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Blue Bond Impact Report

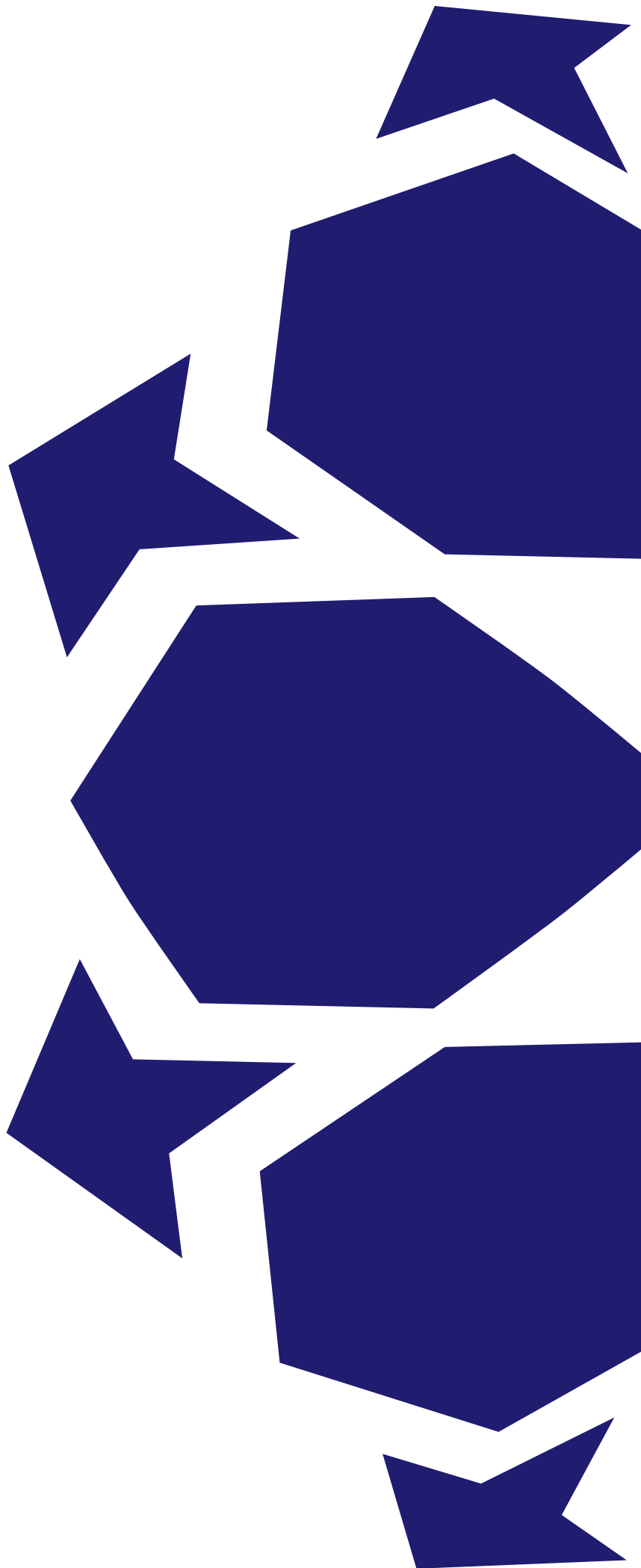
“iib marine and Ocean-based Blue Bond Series D - 4% 2023 | 2028”



April 2024

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Introduction



1. Introduction

1.1. Purpose of the Report

The purpose of this report is to provide an analysis of the impacts of the issuance of the Blue Bond, titled "iib marine and Ocean-based Blue Bond Series D - 4% 2023 | 2028," by International Investment Bank S.A. (iibCV). We aim to characterize the Blue Bond, highlighting eligibility criteria, use of proceeds, and transparency in reporting, with the intent to provide relevant information to investors and society. Our objective is to enable an objective assessment of the impact of the Blue Bond issuance on the sustainable development of Cabo Verde. The report aims to contextualize the issuance of the Blue Bond, emphasizing its significance as a pioneering initiative in Cabo Verde and its role in financing sustainable projects.

1.2. Context of the Blue Bond Issuance

Blue Bonds represent a form of financing aimed at boosting marine and ocean projects that offer positive environmental, economic, and climate benefits. In this context, iibCV has chosen to issue the Blue Bonds named "iib Marine and Ocean-based Blue Bond Series D - 4% 2023 | 2028," with a term of 5 years. The issuance of these Blue Bonds aims to provide a source of funding for the Bank's activities, with the aim of obtaining resources to support structural projects in the Blue Economy sector. Additionally, it aims to allocate a minimum of 50,000,000 CVE to the development and financial inclusion within the same sector, facilitated through direct financing or through the identification and development of innovative strategic partnerships designed to support small-scale credit access to individuals and small businesses in sustainable maritime and fishing sectors, in accordance with AGMVM Regulation No. 1/2022 of October 14, which establishes the Rules for Issuing Blue Bonds in Cabo Verde, and with international guidelines related to the Voluntary Process of Green Bond Principles for Green Bond Issuance of June 2021, published by the International Capital Market Association (ICMA).

Aligned with the Sustainability and Social Responsibility Policy, iibCV acknowledges the importance of its activities in promoting sustainable development. According to Regulation No. 1/2022 of October 14, from AGMVM, the location of Cabo Verde constitutes a strong potential for the development of the blue economy, due to the direct and indirect effects it will bring to the country's economy. This is outlined in the Strategic Plan for Sustainable Development 2017/2021 (PEDS), which details the following objectives:

Objective 1 - Make Cabo Verde a Circulation Economy located in the Middle Atlantic; Objective 2 - Ensure Economic and Environmental Sustainability, harnessing the economic potential of the oceans, including the development of a maritime platform, which encompasses international bunkering and transshipment activities, the modernization of the fishing sector, and activities related to the protection of the marine and coastal environment.

Equally important, given their relevance to Blue Bonds, are the documents created by the Government of Cabo Verde that serve as guiding principles for the issuance of this type of Bonds:

The National Investment Plan for the Blue Economy indicates that it covers investments already planned and redesigned within the framework of the Blue Economy, projects aimed at adapting existing elements to the objectives of the Blue Economy, and new specific investments for the Blue Economy.

The Blue Economy Promotion Program, developed in partnership with FAO and the AfDB, aims to promote entrepreneurial initiatives, identify and attract innovative ideas, and encourage the development of businesses that can contribute to the development and expansion of the Blue Economy.

The Unified Strategic Framework for the Blue Economy, whose objectives are aligned with the United Nations Sustainable Development Goal (SDG14), which aims to conserve and sustainably use oceans, seas, and marine resources for sustainable development.

Resolution No. 172/2020 of December 21, which falls within the PEDS, defines Cabo Verde from the perspective of developing into a sustainable and inclusive Blue Economy, aiming to optimize economic, social, and environmental benefits, with a strategy based on a set of (10) ten economic sectors considered fundamental, among which, fisheries and aquaculture, marine and coastal environment, tourism and aquatic ecotourism, maritime transport and port development, services and scientific research, and renewable energies can be highlighted.

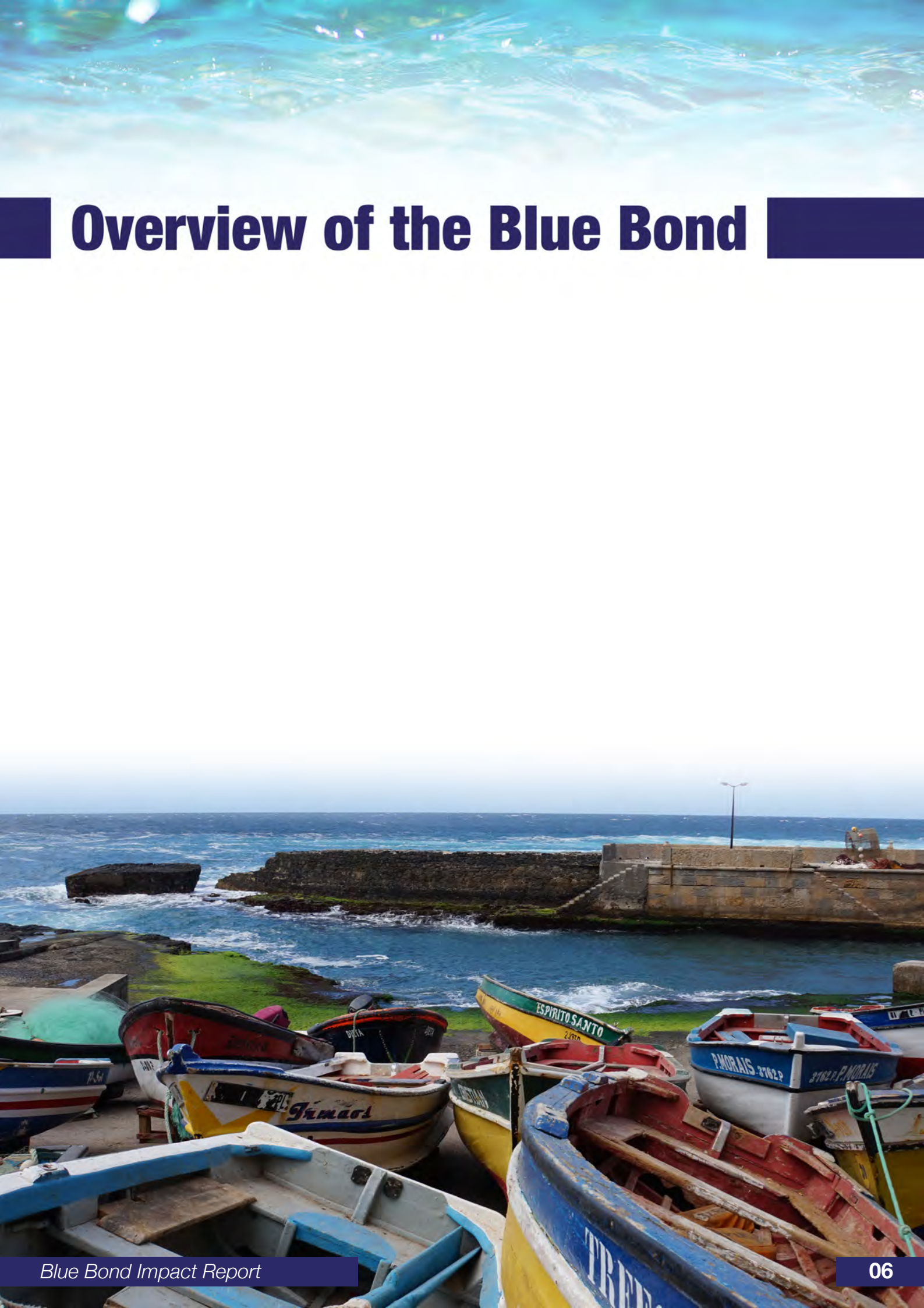
The issuance of Blue Bonds by iibCV is not only aligned with institutional objectives but also supports Cabo Verde's vision of becoming a hub for sustainable and inclusive Blue Economy. This promotes economic growth and social well-being while preserving the marine and coastal environment for future generations.

1.3. The first Blue Bond issued in Cabo Verde, with simultaneous listing on the Stock Exchanges of Cabo Verde and Luxembourg.

The issuance of the first Blue Bond in Cabo Verde and its simultaneous listing on the stock exchanges of Cabo Verde and Luxembourg represent a significant historic milestone for the country. This pioneering initiative underscores iibCV's commitment to promoting sustainability and economic development through innovative financial instruments. By issuing the Blue Bond, iibCV demonstrates its determination to drive sustainable growth and address environmental and social challenges proactively.

The simultaneous listing on the Stock Exchanges of Cabo Verde and Luxembourg enhances the visibility and accessibility of this financial instrument, opening up new opportunities for sustainable investment for both local and international investors. This innovative approach strengthens Cabo Verde's position as an emerging center for sustainable finance in the region, while also drawing attention to investment opportunities in projects and initiatives aligned with the Sustainable Development Goals (SDGs).

This listing on the Luxembourg Stock Exchange is the result of collaboration between the stock exchanges of Cabo Verde and Luxembourg and is a milestone of this partnership.



Overview of the Blue Bond

2. Overview of the Blue Bond

2.1. Issuance Details

iib Marine and Ocean-based Blue Bond Série D - 4% 2023 | 2022

Issuer	international investment bank, S.A. (iibCV)
Currency of Issuance	Escudos Cabo Verde (CVE)
Amount	The issuance amount is 250,000,000 CVE (Two hundred and fifty million escudos), through public subscription, with an additional Greenshoe Option of 100,000,000 CVE.
Term	5 (five) years.
Subscription Modality	Public Subscription Offer
Face Value	10,000 CVE (ten thousand escudos)
Destinations	Domestic Investors and Foreign Investors.
Subscription Price	At par, 10,000 CVE (ten thousand escudos) per bond.
Physical and Financial Settlement Date	March 1 st , 2023
Purpose of the Issuance	To finance projects in the Blue Economy, prioritizing financial inclusion. The funds will be used for direct financing and partnerships with microcredit institutions, aiming to support small entrepreneurs in coastal communities, promoting sustainable businesses, and reducing local poverty.
Interest Rate	The bond loan accrues interest at a fixed rate of 4% per annum, with the corresponding interest payments to be made in semiannual and successive installments.
Interest Payment	Interest and other financial expenses will be paid semiannually and in arrears.
Repayment Terms	The bonds will be fully repaid at their nominal value in a single payment on the maturity date, which is at the 10 th coupon.
Bond Terms	Senior and Sustainable Bonds (Blue Label Category)
Sustainability Seal	Blue Bond Seal, subject to External Review by an independent and recognized entity.
Codification ISIN	CVIIBDOM0007
CFI Code	DBFSFR
FISN – Short Name	iib Blue Bond / 4% OBR D 20280301
Applicable Legislation	Cabo Verde legislation.

2.2. Purpose and Use of Proceeds

The issuance, being the first Blue Bond in the country, aimed primarily to enable the development of structural projects in the Blue Economy sector and promote financial inclusion within this sector. iibCV aims to be a bank committed to sustainability and social responsibility, aligning its actions with the development of the Blue Economy in Cabo Verde. In this regard, it issued the first Blue Bond in Cabo Verde, in the amount of CVE 250,000,000, with a greenshoe option of an additional CVE 100,000,000.

A significant portion of the proceeds from the issuance was immediately allocated to support structural projects that promote Cabo Verde's transition to a sustainable Blue Economy. These resources were directed towards providing credit to initiatives aligned with the country's sustainable development goals, aiming to drive key sectors related to the oceans and promote environmentally responsible practices.

The issuance of these Bonds aimed to enable the development of structural projects in the Blue Economy sector, as well as to dedicate a minimum of CVE 50,000,000 to the development and financial inclusion within the same sector, facilitated through direct financing or through the identification and development of innovative strategic partnerships designed to support access to small-scale credit for individuals and small businesses in sustainable maritime and fishing sectors.

This amount could rise to over CVE 100,000,000 if the projects presented meet the sustainability criteria required for a Blue issuance.

2.3. Eligibility Criteria and Use of Proceeds

The eligible projects considered were those that promote Cabo Verde's transition to a more sustainable Blue Economy. The objectives of the issuance include poverty reduction, job creation and development programs, diversification of resources to provide adequate means for poverty reduction, job creation and development programs, diversification of resources to provide adequate means for socio-economic development, and reduction of income inequality, fostering financial inclusion through strategic partnerships, protection of marine life, sustainable development of economic activities linked to the sea. These objectives are aligned with the United Nations' 2030 Agenda, specifically with the Sustainable Development Goals (SDGs), which will be duly aligned with each project, as outlined in the National Investment Plan for the Blue Economy.

2.3.1. Eligible Sectors and Corresponding Projects

From the proceeds of the issuance, iibCV supported, through credit provision, eligible projects aimed at promoting Cabo Verde's transition to a sustainable Blue Economy, based on responsible exploitation of marine and coastal resources, preservation of ecosystems, and development of innovative technologies and activities, including but not limited to, the following sectors/activities considered essential for the country and included in the Blue Economy Policy Charter, as outlined in Article 8 of Regulation No. 1/2022, dated October 14, for Issuance and Labeling.

In this context, the following sectors of activities and corresponding projects are eligible, aligned with the goals of sustainable development and the vision of an inclusive and responsible Blue Economy for Cabo Verde.

Eligible Sector	Eligible Project
Ports, Maritime Transportation, and Logistics	Promotion of the development of maritime passenger and cargo transport between the islands, aiming to intensify the connection and unification of the Cabo Verde market, as well as to promote international coastal shipping, cruises, fish transshipment, and container traffic, which constitute the main segments of business for the ports of Cabo Verde, always promoting practices to minimize environmental impact.
Sustainable Fishing	Investments that yield benefits in terms of marine ecosystem and coastal zone protection, fisheries value chain, development of fishing machinery, selective capture methods, port infrastructure, processing, and trade of sustainable fish products, contributing to food security for fishing communities.
Aquaculture and Algaculture	Creation of conditions to promote more efficient fish farming systems, potential mass cultivation of macro and microalgae, biological control of species, improvement in the value chain of aquaculture / seafood / biomass, certification of local products, and development of innovation projects in this area.
Trade, Valorization, and Food Security	Promotion of the distribution of agricultural products, aiming to ensure the livelihoods of rural families and ensure the provision of markets (islands) where the production of food goods is limited by soil aridity.
Tourism	Projects yielding results in terms of socio-economic development of fishing areas, promotion of cultural and environmental preservation practices, investments in the creation and improvement of infrastructure associated with sustainable tourism and ecotourism, and in the qualification and training of human resources.
Marine Plastic	Activities promoting the conservation of coastal and marine resources and ecosystems through the reduction and elimination of marine plastic usage. Investments in creating new jobs associated with the reduction, collection, and recycling of marine plastic into products that adhere to the principles of the circular economy, development of research activities on plastic and its various aspects.
Water, Water Resources, and Energy Efficiency	Investments in technological systems for water treatment, recovery, and reuse, development of exploration and installation of wave and tidal renewable energies that mitigate the potential environmental impacts of said energies, development of actions to maximize the use of sustainable wind, wave, and solar resources, improvement of efficiency in structures associated with water and water resources, and promotion of energy efficiency.
Services and Scientific Research in the Blue Economy	Funding for scientific projects related to the sea and maritime economy in general, promoting research and the creation of guiding documents for the development of a sustainable Blue Economy and promoting the responsible use of the country's marine resources.

From the proceeds of the issuance, 74% was allocated to support projects related to maritime transport, with their evaluation and selection also adhering to the Taxonomy for Implementing Blue Bonds in Cabo Verde.





Allocation of Resources



3. Allocation of Resources

3.1. Description of Funded Projects

The selection of projects under the issuance aligns with the current Sustainability and Social Responsibility Policy, as well as with the Risk Appetite Policy guidelines and Credit norms, and is also in accordance with iibCV's historical operating framework.

The analysis of eligible projects was conducted after an initial screening of strategic partners. A commercial and social assessment of the projects was carried out, ensuring that they contribute significantly and meritoriously to the objectives of the Blue Economy.

As of the cutoff date of this report, two projects have been carefully selected to receive funding through the proceeds raised from the issuance of the Blue Bonds. The first project involves financing the operational deficit of CV Interilhas, the national company responsible for passenger and cargo transportation between the islands of Cabo Verde.

The second project aims to finance microcredit activities through credit provision as part of the mission of ASDIS - Cooperative Credit - COOP ASDIS Microfinance.

3.1.1. Funding for the Operational Deficit of CV Interilhas

The financing allocated to CV Interilhas, initiated in 2019 through a banking syndicate, involving the establishment of a secured current account for consecutive periods of 1 year while the operator remains as the concessionaire, aimed to finance the operational deficit of the company within the framework of the public service concession contract for inter-island passenger and cargo maritime transport, concluded with the government of Cabo Verde. The refinancing of this line, through its renewal, falls within the scope of eligible projects envisaged in the issuance of the Blue Bond.

3.1.2. ASDIS - COOPERATIVE CREDIT COOP - ASDIS MICROFINANCE - Financing Microcredit Activity through Credit Provision within ASDIS Mission

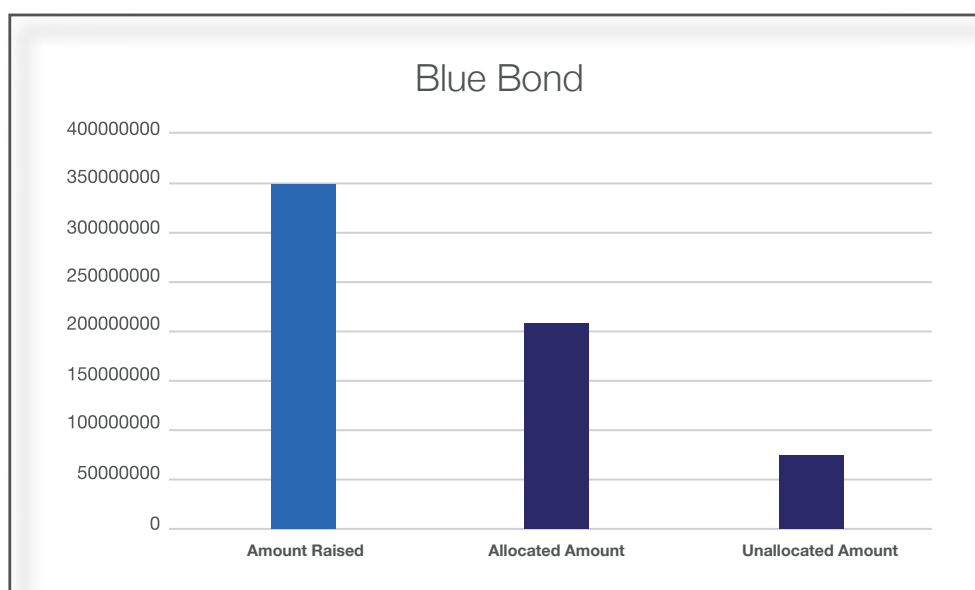
The partnership with ASDIS aims not only to provide access to resources at competitive prices, ensuring security in meeting the demand of its client portfolio but also to empower the institution to expand its operations. Strengthening ASDIS's capacity, the credit line will contribute to its primary mission of promoting social and financial inclusion, eradicating poverty, reducing social inequalities, promoting gender equality, and creating decent jobs for Cabo Verdeans, thus driving economic growth in the country.

Opening a credit line for ASDIS will be crucial to strengthen its financial structure and expand its portfolio of products and services for the Cabo Verdean community.

The process for granting the credit line to ASDIS is in the contracting phase, and the impacts will be presented in upcoming reports.

3.2. Allocated Resources

The issuance of the Blue Bond aimed to reach an amount of CVE 250,000,000, with an additional greenshoe option of CVE 100,000,000. The objective was achieved, with iibCV managing to raise a total of 350,000,000 CVE. With the issuance, 74% of the raised amount was immediately allocated through the credit line granted to CV Interilhas, aiming to finance the operational deficit of the company's operational activity as the concessionaire for maritime passenger and cargo transportation between the islands of Cabo Verde, with the consequent impact on the economic development of the different regions of the country.



3.3. Unallocated Resources

Given that the bank is not currently focused on directly granting microcredit, it has sought to establish partnerships with specialized entities in this type of financing. However, due to some skepticism within the microfinance sector regarding less conventional instruments in the local market, it has been challenging to energize these partnerships. Nevertheless, a collaborative partner with a more cooperative approach was found, with whom a credit line was established. This credit line is intended to finance their mission and activities, including support for the blue economy, among other initiatives. Additionally, negotiations are underway with another microfinance entity, in collaboration with the Ministry of Finance and UNDP/UN. This joint effort aims to explore ways to effectively allocate the remaining unused resources from the Blue Bond issuance in line with Cabo Verde's sustainable development goals.

Of the total funds raised, a portion has not yet been allocated. This portion represents 26% of the total amount raised. It is intended to use these funds to provide a credit line to ASDIS, initially in the amount of 50,000,000 CVE. This initiative will strengthen ASDIS's capacity to provide inclusive financial services to the Cabo Verdean community, thus promoting the country's economic and social development.

We believe that this partnership, supplemented by the signing of a memorandum of understanding with the Professional **Association of Microfinance Institutions of Cabo Verde, S.A. (APIMF-CV)**, will contribute to reducing the existing skepticism and encourage expansion to other microfinance entities. The partial allocation of the funds raised as of the cutoff date is due to the difficulties experienced in raising awareness among microfinance entities to participate in the initiative. On the other hand, the amount related to structural financing has been allocated since the initial issuance of the Blue Bond.

3.4. Use of Funds

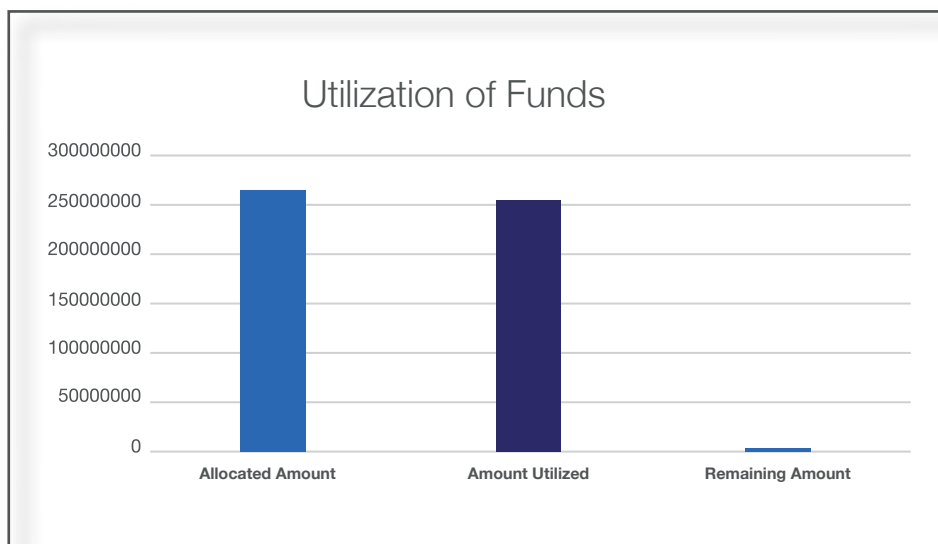
The amount of 259,122,750 CVE allocated through a secured current account to CV Interilhas, contracted in August 2019 with annual renewal, the last of which was in 2023, aims primarily to finance the operational deficit of the company's operational activity as the concessionaire for maritime passenger and cargo transportation services.

In accordance with Resolution No. 14-A/2019 of February 1, 2019, internal maritime transportation of goods and passengers had been operating inefficiently for several years in terms of regularity, continuity, quality, and safety, with frequent failures in supplying essential goods to the population, facilitating population movement between the islands, and conducting important commercial exchanges crucial for the economy of the islands and economic operators. As a result, the government decided to assume the provision of the public service and introduce a new dynamic in this sector, deciding in January 2018 to launch an international public tender for the management and operation of the inter-island maritime passenger and cargo transportation service.

Following the aforementioned tender, the government signed a concession contract with CV Interilhas in 2019, which, after amendment, was republished in the Official Gazette No. 42, Series I of April 19, 2023, through Resolution No. 32/2023. Under the signed contract, CV Interilhas, as the concessionaire, has the obligation to ensure the provision of the public service of maritime transportation on the inter-island lines covered by the contract with safety and quality levels, ensuring their availability, regularity, and continuity, guaranteeing the reliability, operability, and safety conditions of the vessels throughout the concession period.

In this context, CV Interilhas plays a fundamental role in maritime passenger and cargo transportation between the islands, being an important component of the country's transportation infrastructure due to its island geography, thus ensuring connectivity between the islands, facilitating access to economic, social, and cultural opportunities for the population. Therefore, the granted financing ensured the continuity and efficiency of these essential services, contributing to territorial cohesion, socioeconomic development, and the quality of life of Cabo Verdeans.

Of the allocated amount of 259,122,750 CVE, as of the cutoff date of this report in February, CV Interilhas has utilized 257,264,461 CVE, representing 99% of the available amount, with an average quarterly utilization of around 91 million escudos.



The funds accessed by CV Interilhas were directed towards ensuring the adaptation of the new operational model to market demands and compliance with public service responsibilities. Fixed routes and predefined schedules were established, providing stability, predictability, and confidence to the market. According to information provided by CV Interilhas, the new operational model was based on three main pillars: regularity, availability, and predictability, resulting in greater confidence regarding the schedules, frequency, and itineraries of the trips.

CV Interilhas



4. CV Interilhas

4.1. Company History and Mission

A CVI Transportes Marítimos S.A., a privately held company, was established on April 8, 2019, with the specific purpose of operating in the maritime passenger and cargo transportation sector. The company is the concessionaire of the public maritime transportation service between the islands of Cabo Verde, with a contract in effect until 2039.

Founded with the mission of providing safe, efficient, and accessible maritime transportation services, CVI Transportes Marítimos plays a fundamental role in the connectivity and socioeconomic development of the Cabo Verdean islands, facilitating access to essential services, employment opportunities, education, and leisure.

Committed to operational excellence and customer service, CVI Transportes Marítimos has invested in its operations to ensure quality and reliability. The company has been dedicated to adopting sustainable and responsible practices, seeking to minimize the environmental impact of its activities and contribute to the preservation of the marine ecosystem.

CV Interilhas is part of the ETE Group, which includes companies such as Cabo Verde Transinsular, Navex Cabo Verde, ETE LOGÍSTICA, and S&C Cabo Verde. The Group's mission is to provide efficient global transportation and logistics solutions, aiming for maximum return and full customer satisfaction. With over 30 years of experience in the Cabo Verdean market, the ETE Group has been a catalyst for significant benefits for the country. Its commitment encompasses various aspects, including bringing people closer, stimulating domestic businesses, promoting business development, fostering international connections, and prioritizing safety and sustainability in its operations.

4.2. Maritime Fleet and Operations

In 2023, CV Interilhas adopted a new operational model consisting of three main vessels and one reserve vessel.

CV Interilhas operates an extensive network of inter-island routes covering all inhabited islands. These routes are essential for ensuring the mobility of people and goods between the islands, facilitating not only passenger transportation but also trade and cultural exchange.

In addition to passenger transport, CV Interilhas plays a key role in cargo transportation, ensuring the regular supply of food, consumer goods, and essential materials to all islands. This logistics infrastructure is crucial for the economic and social development of Cabo Verde, supporting commercial and industrial activities across the country.

The services provided by CV Interilhas are characterized by their regularity and frequency, ensuring that all islands have reliable access to maritime transport. This reliability is particularly important for residents of islands without access to flights, as they depend on maritime transport for access to essential services.

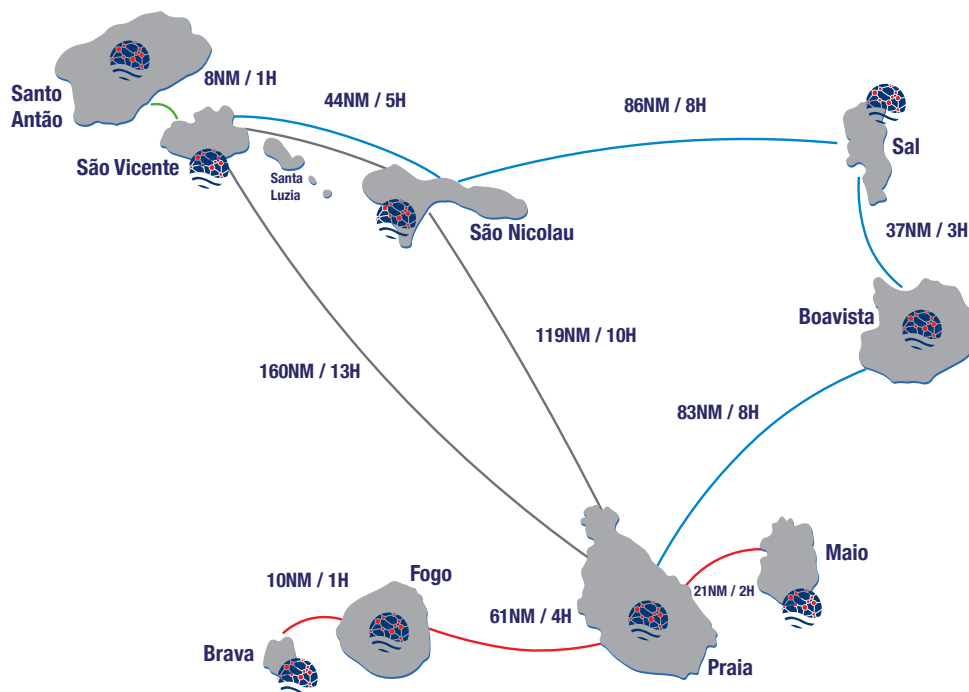
CV Interilhas is committed to environmental sustainability and operates its fleet in accordance with best environmental practices. This includes implementing measures to minimize the environmental impact of its operations.

4.3. Importance in a National Context

CV Interilhas has been a cornerstone in the development and interconnection of the islands of Cabo Verde, playing a crucial role in promoting mobility, trade, and socioeconomic development within the country. With a long-term vision, the company remains committed to serving Cabo Verdean communities and contributing to the growth and progress of Cabo Verde as a whole.

In summary, CV Interilhas plays a decisive role in the social and economic fabric of Cabo Verde, promoting connectivity, cohesion, and sustainable development. Given the country's economic situation, including purchasing power, maritime transport is recognized as the primary means of transportation between the islands of Cabo Verde. Additionally, as an archipelagic and import-dependent country, the supply of goods to the islands relies on maritime transport provided by CV Interilhas. The company ensures the continuous flow of essential goods to all islands, thereby contributing to their development. Its presence and efficient operations are essential to sustaining local economic activities, promoting trade between the islands, and facilitating connectivity throughout the country.

CV Interilhas' operations ensure that the islands remain connected and accessible to all.



Source: CV Interilhas



Impact Report

5. Impact Report

The allocation of funds resulting from the issuance enabled CV Interilhas to implement a new operational model focused on the regularity, availability, and predictability of inter-island maritime transportation services. This model had a significant impact on various aspects:

- **Constant Island Connection:** The improvement in the regularity and availability of maritime transportation services promoted a more constant connection between the islands, facilitating mobility and fostering social, cultural, and commercial exchange.
- **Creation of More Job Opportunities:** The expansion of CV Interilhas' operations resulted in the creation of new direct and indirect employment opportunities, contributing to job creation and the economic development of local communities.
- **Market Stability and Predictability:** The establishment of fixed routes and predefined schedules provided stability and predictability in the market, benefiting not only passengers but also local businesses dependent on maritime transportation for the supply of goods and raw materials.
- **Socioeconomic Development of the Islands:** Easier and more regular access to maritime transportation encouraged tourism, formal and informal trade, and the consequent development of small local businesses, thus driving socioeconomic growth.
- **Commitment to Sustainability:** In addition to economic and social benefits, CV Interilhas reinforced its commitment to sustainability by adopting more environmentally responsible practices to minimize the environmental impact of its operations.

5.1. Performance Indicators

The performance evaluation of a company determines its operational effectiveness and efficiency. In this context, iibCV is committed to analyzing and measuring various fundamental aspects of CV Interilhas' operations, providing valuable insights into its ability to meet customer needs, operate safely, and optimize its resources. Through the assessment of indicators such as the number of trips made, ship occupancy rate, trip punctuality, trip prices, operational safety, and operational efficiency, we can gain a comprehensive understanding of the impact of CV Interilhas as a recipient of financing under the Blue Bond issuance. This section will explore these indicators in detail and their importance for the company's operations.

5.1.1. Number of Trips Made

Under the new operational model, CV Interilhas conducts 63 weekly trips, which translates to approximately 500,000 passengers transported per year. This restructuring has resulted in a significant optimization of ship occupancy rates, allowing for operations more aligned with the real needs of customers and the country. The new model is designed to ensure financially sustainable operations, providing tangible benefits for the company. One of the key benefits is the shift to people-centered operations, aiming to offer more efficient services tailored to the demands of passengers and the communities served.

ORIGEM	PAX -VAR. HOMÓL. (und)						
	Dezembro			YTD			
	2022	2023	%	2022	2023	Units	%
SA - Santo Antão	11 689	12 513	7%	148 269	114 544	-33 725	-23%
SV - São Vicente	12 546	13 203	5%	155 624	141 015	-14 609	-9%
SN - São Nicolau	1 124	1 239	10%	14 028	12 972	-1 056	-8%
Sal	2 497	2 152	-14%	20 994	20 703	-291	-1%
Boavista	1 515	1 749	15%	15 505	17 891	2 386	15%
Maio	1 999	2 195	10%	25 035	25 383	348	1%
Santiago	6 172	6 495	5%	71 805	68 204	-3 601	-5%
Fogo	1 951	2 384	22%	28 959	26 422	-2 537	-9%
Brava	1 003	1 156	15%	14 090	14 079	-11	0%
TOTAL	40 496	43 086	6%	494 309	441 213	-53 096	-11%

Origem	CARGA TOTAL -VAR. HOMÓL. (Ton)						
	Dezembro			YTD			
	2022 (Ton)	2023 (Ton)	%	2022	2023	Dif.	%
S.Antão	1 639	3 272	100%	46 100	36 810	-9 290	-20%
S.Vicente	3 314	4 170	26%	55 706	47 539	-8 167	-15%
S.Nicolau	252	259	3%	2 730	3 237	508	19%
Sal	438	601	37%	4 356	5 662	1 306	30%
Boavista	373	388	4%	2 522	4 799	2 277	90%
Maio	226	210	-7%	1 874	2 611	737	39%
Santiago	2 901	2 543	-12%	55 580	35 548	-20 032	-36%
Fogo	492	618	26%	7 578	7 788	210	3%
Brava	241	189	-22%	2 306	2 711	406	18%
Total	9 876	12 249	24%	191 532	146 705	-44 826	-23%

Source: CV Interilhas

5.1.2. Ship occupancy rate

The new operational model implemented by CV Interilhas aimed to optimize ship occupancy rates, bringing with it a series of significant benefits. With higher ship occupancy rates, the company reduced its operational costs per passenger transported, as fixed costs are spread over a greater number of passengers. Greater ship occupancy allowed for more efficient use of resources, resulting in a more profitable and sustainable operation.

In addition to financial benefits, higher ship occupancy rates also provide a more comfortable experience for passengers. Fuller ships tend to create a livelier and more dynamic atmosphere on board, enhancing the travel experience for passengers. With more passengers on board, there is greater social interaction and opportunities for networking and connections among travelers.

From an environmental perspective, higher ship occupancy rates also lead to a reduction in carbon footprint per passenger transported. With fewer trips being made with empty seats, there is a reduction in fuel consumption per passenger, thus contributing to environmental sustainability.

Optimizing CV Interilhas' ship occupancy rates brings a range of economic, social, and environmental benefits, improving both the company's operational efficiency and the overall passenger experience, while also promoting more sustainable practices in the maritime transportation sector.

5.1.3. Punctuality of trips

CV Interilhas aims to provide punctual and reliable trips between the islands of Cabo Verde. With an extensive network of routes between the islands, the company operates a large number of weekly trips to meet the needs of mobility and commerce. Monitoring the departure and arrival times of each vessel ensures the punctuality of the trips, providing passengers and businesses with the confidence that they will arrive at their destination on time. Additionally, the implementation of fixed routes and predefined schedules creates stability, predictability, and trust in the market, contributing to a more punctual and efficient operation.

Unlike in the past, CV Interilhas now schedules and publishes the timetables of weekly trips, as shown in the table below, contributing to a significant improvement in the reliability and punctuality of the trips.

NAVIO Vessel	ORIGEM / DESTINO Origin / destination	2ª Feira Mon	3ª Feira Tue	4ª Feira Wed	5ª Feira Thu	6ª Feira Fri	Sábado Sat	Domingo Sun
KRIOLA	Santiago Arrival / Chegada Departure / Saída	07:00			07:00		07:00	
	Fogo Arrival / Chegada Departure / Saída	11:00 12:00			11:00 12:00		11:00 12:00	
	Brava Arrival / Chegada Departure / Saída	13:00 14:00			13:00 14:00		13:00 14:00	
	Fogo Arrival / Chegada Departure / Saída	15:00 16:00			15:00 16:00		15:00 16:00	
	Santiago Arrival / Chegada Departure / Saída	20:00			20:00		20:00	
	Maio Arrival / Chegada Departure / Saída			09:00 10:00		19:00 20:00		19:00 20:00
	Santiago Arrival / Chegada Departure / Saída			12:00		22:00		22:00

NAVIO Vessel	ORIGEM / DESTINO Origin / destination	2ª Feira Mon	3ª Feira Tue	4ª Feira Wed	5ª Feira Thu	6ª Feira Fri	Sábado Sat	Domingo Sun
DONA TUTUTA	São Vicente Arrival / Chegada Departure / Saída	09:00				09:00		
	São Nicolau Arrival / Chegada Departure / Saída	14:00 15:00				14:00 15:00		
	Sal Arrival / Chegada Departure / Saída	23:00 23:59				23:00 23:59		
	Boavista Arrival / Chegada Departure / Saída		03:00 04:00				03:00 04:00	
	Santiago Arrival / Chegada Departure / Saída		11:00 12:00				11:00 12:00	
	Boavista Arrival / Chegada Departure / Saída		20:00 21:00				20:00 21:00	
	Sal Arrival / Chegada Departure / Saída		23:59				23:59	
	São Nicolau Arrival / Chegada Departure / Saída			01:00				01:00
	São Nicolau Arrival / Chegada Departure / Saída			09:00 10:00				09:00 10:00
	São Vicente Arrival / Chegada Departure / Saída			15:00				15:00

Source: CV Interilhas

5.1.4. Travel prices

Cabo Verde is a country comprised of islands with an economy that faces some limitations in terms of purchasing power. Families often struggle to afford the costs of travel between the islands, especially considering that the minimum wage (15,000 escudos) in many cases is lower than the price of an airplane ticket. In this context, the more affordable prices offered by CV Interilhas play an important role in facilitating travel between the islands. The maximum price charged for national passenger transportation, around 8,000 escudos (round trip), is significantly lower than the price of air travel on the same route, which is around 26,000 escudos.

Moreover, as the country is predominantly import-dependent, maritime transportation is the preferred method for transporting goods between the islands due to its capacity to carry large quantities at affordable prices compared to the limited cargo capacity and high cost of airplanes. Without the proper functioning of maritime transportation, a significant portion of the population and economic operators, especially small and informal businesses, are either limited or excluded from the possibility of traveling or face serious constraints in their activities.

5.1.5. Operations Security

CV Interilhas is committed to the safety of maritime operations in all its activities. The company maintains a diversified fleet, consisting of ships equipped with advanced navigation and safety technology. Conducting regular maintenance and rigorous inspections on vessels ensures they meet the highest standards of safety and regulatory compliance. Proper training of the crew in safety procedures and the implementation of accident prevention measures are priorities for the company, aimed at protecting human life, assets, and the environment.

5.1.6. Operational efficiency

The company is constantly striving to increase its operational efficiency to offer a more effective maritime transportation service. With the new operational model implemented in 2023, the company optimized the occupancy rate of its ships, improving resource utilization and reducing operational costs. The regularity, availability, and predictability of trips were enhanced, resulting in increased confidence in schedules, frequency, and itineraries.

CV Interilhas is committed to efficiently utilizing its resources, such as fuel and vessel capacity, and minimizing waste in its operations. This contributes not only to cost reduction but also to the improvement of the service quality offered to passengers and to the enhancement of the company's competitiveness in the maritime transportation market in Cabo Verde.

5.2. Generating Employment and Local Development

CV Interilhas, along with the group it belongs to, plays a significant role in job creation and local development in Cabo Verde. The company directly employs 132 staff, while the Group employs an additional 128 employees in the country. As maritime transportation is the primary means of travel between the islands, the impact goes beyond the direct employment at CV Interilhas and its Group. Sectors such as commerce, tourism, and other services rely on the connectivity provided by maritime transportation to operate and thrive. Thus, part of the employment generated by these sectors can be indirectly attributed to CV Interilhas, contributing to the country's development.

5.3. ODS – Direct and Indirect Impacts

ODS ID

ODS Goals and Targets

1

NO POVERTY



- Maintenance of 260 direct jobs.
- Transportation of people and goods to all islands of the country, facilitating trade and promoting economic development.
- Boosting tourism by providing access to the different islands of Cabo Verde.
- Increased access to essential services such as education, health, and other public services.
- Generation of more direct and indirect job opportunities, contributing to poverty reduction and social inequalities.

8

DECENT WORK AND ECONOMIC GROWTH



- The creation of direct and indirect jobs helps to reduce poverty by offering stable and remunerative employment opportunities for Cape Verdeans, contributing to the livelihoods of their families and improving their standard of living.
- The transportation of goods to all islands of the country by CV Interilhas facilitates trade and promotes economic development. This leads to the emergence of more indirect employment opportunities in related sectors such as tourism, commerce, and logistics, further boosting the local economy and reducing poverty.

14

LIFE BELOW WATER



- By increasing the efficiency of its operations, CV Interilhas contributes to raising environmental awareness among passengers and crew, promoting greater protection of Cabo Verde marine resources.
- The expansion of the company's operations facilitates safe access to marine protected areas and promotes ecotourism, encouraging sustainable tourism and the conservation of marine life.
- Scaling up operations with greater predictability ensures higher occupancy rates and efficiency, resulting in resource savings and reduced environmental impact.

17

PARTNERSHIPS FOR THE GOALS



- Memorandum of Understanding with the Cabo Verde Stock Exchange, which includes, among other aspects, the development of innovative products in the Cape Verdean capital market.
- Participation of UNDP and the Joint Fund in the issuance.
- The issuance of Blue Bonds encourages other companies and investors to consider sustainable financing options and collaborate on projects with positive social and environmental impact. This dissemination of sustainable practices and collaborative partnerships can stimulate the growth of a more resilient and inclusive economy in Cabo Verde, aligned with global sustainable development goals.
- Cooperation between the stock exchanges of Cabo Verde and Luxembourg for the listing of blue bonds on the Luxembourg Sustainable Exchange (LuxSE) is an effective partnership between financial institutions to promote sustainable development. This collaboration strengthens access to financing for sustainable projects in Cabo Verde, facilitating investments in key areas such as maritime transportation.
- Memorandum of Understanding with the Professional **Association of Microfinance Institutions of Cabo Verde, S.A.** - In the process of being signed.



Reference Data



6. Reference Data

According to the Transport Statistics for the year 2023, released by the National Statistics Institute, there has been a significant increase in various areas of maritime transportation in Cabo Verde. There was a 1.8% increase in the number of vessel movements compared to 2022, indicating greater maritime activity and circulation in the country. Additionally, there was a 3.4% increase in the number of passengers transported compared to the same period, highlighting a higher demand for maritime transportation between the islands. Furthermore, a 7.3% increase in the volume of goods transported was observed, reflecting growth in trade and economic activity related to maritime cargo transportation. These data provide an important reference for the maritime transportation landscape in Cabo Verde and demonstrate a trend of growth and development in this sector.

Moreover, according to the data from the fourth-quarter report of 2023 by the National Statistics Institute (INE), there was an increase in the movement of coastal vessels compared to the previous year. In the fourth quarter of 2023, 1728 movements of coastal vessels were recorded, compared to 1704 in the same period of 2022. These numbers reflect a scenario of continuous and growing activity in maritime transportation in Cabo Verde. The data also show that this movement resulted in the transportation of 194,634 tons of cargo and 381,381 thousand passengers. These indicators highlight the importance of maritime transportation for the economy and connectivity of the islands of Cabo Verde, emphasizing the fundamental role played by this sector in the movement of goods and people in the archipelago.



Attachments



7. Attachments

Links:

<https://www.luxse.com/about-us/press-center/53c7a470-e652-4e30-8929-0c29603b2c9e> [First-Cabo-Verdean-green-bond-listed-on-LuxSE](#)

<https://www.luxse.com/security/CVIIBDOM0007/386176>

Audit Report



8. Audit Report



INDEPENDENT AUDITOR'S REPORT

on the Blue Bond Impact Report "iib Marine and Ocean-based Blue Bond Series D – 4% 2023 | 2028", pursuant to article 17 of the Regulation No. 1/2021 of 14 October, on the General Audit of the Securities Market

To the Executive Committee of
theInternacional Investment Bank
S.A.

Introduction

Pursuant to Article 17 of Regulation No. 1/2021 issued by the Auditor General of the Securities Market (AGMVM), we have reviewed the criteria adopted by the Internacional Investment Bank S.A. ("Bank" or "iib") regarding the compliance of the Blue Bond Impact Report "iib Marine and Ocean- based Blue Bond Series D - 4% 2023 | 2028", with the guidelines for the issuance of Blue Bonds contained in these Regulations and the guidelines for the issuance of Blue Bonds issued by the United Nations Global Compact (UNGC) and the International Capital Markets Association (ICMA).

Responsibilities of the management body

It is the Bank's responsibility to create and maintain an appropriate internal control system to ensure compliance with the guidelines for the issuance of Blue Bonds contained in these Regulations and the guidelines for the issuance of Blue Bonds issued by the UNGC and ICMA, in accordance with the provisions of Regulation No. 1/2021 of the AGMVM and, Also, that the information presented is free from material misstatements due to fraud or error.

It is also the Bank's responsibility to ensure that the information provided under this review is true, complete and up-to-date, particularly with regard to the preparation of the Information Document, Reports on the Allocation of Resources for Investments in Blue Bonds, including information on percentages of resources allocated by Blue Projects/Program, percentage of resources allocated for financing and refinancing, and remaining balance of resources unallocated, particularly, the Blue Bond Impact Report" iib Marine and Ocean-based Blue Bond Series D – 4% 2023 | 2028", and the sharing of documentation supporting the Loan and its alignment with the ICMA's SBG 2021.

Responsibility of the Independent Auditor

Our responsibility is to issue a reasonable, professional, and independent assurance report based on the procedures that, in our judgment, are necessary to express a conclusion on the alignment of the Blue Bond

Impact Report "iib Marine and Ocean-based Blue Bond Series D -4% 2023 | 2028", in compliance with the guidelines for the issuance of Blue Bonds contained in these Regulations, as well as with the Principles for the issuance of ICMA's Green Bonds and Sustainability-Linked Bonds as well as the guidelines for the issuance of the Blue Bonds issued by the UNGC, in accordance with the provisions of Regulation No. 1/2021 of the AGMVM, in accordance with those described in the "Scope" section below.

Scope of work

Our work was carried out in accordance with the international standard on assurance engagements ISAE 3000 (revised) – "Assurance engagements other than audits or reviews of historical information", issued by the International Auditing and Assurance Standards Board, of the International Federation of Accountants. This standard requires us to plan and execute the assurance work with the aim of obtaining a reasonable degree of assurance as to whether the procedures adopted by the Bank for the issuance of the Blue Bond Impact Report "iib Marine and Ocean-based Blue Bond Series D - 4% 2023 | 2028", are in accordance with the provisions of Regulation No. 1/2021 of the AGMVM and, also, that the information presented is free from material misstatements due to fraud or error.

The procedures developed as a part of our review of the criteria adopted by the Bank for the preparation of the Blue Bond Impact Report "iib Marine and Ocean-based Blue Bond Series D - 4% 2023 | 2028", were as follows:

- verification that the preparation and implementation of projects financed with Blue Bonds were in accordance with the ICMA's guidelines for the issuance of Green Bonds and Sustainability-Linked Bonds, as well as the guidelines for the issuance of Blue Bonds issued by the UNGC.
- verification of compliance with Articles 8 and 9 of Regulation No. 1/2021 of the AGMVM.
- verification of compliance with Article 15 of Regulation No. 1/2021 of the AGMVM in the sense as to ensure not only the structure of the Report, but also to ensure compliance with the guidelines for the issuance of ICMA's Green Bonds and Sustainability-Linked Bonds, as well as the guidelines for the issuance of Blue Bonds issued by the UNGC.
- verification of compliance with the Article 16 of Regulation No 1/2021 of the AGMVM.
- confirmation that the Bank's Executive Committee has ensured the implementation of policies and procedures set out in Regulation No. 1/2021 of the AGMVM.
- confirmation that the target project of the Bond Loan, referenced in the Information Document, is being executed in accordance with the SBG 2021 Blue Projects eligibility criteria.
- verification, on a sampling basis, the effectiveness of the collection, aggregation, validation and reporting systems and processes that support the above-mentioned performance information, through calculations and validation of reported data;



- implementation, on a sampling basis, of procedures for the substantiation of information, by obtaining evidence on reported information;
- verification of the financial and economic data included in the Blue Bond Impact Report "iib Marine and Ocean-based Blue Bond Series D - 4% 2023 | 2028";
- verification of the compliance of the information contained in the Information Document (Blue Bond Impact Report" iib Marine and Ocean-based Blue Bond Series D - 4% 2023 | 2028" and in the supporting documentation with the requirements of SBG 2021.

The procedures carried out were based on the following information:

- i. Blue Bond Impact Report "iib Marine and Ocean-based Blue Bond Série D - 4% 2023 | 2028".

We apply the International Quality Management Standard ISQM 1, which requires a comprehensive quality management system to be designed, implemented, and maintained which includes policies and procedures on compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. We are independent from the Bank in terms with the requirements of the Code of Ethics of the Professional Order of Certified Auditors and Accountants, which has been prepared in accordance with the principles and standards of the Code of Ethics of the International Commission on Ethical Standards for Accountants and Auditors (IESBA), and we comply with other ethical requirements set forth in the Code of Ethics. Bearing in mind the information provided and the procedures carried out, we believe that the evidence obtained is sufficient and appropriate to allow us to present our conclusion.

Conclusion

Based on the procedures carried out and described in the "Scope of work" section, we conclude that the criteria adopted by the Bank, in relation to the Blue Bond Impact Report " iib Marine and Ocean-based Blue Bond Series D - 4% 2023 | 2028" and the respective annexes, are in accordance with the provisions of Regulation No. 1/2021, issued by the AGMVM, in particular, articles 15 and 16 thereof and with the principles for the issuance of ICMA's Green Bonds and Sustainability-Linked Bonds, as well as the guidelines for the issuance of Blue Bonds issued by the UNGC.

City of Praia, May 15, 2024.

SMJ e Associados Sociedade de Auditores Certificados Lda.

Certified Auditor, CRC 12/OPACC

Represented by:

Silves Jesus Correia Moreira

Certified Auditor, CRC 33/OPACC



Future Considerations



9. Future Considerations

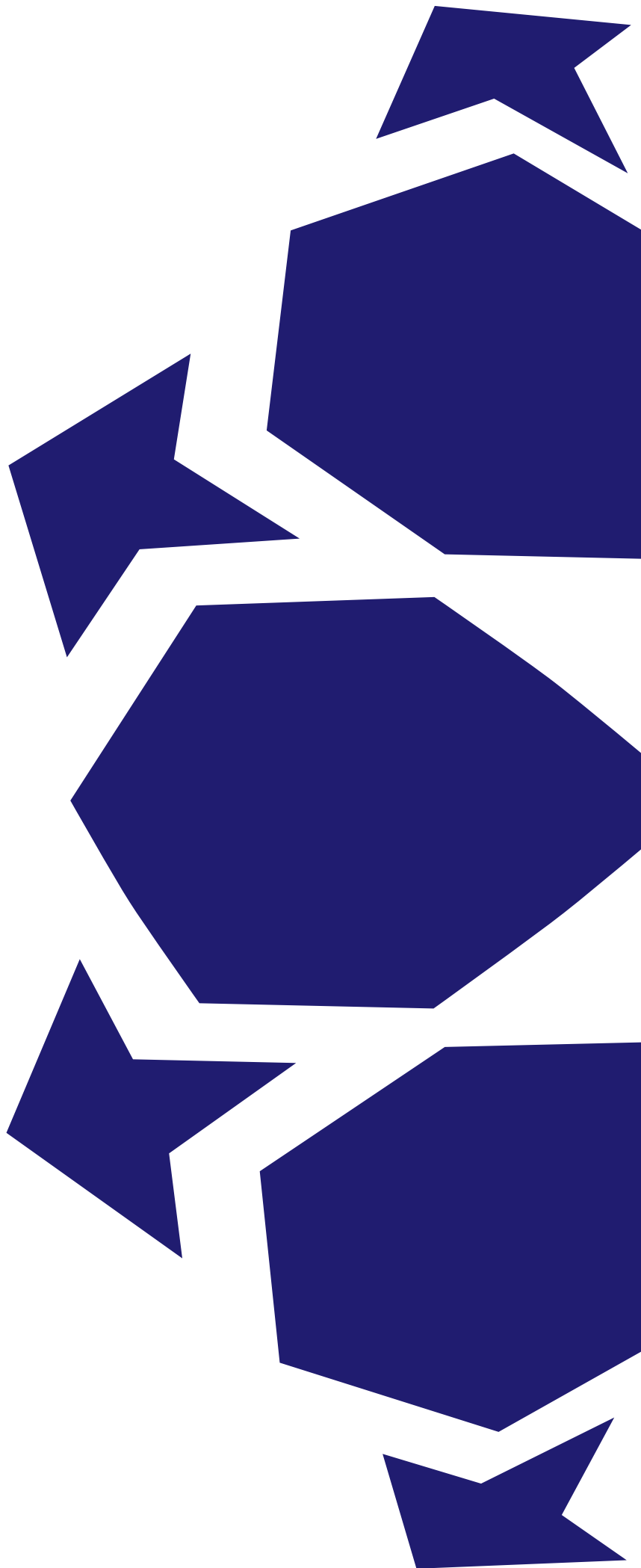
Annually and until the full reimbursement of the funds, we will continue to produce reports to monitor and evaluate the outcomes of initiatives funded by the issuance of Blue Bonds. While we are extremely pleased with the allocation of a significant portion of the raised resources at the time of issuance into eligible structural projects that contribute to the sustainability of the blue economy in Cabo Verde, we recognize the importance of promoting access to microcredits as an integral part of socio-economic development efforts in Cabo Verde. As expected, the allocation of microcredits represents a significant challenge for a commercial bank, given the absence of presence in this market segment, as well as the differences between the demand logic of this segment and the supply development logic of a banking operator, both in operational and regulatory terms. However, we remain firmly convinced that there is value to be explored through the establishment of partnerships with microfinance entities that have the necessary penetration, knowledge, and capacity, but lack the scale and breadth that a bank can provide. In this way, we believe we will be able to establish such partnerships and overcome existing skepticism, giving rise to a new phase and form of action in the market that may be decisive for the development of the microfinance sector and the role that banks can play in this context, as providers of scale and capacity, with a profound impact on poverty reduction, promotion of local entrepreneurship, and generation of decent jobs. Therefore, to maximize the impact of the available funds and achieve sustainable development goals, it is essential to explore strategic partnerships with established microcredit institutions and find innovative ways to overcome regulatory and operational obstacles. Such efforts are crucial to ensure that the resources from the Blue Bonds are allocated effectively and aligned with Cabo Verde's sustainable development objectives, considering the comprehensive positive impact that the issuance has had, as evidenced throughout this report.

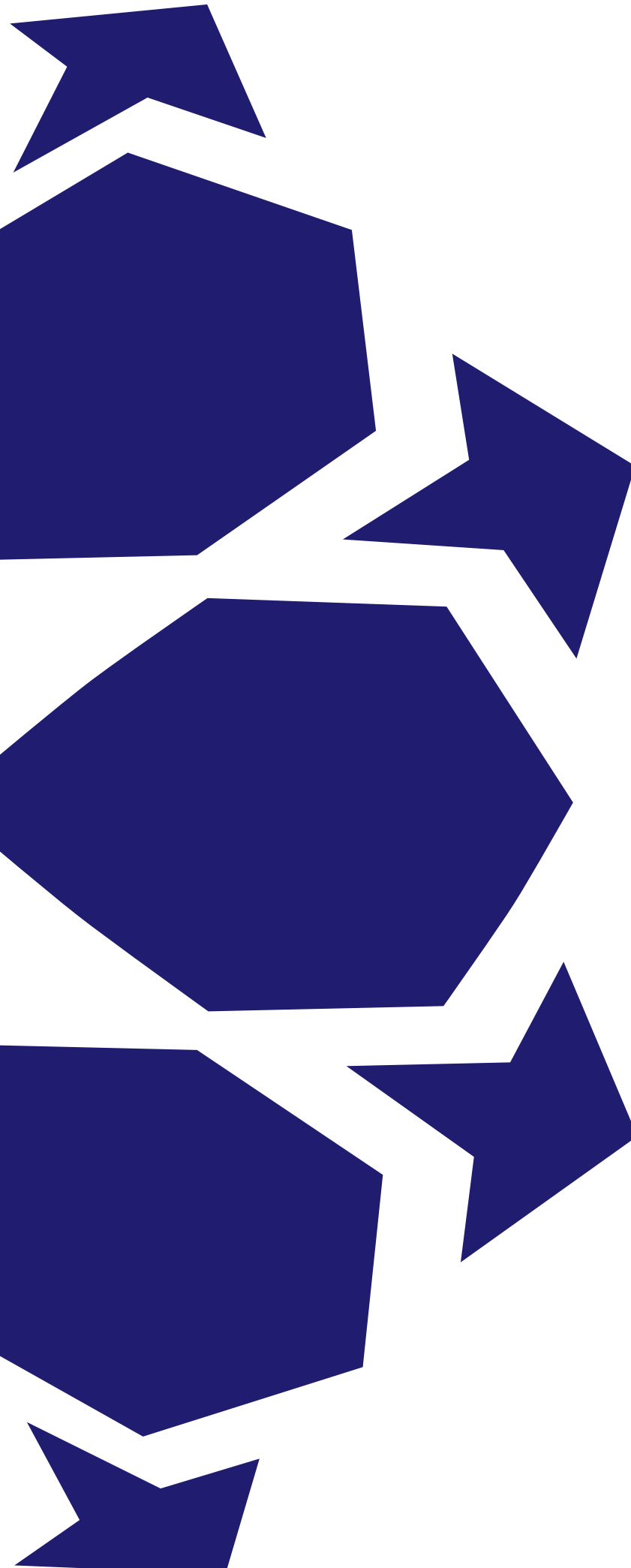
It is worth noting that CV Interilhas, the beneficiary company of the allocated funds, collaborated in providing important data for the preparation of the report, although it was not always possible to provide data that fully satisfied all points of the report. iibCV will continue to raise awareness among stakeholders about the need to converge towards economic activities in line with best practices and international standards.

Overall, the issuance and consequent allocation of resources were well received by the market, but we still observe some resistance to accepting new and innovative products due to the traditional nature of our market. We will continue to work towards bringing more innovation to the market in a sustainable and responsible manner, thereby adding value to the market and society at large.

Your Bank, Your Future

O seu Banco O seu Futuro





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