeds taking into account ESG-factors | 0 | |
| 6. Engaging an auditor or another third party to check the method for internal tracking of the intended use of Green bond proceeds | 0,5 | Compliant. Seeking verification of the management of proceeds is stated in the relevant chapter of GFF |
| Sum of scores | 4 | |
| Final Grade for Criterion | 5 | |
| WEIGHTED GRADE FOR CRITERION | 0.75 | |

## EVALUATION OF THE CRITERION – REPORTING AND DISCLOSURE

The Issuer adopted a Green Finance Framework and made it available prior to issuance. The Company intends to make available for investors, regulators and the relevant stock exchange an allocation report and an impact report on instruments issued under this Framework. The first report will be provided within one year of issuance of Caspian Solar Ltd.'s inaugural green bond. Reporting of allocated and unallocated proceeds and impact will be done at least yearly with the Annual Report, and the GFWG will be responsible for ensuring that this reporting is done as required and published either on the Company's web-site and/or on the AIFC Exchange's platform RAS AIX.

GFC considers that the reporting processes are aligned with the GBP in terms of disclosing projects and assets invested in, the intended approach to providing update reports to reaffirm conformance with the Framework, as well as external review aspects.

The indicators listed below reflect our assessment of the "Reporting" criterion.

| *Indicator (Subfactor)* | *Score* | *Comment* |
|---|---|---|
| 1. The Issuer provides a detailed report (with a list of projects) and disclosures after issuance in relation to the use of proceeds from the placement of Green bond* | 1 | Compliant, specified in GFF |
| 2. Reporting includes the disclosure of information on the nature of investments and the expected environmental impact | 1 | Compliant, specified in GFF |
| 3. The disclosed reports are to be issued at least once a year, and there is also a procedure for monitoring data accuracy | 1 | Compliant, specified in GFF |
| 4. The Issuer discloses information on the projects to which proceeds have been allocated, with a detailed breakdown by area (category), as well as on the environmental and/or social effect and implementation progress of individual projects | 0,5 | Compliant, specified in GFF |
| 5. Methodologies in effect (or their drafts) and assumptions used to calculate environmental performance indicators are available | 0 | |

| | | |
|---|---|---|
| 6. The Issuer undertakes to engage independent qualified parties to evaluate its reporting on the implementation of the Green Finance Framework | 0,5 | Compliant, specified in GFF |
| Sum of scores | 4 | |
| Final Grade for Criterion | 5 | |
| WEIGHTED GRADE FOR CRITERION | 1 | |

* Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the information may be presented by the Issuer in generic terms or on an aggregated portfolio basis.

## FINAL WEIGHTED CRITERIAL GRADE

| Criterion | Weighted Grade: |
|---|---|
| *Use of Proceeds* | 2,25 |
| *Process of Project Evaluation and Selection* | 1 |
| *Management of Proceeds* | 0.75 |
| *Reporting and Disclosure* | 1 |
| FINAL WEIGHTED GRADE FOR CRITERION | 5 |

## DISCLOSURE AND LIMITATIONS

An External Review (Second Party Opinion) reflects our opinion on the expected results from the issuance of Green and/or Sustainable Bonds and on the compliance of the Issuer's Green and Sustainable Financing Framework with the GBP, SBP and SBG administered by International Capital Market Association and the GLP administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association. There is a likelihood of an inaccuracy in the final conclusion due to unforeseen changes in the economic environment and the financial market.

An External Review is an independent assessment carried out based on the information provided by the Issuer in line with the GFC's methodology, it does not disclose the Issuer's confidential information and is not an indication for any investment decisions.

We do not assume any responsibility for the use and implementation of an External Review in making investment decisions.

An External Review may be updated after publication, with the reasons for such an update disclosed.

CEO
AIFC Green Finance Centre Ltd. MANAS GIZHDUANIYEV




April 16th, 2026

# ANNEX. List of Documents Reviewed and Interviews

## Review of Documentation

Documents provided by Caspian Solar Ltd. that relate to the prospective green bonds under the GFF are listed below. These have been used as direct sources of evidence for the SPO conclusions, and are also further checked, as considered appropriate, through interviews with key personnel.

1. Green Finance Framework, dated 21st of July, 2025
2. Draft Offer document on the inaugural Bond Issue of Caspian Solar Ltd. under Kaganat Solar Limited Liability Company's First Liquidity Management Programme
3. Minutes of the Decision of the Green Finance Working Group of the Private Company Caspian Solar Ltd. on the inclusion of projects in the list of eligible green projects within the framework of the green bond issuance.
4. Minutes of the Decision of the Green Finance Working Group of PlanDeM on the inclusion of projects in the list of eligible green projects under its Green Finance Framework and PlanDeM's Green Finance Framework
5. Working spreadsheets templates on the tracking of Caspian Solar Ltd.'s green bond issues / green loans and allocation to green projects (excel file)
6. Order on establishing Green Finance Working Group, dated 15 October, 2025
7. Presentation on renewable project (Construction and operation of a solar park in South Africa with an installed capacity of 115 MW) as of September 2025
8. Presentation on the Holding Companies green project portfolio
9. Environmental Impact Report & Environmental Management Programme (EIR) for Postmasburg Solar Pv Energy Facility 2, dated 3 March 2015
10. The Charter of the Caspian Solar Ltd., approved by the Decision of the sole participant of the company dated 04.04.2025
11. The Corporate Governance Code of the Caspian Solar Ltd., approved by the Decision of the sole participant of the company dated June 4th, 2025
12. Holding Company Structure of LLP Kaganat Solar, Kyrgyz Republic (as of 20.03.2025).

## Interviews and Information Collected from Caspian Solar Ltd. And related affiliated companies

GFC primarily communicated with Caspian Solar Ltd.'s team to gather information about the Bond issue and the Company.

The following key persons were involved in these communications:

1. Murakhtatov Temirlan, Director, Caspian Solar Ltd.
2. Dzhaparov Ulan, General Director of Zhyldyz Ltd. and Director of LLP Kaganat Solar.