



Alperia S.p.A.

Up to Euro 250,000,000

## Senior Unsecured Green Fixed Rate Notes due June 2029

Subject to the Minimum Offer Condition (as defined herein), Alperia S.p.A. (“Alperia” or the “Issuer”) is expected to issue on or about 5 June 2024 (the “Issue Date”) senior unsecured fixed rate notes due June 2029 with a denomination of €1,000 each (the “Notes”) for an amount not lower than €100,000,000 and not higher than €250,000,000.

An amount of Notes not lower than €100,000,000 (the “Minimum Offer Amount”) and not higher than €200,000,000 (the “Original Maximum Offer Amount”) will be offered to the general public in Italy and to qualified investors in accordance with the provisions described under “Sale and Offer of the Notes” section (the “Offering”), provided that the Original Maximum Offer Amount may be reduced prior to the Launch Date (as defined herein) (such amount, the “Reduced Maximum Offer Amount”). During the Offering Period (as defined herein), the Issuer, in agreement with the Joint Bookrunners, may increase the Original Maximum Offer Amount or the Reduced Maximum Offer Amount up to Euro 250,000,000, provided that any amount exceeding the Original Maximum Offer Amount or Reduced Maximum Offer Amount will only be offered to natural persons resident in the Republic of Italy in accordance with the provisions set out in the “Sale and Offer of the Notes” section. During the Offering Period (as defined herein), the Issuer, in agreement with the Joint Bookrunners, may extend the Offering Period (as defined herein).

The Notes will be issued at a price of 100.00 per cent. of their principal amount (the “Issue Price”). The Notes will bear interest from and including the Issue Date to, but excluding, 5 June 2029, at a rate of interest *per annum* (the “Rate of Interest”), which will not be less than 4.5 per cent. *per annum* (the “Minimum Interest Rate”), payable semi-annually in arrear on 5 June and 5 December each year (each an “Interest Payment Date”), commencing on 5 December 2024. Payments on the Notes will be made in Euro free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any authority therein or thereof having power to tax to the extent described under “Terms and Conditions of the Notes – Taxation”.

The Notes, and any non-contractual obligations arising out of or in connection with them, will be governed by, and shall be construed in accordance with, Italian law. The Notes constitute *obbligazioni* pursuant to Articles 2410 et seq. of the Italian Civil Code. The Issuer’s obligations under the Notes will constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative pledge*)) unsecured obligations of the Issuer, ranking *pari passu* among themselves and with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding, save for certain obligations required to be preferred by applicable law.

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 5 June 2029. The Notes are subject to redemption, in whole but not in part, at their principal amount, plus interest accrued but unpaid, if any, to the date fixed for redemption at the option of the Issuer at any time in the event of certain changes affecting taxation in the Republic of Italy. In addition, at any time on or after 5 June 2026, the Issuer may redeem the Notes in whole or in part from time to time at the redemption prices specified in the Interest Rate, Yield and Redemption Prices Notice (as defined below). Moreover, if a Put Event (as defined in “Terms and Conditions of the Notes” below) occurs, Noteholders (as defined below) may also require the Issuer to redeem the Notes they hold at their principal amount, plus interest accrued but unpaid, if any, to the date fixed for redemption. See “Terms and Conditions of the Notes – Redemption and Purchase”.

This prospectus (the “Prospectus”) comprises a prospectus for the purposes of Articles 3.1, 3.3 and 6.3 of Regulation (EU) 2017/1129, as amended (the “Prospectus Regulation”). This Prospectus will be published in electronic form together with all documents incorporated by reference herein on the website of the Issuer ([www.alperigroup.eu/en/investors/green-bond-institutionalretail](http://www.alperigroup.eu/en/investors/green-bond-institutionalretail)) (the “Issuer’s Website”) and the website of the Euronext Dublin (as defined below) ([www.euronext.com/en/markets/dublin](http://www.euronext.com/en/markets/dublin)) (the “Euronext Dublin Website”) and will be available free of charge at the registered office of the Issuer.

This Prospectus has been approved as a prospectus for the purposes of the Prospectus Regulation by the Central Bank of Ireland in its capacity as competent authority under the Prospectus Regulation in the Republic of Ireland (“Ireland”). The Central Bank of Ireland only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. Moreover, such approval relates only to the Notes which are to be admitted to trading on the regulated market of Euronext Dublin or the MOT (both as defined below) or other regulated markets for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, “MiFID II”) or which are to be offered to the public in any member state of the European Economic Area.

The Issuer has requested the Central Bank of Ireland to provide the competent authority in Italy *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) with a certificate of approval pursuant to Article 25 of the Prospectus Regulation attesting that this Prospectus has been drawn up in accordance with the Prospectus Regulation.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (“Euronext Dublin”) for the Notes to be admitted to its official list (the “Official List”) and admitted to trading on its regulated market (the “Market”) and to Borsa Italiana S.p.A. (“Borsa Italiana”) for the Notes to be admitted to listing and trading on the Borsa Italiana’s regulated market *Mercato Telematico delle Obbligazioni* (the “MOT”). The Market and the MOT are regulated markets for the purposes of MiFID II. References in this Prospectus to the Notes being listed (and all related references) shall mean that the Notes have been admitted to trading on the Market and the MOT. Borsa Italiana has admitted the Notes to listing on the MOT with provision No. FIA-000167 dated 9 May 2024, subject to the approval of this Prospectus by the Central Bank of Ireland, the completion of the passporting procedure referred to above and the completion of the Offering. The start date of official trading of the Notes on the MOT (the “MOT Trading Start Date”) will be set by Borsa Italiana in accordance with Rule 2.4.3 of the Borsa Italiana rules and published on the Issuer’s Website and the Euronext Dublin Website and released through the RIS of Euronext Dublin (<https://direct.euronext.com/#/>) (the “Euronext Dublin RIS”). The MOT Trading Start Date (as defined herein) shall correspond to the Issue Date.

The interest rate of the Notes (which shall not be less than the Minimum Interest Rate), the yield and the redemption prices will be set out in a notice, which will be filed with the Central Bank of Ireland and published on the Issuer’s Website, the Euronext Dublin Website and released through the

Euronext Dublin RIS prior to the start of the Offering Period (as defined in “*Sale and Offer of the Notes – Offering Period, Early Closure, Extension and Withdrawal*”) (the “**Interest Rate, Yield and Redemption Prices Notice**”). The aggregate principal amount of the Notes, the number of Notes sold, and the gross proceeds of the Offering will be set out in a notice, which will be filed with the Central Bank of Ireland and published on the Issuer’s Website, the Euronext Dublin Website and released through the Euronext Dublin RIS by no later than the second business day prior to the Issue Date (the “**Offering Results Notice**”). No trading in the Notes will start before the Offering Results Notice is published.

The Notes will be bearer notes, issued and held in dematerialised form, until redemption or cancellation thereof, through Euronext Securities Milan (“**Euronext Securities Milan**”, the commercial name of Monte Titoli S.p.A.) for the account of the ESM Accountholders (as defined in “*Terms and Conditions of the Notes*” below) and on behalf of any person whose name appears as being entitled to such Notes in the books of the relevant ESM Accountholders (the “**Noteholders**”). The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entry in accordance with the provisions of (i) article 83-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”), and (ii) the joint regulation of the Bank of Italy and the CONSOB dated 13 August 2018 and published in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) 30 August 2018, No. 201, as amended. No physical document of title will be issued in respect of the Notes.

The Notes have been assigned the following securities codes:

ISIN: IT0005595373; Common Code: 282170442

This Prospectus is valid for a period of twelve months after its approval. The validity ends on 10 May 2025. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid or, if earlier, once the Notes are admitted to the Official List and trading on the Market and the MOT.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and are subject to United States tax law requirements. The Notes are being offered outside the United States by Banca Akros S.p.A. (“**Banca Akros**”) and Equita SIM S.p.A. (“**Equita**”, the “**Placement Agent**” or, together with Banca Akros, the “**Joint Bookrunners**”) and Finint Private Bank S.p.A., Cassa di Risparmio di Bolzano S.p.A. and Cassa Centrale Raiffeisen dell’Alto Adige S.p.A. (the “**Managers**”) in accordance with Regulation S under the Securities Act (“**Regulation S**”), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of certain restrictions on transfers of the Notes, see “*Sale and Offer of the Notes*”.

Investing in the Notes involves risks. See “**Risk Factors**” beginning on page 1 of this Prospectus for a discussion of certain risks prospective investors should consider in connection with any investment in the Notes.

As at the date of this Prospectus, the long-term credit rating assigned to Alperia is “**BBB**” (stable outlook) by Fitch Ratings Ireland Limited (“**Fitch**”). The Notes are expected to be rated “**BBB**” by Fitch. Fitch is established in the European Economic Area and registered as a credit rating agency under Regulation (EC) No. 1060/2009 (as amended, the “**CRA Regulation**”). As such Fitch is included in the list of credit ratings agencies published by the European Securities and Markets Authority on its website (at <https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

#### JOINT BOOKRUNNERS

BANCA AKROS S.P.A. – GRUPPO BANCO BPM



EQUITA SIM S.P.A.



#### PLACEMENT AGENT

EQUITA SIM S.P.A.



#### MANAGERS

FININT PRIVATE BANK S.P.A.



CASSA DI RISPARMIO DI BOLZANO S.P.A.



CASSA CENTRALE RAIFFEISEN  
DELL’ALTO ADIGE S.P.A.



Prospectus dated 10 May 2024

## RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

The Issuer has provided to Banca Akros S.p.A. and Equita SIM S.p.A. (the “**Joint Bookrunners**”) and Finint Private Bank S.p.A., Cassa di Risparmio di Bolzano S.p.A. and Cassa Centrale Raiffeisen dell’Alto Adige S.p.A. (the “**Managers**”) with certain representations and warranties relating to the Prospectus and the information regarding the Alperia Group (where “**Alperia Group**” means the Issuer and its Subsidiaries (as defined in “*Terms and Conditions of the Notes*” below)) and the Notes set out therein. To the fullest extent permitted by law, the Joint Bookrunners and the Managers do not accept any responsibility and/or any liability for the contents of this Prospectus or for any other statements made or purported to be made by the Joint Bookrunners or the Managers or on their behalf in connection with the Issuer or issue and offering of any Note pursuant to this Prospectus.

## IMPORTANT INFORMATION

The offer, sale and delivery of the Notes and the distribution of this Prospectus in certain jurisdictions are restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners and the Managers to inform themselves about and to observe any such restrictions. Neither the Issuer nor the Joint Bookrunners or the Managers represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Bookrunners or the Managers which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Joint Bookrunners and the Managers have represented that all offers and sales by them will be made on the same terms. In particular, the Notes have not been, and will not be, registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States, Australia, Canada, Japan or to Other Countries (as defined in “*Sale and Offer of the Notes – Offering of the Notes – Public Offer and Selling Restrictions*” below) or to U.S. persons (as defined in Regulation S).

For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Prospectus (or of any part thereof) see “*Sale and Offer of the Notes – Offering of the Notes – Public Offer and Selling Restrictions*”.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Information Incorporated by Reference*”). This Prospectus should be read and construed on the basis that such documents are incorporated in and form part of this Prospectus.

Investors should rely only on the information contained in this Prospectus.

The Issuer has not authorized the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus. Any such representation or information should not be relied upon as having been authorized by the Issuer or the Joint Bookrunners or the Managers.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that the information contained herein concerning the Issuer and/or the Alperia Group is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise), results of operations, business or prospects of the Issuer and/or the Alperia Group since the date on which the Notes are issued and admitted to the Official List and trading on the Market and the MOT.

Neither this Prospectus nor any other information supplied in connection with the offering, sale or delivery of any Note (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Joint Bookrunners or the Managers that any recipient of this Prospectus or any other information supplied in connection thereto should purchase any Note. Each investor contemplating purchasing any Note should make its own

independent investigation of the business, condition (financial or otherwise), results of operations and prospects of the Issuer and the Alperia Group, and its own appraisal of the creditworthiness of the Issuer, as well as of the rights attaching to the Notes, and should reach its own view, based upon its own judgment and upon advice from such financial, legal, tax and other professional advisers as it has deemed necessary. Save for the Public Offer in the Republic of Italy, neither this Prospectus nor any other information supplied in connection with the issue of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Joint Bookrunners or the Managers to any other Person to subscribe for or to purchase any Notes.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary prior to making any investment decision. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus, the Interest Rate, Yield and Redemption Prices Notice or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact that the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic variables, such as interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to investment laws and regulations or review or regulation by certain authorities. Each potential investor should consult its legal and other professional advisers prior to investing in the Notes to determine whether and to what extent (i) the Notes are permitted investments for it, (ii) where relevant, the Notes can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal and other professional advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules. Each investor should also consider the tax consequences of investing in the Notes and consult its own tax advisers with respect to the acquisition, holding, sale and redemption of the Notes considering its personal situation.

In accordance with Article 27 of the Prospectus Regulation, the legally binding language of this Prospectus is English; however, certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law. For the purposes of the Public Offer in the Republic of Italy a courtesy translation in Italian of the section entitled "*Summary*" will be made available separately with this Prospectus.

In this Prospectus, unless otherwise specified, references to a "*Member State*" are references to a Member State of the European Economic Area and references to "€", "EUR" or "Euro" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended. References to "billions" are to thousands of millions.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

**This Prospectus may only be used for the purpose for which it has been published.**

**This Prospectus does not constitute, and may not be used for the purpose of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.**

## IMPORTANT LEGAL INFORMATION

This Prospectus has been prepared on a basis that permits the offer of the Notes that is not made within an exemption from the requirement to publish a prospectus under Article 1(4) of the Prospectus Regulation (the “**Public Offer**”) in the Republic of Italy. Any person making or intending to make a Public Offer of Notes on the basis of this Prospectus must do so only with the Issuer’s consent – see “*Consent given in accordance with Article 5(1) of the Prospectus Regulation (Retail Cascades)*” below.

### CONSENT GIVEN IN ACCORDANCE WITH ARTICLE 5(1) OF THE PROSPECTUS REGULATION (RETAIL CASCADES)

#### Consent

In the context of any Public Offer of the Notes, the Issuer accepts responsibility, in the Republic of Italy, for the content of this Prospectus in relation to any person (an “**Investor**”) who purchases any Notes in a Public Offer made by the Joint Bookrunners or the Managers or another Authorized Offeror (as defined below), where that offer is made during the Offering Period (as defined in “*Sale and Offer of the Notes*” below).

Save for the circumstances described below, the Issuer has not authorized the making of any offer by any offeror and the Issuer has not consented to the use of this Prospectus by any other person in connection with any offer of the Notes in any jurisdiction. Any offer made without the consent of the Issuer is unauthorized and neither the Issuer, nor, for the avoidance of doubt, the Joint Bookrunners and the Managers accept any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorized offer.

If, in the context of a Public Offer, an Investor is offered Notes by a person which is not an Authorized Offeror (as defined below), the Investor should check with such person whether anyone is responsible for this Prospectus for the purpose of the relevant Public Offer and, if so, who that person is. If an Investor is in any doubt about whether it can rely on this Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

#### Conditions to consent

The Issuer consents to the use of this Prospectus in connection with any Public Offer of Notes in the Republic of Italy during the Offering Period (as defined in “*Sale and Offer of the Notes*” below) by:

- (i) the Joint Bookrunners and the Managers; and
- (ii) any other financial intermediary appointed after the date of this Prospectus and whose name is published on the Issuer’s Website and identified as an authorized offeror in respect of the Public Offer (together with the financial intermediaries specified in (i) above, the “**Authorized Offerors**”).

Any new information with respect to the financial intermediaries above which are unknown as at the date of this Prospectus will be made available by the Issuer on the Issuer’s Website.

Furthermore, the conditions to the Issuer’s consent are that such consent:

- (i) is only valid during the Offering Period (as defined in “*Sale and Offer of the Notes*”); and
- (ii) only extends to the use of this Prospectus to make Public Offer in the Republic of Italy.

**Any Authorized Offeror using the Prospectus has to state on its website that it uses the Prospectus in accordance with the Issuer’s consent and its conditions.**

**Arrangements between an Investor and the Authorized Offeror who will distribute the Notes.**

**An Investor intending to subscribe or subscribing any Notes from an Authorized Offeror will do so, and offers and sales of the Notes to such Investor by an Authorized Offeror will be made, in accordance with any terms and other arrangements in place, between that Authorized Offeror and such Investor including as to price, allocations and settlement arrangements (the “**Terms and Conditions of the Public Offer**”). The Issuer will not be a party to any such arrangements with such Investor and, accordingly, this Prospectus does not contain such information. The**

**Terms and Conditions of the Public Offer shall be provided to such Investor by that Authorized Offeror at the time the offer is made. The Issuer has no responsibility for the information given by any Authorized Offeror neither does each Authorized Offeror have responsibility for the information given by any other Authorized Offeror.**

The Issuer has no responsibility for any of the actions or omissions of any Authorized Offeror, including compliance by an Authorized Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer, neither do the Joint Bookrunners or the Managers or any other Authorized Offeror have any responsibility for any such actions or omissions of another Authorized Offeror.

## **MIFID II PRODUCT GOVERNANCE**

**MIFID II product governance / Target market** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients (each as defined in MiFID II); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

## **GREEN FINANCING FRAMEWORK, SECOND PARTY OPINION AND EXTERNAL VERIFICATION**

In connection with the Notes, the Issuer has requested a provider of second party opinions, DNV Business Assurance Italy S.r.l. (“**DNV**”), to issue a second party opinion (the “**Second Party Opinion**”) confirming that the Issuer’s Green Financing Framework (as defined in section “*Use of proceeds*” below), complies, *inter alia*, with the criteria set out by the International Capital Market Association (“**ICMA**”) under the ICMA GBP (as defined in the section “*Use of proceeds*” below). The Second Party Opinion is available on the Issuer’s Website.

No assurance or representation is given by the Issuer, the Joint Bookrunners, the Managers, BNP Paribas as paying agent (the “**Paying Agent**”) or DNV as to the suitability or reliability for any purpose whatsoever of any framework, opinion, report or certification of any third party in connection with the offering of the Notes. Any such opinion, report or certification and any other document related thereto is not, nor shall it be deemed to be, incorporated in and/or form part of this Prospectus and the information in such framework, opinion, report or certification will not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, and should not be relied upon in connection with making any investment decision with respect to, the Notes.

Furthermore, neither the Issuer nor the Joint Bookrunners or the Managers make any representation as to the suitability of the Notes to fulfil environmental and sustainability criteria required by prospective investors. The Joint Bookrunners and the Managers have not undertaken, nor are responsible for, any assessment of the eligibility criteria, any verification of whether the Eligible Green Projects meet the eligibility criteria, or the monitoring of the use of proceeds.

Prospective investors must determine for themselves the relevance of such information, together with any other investigation such investors deem necessary, for the purpose of any investment in the Notes and its suitability also in light of their own circumstances. Any such framework, opinion, report or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Joint Bookrunners, the Managers, the Paying Agent or DNV to buy, sell or hold the Notes. Any such framework, opinion, report or certification is only current as at the date that such framework, opinion, report or certification was initially issued. Currently, the providers of such opinions, reports and certifications are not subject to any specific regulatory or other regime or oversight.

It should be noted that as at the date of this Prospectus the Notes may not be eligible to be designated as “European Green Bond” or “EuGB” pursuant to the Regulation (EU) 2023/2631 of the European Parliament and of the Council nor is the Issuer under any obligation to take steps to have the Notes to become eligible for such designation.

See also “*Risk Factors – “D. Risk relating to the specific characteristics of the Notes” – “6. “Green Bonds” may not be a suitable investment for all investors seeking exposure to green assets”*”.

## **FORWARD-LOOKING STATEMENTS**

This Prospectus may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as “anticipates”, “aim”, “believes”, “continues”, “could”, “estimates”, “expects”, “future”, “intends”,

“may”, “plans”, “projects”, “will”, “would” or the negative or other variations thereof as well as other statements regarding matters that are not historical fact. In addition, this Prospectus includes forward-looking statements relating to the Alperia Group’s potential exposure to various types of market risks. These statements are based on the Issuer’s current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Issuer’s strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to publicly update or revise any forward-looking statements, publicly or otherwise, whether as a result of new information, future events or otherwise. Prospective investors are cautioned not to place undue reliance on these forward-looking statements.

## **MARKET SHARE INFORMATION AND STATISTICS**

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to Alperia Group’s business contained in this Prospectus consists of estimates based on data reports compiled by professional organizations and analysts, on data from other external sources, and on the Issuer’s knowledge of its reference markets. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market-related analyses and estimates, requiring the Issuer to rely on internally developed estimates. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by this information. While the Issuer has compiled, extracted and, to the best of its knowledge, reproduced market or other industry data from external sources, including third parties or industry or general publications, neither the Issuer, nor the Joint Bookrunners or the Managers have independently verified that data. The Issuer cannot assure Investors of the accuracy and completeness of, or take any responsibility for, such data other than the responsibility for the correct and accurate reproduction thereof. The Information in this Prospectus has been accurately reproduced and no facts have been omitted which would render the reproduced information inaccurate or misleading. However, information regarding the sectors and markets in which the Alperia Group operates, including those developed by the Issuer, may not be available for certain periods and, accordingly, such information may not be current as of the date of this Prospectus. All sources of such information have been identified where such information is used.

## **INDEPENDENT REVIEW AND ADVICE**

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, the suitability of such investment and that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks specific to the Issuer and the Alperia Group and inherent in investing in or holding the Notes.

In particular, each prospective investor should have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus, the Interest Rate, Yield and Redemption Prices Notice, the Offering Results Notice or any applicable supplement to this Prospectus and should be able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment in the Notes and its ability to bear the applicable risks.

Each prospective investor should consult its own advisers as to legal, tax and any other aspects of an investment in the Notes. A prospective investor may not rely on the Issuer, the Joint Bookrunners, the Managers, the Paying Agent or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes.

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## SUMMARY

### Section A – Introduction and warnings

<b>Warnings</b>	This summary should be read as an introduction to the Prospectus. Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole by prospective investors. Investors could lose all or part of their invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.
<b>Name and ISIN of the securities</b>	The name of the Notes is “Up to Euro 250,000,000 Senior Unsecured Green Fixed Rate Notes due June 2029”. The International Securities Identification Number (“ <b>ISIN</b> ”) for the Notes is IT0005595373 and the Common Code is 282170442.
<b>Identity and contact details of the Issuer, including its LEI</b>	The Notes are issued by Alperia S.p.A. (the “ <b>Issuer</b> ” or “ <b>Alperia</b> ” or the “ <b>Company</b> ”). The Issuer’s registered office is at Via Dodiciville 8, 39100 Bolzano, Italy. The Issuer’s telephone number is 0039 0471 986 111. The Issuer’s legal entity identifier (“ <b>LEI</b> ”) number is 815600117D7977461B75.
<b>Identity and contact details of the offeror</b>	The Notes are being offered by the Issuer.
<b>Identity and contact details of the competent authority approving the Prospectus</b>	The prospectus relating to the Notes (the “ <b>Prospectus</b> ”) was approved by the Central Bank of Ireland as a prospectus for the purposes of the Regulation (EU) 2017/1129 (the “ <b>Prospectus Regulation</b> ”) on 10 May 2024. The business address of the Central Bank of Ireland is New Wapping Street, North Wall Quay, Dublin 1, D01 F7X3. The Central Bank of Ireland’s telephone number is +353 (0)1 224 6000. The Central Bank of Ireland’s fax number is +353 (0)1 224 5550. The Central Bank of Ireland’s e-mail address is <a href="mailto:enquiries@centralbank.ie">enquiries@centralbank.ie</a> .

### Section B – Key Information on the Issuer

<b>Who is the Issuer of the Notes?</b>	<p>The Issuer is a joint stock company (<i>società per azioni</i>) incorporated under the laws of Italy, with its registered office at Via Dodiciville 8, 39100 Bolzano, Italy and registered with the Companies’ Register (<i>Registro delle Imprese</i>) of Bolzano under registration number 02858310218. The Issuer’s LEI number is 815600117D7977461B75.</p> <p>Alperia is the parent company of the group consisting of Alperia and its consolidated subsidiaries (collectively, the “<b>Alperia Group</b>”), which provides integrated multi-utility services, mainly in the Autonomous Province of Bolzano in the north-east of Italy. In particular, the Alperia Group operates in the following sectors: electricity (production, distribution and sale); heating (production, distribution and sale); gas (distribution and sale); renewable energy sources; and engineering. The Alperia Group also provides other public utility services which include facility management and energy efficiency. Certain of such services, businesses and/or activities (<i>i.e.</i> electricity distribution and transmission, gas distribution and hydroelectric power systems) require specific authorisations, concessions, licences or similar arrangements with public authorities.</p> <p>A 46.38% shareholding in the Issuer is held by Autonomous Province of Bolzano, a 21% is held by the Municipality of Bolzano, a 21% is held by the Municipality of Merano and the remaining 11.62% is held by Selfin S.r.l. (a public owned company participated by the Municipalities of Alto Adige different from Bolzano, Merano, Laces and Terlano).</p> <p>Alperia has adopted a two-tier system of corporate governance (<i>modello dualistico</i>), based on an organisational model involving shareholders’ meetings, a supervisory board (<i>consiglio di sorveglianza</i>) (the “<b>Supervisory Board</b>”) and a management board (<i>consiglio di gestione</i>) (the “<b>Management Board</b>”). The members of the Supervisory Board of the Issuer are Maurizio Peluso (Chairperson), Luitgard Spögler (Deputy Chairperson), Wolfram Sparber, Manfred Mayr, Silvia Paler and Stefano Parolin. The members of the Management Board of the Issuer are Flora Emma Kröss (Chairperson), Mauro Marchi (Deputy Chairperson), Markus Mattivi, Daniela Vicidomini, Alois Amort and Paolo Acuti.</p> <p>The independent Auditor of the Issuer is PricewaterhouseCoopers S.p.A. a joint stock company (<i>società per azioni</i>), with its registered office at Piazza Tre Torri 2, 20145 Milano, Italy, registered with the Companies’ Register (<i>Registro delle Imprese</i>) of Milano-Monza-Brianza-Lodi under number 12979880155.</p>
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<b>What is the key financial information regarding the Issuer?</b>	<p>The following tables set out selected consolidated key financial information relating to the Issuer and its subsidiaries. The information below has been extracted or derived from the audited consolidated financial statements of the Issuer as of and for the years ended 31 December 2023 and 31 December 2022, which are incorporated by reference in the Prospectus.</p>																																		
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<b>What are the key risks that are specific to the Issuer?</b>	<ol style="list-style-type: none"> <li>The Alperia Group operates in a highly regulated environment. The constant and sometimes unpredictable evolution in the legislative and regulatory context for the electricity and natural gas sectors (including, <i>inter alia</i>, changes in applicable legislation and regulation, whether at a national or European level, and the manner in which they are interpreted) poses a risk to the Alperia Group. Changes could relate, <i>inter alia</i>, to the procedure for awarding and/or renewing the concessions, the tariffs charged and the indemnity/compensation payment in case of termination or loss of the concessions.</li> <li>The Alperia Group is dependent on authorisations, concessions, licences or other arrangements with public authorities for certain activities and the Alperia Group's ability to achieve its strategic objectives could be impaired, <i>inter alia</i>, if it is unable to maintain or obtain the required licences, authorisations, permits, approvals and consents. In particular, with respect to the electricity distribution business, the relevant concession is due to expire in 2030, whilst concessions relating to hydroelectric activities are due to expire between 2024 and 2041, including eight large hydroelectric concessions in 2024. Some concessions have already expired and are operated under a caretaker (<i>prorogatio</i>) regime. Failure by a concession holder to fulfil its material obligations could lead to early termination of the concession or agreement. There can be no assurance that the amount due, if any, to the relevant entities of the Alperia Group will be paid and/or will be adequate compensation for the loss of the concession and disposal of the related assets to the grantor or to the incoming concession holder.</li> <li>The Alperia Group is exposed to revision of tariffs in the gas and energy sectors applied to end users.</li> </ol>																																		

	<ol style="list-style-type: none"> <li>4. The Alperia Group is affected in several ways by atmospheric conditions and is particularly dependent upon hydrological conditions prevailing from time to time in the geographic areas where its hydroelectric generation facilities are located. Droughts and other changes in weather and atmospheric conditions could materially adversely affect the Alperia Group’s operations.</li> <li>5. External factors including, <i>inter alia</i>, the overall economic situation, especially in the Alperia Group’s principal markets, and the geopolitical context may negatively affect Alperia’s profitability. In particular, electricity and gas consumption are strongly affected by the level of economic activity and gross domestic product in Italy. Any decrease in demand for energy puts pressure on sales margins due also to greater competition. Sales volumes may differ from the supply volumes that the Alperia Group had expected to utilise from electricity purchase contracts. The purchase of additional electricity at high prices or sale of excess electricity at low prices may negatively affect Alperia Group.</li> <li>6. The Alperia Group faces a process of market liberalisation and increasing competition in the markets in which it operates. Increasingly high levels of competition in the electricity and in the natural gas market could entail reduced margins.</li> <li>7. The power stations and other assets of the Alperia Group are exposed to risks (also out of its control) of malfunctions and/or interruption in service that can cause significant damages to the assets themselves and, in more serious cases, compromise production capacity. Additionally, the foregoing may expose the Alperia Group to litigation and generate damages.</li> <li>8. The Alperia Group is exposed to risks associated with fluctuations in the prices of certain commodities.</li> <li>9. Alperia has exposure to credit and counterparty risks arising from its commercial activity.</li> <li>10. The operations of the Issuer are carried out primarily through its subsidiaries and therefore to meet its payment obligations, including those with respect to the Notes, the Issuer depends also on the earnings, cash flows and distributions of such entities. As a result, the Issuer’s obligations in respect of the Notes will be structurally subordinated to the prior payment of all the debts and other liabilities of the Issuer’s direct and indirect subsidiaries, all of which could be substantial.</li> </ol>
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### Section C – Key Information on the Notes

<p><b>What are the main features of the securities?</b></p>	<p><i>Information on the Notes</i> – The Notes are senior unsecured fixed rate debt securities due June 2029, issued in Euro and with a denomination of €1,000 each. The ISIN for the Notes is IT0005595373 and the Common Code is 282170442. The Notes are issued by the Issuer on or about 5 June 2024 (the “<b>Issue Date</b>”) for an amount not lower than €100,000,000 and not higher than €250,000,000, subject to as specified with respect to the offer under Section D – <i>Key Information on the offer of the Notes to the public and/or admission to trading on a regulated market</i>.</p> <p><i>Status</i> – The Notes constitute direct, unconditional, unsubordinated and (subject to negative pledge provision summarised below) unsecured obligations of the Issuer and rank <i>pari passu</i> among themselves and with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding, save for certain obligations required to be preferred by applicable law.</p> <p><i>Negative Pledge</i> – The terms and conditions of the Notes (the “<b>Conditions</b>”) contain a negative pledge pursuant to which neither the Issuer nor any of its subsidiaries which (i) consolidated with its own subsidiaries (if any), accounts for 15 per cent. or more of the Alperia Group’s consolidated total revenues or consolidated total assets (a “<b>Material Subsidiary</b>”), will create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a “<b>Security Interest</b>”), upon, or with respect to, any part of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure (i) any present or future indebtedness (whether being principal, premium, interest or other amounts), which is in the form of, or represented or evidenced by, bonds, notes, debentures, or other securities which for the time being are, or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market and (ii) any guarantee or indemnity in respect of any such indebtedness (the “<b>Relevant Indebtedness</b>”), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that (a) all amounts payable by it under the Notes and the Conditions are secured by the Security Interest equally and rateably with the Relevant Indebtedness or (b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an extraordinary resolution of meeting of the Noteholders (“<b>Noteholders</b>” meaning any person whose name appears as being entitled to the Notes in the books of the relevant authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Euronext Securities Milan including any depository banks appointed by Euroclear and Clearstream, Luxembourg). Notwithstanding the foregoing, the Issuer may create or have outstanding Security Interests which (i) arise by operation of law, (ii) exist on the Issue Date, <i>provided that</i> the principal amount secured by the Security Interest is not subsequently increased, (iii) secure any present or future indebtedness incurred to finance or refinance the ownership, acquisition (in each case, in whole or in part), development, restructuring, leasing, maintenance and/or operation of assets, including, for the avoidance of doubt, any Concessions (“<b>Concession</b>” meaning any concession, an authorisation or other statutory provision or an administrative instrument pursuant to which an entity is entrusted by one or more public national or local authorities or entities with the management of public services and/or public utility services/activities) and the equity participations in a company holding such assets or assets, (iv) is created by a company which becomes a Material Subsidiary after the Issue Date and where such Security Interest already existed at the time that company became a Material Subsidiary, <i>provided that</i> such Security Interest was not created in contemplation of that company becoming a Material Subsidiary and the aggregate principal amount secured at the time of that company becoming a Material Subsidiary is not subsequently increased, or (v) created in substitution of any security permitted under the foregoing limbs (i) to (iv),</p>
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*provided that* the principal amount secured by the substitute Security Interest does not exceed the principal amount secured by the initial Security Interest.

*Taxation* – All payments in respect of the Notes by or on behalf of the Issuer shall be made free and clear and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed or levied by or on behalf of the Republic of Italy or any authority therein or thereof having power to tax, unless the withholding or deduction of the Taxes (the “**Tax Deduction**”) is required by law. In that event, the Issuer will pay such additional amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in certain customary market exemptions.

*Events of Default* – The Conditions provide for some events of default upon the occurrence and continuation of which, depending of the event, either (A) the Notes shall automatically become immediately due and payable or (B) (1) any Noteholder may request, pursuant to Article 2419 of the Italian Civil Code, that the Notes held by it become due and payable at their principal amount together (if applicable) with accrued interest, or (2) the Noteholders may, by a resolution passed at a meeting of the Noteholders, request that all (but not some only) of the Notes then outstanding become due and payable at their principal amount together (if applicable) with accrued interest and all of the Notes then outstanding.

*Cross Default* – The Conditions include a cross default provision with respect to the financial indebtedness of the Issuer and its subsidiaries above a Euro 25,000,000 threshold.

*Interest* – Interest on the Notes will accrue at a fixed rate, which will not less than the 4.5 per cent. per annum (the “**Minimum Interest Rate**”), starting from the Issue Date, payable semi-annually in arrears on 5 June and 5 December of each year commencing on 5 December 2024. The actual rate of interest will be determined prior to the Issue Date and will be set out in a notice, which will be filed with the Central Bank of Ireland and published on the website of the Issuer ([www.alperiaigroup.eu/en/investors/green-bond-institutionalretail](http://www.alperiaigroup.eu/en/investors/green-bond-institutionalretail)) (the “**Issuer’s Website**”) and on the website of the Euronext Dublin ([www.euronext.com/en/markets/dublin](http://www.euronext.com/en/markets/dublin)) (the “**Euronext Dublin Website**”) and released through the RIS of Euronext Dublin (<https://direct.euronext.com/#/>) (the “**Euronext Dublin RIS**”) prior to the start of the Offering Period (as defined below).

*Issue Price* – The Notes will be issued at a price of 100.00 per cent. of their principal amount (the “**Issue Price**”).

*Maturity Date* – Unless previously redeemed, or purchased and cancelled, the Notes will mature on 5 June 2029.

*Indication of yield* – On the basis of the Issue Price of the Notes of 100 per cent. of their principal amount and the Minimum Interest Rate, the gross yield of the Notes will be a minimum of 4,5 per cent. per annum, which is calculated as the yield to maturity as at the Issue Date and will not be an indication of future yield.

*Early Redemption for Taxation Reasons* – Early redemption of the Notes for reasons of taxation will be permitted, if as a result of any change in, or amendment to, the laws or regulations or any change in the application or interpretation of such laws or regulations of Italy or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, the Issuer would be required to pay additional amounts on the Notes.

*Early Redemption at the Option of the Issuer* – At any time on or after 5 June 2026, the Issuer may redeem the Notes, in whole or in part and from time to time, at the redemption prices which will be set out in the Interest Rate, Yield and Redemption Prices Notice (See “*Disclosure of the Interest Rate, Yield and Redemption Prices and Results of the Offering*” under the sub-section “*Under which conditions and timetable can I invest in this security?*” below).

*Early Redemption at the Option of the Noteholders* – Upon occurrence of a Put Event, the Noteholders shall have the option to require by means of a notice (the “**Put Notice**”) the Issuer to redeem Notes held by such Noteholder on the date specified in the Put Notice. In such a case, the Issuer shall redeem in whole (but not in part) the Notes which are the subject of the Put Notice. Such Notes will be redeemed at a redemption price equal to 100 per cent. of their principal amount, together with interest accrued and unpaid to but excluding the redemption date.

A “**Put Event**” shall be deemed to occur if: (i) a Change of Control, a Concession Event or a Sale of Assets Event occurs; and (ii) a Rating Event occurs.

A “**Change of Control**” shall be deemed to have occurred if more than 50% of the voting rights exercisable at a general meeting of the Issuer is acquired by any Person (“**Person**” meaning any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having separate legal personality) or Persons (other than any Italian municipality, province, region and/or consortium incorporated pursuant to Article 31 of Legislative Decree No. 267 of 18 August 2000, as amended (a “**Consortium**”), or any Consortium or company directly or indirectly controlled by Italian municipalities, provinces, regions and/or Consortiums (the “**Reference Shareholders**”), or any person directly or indirectly controlled by the Republic of Italy or by an Italian region, province or municipality acting in concert with any Reference Shareholder(s)) acting in concert.

A “**Concession Event**” shall be deemed to have occurred if at any time (i) one or more of the Concessions granted to the Issuer or to any of its subsidiaries is terminated or revoked prior to the original stated termination date or otherwise expires at its original stated termination date(s) and has not been extended or renewed; and (ii) such Concession or Concessions, taken together, account for at least 30 per cent. of the consolidated revenues or consolidated assets of the Alperia Group, *provided that* the *prorogatio* regime to which a Concession may be subject between its scheduled expiry date and the extension, renewal or new award of such Concession will not constitute a Concession Event.

	<p>A <b>“Sale of Assets Event”</b> shall be deemed to have occurred if at any time (i) the Issuer or any of its subsidiaries is required by applicable law and/or mandatory order by a competent authority to sell, transfer, contribute, assign or otherwise dispose of assets comprising the whole of the Alperia Group’s business or a part of the Alperia Group’s business which accounts for 30 per cent. or more of the consolidated assets and/or consolidated revenues of the Alperia Group, or (ii) if such assets are expropriated on the basis of an order of a public authority having jurisdiction over the Issuer or the relevant subsidiary.</p> <p>A <b>“Rating Event”</b> will be deemed to have occurred following the earlier of (i) a particular event (whether a Change of Control, a Concession Event, a Sale of Assets Event or a transaction that would otherwise constitute a reorganisation permitted in accordance with the Conditions) and (ii) a public announcement of any such event (the <b>“Relevant Event”</b>), if, at the time of the occurrence of the Relevant Event: (a) the Notes carry from any rating agency an investment grade rating and such rating from any rating agency is within 180 days of the occurrence of the Relevant Event either downgraded below an investment grade rating or withdrawn and is not within the subsequent 180-day period (in the case of a downgrade) upgraded to an investment grade rating by such rating agency or (in the case of a withdrawal) replaced by an investment grade rating from any other rating agency; or (b) the Notes carry from any rating agency a rating that is not an investment grade rating and such rating from any rating agency is within 180 days of the occurrence of the Relevant Event either downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) or withdrawn and is not within the subsequent 180-day period (in the case of a downgrade) upgraded to its earlier credit rating or better by such rating agency or (in the case of a withdrawal) replaced by its earlier credit rating or better from any other rating agency; or (c) the Notes do not carry a credit rating and, within 90 days of the occurrence of the Relevant Event no rating agency assigns an investment grade rating to the Notes, and in making the relevant decision(s) referred to under (a) or (b) above, the relevant rating agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Relevant Event.</p> <p><i>Transferability</i> – The Notes are freely transferable. However, the offer and the sale of the Notes and the distribution of the Prospectus is subject to specific restrictions that vary depending on the jurisdiction where the Notes are offered or sold or the Prospectus is distributed.</p>
<b>Where will the securities be traded?</b>	<p>Application has been made to Euronext Dublin for the Notes to be admitted to trading on its regulated market (the <b>“Market”</b>). Application has also been made for the Notes to be admitted to trading on the regulated market <i>Mercato delle Obbligazioni Telematico</i> (the <b>“MOT”</b>) of Borsa Italiana S.p.A. (<b>“Borsa Italiana”</b>). Borsa Italiana has admitted the Notes to trading on the MOT with provision No. FIA-000167 dated 9 May 2024, subject to the approval of the Prospectus by the Central Bank of Ireland and the relevant passporting to the <i>Commissione Nazionale per le Società e la Borsa</i> (<b>“CONSOB”</b>) and the completion of the Offering (as defined below).</p>
<b>What are the key risks that are specific to the Notes?</b>	<ol style="list-style-type: none"> <li>1 The Notes are fixed rate securities and are vulnerable to fluctuations in market interest rates. Furthermore, optional redemption by the Issuer of fixed rate notes may affect the ability of the holders to reinvest the redemption proceeds.</li> <li>2 The Notes may not be a suitable investment for all investors seeking exposure to green assets.</li> <li>3 Payments in respect of the Notes may in certain circumstances be made subject to withholding or deduction of tax.</li> <li>4 The market value of the Notes could decrease if the creditworthiness of the Issuer worsens or is perceived to worsen.</li> <li>5 An active and liquid trading market for the Notes may not develop or be maintained and, in general, the trading market for debt securities may be volatile and may be adversely affected by many events.</li> </ol>

**Section D – Key Information on the offer of the Notes to the public and/or admission to trading on a regulated market**

<b>Under which conditions and timetable can I invest in this security?</b>	<p><i>Offering of the Notes</i></p> <p>An amount of Notes not lower than €100,000,000 (the <b>“Minimum Offer Amount”</b>) and not higher than €200,000,000 (the <b>“Original Maximum Offer Amount”</b>) will be offered to the general public in Italy and to qualified investors (as defined in the Prospectus Regulation) outside the United States (the <b>“Offering”</b>), provided that during the Offering Period (as defined below), the Issuer, in agreement with the Joint Bookrunners, may increase the Original Maximum Offer Amount or the Reduced Maximum Offer Amount (as defined below) up to Euro 250,000,000, <i>provided that</i> any amount exceeding the Original Maximum Offer Amount or the Reduced Maximum Offer Amount will only be offered to natural persons resident in the Republic of Italy as detailed below. The Offering may occur following the approval of the Prospectus by the Central Bank of Ireland in its capacity as competent authority under the Prospectus Regulation, and the effective notification of the Prospectus by the Central Bank of Ireland to the competent authority in Italy, CONSOB, in accordance with article 25 of the Prospectus Regulation. In this respect, the Issuer has requested the Central Bank of Ireland to provide CONSOB with a certificate of approval pursuant to Article 25 of the Prospectus Regulation attesting that the Prospectus has been drawn up in accordance with the Prospectus Regulation. Any notice relating to the Offering will be published on the Issuer’s Website and the Euronext Dublin Website and released through the Euronext Dublin RIS.</p> <p><i>Offering Period</i></p> <p>The Offering will open on 21 May 2024 at 09:00 (CET) (the <b>“Launch Date”</b>) and will expire on 31 May 2024 at 17:30 (CET) (the <b>“Offering Period End Date”</b>), subject to amendment, extension or early termination by the Issuer, Banca Akros S.p.A. (<b>“Banca Akros”</b>) and Equita SIM S.p.A. (<b>“Equita”</b> or the <b>“Placement Agent”</b>) and, together with Banca Akros, the <b>“Joint Bookrunners”</b>) (the <b>“Offering Period”</b>). During the Offering Period, the Issuer, in agreement with the Joint Bookrunners, may decide to extend the</p>
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Offering Period. In case such extension will be a significant new factor (as defined in Article 23 of the Prospectus Regulation) a supplement to the Prospectus will be published in accordance with Article 23 of the Prospectus Regulation (a **“Supplement”**). With respect to any amendment and/or postponement of the Offering Period, and to the extent that the requirements under Article 23 of the Prospectus Regulation are not met, notice will be given to the Central Bank of Ireland, Euronext Dublin and the general public.

The Original Maximum Offer Amount may be reduced by the Issuer at any time prior to 16:00 (CET) of the business day on which Borsa Italiana is open preceding the Launch Date (the amount so reduced being the **“Reduced Maximum Offer Amount”**); if the Original Maximum Offer Amount is reduced below €200,000,000 the Issuer will publish a notice thereof specifying the Reduced Maximum Offer Amount and, in such a case a supplement to the Prospectus may be published by the Issuer to the extent that such reduction meets the requirements under Article 23 of the Prospectus Regulation. The Issuer, in agreement with the Joint Bookrunners, may increase during the Offering Period the Original Maximum Offer Amount or the Reduced Maximum Offer Amount up to a maximum overall amount of Euro 250,000,000 (the amount so increased being the **“Increased Maximum Offer Amount”**), *provided that*, (i) the Original Maximum Offer Amount or the Reduced Maximum Offer Amount may be increased only once and only to the extent that Purchase Offers (as defined below) were already placed for the entire Original Maximum Offer Amount or the Reduced Maximum Offer Amount and (ii) any amount exceeding the Original Maximum Offer Amount or the Reduced Maximum Offer Amount will only be offered to natural persons resident in the Republic of Italy. Such decision will be communicated to the public by publishing a notice specifying the Increased Maximum Offer Amount.

The Issuer and the Joint Bookrunners may withdraw the Offering at any time prior to the Offering Period End Date, including if offers to purchase the Notes (the **“Purchase Offers”**) are lower than the Minimum Offer Amount. Furthermore, the Joint Bookrunners, in agreement with the Issuer, may cancel the launch of the Offering before the Offering has taken place and upon the occurrence of certain extraordinary events. If the launch of the Offering is cancelled or the Offering is withdrawn, the Offering itself and all submitted Purchase Offers will be deemed cancelled. If, prior to the Issue Date, Borsa Italiana has failed to set the MOT Trading Start Date (as defined below), the Offering will be automatically withdrawn by giving notice to the Central Bank of Ireland, Euronext Dublin and, no later than the day after notice has been given to the Central Bank of Ireland and Euronext Dublin, by notifying the general public by way of publication of a notice.

#### *Conditions of the Offering*

The Offering may be withdrawn if, at the expiration of the Offering Period, Purchase Offers have not been placed sufficiently for the sale of the Minimum Offer Amount (the **“Minimum Offer Condition”**). Except for the Minimum Offer Condition, the Offering is not subject to any conditions. Subscription rights for the Notes will not be issued. Therefore, there are no procedures in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

#### *Technical Details of the Offering on the MOT*

The Offering will occur prior to the start date of the official admission to trading on Euronext Dublin and on the MOT. The Offering will take place on the MOT electronic platform through the distribution of the Notes by the Placement Agent to the Intermediaries (as defined below) and subsequent Purchase Offers made by investors through Intermediaries and coordinated by the Placement Agent. The Placement Agent has been appointed by the Issuer to offer and display the Notes for sale on the MOT according to the trading rules of Borsa Italiana. Purchase Offers may only be made with the MOT through an investment company, bank, wealth management firm, registered financial intermediary, securities house and any other intermediary authorised to make Purchase Offers directly on the MOT or – if such institution is not qualified to perform transactions on the MOT – through an intermediary or agent authorised to do so (each an **“Intermediary”**). Purchase Offers must be made during the operating hours of the MOT for a minimum quantity of one Note of a par value of €1,000 and may be made for any multiple thereof. During the Offering Period, Intermediaries may make irrevocable Purchase Offers directly or through any agent authorised to operate on the MOT, either on their own behalf or on behalf of third parties, in compliance with the operational rules of the MOT. The Notes shall be assigned, up to their maximum availability, based on the chronological order in which Purchase Offers are made on the MOT. The acceptance of a Purchase Offer on the MOT does not alone constitute the completion of a contract with respect to the Notes requested thereby. The perfection and effectiveness of contracts with respect to the Notes are subject to confirmation of the correct execution of the Purchase Offer and issuance of the Notes. Each Intermediary through whom a Purchase Offer is made will notify investors of the number of Notes they have been assigned within the Issue Date, which is also the date on which investors will be required to remit payment in exchange for the issuance of Notes that have been accepted by the Issuer. After the end of the Offering Period, Euronext Dublin, in conjunction with the Issuer, shall set and give notice of the start date of the official admission to trading on the Market and Borsa Italiana shall set and give notice of the start date of official trading of the Notes on the MOT (the **“MOT Trading Start Date”**). The MOT Trading Start Date shall correspond to the Issue Date. Investors wishing to make Purchase Offers who do not have a relationship with any Intermediary may be requested to open an account or make a temporary deposit for an amount equivalent to that of the Purchase Offer. In case of partial sale of the Notes or a cancellation or withdrawal of the Offering, all amounts paid as temporary deposits, or any difference between the amount deposited with the Intermediary and the aggregate value of the Notes actually sold to the investor, will be repaid to the investor who initiated the Purchase Offer by the Issue Date. Any Purchase Offer received outside the Offering Period, or within the Offering Period but outside the operating hours of the MOT, will not be accepted. Investors may place multiple Purchase Offers. Purchase Offers placed by Italian investors through telecommunication means are not subject to the existing withdrawal provisions applicable to distance marketing of consumer financial services, in accordance with articles 67-bis and 67-duodecies of Legislative Decree No. 206 of 6 September 2005 as regards the public offer in Italy.

	<p><i>Pricing Details</i></p> <p>The Notes will be issued at a price of 100.00 per cent. of their principal amount and will bear an interest rate not lower than the Minimum Interest Rate.</p> <p><i>Disclosure of the Interest Rate, Yield and Redemption Prices and the Results of the Offering</i></p> <p>The interest rate (which shall not be less than the Minimum Interest Rate) will be determined on the basis of the tenor of the Notes, the yield and demand from investors in the course of the determination of the conditions (the bookbuilding procedure) prior to the start of the Offering Period. The Joint Bookrunners will determine, in consultation with the Issuer, the interest rate, the final yield and the redemption prices (which will be expressed as a percentage of the principal amount on the redemption date, plus accrued and unpaid interest and additional amounts, if any, to the relevant redemption date). The interest rate, the yield and the redemption prices will be set out in a notice (the “<b>Interest Rate, Yield and Redemption Prices Notice</b>”), which will be filed with the Central Bank of Ireland and published prior to the start of the Offering Period. The aggregate principal amount of the Notes, the number of Notes sold and the gross proceeds of the Offering will be set out in a notice (the “<b>Offering Results Notice</b>”), which will be filed with the Central Bank of Ireland and published by no later than the second business day prior to the Issue Date. No trading in the Notes will start before the Offering Results Notice is published.</p> <p><i>Revocation of Purchase Offers</i></p> <p>If the Issuer publishes any Supplement, any investor who has placed a Purchase Offer prior to the issuance of the Supplement shall be entitled to revoke such Purchase Offer by no later than the second business day following the publication of the Supplement in accordance with Article 23(2) of the Prospectus Regulation. Revocation of a Purchase Offer may be accomplished by delivering written notice to the Intermediary through whom the investor made the Purchase Offer, who shall in turn notify the Joint Bookrunners of such revocation. Other than as described above, Purchase Offers, once placed, may not be revoked.</p> <p><i>Payment and Delivery of the Notes</i></p> <p>Investors will pay the Issue Price to the Intermediaries through whom they have placed Purchase Offers on the Issue Date. In case of early closure of the Offering, a press release will be made to inform investors and potential investors. In case of an early closure of the Offering Period, the Issue Date will remain unchanged and the Notes will be issued on the date specified as such in the Prospectus. In the case of an extension of the Offering Period, the Issue Date will be the fifth business day following the closure of the Offering Period. The Issuer will not charge any costs, expenses or taxes directly to any investor. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence related to the opening of a bank account or a temporary deposit account with an Intermediary, if necessary, and/or any costs related to the execution, acceptance and transmission of Purchase Offers imposed by such Intermediaries.</p>
<p><b>Why is the prospectus being produced?</b></p>	<p>The Prospectus is being produced in order for the Notes to be admitted to trading on the Market and the MOT and also for the purpose of the offers to the public to occur in Italy. Furthermore, the Issuer has requested the Central Bank of Ireland to provide CONSOB with a certificate of approval pursuant to Article 25 of the Prospectus Regulation attesting that this Prospectus has been drawn up in accordance with the Prospectus Regulation. The net proceeds from the Offering are expected to be approximately between €100,000,000 and €200,000,000 or, in case of exercise of the Issuer’s right to increase the Original Maximum Offer Amount or the Reduced Maximum Offer Amount, Euro 250,000,000, less the commissions and other expenses incurred in connection with the issue of the Notes, which include the commissions payable to the Joint Bookrunners and the Managers (as defined below) relating to the Offering of the Notes and the listing fees for the Euronext Dublin and the MOT. The Issuer intends to use the net proceeds from the Offering for financing and/or refinancing, in whole or in part, projects relating to assets, investments and other related and supporting expenditures such as research and development, capital expenditures, operating expenditure related to improvement and maintenance related to renewable energy, energy efficiency and/or clean transportation (the “<b>Eligible Green Projects</b>”) as specified in the green financing framework published by the Issuer in April 2024 in accordance with the “Green Bond Principles” published by the International Capital Market Association in June 2021 (as supplemented in June 2022). Estimate of the share of financing vs refinancing of Eligible Green Project: 60% financing; 40% refinancing.</p> <p>The Offering is subject to a placement agreement between the Issuer, the Placement Agent, the Joint Bookrunners and Finint Private Bank S.p.A., Cassa di Risparmio di Bolzano S.p.A. and Cassa Centrale Raiffeisen dell’Alto Adige S.p.A. (the “<b>Managers</b>”) pursuant to which the Issuer has appointed the Placement Agent, the Joint Bookrunners and the Managers to offer the Notes for sale on the MOT. The Joint Bookrunners and the Managers and their affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Joint Bookrunners and the Managers and their affiliates have received or will receive customary fees and commissions. There are no interests of natural and legal persons other than the Issuer, the Joint Bookrunners and the Managers involved in the issue, including conflicting ones that are material to the issue.</p>

## RISK FACTORS

*An investment in the Notes involves risks. Prospective investors should note that the factors described below are those which the Issuer believes to be the most material to an assessment by a prospective investor of whether to consider an investment in the Notes and which may affect the Issuer's ability to fulfil its obligations under the Notes. In addition, factors that are material for the purpose of assessing the market risks associated with the Notes are also described below.*

*Most of these factors are contingencies which may or may not occur. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it and which it may not currently be able to anticipate. Furthermore, any of these risks could also have a negative effect on the business, prospects, results of operations and/or financial position of the Issuer and the Alperia Group and therefore on the Issuer's ability to fulfil its obligations under the Notes. In addition, if any of the following risks, or any other risk not currently known, actually occurs, the trading price of the Notes could decline and Noteholders may lose all or part of their investment.*

*The risks that are specific to the Issuer are presented in three categories and those specific to the Notes are presented in two categories, with the most material risk factor presented first in each category and the remaining risk factors presented in an order which is not intended to be indicative either of the likelihood that any particular risk will materialise or of the magnitude of their potential impact on the business, financial condition and results of operations of the Issuer and the Group.*

*Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

*Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this section.*

### **MATERIAL RISKS THAT ARE SPECIFIC TO THE ISSUER AND THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES**

*The risks under this heading have been classified into the following categories:*

- A. Risks relating to the regulatory framework applicable to the Issuer;*
- B. Risks related to the business activities and industry of the Alperia Group;*
- C. Risks related to the Issuer's financial situation.*

#### **A. Risks relating to the regulatory framework applicable to the Issuer**

- 1. The Alperia Group operates in a highly regulated environment. The constant and sometimes unpredictable evolution in the legislative and regulatory context for the electricity and natural gas sectors poses a risk to the Alperia Group*

The Alperia Group mainly operates in the sectors of electricity (production, distribution and sale), heating (production, distribution and sale), renewable energy sources and gas (distribution and sale), all of which are subject to a wide variety of laws and regulations enacted by the European Union, the Republic of Italy and certain regulatory agencies, including the Italian Regulatory Authority for Energy, Networks and Environment (*Autorità di Regolazione per Energia, Reti e Ambiente* or "**ARERA**"). For further information, see the section of this Prospectus entitled "*Regulatory Framework*". Changes in applicable legislation and regulation, whether at a national or European level, and the manner in which they are interpreted, could adversely affect the Alperia Group's current and future operations, its cost and revenue-earning capabilities and, in general, the development of its business. Such changes could include, *inter alia*, changes in: (i) the procedure for awarding and/or renewing of authorisations, concessions, licences or other similar arrangements required to carry out certain of the Alperia Group's activities; (ii) contracts granted to, or entered into with, Alperia and its operating subsidiaries; (iii) tariffs charged by such companies for their services; (iv) the determination of any indemnity or compensation payments due to Alperia Group companies in the case of termination or loss of authorisations, concessions, licences or other similar arrangements; (v) the incentives regime for renewable energy sources; (vi) unbundling regulation; (vii) tax rates; (viii) environmental, health and safety or other workplace laws; or (ix) regulation of cross-border transactions. Law 16 August 2023, No. 20 concerning concessions for large hydroelectric plants with power exceeding 3



megawatts in the Autonomous province of Bolzano has been approved by such province's competent authorities; such law, in force as from 1 January 2024, defines an updated structure regarding concession fees and foresees alternatives for the monetization of free energy not withdrawn by the Autonomous province of Bolzano. In addition, a deliberation concerning new methods of free energy withdrawal as an alternative to monetization has been introduced. The above factors might have an adverse effect for Alperia. While updates regarding free energy apply to both existing and future concessions, concession fee updates only concern potential future concessions or renewed concessions. In addition, the law defines possible modalities for future hydropower concession reassignment in the Autonomous province of Bolzano.

In addition, public policies related to energy, energy efficiency and/or air emissions may have an impact on the overall business environment in which the Alperia Group operates and particularly the public sector. Similarly, sector-wide regulation may affect many aspects of the Alperia Group's business and, in many respects, determines the manner in which the Alperia Group conducts its business and sets the fees it charges or obtains for its products and services. Any new or substantially altered law, regulation, guideline or standard as well as any existing measures could have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group. In this respect, see also paragraph "*Risk related to measures aimed at containing the negative implications for end customers of the energy commodity prices and that may adversely affect the sale of energy and/or the related revenues*" below.

**2. *The Alperia Group is dependent on authorisations, concessions, licences or other arrangements with public authorities for certain activities and the Alperia Group's ability to achieve its strategic objectives could be impaired, inter alia, if it is unable to maintain or obtain the required licences, authorisations, permits, approvals and consents***

The businesses of the Alperia Group include both: (i) services which require specific authorisations, concessions, licences or other dispositions granted by public authorities (*i.e.* electricity distribution, gas distribution and hydroelectric power systems); and (ii) businesses which are not dependent on such arrangements (*i.e.* electricity production – with the exception of electricity production through hydroelectric plants – and sale, gas sale, facility management and energy efficiency). Such authorisations, concessions, licences or similar dispositions vary in duration across the Alperia Group's business areas. In particular, with respect to the electricity distribution business, the relevant concession is due to expire in 2030, whilst concessions relating to hydroelectric activities – which, directly or indirectly, account for most of the revenues of the Alperia Group – are due to expire between 2024 and 2041, including eight large hydroelectric concessions in 2024. Furthermore, some concessions have already expired and are being operated by the Alperia Group under a caretaker (*prorogatio*) regime, pending the launch of a tender and/or the award of a new concession. See also "*Description of the Issuer and the Alperia Group – Concessions*".

There is no assurance that the Alperia Group will maintain concessions operated by it nor that such concessions will be renewed after they expire. Similarly, there is no assurance that the Alperia Group will be able to enter into new concessions or similar arrangements or that any new concessions or arrangement is entered into or renewals of existing concessions or similar arrangements will be on terms similar to those currently in force. Any failure by Alperia and the Alperia Group to maintain the current concessions or similar arrangements and/or to enter into new, or renew existing, concessions or like arrangements, in each case on similar or otherwise favourable terms, could have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group.

Concessions and similar arrangements are governed by agreements with the relevant grantor requiring the concession holder to comply with certain obligations (including performing regular maintenance and obtaining, maintaining, and complying with the required licences, permits and authorisations). Each concession holder is subject to penalties or sanctions for the non-performance or default under the relevant concession or other public disposition. In particular, failure by a concession holder to fulfil its material obligations under a concession or similar agreement with a public body could lead to early termination of the concession or agreement. In accordance with general principles of Italian law, such arrangements can, *inter alia*, be early terminated for reasons of public interest. In either case, the relevant concession holder might be required to transfer all of the assets relating to the operation of the concession to the grantor or to the incoming concession holder. Although the holder might be entitled to receive a compensation amount determined in accordance with the terms of the relevant agreement, there can be no assurance that the amount due, if any, to the relevant entities of the Alperia Group will actually be paid and/or paid promptly and/or will be adequate compensation for the loss of the relevant concession and disposal of the related assets. In addition, in several cases there might be a dispute between the parties regarding the quantification of the compensation amount. Litigation in respect of such disputes is frequent and can have an impact on the execution of the business strategy and on the Alperia Group's activities.

Furthermore, the business strategy of the Alperia Group is based on a series of critical assumptions. In the event that one or more of the underlying assumptions of such strategy prove to be incorrect or events evolve differently from those contemplated (including, *inter alia*, as a consequence of events that may not be foreseeable or quantifiable) the actual

events and results of operations could differ from the targets and projections. In particular, in order to carry out and expand its business, the Alperia Group needs to maintain or obtain, and comply with, a variety of licences, authorisations, permits and approvals from regulatory, legal, administrative, tax and other authorities and agencies for the construction, operation and maintenance of its projects. The processes for obtaining these permits and approvals are often lengthy, complex, unpredictable and costly. If the Alperia Group is unable to obtain, maintain or comply with the relevant licences, authorisations, permits and approvals, or if it delays or fails to renew, or faces a challenge to or the revocation of such licences, authorisations, permits or approvals, its ability to achieve its strategic objectives could be impaired, and it could incur costs and losses, all of which could have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group.

### **3. *The Alperia Group is exposed to revision of tariffs in the gas and energy sectors***

The Alperia Group's business in the gas and energy sectors is exposed to a risk of variation of the tariffs applied to end users. Applicable tariffs payable by final customers are determined and adjusted by the relevant authority and may be subject to variations as a consequence of periodic revisions resulting from investigations by ARERA / the relevant authorities. For example, under Resolution 163/2023/R/COM dated 18 April 2023, ARERA approved the integrated text of criteria and general principle of regulation by expenditure and service objectives for regulated infrastructure services of the electricity and gas sectors for the period 2024-2031 (TIROSS 2024-2031) setting out, *inter alia* the criteria for determining the recognised cost common to all regulated infrastructure services of the electricity and gas sectors (the so-called "ROSS-base") for the period 2024-2031, relevant for the determination of the constraints on companies' allowed revenues. The "ROSS-base" approach focus on total expenditure, including through the use of standard coefficients for defining capitalised expenditure, thus overcoming the current cost recognition regime that considers operating costs (with price-cap incentives) and capital expenditure (with a rate-of-return adjustment) separately. Furthermore, ARERA has recently introduced a transitory tariff review defining the heating service tariffs first regulation, which might have impacts for the Alperia Group. For further information about the tariff determination, see section "*Regulatory Framework*", below.

Uncertainties as to how to determine tariffs and possible decreases in tariffs, including as a consequence of changes in related laws and regulations, could have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group.

### **4. *Risk related to measures aimed at containing the negative implications for end customers of the energy commodity prices and that may adversely affect the sale of energy and/or the related revenues***

To face the exceptional rise in the level of energy commodity prices started in the second half of 2021 and continued during 2022 (see also paragraph "*The Alperia Group is exposed to risks associated with fluctuations in the prices of certain commodities*" below), the Italian government introduced certain price limits for end customers (both households and businesses), also introducing prohibitions on updating tariff conditions. In particular, by Law Decree No. 4/2022, as amended, the Italian government introduced a cut in so-called "extra-profits" from revenues on the sale of energy from renewable energy plants accrued between 1 February 2022 and 31 December 2022 (subsequently extended to 30 June 2023). Such measure envisaged a two-way compensation mechanism on the price of electricity fed, *inter alia*, by certain plants with a capacity of more than 20 kilowatts powered by hydroelectric plants that do not access incentive mechanisms. Another one-way compensation mechanism was introduced by Law 197/2022 for the period between 1 December 2022 and 30 June 2023 for plants not falling within the scope of the compensation mechanism set forth by Law Decree No. 4/2022. In addition, under Law Decree No. 21/2022, as amended, the Italian government introduced two windfall levies payable by, among others, producers of electricity that have made extra profits due to rising energy prices and tariffs.

Similarly, also at the European level certain initiative have been adopted and/or are currently envisaged which aim at reducing the demand for electricity and collecting and redistributing excess revenues from the energy sector to the final customer. For example, Regulation (EU) 2022/1854 of the Council of 6 October 2022 has introduced a cap on market revenues of producers obtained from the generation of electricity from certain sources.

Any new laws or regulation binding on the Alperia Group which limit energy prices for end customers or the sale of energy and/or the related revenues or provide for a reduction of energy consumption at the Italian or the European level could have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group.

## **B. Risks related to the business activities and industry of the Alperia Group**

### **1. *Droughts and other changes in weather and atmospheric conditions could materially adversely affect the Alperia Group's operations***

The Alperia Group is affected in several ways by atmospheric conditions and is particularly dependent upon hydrological conditions prevailing from time to time in the geographic areas where its hydroelectric generation facilities are located. In addition, average temperatures influence customers' natural gas, heating and electricity consumption requirements, with demand in cold winters and hot summers being typically higher. Any unusual, extreme or unforeseen weather phenomena could have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group.

**2. *Risks related to external factors including, inter alia, the overall economic situation, especially in the Alperia Group's principal markets and the geopolitical context***

The Alperia Group's profitability may be impacted by several external factors, including the economy (such as gross domestic product and inflation), energy market conditions (which may be characterised by extreme volatility in the prices of gas, electricity, and other raw materials), political interventions (such as emergency measures under national and European natural gas contingency plans or measures intended to establish a prioritisation and rationing of natural gas supplies to individual customers), the difficulties connected to global logistics chains and the increased competition on the free market and the geopolitical context.

In particular, electricity and gas consumption are strongly affected by the level of economic activity and gross domestic product in Italy. Any decrease in demand for energy puts pressure on sales margins due also to greater competition (see also paragraph "*The Alperia Group faces a process of market liberalisation and increasing competition in the markets in which it operates*" below). In the event of shrinking demand without corresponding adjustments in the margins charged by Alperia on its sales or without an increase in its market share, then Alperia's revenues (other than those arising from the distribution service, which is based on the current tariff mechanism) would be reduced and future growth prospects would be limited.

In addition, changes in retail electricity consumption could require the Alperia Group to acquire or sell additional electricity on unfavourable terms. Sales volumes may differ from the supply volumes that the Alperia Group had expected to utilise from electricity purchase contracts. Differences between actual sales volumes and supply volumes may require the Alperia Group to purchase additional electricity or sell excess electricity, both of which are themselves subject to market conditions, which may change according to multiple factors, including weather, plant availability, transmission congestion and input fuel costs. The purchase of additional electricity at high prices or sale of excess electricity at low prices could have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group.

With respect to the geopolitical context, the Russo-Ukrainian war significantly affected during 2022 electricity and gas prices, causing sharp price rises (with a peak in summer 2022, then gradually reducing), with extremely elevated daily growth rates and high volatility, and led to higher inflation. More recently, the conflict in the Middle-East as well as the attacks launched by Yemeni Houthi rebels in the Red Sea area have affected, and are affecting, the energy markets' prices (both gas and electricity) which have not yet returned to pre-Covid 19 levels. Similarly, any other conflicts involving areas of crucial importance in both commercial and geopolitical terms may have a significant impact on the energy markets and may therefore have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group. Furthermore, any such conflicts may exacerbate other risks described in this section.

**3. *The Alperia Group faces a process of market liberalisation and increasing competition in the markets in which it operates***

The markets in which the Alperia Group operates are undergoing a process of further liberalisation at both a European and an Italian level, which is being implemented in different ways and following different timetables in each country within the European Union. As a result of the process of liberalisation, new competitors may enter many of the markets which the Alperia Group operates in. It cannot be ruled out that such process of liberalisation might continue in the future. In particular, in the context of the recent auction related to the enhanced protection regime (*servizio di maggior tutela*) for retail clients in the electricity sector, Alperia was not awarded any area for which it had submitted a bid. The Alperia Group's ability to develop its businesses and improve its financial results may be constrained by the resulting new competition.

Competition in Italy is increasing particularly in the electricity business, in which Alperia competes with other operators, both Italian and foreign, who sell electricity to industrial, commercial and residential clients within the Italian market. This could have an impact on the prices paid or received in Alperia's electricity trading activities. Moreover, the Alperia Group may be unable to offset the financial effects of decreases in sales of electricity through efficiency improvements or expansion into new business areas or markets.

In its natural gas business, Alperia faces increasing competition from both national and international natural gas suppliers. Increasingly high levels of competition in the Italian natural gas market could possibly entail reduced natural gas selling margins. Furthermore, a number of national gas producers from countries with large gas reserves have begun to sell natural gas directly to final clients in Italy, which could threaten the market position of companies which, as Alperia, resell gas purchased from producing countries to final customers.

The above developments could, over time, have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group.

**4. *The Alperia Group is exposed to operational risks through its ownership and management of power plants and distribution networks and plants***

The main operational risks to which the Alperia Group is exposed are linked to its ownership and management of power stations and its distribution networks and plants. These power stations and other assets are exposed to risks of malfunctions and/or interruption in service that can cause significant damages to the assets themselves and, in more serious cases, compromise production capacity. These risks include events outside of the Alperia Group's control or other similar extraordinary events such as extreme weather phenomena, adverse meteorological conditions, natural disasters, fire, terrorist attacks, sabotage, mechanical breakdown of or damage to equipment or processes, accidents and labour disputes. Any such events could cause damage or destruction of the Alperia Group's facilities and, in turn, result in financial loss, cost increases or the necessity to revise the Alperia Group's investment plans. Additionally, service interruptions, malfunctions or casualties or other significant events could result in the Alperia Group being exposed to litigation, which in itself could generate obligations to pay damages. Alperia and the Alperia Group could also be held liable for human exposure to hazardous substances in its water supplies or other environmental damage. Although the Alperia Group has insurance coverage against some, but not all, of these events, such coverage may prove insufficient to offset the cost of paying such damages fully. An additional risk arises from adverse publicity that these events may generate and the consequent damage to Alperia's reputation. The occurrence of one or more of the events described above, or other similar events, could have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group.

**5. *The Alperia Group is exposed to risks associated with fluctuations in the prices of certain commodities***

In the ordinary course of business, the Alperia Group is exposed to commodity price risk, namely the market risk related to volatility in the prices of energy commodities (electricity, gas, fuel oil, wood, etc.) and environmental certificates, which is only partially mitigated by the management strategies implemented by the Alperia Group providing for, *inter alia*, the entering into by Alperia Trading S.r.l. (an Issuer's subsidiary- "**Alperia Trading**") of certain fixed price contracts for purchase and sale of gas and electricity both for trading purposes and for purposes of hedging energy and natural gas price fluctuation risk. Significant fluctuation in the price of such commodities and their by-products as well as exchange rates associated with them may reduce the Alperia Group's cash flows and income which, in turn, could have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group.

**6. *The Alperia Group is subject to extensive environmental laws and regulations***

The Alperia Group incurs significant costs to keep its plants and businesses in compliance with the requirements imposed by various environmental laws and regulations such as Law No. 68/2015 which has introduced a number of new criminal offences related to environmental liabilities (so called "*ecoreati*") including, *inter alia*, environmental pollution, environmental damage and conspiracy to carry out an "*ecoreato*" (Article 452-*octies* of the Italian criminal code). Environmental laws and regulations require the Alperia Group to adopt preventive or remedial measures and influence the Alperia Group's business decisions and strategy. The costs of compliance with existing environmental legal requirements or those not yet adopted may increase in the future. In addition, failure to comply with environmental requirements in the territories where the Alperia Group operates may lead to fines, litigation, loss of licences and temporary or permanent curtailment of operation. Any liabilities for breach of legislation or any significant increase in the costs and expenses necessary to keep the plants in compliance with environmental laws and regulations could have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group.

**7. *Alperia and its subsidiaries are defendants in a number of legal proceedings and may from time to time be subject to further legal proceedings and investigations by the authorities***

Alperia and certain companies of the Alperia Group are defendants in civil, tax, regulatory and administrative proceedings, which are incidental to their business activities, and may, from time to time, be subject to further litigation and/or to investigations by tax and other authorities. For a description of such proceedings, see the paragraph headed "*Litigation and*

*contingent liabilities*” in the notes to the Issuer’s consolidated financial statements as at and for the year ended 31 December 2023, incorporated by reference into this Prospectus. Although Alperia has made provisions for such proceedings in its consolidated financial statements as at 31 December 2023, it is not able to predict the ultimate outcome of any of the claims currently pending against it or the other companies of the Alperia Group, or future claims or investigations that may be brought against it or the other companies of the Alperia Group, which may be in excess of those provisions. Furthermore, Alperia and the Alperia Group may incur significant losses in addition to the amounts already provisioned, owing to: (i) uncertainty regarding the final outcome of any proceedings, claims or investigations; (ii) the occurrence of new developments that management was unable to take into consideration when evaluating the likely outcome of such proceedings, claims or investigations; (iii) emergence of new evidences and information; and (iv) the underestimation of probable future losses. See also paragraph “*Alperia is exposed to a number of different tax uncertainties, which would have an impact on its tax results*” below. In the first half year 2023 the Italian Antitrust Authority has asked to Alperia information relating to certain of its business practice to which Alperia has promptly replied and in respect of which no other communications have been received. Unfavourable outcomes in existing or future proceedings, claims or investigations could have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group.

#### **8. *Alperia is exposed to a number of different tax uncertainties, which would have an impact on its tax results***

Alperia determines the taxation it is required to pay based on its interpretation of applicable tax laws and regulations. As a result, it may face unfavourable changes in those tax laws and regulations to which it is subject. Such interpretation may, *inter alia*, lead to litigation with the tax authorities. Therefore, the business, revenues, results of operations and financial condition of Alperia and the Alperia Group may be adversely affected by new laws or changes in the interpretation of existing laws.

#### **9. *Cyber risk***

The Alperia Group’s operations are supported by complex information technology systems, specifically with regard to its technical, commercial and administrative divisions. Additionally, the Alperia Group collects and stores sensitive data, including intellectual property, proprietary business information and the proprietary information and personally identifiable information of customers, service providers and employees, in data centres and on information technology networks. Operating these systems and networks and processing and maintaining those data in a secure manner are critical to the Issuer’s business operations. Increased information technology security threats and more sophisticated computer crimes intended to cause damage to management infrastructure or breach personal data pose a risk to the security of the Alperia Group’s systems and networks and the confidentiality, availability, and integrity of its data. The main threats may include identity theft, phishing aimed at taking control of a personal computer in order to attack central systems as well as attacks on exposed systems, such as public websites.

A failure or breach in security could expose the Alperia Group and its customers, service providers and employees to risks of misuse of information or systems, the compromising of confidential information, loss of financial resources, and manipulation and destruction of data and operations disruptions, which in turn could adversely affect the Alperia Group’s reputation, competitive position, businesses and results of operations. Security breaches could also result in litigation, regulatory action, unauthorised release of confidential or otherwise protected information and corruption of data, as well as higher operational and other costs of implementing further data protection measures which could have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group.

### **C. *Risks related to the Issuer’s financial situation***

#### **1. *Alperia has exposure to credit and counterparty risks arising from its commercial activity***

Credit and counterparty risks represent Alperia’s exposure to potential losses that could be incurred if a counterparty fails to meet its obligations, both payment obligations and other contractual undertakings. Notwithstanding the mitigation activities implemented by the Alperia Group aimed at assessing and monitoring counterparties’ credit standing and the level of exposure of the Alperia Group to its counterparties, as well as the taking of guarantees, a single default by a major counterparty, or an increase in current default rates by counterparties generally, could have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group.

#### **2. *Risks related to the Issuer’s dependence on its subsidiaries to meet its payment obligations***

The operations of the Issuer are, and may be, carried out primarily through its subsidiaries, as well as entities in which it has, directly or indirectly, an interest but which it does not control, such as project companies and joint ventures, and

therefore to meet its payment obligations, including its obligations with respect to the Notes the Issuer depends also on the earnings and cash flows of, and the distribution of funds from, these subsidiaries and entities. Generally, creditors of such entities, including trade creditors, secured and unsecured creditors, and beneficiaries of guarantees given by the entity, as well as preferred shareholders, if any, of the entity, will be entitled to the assets of that entity before any of those assets can be distributed to shareholders upon liquidation or winding up. As a result, the Issuer's obligations in respect of the Notes will, to the extent described above, be structurally subordinated to the prior payment of all the debts and other liabilities of the Issuer's direct and indirect subsidiaries and other entities, including the rights of trade creditors and preferred shareholders (if any), as well as contingent liabilities, all of which could be substantial.

Furthermore, any limitations on the Issuer's ability to receive funds from its subsidiaries or such other entities, and any enforcement of the guarantees issued by the Alperia Group in favour of its subsidiaries or such other entities could have an adverse effect on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group. For the avoidance of doubt, the Issuer's subsidiaries will have no obligation, contingent or otherwise, to pay amounts due under the Notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment.

### **3. *The Alperia Group is subject to liquidity risk***

Liquidity risk concerns the inability to raise, on favourable terms, the financial resources necessary for the Alperia Group to meet its financial obligations and to carry out its operations. The two main factors affecting the Alperia Group's liquidity are (i) the financial resources generated or absorbed by operating and investing activities and (ii) the maturity of the Alperia Group's financial indebtedness. Furthermore, the liquidity level of the Alperia Group may also be impaired by any inability to borrow from banks or in the capital markets, which is dependent, *inter alia*, on favourable market conditions as well as on credit rating attributed to the Issuer (see "*Risks related to Alperia's rating*" below). If sufficient cash resources are not available in the future for these or other reasons, it could have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group.

### **4. *The Issuer's leverage may have significant adverse financial and economic effects on the Issuer***

As at 31 December 2023, the Alperia Group had approximately Euro 1,007 million of financial indebtedness. The Issuer's leverage could increase the Issuer's vulnerability to a downturn in its business or economic and industry conditions and have significant adverse consequences, including but not limited to: (i) limiting the Issuer's ability to obtain additional financing to fund future working capital, capital expenditure, investment plans, strategic acquisitions, business opportunities and other corporate requirements; (ii) requiring the dedication of a substantial portion of the Issuer's cash flow from operations to the payment of principal of, and interest on, the Issuer's indebtedness, which would make such cash flow unavailable to fund the Issuer's operations, capital expenditure, investment plans, business opportunities and other corporate requirements; (iii) limiting the Issuer's flexibility in planning for, or reacting to, changes in the Issuer's business, the competitive environment and the industry; (iv) reducing ability to obtain further loans and new credit lines to finance the Alperia Group's commercial activities and issue supporting guarantees; and (v) significant exposure to frequent refinancing exercises. Any of these or other consequences or events could have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group.

### **5. *Alperia is exposed to interest rate risk arising from its financial indebtedness***

Alperia is subject to interest rate risk arising from its financial indebtedness, which may affect the cost of financing and/or the fair value of financial liabilities and therefore could have a material adverse effect on the business, revenues, results of operations and financial condition of Alperia and the Alperia Group. The interest rate risk varies depending on whether such indebtedness is at a fixed or floating rate. As at 31 December 2023, approximately 90% of the Alperia Group's borrowings were at a fixed rate, already considering the results of hedging activities implemented by the Issuer.

### **6. *The loan agreements entered into by companies belonging to the Alperia Group contain restrictive covenants***

A significant portion of the Alperia Group's borrowings has been granted under agreements that, in line with market practice, provide for certain restrictive covenants, such as, *inter alia*, *pari passu* ranking clauses, negative pledges, change of control clauses and provisions limiting extraordinary transactions and the incurrence of any additional indebtedness exceeding specified thresholds. Failure to comply with any of these clauses could, unless a prior waiver is obtained or amendment made, constitute a default under the agreements and could result in the early termination of the relevant facility agreement. If this were to occur above the thresholds specified in "*Terms and Conditions of the Notes*" below, the cross-default provisions under the Notes would also be triggered and the Issuer could be required to repay the Notes in full. Any

such scenario could have a negative impact on the business, revenues, results of operations, financial condition and prospects of the Issuer and the Alperia Group.

## 7. *Risks related to Alperia's rating*

As at the date of this Prospectus, the long-term credit rating assigned to Alperia is "BBB" (stable outlook) by Fitch. Fitch is established in the European Union and is registered under the CRA Regulation. As such, Fitch is included in the list of credit ratings agencies published by the European Securities and Markets Authority on its website available (<https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation.

Alperia's future ability to access capital markets, other financing instruments and related costs may depend, *inter alia*, on the rating assigned to it. Accordingly, a downgrade of Alperia's rating might limit its ability to access capital markets and/or result in increase in its costs of funding and/or refinancing of debt with a consequent adverse impact on the business, revenues, results of operations and financial condition of Alperia and its Alperia Group.

See also paragraph "*Credit ratings may not reflect all risks and may be lowered, suspended, withdrawn or not maintained*" below.

### **MATERIAL RISKS THAT ARE SPECIFIC TO THE NOTES AND WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE THE PROGRAMME**

*The risks under this heading have been classified into the following categories:*

- A. *Risk relating to the specific characteristics of the Notes;*
- B. *Risks relating to the Offering or admission to trading of the Notes.*
- A. **Risk relating to the specific characteristics of the Notes**
  - 1. ***The Notes are fixed-rate securities and are vulnerable to fluctuations in market interest rates. Furthermore, optional redemption by the Issuer of fixed rate notes may affect the ability of the holders to reinvest the redemption proceeds***

#### *Fluctuation in market interest rates*

The Notes will bear interest at a fixed rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital markets ("**Market Interest Rate**"). Although the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of fixed rate securities changes in the opposite direction. If the Market Interest Rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the Market Interest Rate. Conversely, if the Market Interest Rate falls, the price of a security with a fixed interest rate typically increases, until the yield of such security is approximately equal to the Market Interest Rate. Movements of the Market Interest Rate may have an adverse effect on the market price of the Notes.

#### *Reinvestment of proceeds arising from an optional redemption*

The Notes contain an optional redemption feature, as set out in Conditions 6(b) (*Redemption for taxation reasons*), 6(c) (*Redemption at the option of the Issuer*) and 6(d) (*Redemption at the option of Noteholders*) which is likely to limit the market value of Notes.

During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed and the cash paid to Noteholders upon such a redemption may also be less than the then current market value of the Notes or the price at which such Noteholders purchased the Notes. This may also be true prior to any redemption period.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes and may only be able to do so at a significantly lower rate.

## 2. *“Green Bonds” may not be a suitable investment for all investors seeking exposure to green assets*

### *“Green Bonds” requirements and Use of Proceeds*

The use of the proceeds of the issuance of the Notes for any Eligible Green Projects (as defined under section “*Use of Proceeds*”) may not satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or standards (including the EU Green Bond Standard (as defined below)) or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects.

Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the “**EU Taxonomy Regulation**”) tasks the European Commission with establishing the actual list of environmentally sustainable activities by defining technical screening criteria for each of the six environmental objectives through delegated acts (the “**Delegated Acts**”).

On 9 December 2021, the Commission Delegated Regulation (EU) 2021/2139 on sustainable activities for climate change adaptation and mitigation objectives was published in the Official Journal and it applies since January 2022 (the “**Climate Delegated Act**”).

On 10 December 2021, the Commission Delegated Regulation (EU) 2021/2178 supplementing Article 8 of the EU Taxonomy Regulation was published in the Official Journal and applies since January 2022 (the “**Disclosures Delegated Act**”). This Disclosure Delegated Act specifies the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities.

On 9 March 2022, the European Commission adopted a complementary climate delegated act (the “**Complementary Climate Delegated Act**”) including, under strict conditions, specific nuclear and gas energy activities in the list of economic activities covered by the EU taxonomy. The Commission Delegated Regulation (EU) 2022/1214 was published in the Official Journal on 15 July 2022 and applies as of January 2023. The criteria for the specific gas and nuclear activities are in line with EU climate and environmental objectives and will help accelerate the shift from solid or liquid fossil fuels, including coal, towards a climate-neutral future.

On 21 November 2023, the Commission Delegated Regulation (EU) 2023/2486 on sustainable activities for the (non-climate) environmental objectives of the EU Taxonomy Regulation (namely: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems) was published in the Official Journal and it applies since January 2024 (the “**Environmental Delegated Act**”). The European Commission has also adopted amendments to the Climate Delegated Act, establishing additional technical screening criteria for determining the conditions under which economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives: the Commission Delegated Regulation (EU) 2023/2485 was published in the Official Journal on 21 November 2023 and applies as of January 2024.

Any further Delegated Act that is adopted by the European Commission in implementation of the EU Taxonomy Regulation or the Sustainable Finance Disclosure Regulation (as defined below) may furthermore evolve over time with changes to the scope of activities and other amendments to reflect technological progress, resulting in regular review to the relating screening criteria.

On 18 June 2019, the Commission Technical Expert Group on sustainable finance published its final report on a future European standard for green bonds (the “**EU Green Bond Standard**”). On 6 July 2021, the European Commission officially adopted a legislative proposal for a EU Green Bond Standard setting out four main requirements: (i) allocation of the funds raised by the green bond should be made in compliance with the EU Taxonomy Regulation; (ii) full transparency on the allocation of the green bond proceeds; (iii) monitoring and compliance activities to be carried out by an external reviewer; and (iv) registration of external reviewers with the ESMA and subjection to its supervision. On 28 February 2023 negotiators for the Council, the European Parliament and the Commission reached a provisional political agreement on the legislative proposal for an EU Green Bond Standard introducing a voluntary standard. On 10 May 2023, a version of the regulation adopted by the legislative bodies of the European Union was published. Finally, on 30 November 2023, Regulation (EU) 2023/2631 of the European Parliament and of the Council on the “European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds” was published



in the Official Journal (the “**EU Green Bond Regulation**”); the Regulation entered into force on 20 December 2023 and will apply from 21 December 2024.

The Notes may not at any time be eligible for the Issuer to be entitled to be designated as “European Green Bond” or “EuGB” pursuant to the EU Green Bond Regulation nor is the Issuer under any obligation to take steps to have the Notes to become eligible for such designation.

On 9 December 2019 the Regulation (EU) 2019/2088 (the “**Sustainable Finance Disclosure Regulation**” or “**SFDR**”) was published in the Official Journal and it applies since January 10 March 2021.

On 25 July 2022 Commission Delegated Regulation (EU) 2022/1288, supplementing the SFDR with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of “do no significant harm”, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports (the “**RTS**”), was published in the Official Journal. The RTS apply from 1 January 2023.

On 31 October 2022, the European Commission adopted a Delegated Regulation and Annexes amending and correcting the standards laid down in the RTS to ensure investors receive information reflecting provisions set out in the Taxonomy Complementary Climate Delegated Act. The Commission Delegated Regulation (EU) 2023/363 has been published in the Official Journal on 17 February 2023 and has come into force on the third day after publication in the Official Journal.

On 14 September 2023 the Commission launched two consultations (ending 15 December 2023) on the – ongoing – review of the SFDR. On 4 December 2023 the European Supervisory Authorities (ESAs) have published their final report on the – ongoing – review of the RTS.

In light of the continuing development of legal, regulatory and market conventions in the green, sustainable and positive social impact markets, there is a risk that the legal frameworks and/or definitions may be modified to adapt any update that may be made to the ICMA’s Green Bond Principles June 2021 edition (as supplemented on June 2022) and/or the EU Taxonomy Regulation. Any such changes could have an adverse effect on the liquidity and value of and return on the Notes.

While it is the intention of the Issuer to apply the proceeds of the Notes in the manner described in section “*Use of Proceeds*”, there can be no assurance that the Eligible Green Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for the Eligible Green Projects. Nor can there be any assurance that the Eligible Green Projects will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the relevant Eligible Green Bonds.

Any such event or failure to apply the proceeds of the issue of the Notes in, or substantially in, the manner described in section “*Use of Proceeds*”, as aforesaid may have a material adverse effect on the value of the Notes and and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Any failure to comply with the reporting obligations will not constitute an Event of Default under the Notes.

#### *Second Party Opinion*

Furthermore, in connection with the Notes, the Issuer has obtained the Second Party Opinion from DNV, confirming, *inter alia*, that the “*Eligible Green Categories*” outlined in the Issuer’s Green Financing Framework comply with the relevant categories outlined by the ICMA GBP (as defined in the section “*Use of proceeds*” below).

The Second Party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced toward an amount corresponding to the net proceeds of the issuance of the Notes. The Second Party Opinion does not constitute a recommendation to buy, sell or hold the Notes and would only be current as of the date it is released.

A withdrawal of the Second Party Opinion may affect the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

**3. *Payments in respect of the Notes may in certain circumstances be made subject to withholding or deduction of tax***

All payments in respect of Notes will be made free and clear of withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision thereof or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall (subject to the exceptions set out in Condition 8 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.

As more fully set out in Condition 8 (*Taxation*), the Issuer shall not be liable in certain circumstances to pay any additional amounts to Noteholders, including circumstances where any payment, withholding or deduction is required pursuant to Decree No. 239 on account of Italian substitute tax, as defined therein in relation to interest or premium payable on, or other income deriving from, the Notes.

Also, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or otherwise imposed pursuant to Sections 1471 to 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other Person will be required to pay any additional amounts in respect of FATCA Withholding.

Furthermore, and without prejudice to the above, the tax legislation of the Noteholders’ Member State may have an impact on the income received from the Notes.

**4. *The Notes are unsecured***

The Notes will be (subject to “*Terms and Conditions of the Notes – Negative Pledge*”) unsecured obligations of the Issuer. In the event of any insolvency or winding-up of the Issuer, the Notes will rank equally with the Issuer’s other unsecured senior indebtedness. The Notes are unsecured and, although they restrict the giving of security by the Issuer, and its Subsidiaries over Relevant Indebtedness, a number of exceptions apply, as more fully described in “*Terms and Conditions of the Notes – Negative Pledge*”. Where security has been granted over assets of the Issuer to secure indebtedness, in the event of any insolvency or winding-up of the Issuer, such secured indebtedness will rank in priority over the Notes and other unsecured indebtedness of the Issuer in respect of such assets.

**5. *Put Event***

Upon the occurrence of one or more Put Event (as defined in “*Terms and Conditions of the Notes*” below) relating to the Issuer, subject to the provisions of the Terms and Conditions, each Noteholder will have the right to require the Issuer to redeem all the Notes held by such Noteholder at 100 per cent. of their principal amount together with interest accrued up to but excluding the Optional Redemption Date (as defined in “*Terms and Conditions of the Notes*”). However, it is possible that the Issuer will not have sufficient funds at the time of the Optional Redemption Date to make the required redemption of Notes. If there are not sufficient funds for the redemption, the relevant Noteholders may receive less than the principal amount of the Notes should they elect to exercise such right.

Furthermore, if such provisions were exercised by the Noteholders, this might adversely affect the Issuer’s financial position.

**6. *Risks relating to exchange rates and exchange controls***

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of the Euro or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Euro would decrease (i) the Investor’s Currency-equivalent yield on the Notes, (ii) the Investor’s Currency-equivalent value of the principal payable on the Notes and (iii) the Investor’s Currency-equivalent market value of the Notes.

In addition, government and monetary authorities may impose, as some have done in the past, exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

**7. *The conditions of the Notes could be amended by the Noteholders' meeting***

The terms and conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. As a result, a Noteholder is subject to the risk of being outvoted and losing rights against the Issuer under the Notes, against its will in the event that Noteholders holding a sufficient aggregate principal amount of the Notes participate in the vote and agree to amend the terms and conditions of the Notes in accordance with such provisions.

**8. *Noteholders' meeting provisions may change by operation of law or because of changes in the Issuer's circumstances***

The provisions relating to Noteholders' meetings (including quorums and voting majorities) are subject to compliance with certain mandatory provisions of Italian law, which may change during the life of the Notes. In addition, certain Noteholders' meeting provisions could change as a result of amendments to the Issuer's By-laws. Accordingly, Noteholders should not assume that the provisions relating to Noteholders' meetings contained in the Terms and Conditions will correctly reflect the provisions applicable to Noteholders' meetings at any future date during the life of the Notes. Any of the above changes could reduce the ability of Noteholders to influence the outcome of any vote at a Noteholders' meeting and, as described in further detail in the risk factor headed "*The conditions of the Notes could be amended by the Noteholders' meeting*" above, the outcome of any such vote will be binding on all Noteholders, including dissenting and abstaining Noteholders, and may have an adverse impact on Noteholders' rights and on the market value of the Notes.

**9. *Credit ratings may not reflect all risks and may be lowered, suspended, withdrawn or not maintained***

The Notes have been rated by Fitch, which is established in the European Union and registered under the CRA Regulation as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority ("**ESMA**") pursuant to the CRA Regulation (for more information please visit the ESMA's website). These ratings may not reflect the potential impact of all risks related to structure, market, additional factor discussed above and other factors that may affect the value of the Notes or the standing of the Issuer.

A rating is not a recommendation to buy, sell or hold securities and any rating agency may revise, suspend or withdraw at any time the relevant rating assigned by it if, in the sole judgement of the relevant rating agency, among other things, the credit quality of the Notes or, as the case may be, the Issuer has declined or is in question. In addition, there is no guarantee that any ratings of the Notes and/or the Issuer will be maintained by the Issuer following the date of this Prospectus or that one or more rating agencies other than Fitch will assign ratings to the Notes. If any rating assigned to the Notes and/or the Issuer, including any unsolicited credit rating, is assigned at a lower level than expected or subsequently is revised lower, suspended, withdrawn or not maintained by the Issuer, the market value of the Notes may be reduced.

In addition, rating agencies regularly reassess the methodologies used to measure the creditworthiness of companies and securities. Any adverse changes of such methodologies may materially and adversely affect the Issuer's operations or financial condition, the Issuer's willingness or ability to leave individual transactions outstanding and adversely affect the Issuer's capital market standing.

In particular, there might be changes in the rating methodologies for instruments such as the Notes. As a consequence of such reassessments in rating criteria, the Notes ratings may be modified. If the Notes are downgraded, they may be subject to a higher risk of price volatility than higher-rated securities and their market value may decline.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances while the registration application is pending). Such general restriction will also apply in the case of credit ratings issued by third-country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA registered credit rating agency or the relevant third-country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). This may result in European regulated investors selling the Notes which may impact the value of the Notes and any

secondary market. The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

**10. *Changes in tax laws or regulations or in positions by the relevant Italian authority regarding the application, administration or interpretation of tax laws or regulations, particularly if applied retrospectively, could have negative effects on the Issuer's current business model and material adverse effect on its operating results, business and financial condition***

Tax laws are complex and subject to subjective evaluations and interpretative decisions, and the Issuer will be periodically subject to tax audits aimed at assessing its compliance with direct and indirect taxes. The tax authorities may not agree with its interpretations of, or with the positions the Issuer has taken or intends to take on, tax laws applicable to its ordinary activities and extraordinary transactions. In case of objections by the tax authorities to its interpretations, the Issuer could face long tax proceedings that could result in the payment of penalties or sanctions and have a material adverse effect on its operating results, business and financial condition. The Issuer may also inadvertently or for reasons beyond its control fail to comply with certain tax laws or regulations in connection with a particular transaction. This may have a negative tax impact and may also result in the application of penalties or sanctions. The Issuer cannot therefore rule out that claims by the tax authorities may give rise to burdensome and long tax litigation and to the payment of significant amounts for taxes, penalties and interest for late payment. This might negatively affect the Issuer's economic and financial condition.

**B. *Risks relating to the Offering or admission to trading of the Notes***

**1. *The market value of the Notes could decrease if the creditworthiness of the Issuer worsens or is perceived to worsen***

If any of the risks regarding the Alperia Group described herein materialises, then the Issuer is less likely to be in a position to fully perform all obligations under the Notes when they fall due, and the market value of the Notes will suffer. In addition, even if the Issuer is not actually less likely to be in a position to fully perform all obligations under the Notes when they fall due, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business areas as the Alperia Group could adversely change and have resulting effects on the perceptions of Alperia Group's creditworthiness, whether warranted or otherwise.

Furthermore, changes in accounting standards may lead to adjustments in the relevant accounting positions of the Alperia Group which could have an adverse effect on the Alperia Group's financial condition, which could in turn affect the market value of the Notes.

**2. *An active and liquid trading market for the Notes may not develop or be maintained and the trading market for debt securities may be volatile and may be adversely affected by many events***

The Notes represent a new issue of securities which may not be widely distributed and for which there is currently no established trading market. Although the Issuer has applied for admission of the Notes to trading on the Market and the MOT, there can be no assurance that a market for the Notes will develop or, if it does develop, that it will continue or be liquid, thereby enabling investors to sell their Notes when desired, or at all, or at prices they find acceptable.

The development or continued liquidity of any secondary market for the Notes will be affected by a number of factors including prevailing interest rates, the market for similar securities, general economic conditions and the creditworthiness of the Issuer as well as other factors such as the time remaining to maturity of the Notes, the outstanding amount of the Notes and the redemption features of the Notes. Such factors will also affect the market value of the Notes.

Investors may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield.

Furthermore, the market for debt securities issued by the Issuer is influenced by a number of interrelated factors, including economic, financial and political conditions and events in Italy and Ireland, as well as economic conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other

industrialised countries. There can be no assurance that events in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the market price of the Notes or that economic and market conditions will not have any other adverse effects. Accordingly, the price at which an investor will be able to sell the Notes prior to maturity may be discounted, even substantially, from the Issue Price or the purchase price paid by such investor.

**3. *Transfers of the Notes may be restricted, which may adversely affect the secondary market liquidity and/or trading prices of the Notes***

The ability to transfer the Notes may also be restricted by securities laws or regulations of certain countries or regulatory bodies. The Notes have not been and will not be, registered under the Securities Act or any state securities laws or the securities laws of any other jurisdiction in the United States. Noteholders may not offer the Notes in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Each holder of the Notes is obligated to ensure that offers and sales of Notes comply with all applicable securities laws. In addition, transfers to certain persons in certain other jurisdictions may be limited by law, or may result in the imposition of penalties or liability. The above restrictions may adversely affect a Noteholder's ability to resell the Notes on the secondary market and therefore the trading prices of the Notes. For a description of restrictions which may be applicable to transfers of the Notes, see section "*Sale and Offer of the Notes*" below.

**4. *The Offering Period may be extended or amended, and the Offering may be terminated or withdrawn***

The Offering Period may be extended or amended, and the Offering may be terminated or withdrawn.

The Issuer together with the Placement Agent has the right to extend or amend the Offering Period and to terminate, postpone or withdraw the Offering for a number of reasons, including a failure to satisfy the Minimum Offer Condition or any extraordinary change in the political, financial, economic, regulatory or currency situation of the markets in which the Alperia Group operates that could have a materially adverse effect on the conditions of the Alperia Group and its business activities. See section "*Sale and Offer of the Notes*" below.

**5. *The Notes are subject to inflation risks***

Inflation risk is the risk of future money depreciation and of the real yield from an investment consequently being reduced by inflation. In particular, the higher the rate of inflation is, the lower the real yield of a Note will be and, as a result, if the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative. Although worldwide interest rates are currently low, any increases in such interest rates would reduce the real amount of a Noteholder's return on an investment in the Notes.

**6. *The Notes are subject to transaction costs and charges***

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase or sale price of the Notes. These incidental costs may significantly reduce or eliminate any profit from holding the Notes. Credit institutions as a rule charge commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including, but not limited to, domestic dealers or brokers in foreign markets, Noteholders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

**7. *The Notes may have no established trading market***

The Notes may have no established trading market when issued and one may never develop (see paragraph "*An active and liquid trading market for the Notes may not develop or be maintained*" above). If a market does develop, it may not be very liquid and, consequently, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes.

The liquidity and market value of the Notes may also be significantly affected by factors such as variations in Alperia Group's annual and interim results, news announcements or changes in general market conditions. In addition, broad market fluctuations and general economic and political conditions may adversely affect the market value of the Notes, regardless of the actual performance of the Alperia Group.

**8. *The Notes may be delisted in the future***

Application has been made for the Notes to be admitted to the Official List and for trading on the Market and on the MOT. The Notes may subsequently be delisted despite the best efforts of the Issuer to maintain such listing and, although no assurance is made as to the liquidity of the Notes as a result of listing, any delisting of the Notes may have a material adverse effect on a Noteholder's ability to resell the Notes on the secondary market.

## PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

This Prospectus and the consolidated financial statements of the Issuer as at and for the years ended 31 December 2022 and 31 December 2023 (the “**2022 Consolidated Financial Statements**” and the “**2023 Consolidated Financial Statements**”) incorporated by reference in this Prospectus have been prepared in accordance with International Financial Reporting Standards as adopted by European Union (“**IFRS**”). The Issuer’s accounting reference date is 31 December.

Financial data of the Issuer included in this Prospectus have been derived from the 2022 Consolidated Financial Statements, the 2023 Consolidated Financial Statements.

### Alternative performance indicators

This Prospectus and the documents incorporated by reference in this Prospectus contain certain alternative performance indicators that, although not prepared in accordance with IFRS, are used by the management of the Issuer to monitor the Alperia Group’s financial and operating performance (the “**Alternative Performance Indicators**”). In particular:

- **EBITDA (or Gross Operating Income):** is an alternative measure of operating performance, calculated as the sum of the “Net Operating Income” plus “Amortisation, Depreciation, Provisions and Write-downs”;
- **Financial Debt:** is an indicator of the Issuer’s financial structure.

The section “*Information about the Issuer and the Alperia Group*” below also shows the so-called “industrial EBITDA” for the financial years 2022 and 2023 for each business unit. The description of the “industrial EBITDA” is set forth in paragraph “*Description of the Issuer and the Alperia Group – Business of the Alperia Group – Breakdown of “Industrial EBITDA” by Business Unit*” below.

It should be noted that:

- (i) the Alternative Performance Indicators are based exclusively on the historical data and are not indicative of the future performance;
- (ii) the Alternative Performance Indicators are not prepared in accordance with IFRS, and they have not been subject to audit or review;
- (iii) the Alternative Performance Indicators are non-GAAP financial measures and are not recognized as measure of performance or liquidity under IFRS, and should not be recognized as alternative to performance measure derived in accordance with IFRS or any other generally accepted accounting principles;
- (iv) the Alternative Performance Indicators should be read together with financial information of the Issuer and the Alperia Group taken from the financial statements incorporated by reference in this Prospectus;
- (v) since all companies do not calculate Alternative Performance Indicators in an identical manner, the presentation of the Issuer and the Alperia Group may not be consistent with similar measures used by other companies. Therefore, undue reliance should not be placed on these measures;
- (vi) the Alternative Performance Indicators and definitions used herein are consistent and standardised for all the period for which financial information in this Prospectus are included.

## INFORMATION INCORPORATED BY REFERENCE

The following documents which have been previously published or published simultaneously with this Prospectus and have been filed with the Central Bank of Ireland shall be incorporated by reference in, and form part of, this Prospectus:

- (a) the 2022 Consolidated Financial Statements;
- (b) the auditors' report on 2022 Consolidated Financial Statements;
- (c) the 2023 Consolidated Financial Statements;
- (d) the auditors' report on 2023 Consolidated Financial Statements.

Such documents are available, without charge, on the Issuer's Website, as follows:

- (i) as to the 2022 Consolidated Financial Statements:

<https://www.alperigroup.eu/sites/default/files/documents/Consolidated%20financial%20statements%20as%20of%2031%20December%202022.pdf>;

- (ii) as to the auditors' report on 2022 Consolidated Financial Statements:

[https://www.alperigroup.eu/sites/default/files/documents/Consolidated%20financial%20statements%20as%20of%2031%20December%202022%20-%20Auditor%27s%20report\\_0.pdf](https://www.alperigroup.eu/sites/default/files/documents/Consolidated%20financial%20statements%20as%20of%2031%20December%202022%20-%20Auditor%27s%20report_0.pdf); and

- (iii) as to the 2023 Consolidated Financial Statements:

<https://www.alperigroup.eu/sites/default/files/documents/Consolidated%20financial%20statements%20as%20of%2031%20December%202023.pdf>;

- (iv) as to the auditors' report on 2023 Consolidated Financial Statements:

<https://www.alperigroup.eu/sites/default/files/documents/Consolidated%20financial%20statements%20as%20of%2031%20December%202023%20-%20Auditor%27s%20report.pdf>.

Any statement contained in this Prospectus or in any of the documents incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any document subsequently incorporated by reference, by way of supplement prepared in accordance with Article 23 of the Prospectus Regulation, modifies or supersedes such statement.

### Cross-reference Lists

The following table shows where the information incorporated by reference in this Prospectus can be found in the above-mentioned documents. The page numbers referred to in the cross-reference list below refer to the page numbers in the electronic PDF document.

<b>2022 Consolidated Financial Statements</b>	<b>PDF Page(s)</b>
Litigation and contingent liabilities	pp. 78–97
Consolidated statement of financial position	p. 118
Consolidated income statement	p. 119
Consolidated comprehensive income statement	p. 120
Statement of changes in consolidated shareholders' equity	pp. 121–122



Consolidated cash flow statement	p. 124
Notes	pp. 125–225

<b>2023 Consolidated Financial Statements</b>	<b>PDF Page(s)</b>
Litigation and contingent liabilities	pp. 65–86
Consolidated statement of financial position	pp. 107-108
Consolidated income statement	pp. 108-109
Consolidated comprehensive income statement	pp. 109-110
Statement of changes in consolidated equity	pp. 111-112
Consolidated cash flow statement	p. 114
Notes	pp. 115–213

The auditors' reports on the above annual financial statements are incorporated by reference in this Prospectus in their entirety.

Any information which is not contained within the page numbers of the documents specified above is not incorporated by reference in this Prospectus and is either not relevant to investors or is covered elsewhere in this Prospectus, in accordance with Article 19 of the Prospectus Regulation.

Copies of the documents specified above as containing information incorporated by reference in this Prospectus have been filed with Euronext Dublin and may be inspected, free of charge, at the specified offices of the Paying Agent, on the Euronext Dublin Website and on the Issuer's Website.

The information on the Issuer's Website, as well as any information on any other website mentioned in this Prospectus does not form part of this Prospectus and has not been scrutinised or approved by the Central Bank of Ireland unless specific information is expressly incorporated by reference herein.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes (the “Conditions”) contained in the prospectus (the “Prospectus”) prepared by Alperia S.p.A. (the “Issuer”) in accordance with Articles 3.1, 3.3 and 6.3 of Regulation (EU) 2017/1129, as amended, and approved by the Central Bank of Ireland on 10 May 2024.*

The up to €250,000,000 Senior Unsecured Green Fixed Rate Notes due June 2029 (the “Notes”, which expression includes any further notes issued pursuant to Condition 12 (*Further issues*) and forming a single series therewith) of Alperia S.p.A. (the “Issuer”) are issued on or about 5 June 2024 (the “Issue Date”).

The issue of the Notes was authorised by a resolution of the Management Board and a resolution of the Supervisory Board of the Issuer, both dated 29 April 2024, notarised by Notary Public Felipe Benvenuti with, respectively, *repertorio* and *raccolta*: 16528/14446 and *repertorio* and *raccolta*: 16529/14447, registered with the Companies’ Register of Bolzano on 7 May 2024. A *determina esecutiva* will be passed upon, if any, prior to the issue of the Notes.

As at the date of the Prospectus (provided that these shall be deemed confirmed at the Issue Date):

- (a) the paid-up share capital of the Issuer is equal to Euro 750,000,000, consisting of 750,000,000 ordinary shares with a nominal value of Euro 1.00 each; and
- (b) the amount of Issuer’s reserves is equal to Euro 110,120,545.

The corporate object of the Issuer, as set out in Article 4 of its by-laws, is as follows:

*“The corporate purpose of the Issuer, which may be attained even through subsidiaries or affiliates, includes the following:*

- (i) *the production, import, export, transmission, processing, measurement, distribution and the purchase and sale of electrical energy produced from any source;*
- (ii) *the running and management of high-voltage power lines, including interconnection lines, and the relevant transformer substations;*
- (iii) *in the gas industry, the import and export, transport, processing, transformation, storage, purchase, regasification, distribution and sale of natural gas and other hydrocarbons, and all measurement related activities, as well as the construction and running of gas pressure regulators, and the low, medium and high pressure pipelines of all the relevant connected plants;*
- (iv) *the design, construction and management of systems and transport support systems and services;*
- (v) *the promotion, dissemination and construction of works and plants powered by renewable energy and similar sources, including the running and maintenance thereof;*
- (vi) *the production, purchase, storage, distribution and sale of thermal energy;*
- (vii) *the purchase, the preliminary design, the design, the construction, the running and maintenance of energy production plants in general, cogeneration power plants, including district heating and heat plants for domestic and industrial use;*
- (viii) *supplies of ‘energy contracting’, heat management and ‘smart grid’ integrated management services, including similar and related energy services;*
- (ix) *activities, supply of services, projects and consulting services in the fields of climate protection, energy saving and energy efficiency;*
- (x) *design, construction, development and management of telecommunications networks and systems.*

*The corporate purpose of the Issuer, insofar as permitted by law, includes the performance and supply of services in the fields of engineering and project management and the activities set forth by section 90, paragraph 2, point b), of Legislative Decree No. 163 dated 12 April 2006, which may be carried out even through subsidiaries or affiliates.*

*The Issuer may operate both in Italy and abroad and may carry out directly and in the interests of its subsidiaries or affiliates, any activities that are related or necessary to its own activities or those of its subsidiaries and affiliates.*

*The Issuer may also engage in financial, commercial, industrial, and property transactions of any kind that are deemed necessary or useful to attain the corporate purpose or are directly or indirectly related to the same. The Issuer may acquire holdings, including shareholdings, in other resident or non-resident companies, entities, consortia or businesses having a corporate purpose similar or related to its own. The Issuer may grant endorsements, securities and other forms of guarantee, even to third parties, regardless of the activities thereof; the same may also grant agency or representation mandates in general. The above does not include reserved activities and must comply applicable laws (in particular pursuant to Legislative Decree No. 385 dated 1 September 1993), for the sole purpose of attaining the corporate purpose but not vis-à-vis the public.”*

The Issuer and BNP Paribas as paying agent (whose office is presently at Piazza Lina Bo Bardi, 3, Milan), the “**Paying Agent**” which expression shall include all persons for the time being the paying agent with respect to the Notes) entered into a paying agency agreement dated 10 May 2024 (the “**Paying Agency Agreement**”). Copy of the Paying Agency Agreement (i) is available for inspection by Noteholders during usual business hours at the specified office of the Paying Agent for the time being and the other Paying Agents that might be appointed from time to time; or will, at the option of the Paying Agent, be available by email at a Noteholder’s request (subject to provision of proof of holding satisfactory to the Paying Agent), in each case, during usual business hours and upon reasonable notice on any weekday (excluding Saturdays, Sundays and public holidays) and (ii) is available for inspection by Noteholders during usual business hours at the registered office of the Issuer. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Paying Agency Agreement and are deemed to have notice of those provisions of the Paying Agency Agreement applicable to them.

## **1. Definitions and interpretation**

### **(a) Definitions:** in these Conditions:

“**Accrual Period**” means the relevant period for which interest is to be calculated (from and including the first such day to but excluding the last).

“**Affiliate**” means, at any time and with respect to any Person (the “**First Person**”), any other Person that as such time directly or indirectly through one or more intermediate Person controls or is controlled by, or is under common control with, the First Person.

“**Alperia Group**” means the Issuer and its Subsidiaries.

“**Business Day**” means, a day (excluding Saturdays and Sundays) which is not a public holiday or a bank holiday in Dublin and Milan and which is a T2 Settlement Day.

“**Change of Control**” shall be deemed to occur if more than 50% of the voting rights exercisable at a general meeting of the Issuer is acquired by any Person or Persons (other than Reference Shareholders or a Public Entity acting in concert with any Reference Shareholder(s)) acting in concert.

“**Concession**” means a concession, an authorisation or other statutory provision or an administrative instrument, whether or not documented in a contract, or similar arrangements, pursuant to which an entity is entrusted by one or more public national or local authorities or entities (including, but not limited to, ministries, provinces or municipalities) with the management of public services (*servizi pubblici* pursuant to Italian law) and/or public utility services/activities (*servizi di pubblica utilità/opera di pubblica utilità* pursuant to Italian law) including, without limitation, (i) waste management services (including, but not limited to, waste collection and treatment and municipal cleaning), (ii) integrated water services, (iii) gas distribution and supply (including, but not limited to, the provision of district heating and heat management), (iv) electricity generation and co-generation (including, but not limited to, distribution), and (v) the construction (if any), management and operation of related plants and similar facilities and services.

“**Concession Event**” shall be deemed to occur if at any time:

- (i) one or more of the Concessions granted to the Issuer or to any of its Subsidiaries is terminated or revoked prior to the original stated termination date or otherwise expires at its original stated termination date(s) and has not been extended or renewed; and

- (ii) such Concession or Concessions, taken together, account for at least 30 per cent. of the Consolidated Revenues or Consolidated Assets,

*provided that the prorogatio regime to which a Concession may be subject between its scheduled expiry date and the extension, renewal or new award of such Concession will not constitute a Concession Event.*

“**Consolidated Assets**” means, with respect to any date, the consolidated total assets of the Alperia Group, as reported in the most recently published Consolidated Financial Statements.

“**Consolidated Financial Statements**” means the audited consolidated financial statements of the Alperia Group and the related explanatory notes approved by the Issuer’s competent corporate body.

“**Consolidated Revenues**” means, with respect to any date, the consolidated total revenues of the Alperia Group, as reported in the most recently published Consolidated Financial Statements.

“**ESM Accountholders**” means any authorized financial intermediary institution entitled to hold accounts on behalf of its customers with Euronext Securities Milan including any depository banks appointed by Euroclear and Clearstream, Luxembourg.

“**Euronext Dublin Website**” means the website of Euronext Dublin at [www.euronext.com/en/markets/dublin](http://www.euronext.com/en/markets/dublin).

“**Event of Default**” has the meaning given to it in Condition 9 (*Events of Default*).

“**Extraordinary Resolution**” means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the applicable provisions of the Italian Civil Code.

“**Financial Services Act**” means the Legislative Decree No. 58 of 24 February 1998, as amended.

“**Fitch**” means Fitch Ratings Ireland Limited or any of its Affiliates or successors carrying on the business of assigning credit ratings to persons in Italy.

“**Indebtedness for Borrowed Money**” means any indebtedness (whether being principal, premium, interest or other amounts), which is in the form of, or represented or evidenced by, bonds, notes, debentures or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit.

“**Interest Payment Date**” means 5 June and 5 December in each year, commencing on 5 December 2024.

“**Interest Period**” means the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

“**Interest Rate, Yield and Redemption Prices Notice**” means the notice, which will be filed with the Central Bank of Ireland and published on the Issuer’s Website, the Euronext Dublin Website and released through the RIS of Euronext Dublin (<https://direct.euronext.com/#/>) prior to 21 May 2024 at 09:00 (CET).

“**Investment Grade Rating**” means any credit rating assigned by a Rating Agency which is, or is equivalent to, any of the following categories:

- (i) with respect to S&P and Fitch, from and including AAA to and including BBB-;
- (ii) with respect to Moody’s, from and including Aaa to and including Baa3,

or, in each case, any equivalent successor categories.

“**Issuer’s Website**” means the website of the Issuer at [www.alperigroup.eu/en/investors/green-bond-institutionalretail](http://www.alperigroup.eu/en/investors/green-bond-institutionalretail).

“**Italian Civil Code**” means the Royal Decree 16 March 1942, No. 262, as amended.

“**Joint Regulation**” means the joint regulation of the Bank of Italy and the CONSOB dated 13 August 2018 and published in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) 30 August 2018, No. 201, as amended.

“**Material Subsidiary**” means, at any time, any Subsidiary of the Issuer (1) which (consolidated with its own Subsidiaries, if any) accounts for 15 per cent. or more of the Consolidated Revenues or Consolidated Assets or (2) to which is transferred the whole or substantially the whole of the undertaking of a Subsidiary of the Issuer which immediately before the transfer is a Material Subsidiary and, for these purposes, the total revenues or total assets of each Subsidiary will be determined by reference to the annual financial statements (whether or not audited) of such Subsidiary and those of its own Subsidiaries (if any), in each case upon which the then latest Consolidated Financial Statements have been based.

“**Minimum Interest Rate**” means 4,5 per cent. per annum.

“**Moody’s**” means Moody’s Italia S.r.l. or any of its Affiliates or successors carrying on the business of assigning credit ratings to persons in Italy.

“**Noteholders**” means the beneficial owners of the Notes, as evidence in entries with Euronext Securities Milan on the books of any ESM Accountholder in accordance with the provisions of (i) article 83-*bis* of the Financial Services Act, and (ii) the Joint Regulation.

“**Optional Redemption Date**” means the date specified in the relevant Put Event Notice by the Issuer, being a date not earlier than 15 nor later than 30 Business Days after expiry of the Put Option Exercise Period, provided that, if the date so determined falls within 10 Business Day prior to an Interest Payment Date, the Optional Redemption Date shall fall on the second Business Day following such Interest Payment Date.

“**Permitted Encumbrance**” means:

- (a) any lien arising by operation of law;
- (b) any Security Interest in existence on the Issue Date, *provided that* the principal amount secured by the Security Interest is not subsequently increased;
- (c) any Security Interest securing any Project Finance Indebtedness;
- (d) any Security Interest created by a company which becomes a Material Subsidiary after the Issue Date and where such Security Interest already existed at the time that company became a Material Subsidiary, *provided that* such Security Interest was not created in contemplation of that company becoming a Material Subsidiary and the aggregate principal amount secured at the time of that company becoming a Material Subsidiary is not subsequently increased;
- (e) any Security Interest created in substitution of any security permitted under paragraphs (a) to (d) above, *provided that* the principal amount secured by the substitute Security Interest does not exceed the principal amount secured by the initial Security Interest.

“**Permitted Reorganisation**” means any reorganisation carried out, without any consent of the Noteholders being required in respect thereof where the relevant reorganisation relates to entities which are solvent at the time of such reorganisation, as provided below:

- (i) in the case of a Subsidiary, through any Relevant Transaction whereby, in any one transaction or series of transactions, all or substantially all of its assets and undertaking are transferred, sold, contributed, assigned to or vested in the Issuer or any other member of the Alperia Group or otherwise remain in such Subsidiary; or
- (ii) in the case of the Issuer, through any Relevant Transaction whereby, in any one transaction or series of transactions, all or substantially all of its assets and undertaking are transferred, sold, contributed, assigned to, vested or otherwise remain in an entity in good standing (which, for the avoidance of doubt, may include any Subsidiary) and the following conditions are met:

- (a) such entity or a Subsidiary of such entity continues to carry on all or substantially all of the business of the Issuer;
- (b) either (1) such entity assumes the obligations of the Issuer as principal debtor in respect of the Notes by operation of law or (2) such entity irrevocably and unconditionally guarantees the Issuer's payment obligations under the Notes;
- (c) such entity enters into a supplemental paying agency agreement and such other documents (if any) as are necessary to give effect to the substitution of such entity for the Issuer or, as the case may be, the giving of the guarantee by such entity (all such documents, the "**Relevant Documents**");
- (d) such entity obtains opinions from legal advisers of recognised international standing as to matters of Italian law and the law of the jurisdiction of such entity confirming that (1) the Relevant Documents represent legal, valid, binding and enforceable obligations of such entity and (2) all actions, conditions and things required to be taken, fulfilled and done to ensure that such is the case (including any necessary approvals, consents, filings and/or registrations) have been taken, fulfilled and done, and such opinions are made available to Noteholders at the registered office of the Issuer and, to the extent appointed, at the registered office of the Representative of the Noteholders; and
- (e) upon completion of such transaction, no Rating Event occurs or has occurred,

and, following satisfaction of the above conditions: (1) where such entity assumes the obligations of the Issuer under the Notes, all references to the "Issuer" in these Conditions shall be read as references to such entity whilst Alperia shall be released and discharged from all of its obligations under the Notes and the Paying Agency Agreement; and (2) where such entity guarantees the Issuer's obligations under the Notes all references in these Conditions to the "Issuer" shall, unless the context requires otherwise, be read as references to the Issuer and/or such entity.

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having separate legal personality.

"**Project**" means the ownership, acquisition (in each case, in whole or in part), development, restructuring, leasing, maintenance and/or operation of an asset or assets, including, for the avoidance of doubt, any Concessions and the equity participations in a company holding such assets or assets.

"**Project Finance Indebtedness**" means any present or future Indebtedness for Borrowed Money incurred to finance or refinance a Project where the recourse of the creditors thereof is limited to any or all of:

- (a) the relevant Project (including, for the avoidance of doubt, the Concession(s) or assets related thereto and the cash flows arising therefrom);
- (b) the share capital of, or other equity contribution to, the Person or Persons developing, financing or otherwise directly or indirectly involved in the relevant Project;
- (c) the proceeds deriving from the enforcement of any security taken over all or any part of the assets relating to the Project (including, for the avoidance of doubt, any interest or equity participations in the relevant Person or Persons holding, directly and/or indirectly, the relevant assets or Concession(s) and/or operating the relevant business); and
- (d) other credit support (including, without limitation, completion guarantees and contingent equity obligations) customarily provided in support of such indebtedness,

*provided that*, for the purposes of Condition 9(c) (*Cross-default of the Issuer or any of its Material Subsidiaries*), Project Finance Indebtedness shall not include sub-paragraph (d) above.

"**Public Entity**" means any person directly or indirectly controlled by the Republic of Italy or by an Italian region, province or municipality.

A "**Put Event**" shall be deemed to occur if:

- (a) a Change of Control, a Concession Event or a Sale of Assets Event occurs; and
- (b) a Rating Event occurs.

“**Put Event Notice**” means a notice from the Issuer to Noteholders specifying the nature of the relevant Put Event and the procedure for exercising the resulting put option, including the relevant Put Option Exercise Period, Optional Redemption Date and the form of Put Option Notice.

“**Put Option Exercise Period**” means a period of 30 Business Days following the date on which the relevant Put Event Notice is given to the Noteholders in accordance with Condition 13 (*Notices*).

“**Put Option Notice**” means a notice, in the form attached to the Put Event Notice, delivered in accordance with Condition 6(d) (*Redemption at the Option of the Noteholders*) by any Noteholder wishing to exercise a right to redeem all the Notes which such Noteholder is entitled to in the books of the relevant ESM Accountholders.

“**Rate of Interest**” means the rate (expressed as a percentage per annum) of interest payable in respect of the Notes which will be set out in the Interest Rate, Yield and Redemption Prices Notice as a percentage per annum, provided that such rate will not be lower than the Minimum Interest Rate.

“**Rating Agency**” means each of Standard & Poor’s, Moody’s, Fitch and/or any other rating agency (including any of its Affiliates or successors).

“**Rating Event**” will be deemed to have occurred following the earlier of (i) a particular event (whether a Change of Control, a Concession Event, a Sale of Assets Event or a transaction that would otherwise constitute a Permitted Reorganisation) and (ii) a public announcement of that event or transaction (the “**Relevant Event**”), if, at the time of the occurrence of the Relevant Event:

- (a) the Notes carry from any Rating Agency an Investment Grade Rating and such rating from any Rating Agency is within 180 days of the occurrence of the Relevant Event either downgraded below an Investment Grade Rating or withdrawn and is not within the subsequent 180-day period (in the case of a downgrade) upgraded to an Investment Grade Rating by such Rating Agency or (in the case of a withdrawal) replaced by an Investment Grade Rating from any other Rating Agency; or
- (b) the Notes carry from any Rating Agency a rating that is not an Investment Grade Rating and such rating from any Rating Agency is within 180 days of the occurrence of the Relevant Event either downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) or withdrawn and is not within the subsequent 180-day period (in the case of a downgrade) upgraded to its earlier credit rating or better by such Rating Agency or (in the case of a withdrawal) replaced by its earlier credit rating or better from any other Rating Agency; or
- (c) the Notes do not carry a credit rating and, within 90 days of the occurrence of the Relevant Event no Rating Agency assigns an Investment Grade Rating to the Notes,

and in making the relevant decision(s) referred to under (a) or (b) above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Relevant Event.

“**Reference Shareholder**” means any Italian municipality, province, region and/or consortium, or any consortium or company directly or indirectly controlled by Italian municipalities, provinces, regions and/or consortiums and, for the purposes of this definition, “**consortium**” means a consortium incorporated pursuant to Article 31 of Legislative Decree No. 267 of 18 August 2000, as amended.

“**Relevant Date**” means whichever is the later of (A) the date on which such payment first becomes due and (B) if the full amount payable has not been received by the Paying Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders.

“**Relevant Indebtedness**” means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts), which is in the form of, or represented or evidenced by, bonds, notes, debentures or other securities which for the time being are, or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market and (ii) any guarantee or indemnity in respect of any such indebtedness.

“**Relevant Jurisdiction**” means, in relation to the Issuer the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax, or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes.

“**Relevant Transaction**” means (i) a “ *fusione* ” or “ *scissione* ” or any other, amalgamation, reorganisation, merger, consolidation, demerger (whether in whole or in part) or other similar arrangement; (ii) a contribution in kind, conveyance, sale, assignment, transfer, lease of, or any kind of disposal of assets or going concern; (iii) a purchase or exchange of assets or going concern, whether or not effected through a capital increase subscribed and paid up by means of a contribution in kind; and/or (iv) a lease of assets or going concern.

“**Representative of the Noteholders**” means any representative of the Noteholders appointed by the Noteholders in accordance with Condition 11 (*Meetings of Noteholders, Representative of the Noteholders and modification*).

“**Reserved Matter**” means any matter provided under Article 2415, paragraph 1, item 2 of the Italian Civil Code (including, but not limited to, any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce or cancel the principal amount of, or interest on, the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or to change the currency of payments under the Notes).

“**Sale of Assets Event**” shall be deemed to occur if at any time (i) the Issuer or any of its Subsidiaries is required by applicable law and/or mandatory order by a competent authority to sell, transfer, contribute, assign or otherwise dispose of assets comprising the whole of the Alperia Group’s business or a Substantial Part of the latter, or (ii) if such assets are expropriated on the basis of an order of a public authority having jurisdiction over the Issuer or the relevant Subsidiary.

“**Standard & Poor’s**” means S&P Global Ratings Europe Limited or any of its Affiliates or successors carrying on the business of assigning credit ratings to persons in Italy.

“**Subsidiary**” or “**Subsidiaries**” means, in respect of any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (i) whose majority of votes in ordinary shareholders' meetings of the second Person is held by the first Person; or
- (ii) in which the first Person holds a sufficient number of votes giving the first Person a dominant influence in ordinary shareholders' meetings of the second Person,

pursuant to the provisions of Article 2359, paragraph 1, no. 1 and 2, and paragraph 2 of the Italian Civil Code.

“**Substantial Part**” means a part of the relevant Person’s business which accounts for 30% or more of the Consolidated Assets and/or Consolidated Revenues.

“**T2**” means the real time gross settlement system operated by the Eurosystem, or any successor system.

“**T2 Settlement Day**” means any day on which T2 is open for the settlement of payments in euro.

(b) **Interpretation:** In these Conditions

- (i) any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under these Conditions;
- (ii) any reference in these Conditions to the Notes includes (unless the context requires otherwise) any other securities issued to Condition 12 (*Further issues*) and forming a single series with the Notes;
- (iii) “**outstanding**” means, in relation to the Notes, all the Notes issued except (a) those which have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable under these Conditions after such date) have been duly paid to the



Paying Agent as provided in the Paying Agency Agreement, (c) those which have become void, and (d) those which have been purchased and cancelled as provided in these Conditions;

(iv) for the purposes of the definition of Public Entity, “**control**” means:

(A) in respect of a person which is a company or a corporation:

- (x) the acquisition and/or holding of more than 50 per cent. of the share capital of such person; or
- (y) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
  - (1) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a shareholders’ or equivalent meeting of such person; or
  - (2) appoint or remove all or a majority of the members of its board of directors (or other equivalent body) of such person; or
- (z) the ability to exercise dominant influence over such person or a company controlling such person, whether by reason of voting rights at a shareholders’ or equivalent meeting or by virtue of contractual relationships; or

(B) in respect of any other person (other than a company or a corporation), the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting rights, by contract or otherwise,

and the expressions “**controlled**” and “**controlled by**” shall be construed accordingly.

(v) “**€**” denotes and “**Euro**” means the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro; and

(vi) to the extent a Representative of the Noteholder is appointed, any reference to any direction, instruction, direction, waiver or consent of the Noteholders, shall be read as to include any direction, instruction, direction, waiver or consent given by the Representative of the Noteholders acting on behalf of the Noteholders.

## 2. Form, Denomination and Title

- (a) **Form and denomination:** The Notes are bearer notes, issued and held in dematerialized form on behalf of the Noteholders by Euronext Securities Milan for the account of the relevant ESM Account Holders as of their respective date of issue. Euronext Securities Milan shall act as depository for Euroclear and Clearstream, Luxembourg. The Notes are issued in the denomination of €1,000 each.
- (b) **Book entries:** The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entry in accordance with the provisions of (i) article 83-*bis* of the Financial Services Act, and (ii) the Joint Regulation. No physical document of title will be issued in respect of the Notes; however, the Noteholders have the right to obtain certifications (*certificazioni*) pursuant to Article 83-*quinquies* of the Financial Services Act.
- (c) **Identity of the Noteholders:** Pursuant to Article 48, paragraph 2, of the Joint Regulation, by reason of acquiring and holding the Notes, each Noteholder, also in case of transfer of any of the Notes, shall be deemed to have acknowledged the right of the Issuer to request the ESM Accountholders the identity of the Noteholders and the percentage of Notes held by each of them.

## 3. Status

The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative pledge*)) unsecured obligations of the Issuer and rank *pari passu* among themselves and with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding, save for certain obligations required to be preferred by applicable law.

#### 4. Negative pledge

So long as any Note remains outstanding, the Issuer will not, and will ensure that none of its Material Subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a “**Security Interest**”), except for a Permitted Encumbrance, upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (a) all amounts payable by it under the Notes and these Conditions are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution.

#### 5. Interest

- (a) **Rate of Interest and Interest Payment Dates:** The Notes bear interest on their principal amount outstanding from and including the Issue Date at the Rate of Interest.

The Rate of Interest is payable in equal instalments semi-annually in arrear on each Interest Payment Date.

- (b) **Interest Accrual:** Each Note will cease to bear interest from the due date for redemption unless payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest shall continue to accrue on the principal amount then outstanding at such rate until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, and (b) the day which is seven days after the Paying Agent has notified Noteholders, in accordance with Condition 13 (*Notices*), of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant Noteholders under these Conditions).
- (c) **Method of calculation:** The day-count fraction will be calculated on an “Actual/Actual (ICMA)” following unadjusted basis. The day count fraction will be the number of days in the Accrual Period divided by the product of (1) the number of days in such Interest Period and (2) the number of Interest Periods normally ending in any year. The amount of interest payable on each Note for any period shall be equal to the product of the Rate of Interest, the principal amount outstanding of such Note and the day-count fraction (calculated on an “Actual/Actual (ICMA)” basis, as set out above) for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

#### 6. Redemption and Purchase

- (a) **Final redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 5 June 2029.
- (b) **Redemption for taxation reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to the date fixed for redemption, if:
  - (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and
  - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

*provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Paying Agent and, to the extent appointed, the Representative of the Noteholders (A) a certificate signed by a duly authorized representative of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the

Issuer taking reasonable measures available to it and (B) an opinion of independent legal advisers of recognized international standing to the effect that the Issuer has or will be obliged to pay such additional amounts as a result of such change and the Paying Agent and, to the extent appointed, the Representative of the Noteholders shall be entitled to accept and rely on such certificate and legal opinion (without liability to any Person) as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, in which event it shall be conclusive and binding on the Noteholders.

- (c) **Redemption at the option of the Issuer:** The Issuer may, at any time on or after 5 June 2026, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders, redeem the Notes in whole or in part at the redemption prices (expressed as a percentage of the principal amount outstanding of the Notes to be redeemed), plus unpaid interest accrued on the principal amount of the Notes to be redeemed to the relevant redemption date, provided that, in the event of early partial redemption pursuant to this Condition 6(c), such redemption shall occur on a pro rata basis.

The redemption prices will be set out in the Interest Rate, Yield and Redemption Prices Notice and will be determined in accordance with the table below:

Redemption Period	Redemption Price
5 June 2026 (included) – 5 June 2027 (excluded)	(i) 100 per cent. ( <i>i.e.</i> , the principal amount outstanding of the Notes to be redeemed) plus (ii) a percentage equal to the 50 per cent. of the Rate of Interest
5 June 2027 (included) – 5 June 2028 (excluded)	(i) 100 per cent. ( <i>i.e.</i> , the principal amount outstanding of the Notes to be redeemed) plus (ii) a percentage equal to the 25 per cent. of the Rate of Interest
5 June 2028 (included) – 5 June 2029 (excluded)	100 per cent. ( <i>i.e.</i> , the principal amount outstanding of the Notes to be redeemed)

- (d) **Redemption at the option of Noteholders:** Upon occurrence of a Put Event, promptly upon becoming aware of such occurrence, a Put Event Notice shall be given by the Issuer to Noteholders in accordance with Condition 13 (*Notices*), informing the Noteholders of the occurrence of a Put Event. Upon receipt of a Put Event Notice, each Noteholder may serve to the Issuer (in accordance with the instructions set out in the Put Event Notice), on any Business Day during the Put Option Exercise Period, a duly signed and completed Put Option Notice, requesting the Issuer to redeem all the Notes held by such Noteholder and *vis-à-vis* such redemption the Notes shall be cancelled in accordance with Condition 6(h) (*Cancellation*), without any further consent being required. A Put Option Notice given by a holder of any Notes shall be irrevocable except where, prior to the Optional Redemption Date, an Event of Default has occurred and is continuing in which event such Noteholder, at its option, may elect by notice to the Issuer to withdraw the Put Option Notice. The Issuer shall redeem the Notes that are the subject of the Put Option Notice on the Optional Redemption Date at a redemption price equal to 100 per cent. of their principal amount, together with interest (if any) accrued to such date.
- (e) **No other redemption:** The Issuer shall not be entitled to redeem the Notes at its option or, as the case may be, at the option of the Noteholders otherwise than as provided in Condition 6(b) (*Redemption for taxation reasons*), Condition 6(c) (*Redemption at the option of the Issuer*) and Condition 6(d) (*Redemption at the option of the Noteholders*), without prejudice to the provisions under condition 9 (*Events of Default*).
- (f) **Notice of redemption:** All Notes in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition 6.
- (g) **Purchase:** Each of the Issuer and its Subsidiaries may at any time purchase Notes in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of these Conditions. Such Notes may be held, resold or, at the option of the Issuer, cancelled.

- (h) **Cancellation:** All Notes which are redeemed by the Issuer in accordance with this Condition 6 (other than Condition 6(g) (*Purchase*)) or Condition 9 (*Events of Default*) shall be cancelled in accordance with the procedures of Euronext Securities Milan and may not be resold, without any further consent being required from the Noteholders.

## 7. Payments

- (a) **Method of payment:** Payments of principal and interest shall be made by credit or transfer, in accordance with the instructions of Euronext Securities Milan, by the Paying Agent on behalf of the Issuer, to the accounts with Euronext Securities Milan of those banks and authorized investment firms which are credited with those Notes, and thereafter credited by such banks and authorized brokers from such aforementioned accounts to the accounts of the Noteholders, save as otherwise required by the rules and procedures of Euronext Securities Milan. Payments made by or on behalf of the Issuer according to the instructions of Euronext Securities Milan to the accounts with Euronext Securities Milan of the banks and authorized brokers whose accounts are credited with those Notes will relieve the Issuer pro tanto from the corresponding payment obligations under the Notes. Such payments to the accounts with Euronext Securities Milan or to its order shall, to the extent of amounts so paid, constitute the discharge of the Issuer from its liability under the Notes.
- (b) **Payments subject to applicable laws:** All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (c) **Payments on business days:** If an Interest Payment Date or other date on which a payment is due falls on a day which is not a Business Day, the payment will be made on the immediately following Business Day (“modified following – unadjusted” business day convention). No further interest or other payment will be made as a consequence of the day on which the relevant payment will be made in accordance with this Condition 7(c).
- (d) **Paying Agent:** The initial Paying Agent and its initial specified offices are listed in the Paying Agency Agreement. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that there will at all times be (i) a Paying Agent, and (ii) so long as the Notes are listed on any stock exchange or admitted to trading by any relevant authority, there will at all times be a Paying Agent having its specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority. Notice of any change in the Paying Agents or their specified offices will promptly be given to the Noteholders.

## 8. Taxation

- (a) **Gross up:** All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:
- (i) presented for payment in the Republic of Italy; or
  - (ii) presented for payment by or on behalf of a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some present or former connection with any Relevant Jurisdiction other than the mere holding of the Note; or
  - (iii) presented for payment by, or on behalf of, a Noteholder who is entitled to avoid, or to benefit from a reduction in the rate of, such withholding or deduction in respect of the Note by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption, and fails to do so in due time; or
  - (iv) in the event of payment to a non-Italian resident legal entity without a permanent establishment in Italy to which the Note is connected or a non-Italian resident individual, to the extent that interest or other amounts are paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which allows for a satisfactory exchange of information with the Italian tax authorities as included in the decree of the Ministry of Economy and Finance of 4 September 1996, as amended or, once effective, any

other decree that will be issued under Article 11 paragraph 4 letter c) of Decree 239 (as amended by Legislative Decree No. 147 of September 2015); or

- (v) on account of *imposta sostitutiva* pursuant to Decree 239 with respect to any Note, including all circumstances in which the requirements and procedures to obtain an exemption from *imposta sostitutiva* or any alternative future system of deduction or withholding set forth in Decree 239, have not been met or complied with, except where such procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or
  - (vi) for any Note presented for payment more than 30 days after the Relevant Date except to the extent that the Noteholder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day; or
  - (vii) for or on account of any taxes that are payable otherwise than by deduction or withholding from a payment on the Notes; or
  - (viii) any combination of the items above.
- (b) For the avoidance of doubt, notwithstanding any other provision of the Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 to 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other Person will be required to pay any additional amounts in respect of FATCA Withholding.

## 9. Events of Default

If any of the following events occurs and is continuing (each, an “**Event of Default**”):

- (a) **Non-payment:** if default is made in the payment of (i) any principal due in respect of the Notes or any of them and the default continues for a period of 7 (seven) days; or (ii) interest due in respect of the Notes or any of them and the default continues for a period of 14 (fourteen) days; or
- (b) **Breach of other obligations:** if the Issuer fails to perform or observe any of its other obligations under these Conditions and the failure continues for a period of 30 days; or
- (c) **Cross-default:** if
  - (i) any Indebtedness for Borrowed Money (other than Project Finance Indebtedness) of the Issuer or any of its Subsidiaries either
    - (A) becomes due and repayable prematurely by reason of an event of default (however described) or
    - (B) becomes capable of being declared due and repayable prematurely (as extended by any originally applicable grace period) by reason of an event of default (however described);
  - (ii) the Issuer or any of its Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money (other than Project Finance Indebtedness) on the due date for payment (as extended by any originally applicable grace period); or
  - (iii) default is made by the Issuer or any of its Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money (other than Project Finance Indebtedness) of any other person on the due date for payment (as extended by any originally applicable grace period),

*provided that* no event described in this Condition 9(c) shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money (other than Project Finance Indebtedness) or other relative liability

due and unpaid, either alone or when aggregated (without duplication) with other amounts (if any) of Indebtedness for Borrowed Money (other than Project Finance Indebtedness) and/or other liabilities due and unpaid relative to all other events specified in (i) to (iii) above, amounts to at least Euro 25,000,000 (or its equivalent in any other currency); or

- (d) **Security enforced:** if any security given by the Issuer or any of its Subsidiaries for any Indebtedness for Borrowed Money (other than Project Finance Indebtedness) in excess of Euro 25,000,000 (or its equivalent in any other currency) becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person); or
- (e) **Winding up, etc.:** if any order is made by any competent court or an effective resolution is passed for the winding up or dissolution of the Issuer or any of its Material Subsidiaries, save for the purposes of (i) a Permitted Reorganisation or (ii) a reorganisation on terms approved by an Extraordinary Resolution; or
- (f) **Insolvency and other proceedings:** if
  - (i) the Issuer or any of its Material Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts, other than those related to Project Finance Indebtedness) as they fall due (as extended by any originally applicable grace period) or is deemed unable to pay its debts as they fall due (as extended by any originally applicable grace period) pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent;
  - (ii) proceedings are initiated against the Issuer or any of its Material Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Material Subsidiaries or, as the case may be, in relation to the whole or any Substantial Part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or any Substantial Part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any Substantial Part of the undertaking or assets of any of them, and in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant company, is not discharged within 90 days; and
  - (iii) the Issuer or any of its Material Subsidiaries (or their respective directors or shareholders) initiates judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors) in relation to any Indebtedness for Borrowed Money (other than Project Finance Indebtedness), save for the purposes of a reorganisation on terms previously approved by an Extraordinary Resolution; or
- (g) **Cessation of business:** if the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on the whole or a Substantial Part of the business conducted by the Issuer or the Alperia Group taken as a whole, save for the purposes of (A) a Permitted Reorganisation, or (B) a reorganisation on terms previously approved by an Extraordinary Resolution (and provided that neither a Concession Event nor a Sale of Assets Event shall give rise to an Event of Default under this Condition 9(g)); or
- (h) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes; or
- (i) **Delisting:** the Notes cease to be listed on one of either (i) the official list of the Euronext Dublin (and admitted to trading on the regulated market of Euronext Dublin), or (ii) the Borsa Italiana's regulated market *Mercato Telematico delle Obbligazioni* (MOT), unless the Issuer, within 30 days after notice of any such delisting has been given to the Issuer by Euronext Dublin and/or Borsa Italiana, causes the Notes to be listed and admitted to trading on any other regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments, as amended,

(A) in the case of paragraphs (a), (e) (and only in respect of winding up or dissolution of the Issuer) and (f)(ii) (if commenced in respect of the Issuer) above, all the Notes shall automatically become immediately due and payable and (B) in the case of each of the other Events of Default the following provision will apply:

- (1) any Noteholder may, by written notice to be delivered to the Issuer, request, pursuant to Article 2419 of the Italian Civil Code, that the Notes held by it (the “**Relevant Notes**”) become due and payable at their principal amount together (if applicable) with accrued interest (each such notice in respect of each Event of Default specified therein (even if contained in a single document), a separate “**Acceleration Request**”) and such Relevant Notes shall become due and payable at their principal amount together (if applicable) with accrued interest, unless such Event of Default has been remedied prior to the receipt of an Acceleration Request, on the last Business Day of the calendar month immediately following the month on which the Acceleration Request has been received, provided that (x) if the date so determined falls within 10 Business Day prior to an Interest Payment Date, the Relevant Notes shall be repaid on the second Business Day following such Interest Payment Date and (y) the payment will be made *vis-à-vis* delivery of such Notes to the Issuer and upon such payment the Notes will be cancelled in accordance with Condition 6(h); and/or
- (2) the Noteholders may, by an Extraordinary Resolution, request that all (but not some only) of the Notes then outstanding become due and payable at their principal amount together (if applicable) with accrued interest and all of the Notes then outstanding shall become due and payable at their principal amount together (if applicable) with accrued interest, unless such Event of Default has been remedied prior to the adoption of the Extraordinary Resolution, on the last Business Day of the calendar month immediately following the month on which the Extraordinary Resolution.

The Issuer shall notify the Noteholders of the occurrence of any Event of Default promptly upon becoming aware of such Event of Default, specifying, for the purpose of (1) above, the instructions to deliver the Acceleration Request and the Notes.

## **10. Prescription**

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 7 (*Payments*) within a period of 10 years in the case of principal and 5 years in the case of interest from the appropriate Relevant Date.

## **11. Meetings of Noteholders, Representative of the Noteholders and modification**

### **(a) Meetings of Noteholders:**

Any matter relating to the Notes and affecting their interests, including, without limitation, the modification or abrogation of any provisions of these Conditions shall be approved by the Noteholders by means of an Extraordinary Resolution.

In relation to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution, the following provisions shall apply in respect of the Notes but are subject to compliance with mandatory laws, legislation, rules and regulations of Italy (including, without limitation, Financial Services Act) and the by-laws of the Issuer in force from time to time and shall be deemed to be amended to the extent that such laws, legislation, rules and regulations and the by-laws of the Issuer are amended at any time while the Notes remain outstanding.

Italian law currently provides that any such meeting may be convened by the competent corporate bodies of the Issuer (currently being the Management Board) and/or the Noteholders’ Representative (as defined below) at their discretion and, in any event, shall be convened by either of them upon the request of Noteholders holding not less than one-twentieth of the aggregate principal amount of the Notes of for the time being outstanding, in each case in accordance with Article 2415 of the Italian Civil Code. If the Issuer or the Noteholders’ Representative defaults in convening such a meeting following such request or requisition by the Noteholders representing not less than one-twentieth of aggregate principal amount of the Notes for the time being outstanding, the competent supervisory body (currently being the Supervisory Board) shall do so or, if they so default, the same may be convened by decision of the competent court upon request by such Noteholders in accordance with Article 2367, paragraph 2, of the Italian Civil Code. Every such meeting shall be held at such time and place as provided pursuant to Article 2363 of the Italian Civil Code and the by-laws of the Issuer in force from time to time.

Such a meeting will be validly held (subject to compliance with mandatory laws, legislation, rules and regulations of Italy in force from time to time) if (1) in the case of a first meeting, there are one or more persons present being or representing Noteholders holding more than one half of the aggregate principal amount of the outstanding Notes, and (2) in the case of a second meeting, or any subsequent meeting following adjournment for want of quorum, there are one or more persons present being or representing Noteholders holding more than one third of the aggregate principal amount of the outstanding Notes, provided however that Italian law and/or the Issuer's by-laws may in each case (to the extent permitted under applicable Italian law) provide for higher quorums.

The resolutions at any meeting will be duly passed by the favourable vote of one or more persons holding or representing:

- (i) in case of Reserved Matter, at least half of the aggregate principal amount outstanding of the Notes; and
- (ii) in any other case, (a) in case of a first meeting, more than one half of the aggregate principal amount of the outstanding Notes and (b) in case of a second meeting, or any subsequent meeting following an adjournment for want of quorum, not less than two-thirds of the nominal amount of the Notes represented at the meeting.

In each case, the Issuer's by-laws may (to the extent permitted under applicable law) provide for higher majorities.

An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting and whether or not they have voted on such Extraordinary Resolution.

- (b) **Representative of the Noteholders:** Subject to applicable provisions of law, a representative of the Noteholders (*rappresentante comune*) (the “**Representative of the Noteholders**”) may be appointed pursuant to Article 2417 of the Italian Civil Code in order to represent the Noteholders' interests under these Conditions and to give effect to any Extraordinary Resolution passed at a meeting of the Noteholders. If the Representative of the Noteholders is not appointed by a meeting of such Noteholders, the Representative of the Noteholders may be appointed by a decree of the court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the directors of the Issuer. The Representative of the Noteholders shall remain appointed for a maximum period of three years, but may be reappointed again thereafter and shall have the powers and duties set out in Article 2418 of the Italian Civil Code.
- (c) **Modification:** The Notes and these Conditions may be amended without the consent of the Noteholders to correct a manifest error or to effect certain modifications which are of a formal, minor or technical nature or to comply with mandatory provisions of law.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

## 12. Further issues

The Issuer may, from time to time, without the consent of the Noteholders, create and issue further notes, having the same terms and conditions of the Notes in all respects (or in all respects except for the first payment of interest and the issue price), and such further issue shall be consolidated and form a single series with the outstanding Notes. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 12.

## 13. Notices

Except as otherwise provided in these Conditions, all notices to the Noteholders and, to the extent appointed, the Representative of the Noteholders will be valid if:

- (i) duly published on the Issuer's Website; and
- (ii) for so long as the Notes are listed on Euronext Dublin and the rules of such exchange so require, duly published on the Euronext Dublin Website; and
- (iii) for so long as the Notes are listed on Borsa Italiana and the rules of such exchange so require, duly published on the website of Borsa Italiana; and



- (iv) duly published in a manner which complies with the rules and regulations of any other stock exchange or the relevant authority on which the Notes are, for the time being, listed.

Any such notice will be deemed to have been given on the date of the first publication (or if published more than once or on different dates, on the first date on which publication shall have been made).

In addition, so long as the Notes are listed on Borsa Italiana, the Issuer shall also provide a copy of any notice to Noteholders published in accordance with these Conditions to Borsa Italiana.

For so long as the Notes are held through Euronext Securities Milan, notices required to be given to Noteholders pursuant to these Conditions shall be given by the delivery of the relevant notice to Euronext Securities Milan and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with this Condition 13 (*Notices*) on the date of delivery to Euronext Securities Milan.

#### **14. Governing law**

- (a) **Governing law:** The Conditions, the Notes, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, Italian law.
- (b) **Jurisdiction:** The Issuer irrevocably agrees for the benefit of the Noteholders that the courts of Milan are to have exclusive jurisdiction to settle any suit, action or proceedings and to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Conditions and the Notes (including any non-contractual obligations arising out of or in connection with the foregoing) and for such purposes irrevocably submits to the exclusive jurisdiction of such courts.

## USE OF PROCEEDS

The Issuer expects the gross proceeds of the Offering to be between Euro 100,000,000 and Euro 200,000,000 or, in case of exercise of the Issuer's right to increase the Original Maximum Offer Amount or the Reduced Maximum Offer Amount, Euro 250,000,000. The estimated total expenses of the Offering will be between Euro 1.5 million and Euro 3 million (depending on the final size of the Offering). The estimated total expenses include (i) the estimated commissions payable to the Joint Bookrunners and the Managers relating to the Offering of the Notes, which vary depending on the result of the offering and the amount placed by the Joint Bookrunners and the Managers, the expenses for the admission to trading of the Notes on the Market, and the expenses for the admission to trading on the MOT, which will vary depending on the size of the Offering. The net proceeds of the Offering are estimated to be equal to the gross proceeds net of the expenses set out above.

An amount equivalent to the net proceeds of the Offering will be used by the Issuer to finance or refinance, in whole or in part, Eligible Green Projects. Estimate of the share of financing vs refinancing of Eligible Green Project: 60% financing; 40% refinancing.

In accordance with the GBP, only Notes financing and/or refinancing Eligible Green Projects and complying with the relevant eligibility criteria and any other criteria set out in the green financing framework published by the Issuer in April 2024 (the "**Green Financing Framework**"), which is available on the Issuers' website at [https://www.alperigroup.eu/sites/default/files/documents/Green%20Financing%20Framework%202024\\_9.pdf](https://www.alperigroup.eu/sites/default/files/documents/Green%20Financing%20Framework%202024_9.pdf), will be classified as Green Bonds.

For the purposes of this section:

"**Eligible Green Category**" means the following categories included in the GBP:

- "Renewable energy";
- "Energy efficiency"; and
- "Clean transportation".

"**Eligible Green Projects**" means assets, investments and other related and supporting expenditures such as research and development, capital expenditures, operating expenditure related to improvement and maintenance related to one or more of the Eligible Green Category which contribute to environmental objectives, as further specified under the Green Financing Framework.

"**GBP**" means the "Green Bond Principles" published by the International Capital Market Association in June 2021 (as supplemented in June 2022).

The Green Financing Framework include the type of Eligible Green Projects (including the related activities) selected by the Issuer, the expected environmental benefits and contribution to UN-SDGs and, where applicable, related EU taxonomy information. Furthermore, in accordance with the GBP, the Green Financing Framework contains, *inter alia*, a disclosure of the "Process for Project Evaluation and Selection", the "Management of Proceeds" and the "Reporting".

DNV has reviewed the Green Financing Framework and issued the Second Party Opinion on 29 April 2024, which is available on the Issuer's website at: <https://www.alperigroup.eu/sites/default/files/documents/Secon%20Party%20Opinion%20DNV%202024.pdf>.

For the avoidance of doubt, neither the Green Financing Framework nor the Second Party Opinion are, and shall be deemed to be, incorporated in, and/or form part of, this Prospectus.

## INFORMATION ABOUT THE ISSUER AND THE ALPERIA GROUP

### Overview

Alperia S.p.A. (“**Alperia**” or the “**Issuer**”) is a joint stock company (*società per azioni*) incorporated under Italian law. Its registered office and principal place of business is at via Dodiciville 8, 39100 Bolzano (Italy), and it is registered with the Companies’ Registry of Bolzano under No. 02858310218, Fiscal Code and VAT No. 02858310218. Alperia may be contacted by telephone on +39 0471 986 111, by fax on +39 0471 987 100 and by e-mail at [alperia@pec.alperia.eu](mailto:alperia@pec.alperia.eu).

Pursuant to its By-laws, Alperia’s term of incorporation is until 31 December 2050, subject to extension by way of a shareholders’ resolution.

The corporate purpose of Alperia, which, as provided by its by-laws, may be attained also through subsidiaries or affiliates, includes, *inter alia*: (i) the production, import, export, transmission, processing, measurement, distribution and the purchase and sale of electrical energy produced from any source; (ii) the running and management of high-voltage power lines, including interconnection lines, and the relevant transformer substations; (iii) in the gas industry, the import and export, transport, transformation, storage, purchase, regasification, distribution and sale of natural gas and other hydrocarbons, and all measurement related activities, as well as the construction and running of gas pressure regulators, and the low, medium and high pressure pipelines of all the relevant connected plants; (iv) the design, construction and management of systems and transport support systems and services; (v) the promotion, dissemination and construction of works and plants powered by renewable energy and similar sources, including the running and maintenance thereof; (vi) the production, purchase, storage, distribution and sale of thermal energy; (vii) the purchase, the preliminary design, the design, the construction, the running and maintenance of energy production plants in general, cogeneration power plants, including district heating and heat plants for domestic and industrial use; (viii) supplies of “energy contracting”, heat management and “smart grid” integrated management services, including similar and related energy services; (ix) activities, supply of services, projects and consulting services in the fields of climate protection, energy saving and energy efficiency; (x) design, construction, development and management of telecommunications networks and systems. The corporate purpose of Alperia, insofar as permitted by law, includes the performance and supply of services in the fields of engineering and project management and the activities set forth by article 90, paragraph 2, letter b), of Legislative Decree no. 163 dated 12 April 2006, which may be carried out also through subsidiaries or affiliates.

As at the date of this Prospectus, Alperia has a share capital of Euro 750,000,000 divided into 750,000,000 shares having a nominal value of Euro 1.00 each. For further information on voting and administrative rights attached to Alperia’s shares see “*Shareholders’ structure - Rights attached to Alperia’s shares*” below.

Alperia is the parent company of the group consisting of Alperia and its consolidated subsidiaries (collectively, the “**Alperia Group**”), which provides integrated multi-utility services, mainly in the Autonomous Province of Bolzano in the north-east of Italy (*Provincia Autonoma di Bolzano* or “**PAB**”, also known as Alto Adige or South Tyrol). In particular, the Alperia Group operates in the following sectors: electricity (production, distribution and sale); heating (production, distribution and sale); gas (distribution and sale); renewable energy sources; and engineering. The Alperia Group also provides other public utility services which include facility management and energy efficiency. Certain of such services, businesses and/or activities (*i.e.* electricity distribution and transmission, gas distribution and hydroelectric power systems) require specific authorisations, concessions, licences or similar arrangements with public authorities.

Alperia Group’s main numbers as at 31 December 2023 include, *inter alia*, 35 hydroelectric power stations operated in South Tyrol, seven photovoltaic plants, seven district heating plants, 9,348 Km extent of electricity grid and about 423,000 customers to whom it supply energy.

For further information on the business of the Alperia Group, see “*Business of the Alperia Group*” below (including, *inter alia*, “*Concessions*” dealing with the activities depending on authorisations, concessions, licences or similar arrangements with public authorities) whilst for information on the regulatory framework, see also “*Regulation*” below.

### History

#### *Incorporation of the Issuer*

Alperia was originally incorporated as a limited liability company (*società a responsabilità limitata* or S.r.l.) on 17 December 2014 and, prior to its transformation into a company limited by shares (*società per azioni* or S.p.A.), its company name was O.9 S.r.l. (“**O.9**”).

Alperia in its current form is the result of the merger by incorporation of Azienda Energetica S.p.A. – Etschwerke AG (“**AEW**”) and Società Elettrica Altoatesina per azioni (“**SEL**”) into O.9, which took effect from 1 January 2016 (the “**AEW-SEL Merger**”). Concurrently with the AEW-SEL Merger, O.9 was transformed into an S.p.A. and renamed “Alperia S.p.A.”.

## **AEW**

AEW was incorporated through a deed of association dated 4 March 1897 as a *consorzio* and subsequently transformed into a joint stock company with a majority public shareholding (*società per azioni a prevalente capitale pubblico*). Prior to the AEW-SEL Merger, AEW was one of the leading multi-utility companies providing public utility services (electricity, gas and district heating) operating in Alto Adige (in particular, in the municipalities of Bolzano and Merano). AEW had a focus on sustainable development and its electricity production was mainly based on hydropower energy.

## **SEL**

Incorporated in 2001 as a joint stock company limited by shares (*società per azioni*), SEL started to operate and manage the Glorenza and Castebello hydroelectric stations in the Val Venosta area and, from 2011, additional energy facilities in Alto Adige which were previously operated by other entities. Prior to the AEW-SEL Merger, SEL was one of the leading multi-utility companies providing public utility services (electricity, gas and district heating) operating in Alto Adige (including the municipalities of Bolzano and Merano). SEL had a focus on sustainable development with electricity production mainly using hydropower, and heat production using waste heat, biomass and natural gas cogeneration.

## **AEW-SEL Merger**

In 2015, O.9 was involved in an industrial reorganisation and consolidation process affecting AEW, SEL and their respective subsidiaries. Involving a series of extraordinary transactions, this process was aimed at creating a single industrial entity operating mainly in the local area in the electricity, district heating and gas sectors, with sufficient critical mass to compete successfully in the increasingly deregulated Italian utilities sector, able to develop industrial synergies, post-merger cost rationalisation and become a hub for further expansion in the domestic market.

The AEW-SEL Merger was approved by the shareholders' meetings of SEL, AEW and O.9 on 13 May 2015, following which the deed of merger was entered into on 21 December 2015, providing for, *inter alia*, (i) the merger by way of incorporation of AEW and SEL into O.9, and (ii) the increase in the capital of O.9 to Euro 750,000,000, which was allocated as follows: (i) to the Municipality of Bolzano, Euro 157,500,000 representing a stake of 21%; (ii) to the Municipality of Merano, Euro 157,500,000, representing a stake of 21%; (iii) to the PAB, Euro 347,852,466, representing a stake of 46.38%; and (iv) to Selfin S.r.l. ("**Selfin**"), a holding company owned by local authorities in Alto Adige, Euro 87,147,534, representing a stake of 11.62%. In addition, as previously mentioned, O.9 changed its name to "Alperia S.p.A.". The Italian Antitrust Authority cleared the AEW-SEL Merger subject to certain conditions, including business transfers and other divestments, all of which were complied with.

Following the AEW-SEL Merger, in 2016-17 the Group implemented a comprehensive reorganisation plan with the objective of making Alperia, as holding company, responsible for establishment the strategic guidelines and management policies of the Alperia Group, allocating resources and coordinating the various business segments.

## **Recent corporate reorganisations and M&A transactions**

### ***Reorganisation of the Smart Region BU***

In 2022, the reorganisation of the Smart Region BU (as defined below) became effective, the aim of which was to create synergies and efficiencies, in particular through (i) the creation of a single product company; (ii) the centralisation of staff personnel at the parent company level; and (iii) the strengthening of the concept of a single sales company.

In this context and for these purposes, the following operations took place:

- the sale of the "IoT" company branch (*ramo d'azienda*) from Alperia Fiber S.r.l. to Gruppo Green Power S.r.l.;
- the merger by way of incorporation of Alperia Fiber S.r.l. into Alperia Greenpower S.r.l. ("**Alperia Greenpower**");
- the transfer of the "Smart Region" company branch (*ramo d'azienda*) from Alperia Bartucci S.r.l. ("**Alperia Bartucci**") to Gruppo Green Power S.r.l., whose company name was changed to Alperia Green Future S.r.l. ("**Alperia Green Future**"); and
- the merger by way of incorporation of Alperia Bartucci into Alperia.

Alperia Green Future became operational, with its activities focused on four main areas, which also represent strategic development factors for businesses and local communities: (i) energy requalification of buildings (in particular, the company acts as general contractor in the development of energy efficiency projects for buildings); (ii) strategic consulting for companies (*i.e.*, high-level consulting aimed at defining a decarbonisation strategy for companies or public bodies); (iii) energy performance contracts, in which Alperia Green Future supports investments in energy efficiency and/or decarbonisation projects and then shares the benefits obtained with the end customers; and (iv) artificial intelligence (such

as “sybil solutions”, patented application that, in a predictive manner, are able to optimise complex production processes, climate control systems of buildings and consumptions).

In addition, Alperia Green Future has been involved in a merger transaction with Alperia’s subsidiary Solar Total Italia S.r.l. (“**Solar Total Italia**”). The merger by incorporation of Solar Total Italia into Alperia Green Future, with accounting and tax effectiveness from 1 January 2024, was aimed at rationalizing and simplifying the structure of the Group with the consequent savings in administrative and management costs.

Furthermore, in 2023 has been completed the liquidation of the company Bluepower Connection S.r.l., which was wholly controlled by Alperia Green Future.

#### ***Reorganisation of the Sales & Trading BU***

In 2022 the Sales & Trading BU (as defined below) was divided, with effect from January 2023, into two separate business units: the sales business unit and the trading business unit. The activities within the “new” sales business unit were reorganised and the related responsibilities were reassigned with the appointment of the new chief executive officer of Alperia Smart Services S.r.l. a company of the Alperia Group already operating in the sale of heat in South Tyrol (“**Alperia Smart Services**”).

#### ***Acquisition of Fintel Gas e Luce S.r.l. and Fintel Reti S.r.l. and subsequent merger***

In 2022 the Issuer acquired a 90% stake in Fintel Gas e Luce S.r.l. (“**Fintel GL**”) and Fintel Reti S.r.l. (“**Fintel Reti**”), both based in Pollenza (Macerata). Fintel GL operates in the sale of gas and electricity, while Fintel Reti is involved in the management of the commercial network used by Fintel GL.

The acquisition of Fintel GL and Fintel Reti was designed to enable the Alperia Group to increase sales outlets and retail and small business customers in the Lombardy Region and the centre of Italy. Furthermore, it is expected that this transaction will allow the Alperia Group to expand its portfolio with around 30,000 customers mainly concentrated on the residential market (domestic customers and customers with VAT numbers) and of the commercial network consisting of 12 directly managed branches, three branches managed by agencies and 25 corner outlets.

Subsequently, by a deed dated 21 September 2022, Fintel Reti merged by way of incorporation into Fintel GL, taking effect for accounting and tax purposes from 1 October 2022.

Alperia has a call option over the remaining quotas of Fintel GL, which may be exercised on the earlier of: (i) full payment of any maximum amount envisaged as an earn-out and (ii) approval of the financial statements of the companies for the 2024 financial year. If Alperia does not purchase the remaining quotas, the seller may exercise a put option over the stake held by the Issuer.

#### ***Acquisition of Alperia SUM S.p.A. and subsequent merger***

In 2022, following the exercise of a put option by SI S.r.l. and Iniziative Unindustria S.r.l., the two minority shareholders of Alperia SUM S.p.A. (“**Alperia SUM**”), the Issuer acquired a 30% stake in Alperia SUM at a price made up of a fixed component paid at signing and a variable component to be paid by 31 December 2024 if the applicable conditions are satisfied. As a result, Alperia SUM became a wholly owned subsidiary of the Issuer. Subsequently, Alperia SUM was merged by way of incorporation into Alperia Smart Services, with the aim of rationalising and simplifying the structure of the Alperia Group, with consequent cost savings and operating synergies. The merger was completed on 1 August 2022, with retroactive effect from an accounting and tax point of view from 1 January 2022.

#### ***Alperia Ecoplus S.r.l.***

In 2022, Alperia Ecoplus S.r.l. (“**Alperia Ecoplus**”), acquired the Municipality of Verano’s district heating business comprising, in addition to the plant (which produces approximately 2 GWht), the heat distribution network (approximately 4 km long) and all the technical systems necessary for operating, as well as supply contracts with end customers (approximately 110 customers) with a related increase in activated power of 4.08 MWht. Upon completion of the acquisition, certain issues raised in relation to the heat distribution network which led the Alperia Group to plan – in agreement with the Municipality of Verano – significant interventions to repair certain network sections. The planning activities were completed in 2023 and the tender procedure is expected to take place during 2024 and 2025.

In addition, in March 2024 Alperia Ecoplus (together with Alperia Smart Services) signed agreements with the companies developing in Bolzano the “Waltherpark” project, which involves the construction of a major building complex in front of the City’s railway station. The above mentioned agreements provide for, *inter alia*, (i) the acquisition by Alperia Ecoplus of the district heating network placed within the area falling in the project and of the company that is currently developing the district cooling plant, and (ii) the subsequent supply by Alperia Smart Services, of heat and cooling to the above mentioned building complex.

### ***Edyna S.r.l. – Lease of company branch (ramo d’azienda)***

With effect from 1 January 2023, Edyna S.r.l. (“**Edyna**”), pursuant to an agreement entered into with the Municipality of Tires in 2022, became responsible for the ordinary and extraordinary management of the municipality’s electricity distribution network (about 57 kilometres long with 22 transformation stations). The Municipality of Tires remains the owner of the network, while Edyna performs all activities necessary for improvements to, the maintenance and resilience of the distribution infrastructure. With effect from 1 January 2023, users connected to the electricity network supplied under the then enhanced protection scheme (*servizio di maggior tutela*) (numbering about 700 customers) were switched to Alperia Smart Services, a sales company already carrying out the same service. The business lease agreement has a duration of five years, automatically renewable for three more years unless one of the parties gives notice to terminate.

### ***Disposal of Edyna Transmission S.r.l.***

In the context of a process envisaged by ARERA aimed at promoting the complete unification of the grid, on 29 December 2022, Alperia entered into an agreement with Terna S.p.A., operator of Italy’s national grid (“**Terna**”), for the sale of 100% of the capital of S.r.l. (“**Edyna Transmission**”), owner of a portion of the electricity transmission network in Italy.

Following satisfaction of the conditions precedent set forth in the agreement referred to above, on 22 June 2023 the transfer agreement between Alperia and Terna was executed. The total value of the transaction was about Euro 15.5 million also including the value of the net financial position and net working capital of Edyna Transmission as at 30 September 2022; subsequently, the necessary price adjustment was made to take into account the value of equity and net working capital existing at the closing date of the transaction, which involved an outlay of approximately Euro 0.9 million for Alperia.

In agreement with Terna, Edyna Transmission will continue to carry out the conduction, operation and maintenance of the two electrical substations of Ponte Resia in Bolzano and Naturno until 31 December 2024, with a potential renewal for an additional year.

### ***Alpsgo S.r.l.***

On 27 June 2023 Alperia established, together with Car Sharing Südtirol – Alto Adige Cooperativa Consortile, a new company called Alpsgo S.r.l. (“**Alpsgo**”). Alperia holds a stake of 24.9% of Alpsgo’s quota capital. The purpose of Alpsgo is the organisation and provision of mobility services (initially only in South Tyrol) integrating local public transport, in particular car sharing through electric vehicles, in line with the Alperia Group’s Vision 2031 and the climate plan of the Autonomous Province of Bolzano.

### ***Biopower Sardegna S.r.l.***

On 4 December 2023 Alperia entered into a preliminary agreement with a company operating in the relevant sector for the sale of 100% of the shares of Biopower Sardegna S.r.l.. The transaction will be completed by April 2024, subject to the satisfaction of the conditions precedent set out in the above mentioned preliminary agreement.

## **Mission and Values**

The mission of the Alperia Group, deeply connected with the surrounding nature, is to be a driving force for change, raising awareness on sustainability, climate change, clean, green and renewable energy, in order to contribute to the building of a sustainable future. Indeed, from the beginning of its history, nature was the principal driver of the Alperia Group which over 120 years ago started harnessing the power of nature to produce renewable energy in the first hydroelectric power plant in South Tyrol.

The Alperia Group considers the energy transition an urgent matter that can no longer be postponed. To support rethinking of energy supply and reviewing of consumption habits, the Alperia Group is developing innovative technological solutions aimed at achieving a smarter and greener environment.

The values that guide the Alperia Group are the following.

- **Sustainability:** sustainability is the foundation of the Alperia Group’s business strategy. The Alperia Group’s commitment is to act according to principles of environmental and social responsibility and economic efficiency, creating added value for the territories in which it operates. In particular, among its most immediate objectives the Alperia Group aims to achieve carbon neutrality by the end of 2024, by implementing a series of measures that will wipe out its carbon footprint. For further information see “- *Sustainability*” below.
- **Reliability:** reliability for customers, suppliers, partners and other counterparties is one of the most important qualities the Alperia Group cares about. To this end, the Alperia Group enters into transparent contracts with its counterparties and hires staff always ready to provide the best assistance. The Italian consumer association Altroconsumo recognised the Alperia Group as a “recommended provider of electricity and gas in Italy”.

- **Transparency:** the Alperia Group relationships are based on the principles of honesty, fairness, moral integrity, equity and mutual respect. To this end, the Alperia Group regularly holds meetings with its stakeholders, such as customers, collaborators and the representatives of the territories in which the Alperia Group operates.
- **Dynamism:** mindful of new technological possibilities, to face challenges with strength and enthusiasm the Alperia Group implements business models that promote the use of energy from renewable sources. With the purpose of being a “leader of change”, the Alperia Group is strongly committed to the energy transition and to research and development projects.

## Strategy

On 27 October 2022, the Management Board of Alperia approved the 2023-2027 business plan (the “**2023-2027 Business Plan**”) and a document entitled “Vision 2031”, both of which were then approved by the Supervisory Board on 2 December 2022 and constitute, together, the strategic plan of the Alperia Group, which combines effective management of social and environmental impact issues with the significant growth of all the business units. The two main goals of the Alperia Group are sustainability (with the aim of reaching net zero by 2040 as long-term goal) and integrated positioning along the energy value chain.

In 2023, the Management Board and the Supervisory Board of Alperia approved the update of the 2023-2027 Business Plan, respectively on 29 November 2023 and on 11 December 2023. With the update, the strategic guidelines of the original plan have been confirmed.

In particular, the Alperia Group has identified the following three strategic pillars.

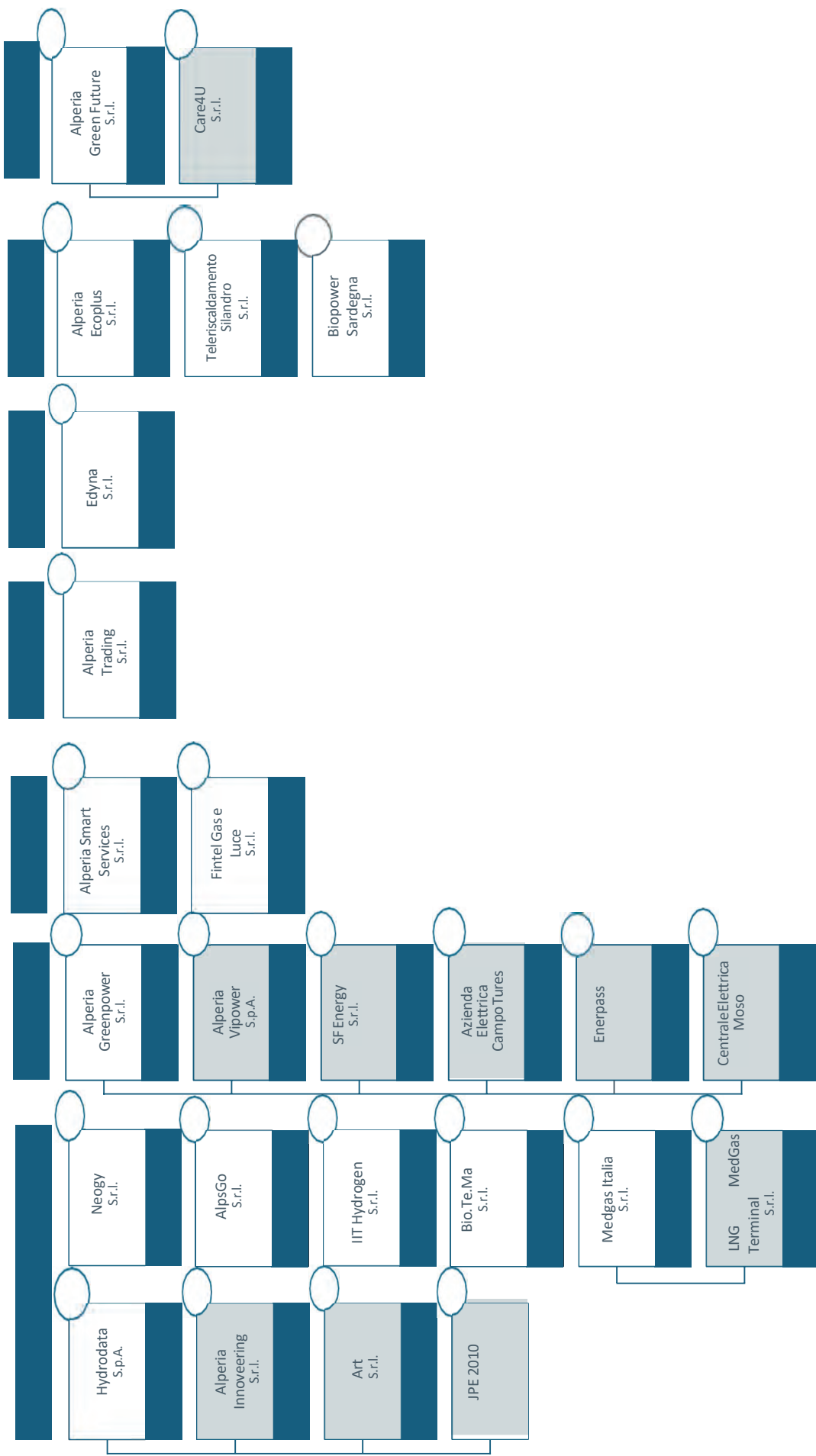
- **Sustainability:** Alperia’s priorities are reducing emissions in line with territorial objectives, generating added value to the territory, adopting inclusion, equity & diversity policies and creating an integrated governance model to obtain an ESG rating. For further information see “- *Sustainability*” below.
- **Consolidation:** Alperia intends to strengthen its business in South Tyrol / Alto Adige and in all the territories it currently serves also consolidating its financial exposure.
- **Innovation:** Alperia intends to develop and transform its business in line with the energy transition. To this end, Alperia aims at transforming the value proposition of commodity sales and services to follow sustainable and customer-centric principles. In general, Alperia intends to pursue widespread innovation in its core business and develop new businesses for decarbonisation.

With the update of the 2023-2027 Business Plan the market and growth scenarios were updated. In brief, the 2023-2027 Business Plan, as updated, envisages:

- a reduction in CO<sub>2</sub> emissions (Scope 1, 2 and 3) of 46% by 2027 (with offsetting of non avoidable operative CO<sub>2</sub> emissions) and 70% by 2031 in each case compared to 2021 and net zero by 2040, with 90% reduction in CO<sub>2</sub> emission compared to 2021 and offsetting the remaining 10%;
- Euro 850 million of total investments in the period 2023-2027, with considerable focus in the Alperia Group’s traditional sectors (hydroelectric generation, distribution, smart region and district heating);
- EBITDA growth;
- decrease in the net financial position to approximately 590 million in 2027, maintenance of a net debt of about 2x EBITDA by 2027, with the presence of high liquidity profiles;
- growth in dividend policy;
- growth by external lines to seize opportunities arising from the consolidation of the local utilities sector;
- by 2027 green and renewable energy will represent the vast majority of energy sold to end customers (electricity, gas and thermal energy);
- e-mobility development through the affiliate Neogy S.r.l.; and
- further boost to process efficiency by investing in innovation and digitalisation projects.

## Structure of the Alperia Group

The following organisational chart illustrates the structure of the Alperia Group as at 31 December 2023.





## Business of the Alperia Group

### Business units as from 1 January 2023 and related revenues

The Alperia Group's activities as from 1 January 2023 are organised through the following six business units.

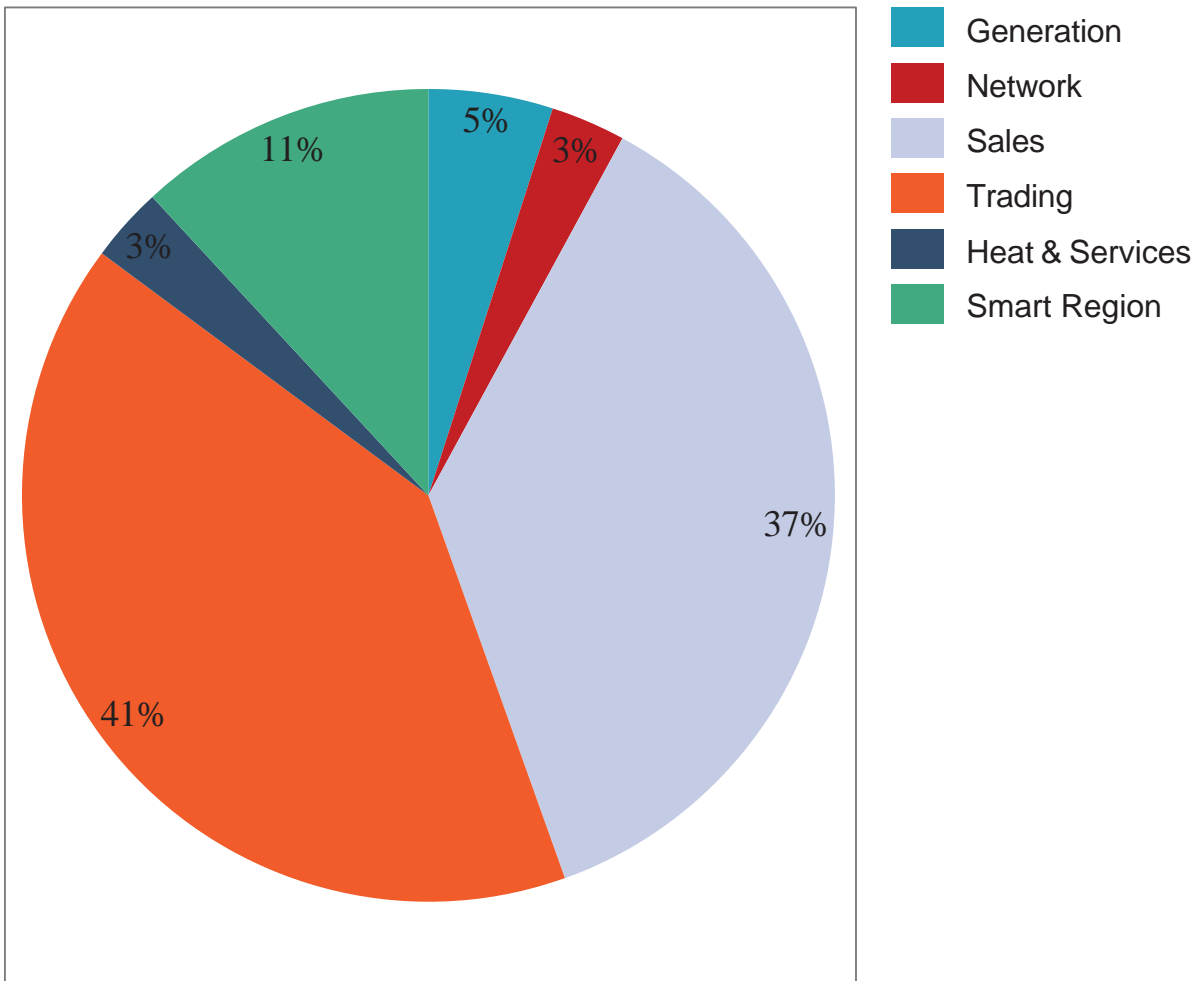


The chart below provides, for the year ended 31 December 2023, breakdowns according to business unit of the Alperia Group's revenues.

	<b>For the year ended 31 December 2023</b>
<b>Total revenues and other income</b>	<i>(millions of Euro)</i>
Generation	193.0
Network	110.6
Sales	1,503.5
Trading	1,646.5
Heat & Services	110.8
Smart Region	465.3
Elision*	- 1,304.7
<b>Total</b>	<b>2,725.0</b>

\* "Elision" is a process through which the parent company removes the transactions between the companies of the group.

The pie chart below shows the contribution of each business unit to the Alperia Group's revenues as at 31 December 2023.



Note: The pie chart does not include the value of Elisions for 2023.

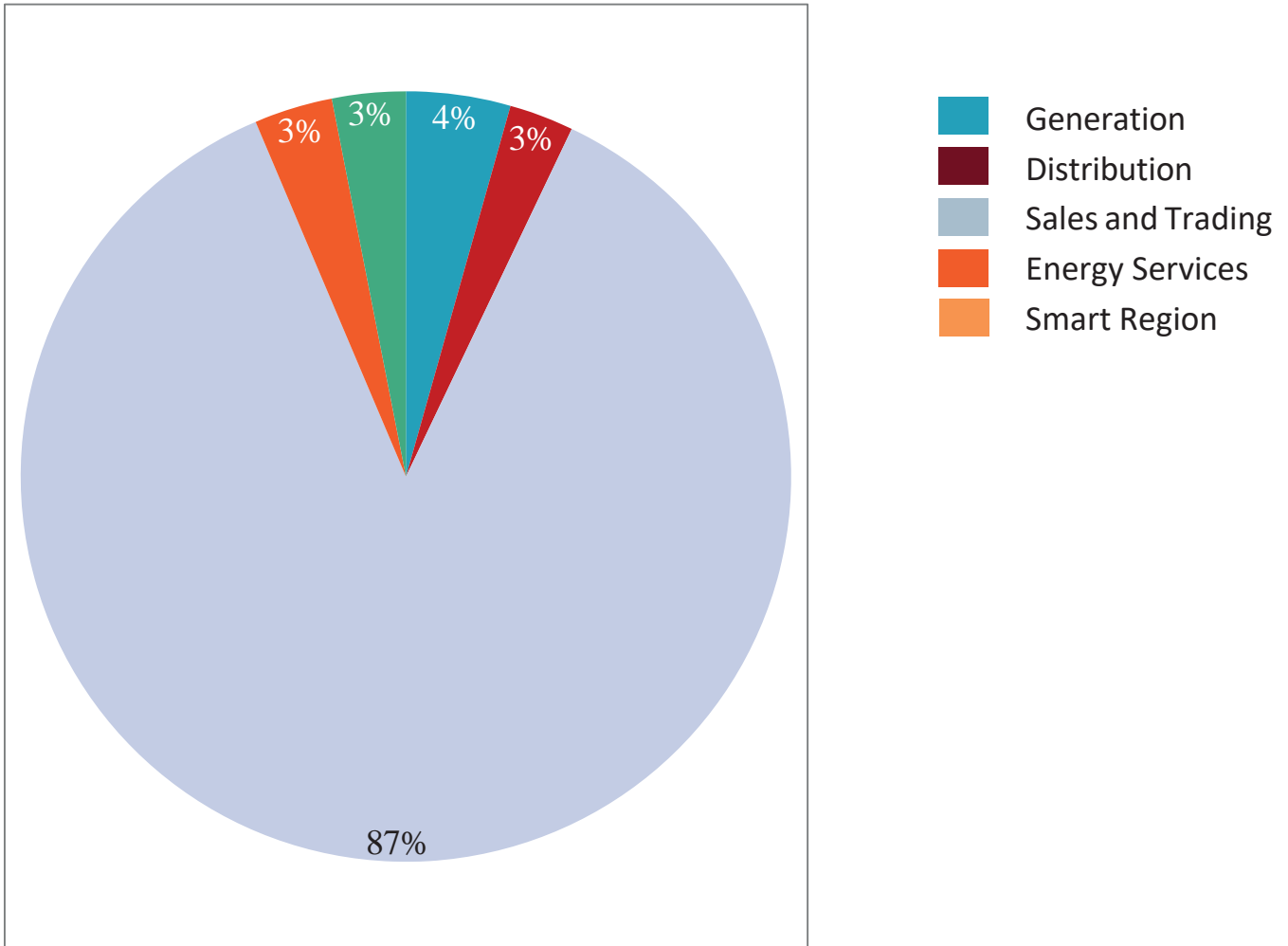
In 2022 the Alperia Group's activities were structured in five business units, with the sales and trading activities included in a single business unit named "Sales & Trading Business Unit".

The chart below provides, for the year ended 31 December 2022, the breakdowns of the Alperia Group's revenues attributable to the business units existing at that time.

	<b>For the year ended 31 December 2022</b>
	<i>(millions of Euro)</i>
<b>Total revenues and other income</b>	
Generation	174.4
Network	107.5
Sales & Trading	3,446.6
Heat & Services	130.9
Smart Region	123.2
Elision*-----	-----344.8
<b>Total</b>	<b>3,637.9</b>

\* "Elision" is a process through which the parent company removes the transactions between the companies of the group.

The pie chart below shows the contribution of each of the business unit existing as at 31 December 2022 to the Alperia Group's revenues as at 31 December 2022.



Note: The pie chart does not include the value of Elisions for 2022.

*Generation business unit*

The generation business unit (“**Generation BU**”) relates to production of electricity through the use of renewable sources (such as wind, solar and water) and is the Group’s main business unit in terms of margins and invested capital.

As at the date of this Prospectus, the Alperia Group is the fourth largest producer of renewable energy and the second largest producer of hydroelectric power in Italy<sup>1</sup>, with 35 hydropower plants, 7 photovoltaic plants and over 1,400 MW of capacity from hydroelectric plants. In 2023, the Alperia Group's hydroelectric power production amounted to approximately 4.1 TWh, representing a significant increase (+43%) compared to 2022, mainly due among others to rainfall levels above average in different months of the year. By contrast, photovoltaic production in 2023 recorded substantially the same value as 2022 and stood at approximately 0.3 GWh. As of the date of this Prospectus, 93% of the electric energy produced by Alperia Group derives from renewable sources.

The main hydropower plants of the Alperia Group are the following.

- The **Cardano hydropower plant** is a historical run-of-river hydropower plant and is the largest in the Province of Bolzano with an average year production of 653 GWh. In 2023 was completed the revamping of the five francis-turbine production units of such plant, thank to an investment of approximately Euro 36 million. Furthermore, works were carried out on all ancillary components, *i.e.*, hydraulic systems, cooling systems, automation and remote control, as well as auxiliary services, bringing them up to the best technological standards.

<sup>1</sup> Source: 2023 Annual Report, ARERA

- The **Lasa hydropower plant** has an average year production of 216 GWh. The plant has been renovated with the aim of facing the challenges linked to the regulation and stability of electricity grids, thereby contributing to the energy transition.
- The **San Pancrazio hydropower plant** has an average year production of 97 GWh. The plant is served by a large lake that helps to optimise the entire area and has been renewed and in 2023 started the replacing work of the penstock, which is currently 602 meters long. This plant is enabled to grid regulation and energy dispatching services.
- The **Bressanone hydropower plant** has an average year production of 515 GWh. In 2023 thanks to a total investment of about Euro 43 million, all the main components of the hydroelectric plant were replaced: turbines, rotary valves, excitation systems, and alternators, for all 5 generating units, replacement of butterfly flaps, rehabilitation of the sluice gates of the Aica village, and modernisation of the penstock protection system. Furthermore, works were carried out on all ancillary components, *i.e.*, hydraulic systems, cooling systems, automation and remote control, as well as auxiliary services, bringing them up to the best technological standards.
- The **Glorenza hydropower plant** has an average year production of 254 GWh. In 2023, the Alperia Group started the works for the second floodgate for the discharge of the San Valentino – Resia dam. Lake Resia, with 120 million cubic meters of water, is the largest water storage in South Tyrol and is a valuable resource for renewable hydropower generation and for various other uses (e.g. landscaping, irrigation, de-icing, artificial snow). The investment for the years 2022-2023 was about Euro 3 million. The completion of the work is planned for the end of 2024 and the total investment is expected to be about Euro 5 million. The works on the dam (realised with the coordination of the Autonomous Province of Bolzano) will allow a safer management of lake Resia, avoiding the need to empty completely the lake to monitor the old floodgates of discharge.

EBITDA attributable to the Generation BU amounted to Euro 44.8 million in 2023 compared to Euro 57.7 million in 2022. For further information on the so-called “industrial EBITDA” attributable to the Generation BU, see “– *Breakdown of “Industrial EBITDA” by Business Unit*” below.

#### *Sales business unit*

The sales business unit (“**Sales BU**”) relates to wholesale and retail sale of electricity, natural gas, heat and other products and services made by the Alperia Group’s companies.

For the year ended 31 December 2023 the companies of the Alperia Group sold electricity and gas to more than 62,000 new clients, which are added to the 380,000 clients existing in 2022. In 2023 the sale of electricity amounted to approximately 4,783 Gwh (6,854 GWh in 2022). The sale of natural gas amounted to approximately 346 million cubic metres (Scm) (approximately 491 million cubic metres (Scm) in 2022).

In March 2023 was launched in Macerata (in the Marche Region) the first Fintel Gas Luce store branded by Alperia. Subsequently, all the Fintel’s store located in the center and north of Italy, started to offer exclusively 100% green products, following the “Alperia look”, contributing to strengthening Alperia’s sustainable brand outside South Tyrol.

EBITDA attributable to the Sales BU amounted to Euro 29.5 million in 2023. For further information on the so-called “industrial EBITDA” attributable to the Sales BU, see “– *Breakdown of “Industrial EBITDA” by Business Unit*” below.

Until 31 December 2022 this business unit was united with the trading business unit (the “**Trading BU**”), described in paragraph “- *Trading business unit*” below. The aggregated EBITDA attributable to the then “*Sales & Trading business unit*” as at 31 December 2022 amounted to Euro 150.8 million.

#### *Trading business unit*

The trading business unit (“**Trading BU**”) relates to sale of energy certificates, trading of commodities and governance of risks relating to the sale and purchase of electricity, natural gas and heat.

In 2023, Alperia Trading – the company of the Alperia Group operating in the Trading BU – traded an amount of electricity amounting to 9,425 GWh (slightly decreasing compared to 2022 when it amounted to 10,847 GWh), divided between asset management, consisting of the energy produced by the Alperia Group and pertaining to it, energy supplied to the Alperia Group sales companies and energy supplied in the context of trading activities. Alperia Trading also traded an amount of natural gas (including the relevant imbalances) of 437 million cubic metres (Scm) decreasing as compared to 553 million cubic metres (Scm) in 2022. Sales of Energy Efficiency Certificates (*Titoli di Efficienza Energetica*) and Certificates of Guarantee of Origin (*Certificazioni di Origine*) amounted to 17,338 and 6,139 thousand in 2023, compared to, respectively, 7,578 and 6,544 thousand in 2022.

In August 2023 Alperia and Birra Forst, the Lagundo brewery close to Merano, entered into an agreement pursuant to which Alperia – through Alperia Trading – has committed to purchase the green energy produced by the eight photovoltaic plants located in the Marche region owned by Birra Forst for a total installed capacity of 6.6 MW (whose annual production of green energy amounts to about 10 GWh) and then resell it to the brewery itself, correlated with a Certificate of Guarantee of Origin (*Certificato di Garanzia di Origine – GO*), an electronic certification attesting to the renewable origin of the sources used by the IGO-qualified plants in accordance with Directive 2009/28/EC.

Furthermore, in December 2023, Alperia entered into a preliminary agreement with an industrial operator for the sale of 100% of the shares in Biopower Sardegna S.r.l., owner of a palm oil-fired power generation plant for which Alperia Trading is still a dispatching user. The closing of the transaction has occurred in April 2024.

EBITDA attributable to the Trading BU amounted to Euro 171.8 million in 2023. For further information on the so-called “industrial EBITDA” attributable to the Sales BU, see “– *Breakdown of “Industrial EBITDA” by Business Unit*” below.

Until 31 December 2022 this business unit was united with the Sales BU, described in paragraph “- *Sales business unit*” above. The aggregated EBITDA attributable to the then “*Sales & Trading business unit*” as at 31 December 2022 amounted to Euro 150.8 million.

#### *Network business unit*

The network business unit (“**Network BU**”) relates to distribution and transmission of electricity, natural gas distribution and the related technical-operational management of distribution networks and connections.

The Alperia Group's electricity distribution network is over 9,348 kilometres long and is composed of high, medium and low voltage networks distributing over 2.6 TWh.

In 2023, a strong push was made to build new plants in the high-voltage (Euro 20.8 million investment), medium-voltage (Euro 25.6 million) and low-voltage (Euro 9.2 million) networks.

Edyna increased the laying of medium voltage underground cables, with the percentage of underground lines out of the total number of medium-voltage lines going up from 58% at the end of 2017 to 76% at the end of 2023.

As regards the upgrading of plants, in the period from 2019 to 2023, nominal power at the primary plants was increased, from 1,319 MVA at the end of 2018 to 2,487 MVA at the end of 2023.

As regards the network integration project with voltage unification at 20 kv, the expected duration of which spans approximately seven years (July 2019 – December 2025), the following objectives had been achieved at 31 December 2023, with respect to the draft plan: (i) upgrading of medium voltage lines to 88.91%; and (ii) change of transformers to 51.39%.

As regards the PMS2 Smart Meter project, more than 68,000 2G meters were installed in 2023 in the Municipality of Bolzano, Merano, Laives and in seventeen other municipalities in South Tyrol. Considering the massive installations in 2020, 2021 and 2022 as well (in 2022, almost 50,000 2G meters were installed), over 100 thousand new generation meters have been installed (equal to 77% of the meter fleet), thus confirming alignment with the planning approved by ARERA.

With respect to transmission of electricity, on 30 September 2023 became effective the disposal of Edyna Transmission (the company carrying out the Alperia Group's electricity transmission activity) to Terna, as better described in “– *Recent corporate reorganisations and M&A transactions – Disposal of Edyna Transmission S.r.l.*” above. However, in agreement with Terna, Edyna Transmission is expected to continue to carry out the conduction, operation and maintenance of the two electrical substations of Ponte Resia in Bolzano and Naturno until 31 December 2024, with a potential renewal for an additional year.

EBITDA attributable to the Network BU amounted to Euro 41.7 million in 2023, increased compared to Euro 39.0 million in 2022. For further information on the so-called “industrial EBITDA” attributable to the Network BU, see “– *Breakdown of “Industrial EBITDA” by Business Unit*” below.

#### *Heat & services business unit*

The heat & services business unit (“**Heat & Services BU**”) relates to the production of electricity and heat by cogeneration and biomass plants, and the production of electricity by a power plant running on palm oil.

Alperia operates seven district heating plants in South Tyrol, including plants in the municipalities of Bolzano and Merano, and provides district heating services to several municipalities in Alto Adige. The development of a network of approximately 180 km guarantees the supply of a quarter of the thermal energy produced in South Tyrol. Alperia Ecoplus is one of the major national operators with approximately 248 GWh produced and distributed.

Bolzano's district heating is in continuous development: during 2023 have been realised connections for a total activated power of 20.4 MWh, which involved buildings in the entire municipality, in order to connect a significantly greater number of public and private buildings to district heating and to further reduce the consumption of fossil energy sources and CO<sub>2</sub> emissions in the South Tyrol capital.

With respect to district heating in Merano, there has been a significantly growth of new connections for a total activated capacity in 2023 of 2.46 MWh. This growth will continue in the next years also thank to the new biomass plant, located in southern Merano. The plant, concluded in 2023, is now operating and have been recently started the activities to optimize parameters and technical performance. The plant, with a capacity of 8 MW and an annual output of 27 GWht, will cover about 30% of the thermal energy needs of Merano's district heating network, thus saving 3 million cubic metres of methane gas per year and avoiding carbon dioxide emissions of 5,800 tonnes.

On 9 January 2023, Alperia Ecoplus awarded the tender organised in 2021 by the South Tyrol Health Authority and the Agency for procedures and supervision of public contracts for works, services and supplies of the Autonomous Province of Bolzano, concerning a public-private partnership (“PPP”), to supply energy carriers (steam, hot water and electricity) for the S. Maurizio Hospital of Bolzano and involves the construction of a cogeneration plant within an area already owned by Alperia Ecoplus. The value of the tender, spread over 25 years, is about Euro 85.5 million.

In 2023 production of electricity from cogeneration by the Alperia Group amounted to approximately 65 GWh whilst production from biomass amounted approximately to 225 GWh. Overall in 2022 the Alperia Group's production from cogeneration and biomass decreased of approximately 6% compared to 2022.

EBITDA attributable to the Heat & Services BU amounted to Euro 16 million in 2023, slightly increasing compared to Euro 14.4 million in 2022. For further information on the so-called “industrial EBITDA” attributable to the Heat & Services BU, see “– Breakdown of “Industrial EBITDA” by Business Unit” below.

#### *“Smart Region” business unit*

The “Smart Region” business unit (“**Smart Region BU**”) relates to smart land areas, photovoltaics and energy efficiency and promotes energy transition through high-tech solutions and applications for companies, cities and citizens, strengthening its position in industries, small and medium enterprises, condominiums, the Public Administration and healthcare. It also relates to promotion of green mobility. Most of these activities are carried out by the subsidiary Alperia Green Future and another significant subsidiary is Care4u S.r.l., which is active in smart health solutions.

In the Smart Region BU, in 2023 Alperia started to develop a business model that will no longer see the presence of the 110% superbonus tax relief scheme, and will focus on growth in the sector of residential photovoltaic, also thanks to the merger by incorporation of Solar Total Italia into Alperia Green Future.

Furthermore, the business unit intends to focus on several initiatives including (i) building efficiency improvements (including thermal insulation); (ii) growth of the business linked to the Public Administration, with the PPP model (hospitals, airports, trade fairs, municipalities, rest homes, residential building associations); (iii) innovative energy efficiency solutions based on algorithms, data analysis and artificial intelligence; (iv) continuation of the development of smart health and smart city solutions; (v) being a key player on the Italian market in the management of photovoltaics, capable of ranging from the residential to the industrial sector; (vi) continuing the development of sustainable mobility (electric and hydrogen) both for the infrastructure of the territory and for the development of innovative commercial solutions; (vii) being a benchmark operator in the area for the development of distributed self-consumption solutions – energy communities; and (viii) providing support for the construction of biomethane production plants.

EBITDA attributable to the Smart Region BU amounted to Euro 23.8 million in 2023, representing a significant increase compared to Euro 10.2 million in 2022. For further information on the so-called “industrial EBITDA” attributable to the Smart Region BU, see “– Breakdown of “Industrial EBITDA” by Business Unit” below.

#### ***Breakdown of “Industrial EBITDA” by Business Unit***

The “industrial EBITDA” attributes the margins to the Business Unit that has produced the products then generating such margins on the basis of internal analysis of the Issuer as opposed to the evidence derived from the statutory financial statements.

In particular, whilst from a financial statements perspective the EBITDA deriving from the sale of hydroelectric energy is attributable to the Sales & Trading BU which acquires such energy at a predetermined price from the Generation Business Unit, from the industrial perspective marginality is attributable to the Generation BU which produced such product/energy.

Similarly, margins from the sale of heat to end customers from a financial statements perspective is attributable to the Sales & Trading BU whilst from the industrial point of view, this marginality is transferred to the Heat & Services BU.

Set forth below are the data of “Industrial EBITDA” attributable to each Business Unit.

- **Generation BU:** Euro 322.7 million in 2023 compared to Euro 262.2 million in 2022.
- **Sales BU and Trading BU** (considered together): Euro -55.1 million in 2023 (-54.1 million in 2022, aggregated data relating Sales & Trading BU).
- **Network BU:** Euro 41.5 million in 2023 compared to Euro 39.0 million in 2022.
- **Heat & Services BU:** Euro -7.0 million in 2023 compared to Euro 14.3 million in 2022.
- **Smart Region BU:** Euro 23.7 million in 2023, significantly increasing compared to Euro 10.2 million in 2022.

#### *EBITDA generated by regulated and semi-regulated activities*

The EBITDA generated by regulated and semi-regulated activities in 2023 amounted to 27% of the Group's consolidated EBITDA. Such data includes the margins arising from: (i) the Networks BU (seen from an industrial perspective – i.e., “industrial EBITDA”); (ii) the Heat & Services BU (seen from an industrial perspective – i.e., “industrial EBITDA”); (iii) the sale of incentive tariffs (RES-qualified plants and feed-in tariffs) recognised for hydroelectric production and photovoltaic production; (iv) energy efficiency titles; and (v) fees recognised for the capacity market.

#### **Concessions**

Alperia operates, directly and/or indirectly through its subsidiaries, through authorisations, concessions, licences and similar arrangements in the following sectors:

- hydropower energy production;
- electricity distribution; and
- gas distribution.

The following table shows the large-scale hydropower concessions granted to Alperia Group companies, together with their expiry dates and capacity.

<b>Concession No.</b>	<b>Plant</b>	<b>Holder</b>	<b>Expiry date</b>	<b>Concession capacity (kW)</b>
GS/63	Brunico/Bruneck-Olang	Alperia Greenpower	31/12/2024 <sup>(1)</sup>	24,660
GS/235	San Floriano/St. Florian/Neumarkt	SF Energy S.r.l.	31/12/2040	54,577
GS/1	Marlengo/Marling	Alperia Greenpower	31/12/2024 <sup>(1)</sup>	30,724
GS/46	Prati di Vizze/Wiesen-Pfitsch	Alperia Greenpower	31/12/2024 <sup>(1)</sup>	12,162
GS/58	Ponte Gardena/Barbian Waidbruck	Alperia Greenpower	31/12/2024 <sup>(1)</sup>	38,122
GS/968	Curon/Graun	Alperia Greenpower	31/12/2024 <sup>(1)</sup>	6,310
GS/80	Premesa/Prembach	Alperia Greenpower	31/12/2024 <sup>(1)</sup>	6,734
GS/1292	Naturno	Alperia Greenpower	31/12/2024 <sup>(1)</sup>	38,152
GS/2000	Castelbello/Kastelbell	Alperia Vipower	31/12/2031	60,182
GS/2	Glorenza/Glurns	Alperia Vipower	31/12/2031	39,354
GS/7567	E-Werk Moos	Centrale Elettrica Moso Scarl	01/10/2036	6,767
GS/6878	Enerpass	Enerpass Scarl	05/02/2036	13,305
GS/7566	Tauferer Elektrowerk	Azienda Elettrica Campo Tures Scarl	21/05/2036	8,842
GS/57	Cardano/Kardaun	Alperia Greenpower	31/12/2040	96,716
GS/822 e GS/2600	Bressanone/Brixen	Alperia Greenpower	31/12/2040	74,589
GS/7	Lana/Lana	Alperia Greenpower	31/12/2040	22,283
GS/6989	San Pancrazio/St. Pankraz	Alperia Greenpower	31/12/2040	13,049

Concession No.	Plant	Holder	Expiry date	Concession capacity (kW)
GS/1742 e GS/87 <sup>(2)</sup>	S. Valburga/St. Walburg – Pracupola-Pracomune/Kuppelwies	Alperia Greenpower	31/12/2040	12,511
GS/2401	Sarentino/Sarnthein	Alperia Greenpower	31/12/2040	10,922
GS/1146	Ponte Gardena/Waidbruck	Alperia Greenpower	31/12/2040	8,408
GS/571	Molini di Tures/Mühlen	Alperia Greenpower	31/12/2040	7,086
GS/42	Tel	Alperia Greenpower	31/12/2040	19,057
GS/1273	Lasa/Laas-Martell	Alperia Greenpower	06/02/2041	28,279
GS/100	Lappago/Lappach	Alperia Greenpower	31/12/2010 <sup>(3)</sup>	6,349
<b>Total:</b>				<b>639,139.64</b>

<sup>(1)</sup> Extended until 31 December 2024 by operation of law.

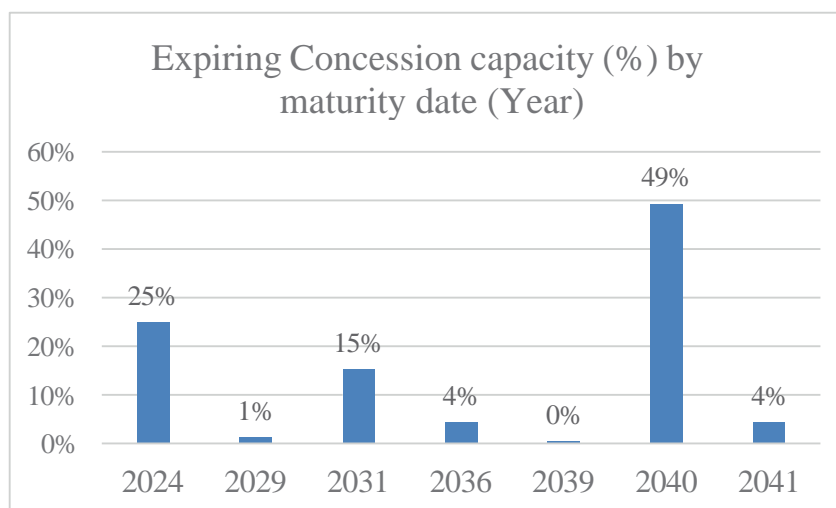
<sup>(2)</sup> S. Valburga and Pracomune hydropower concessions are shown together, as they are part of the same hydropower scheme (named “Pracomune-S. Valburga”).

<sup>(3)</sup> As a result of the re-examination process carried out by PAB during the 2015 spring period, the Lappago hydroelectric concession has not yet been re-assigned by PAB, since none of the applications submitted to the PAB for the assignment of the concession has been positively evaluated by the PAB for the relevant assignment. As a result, Alperia Greenpower currently operates the Lappago hydroelectric plant under a caretaker (*prorogatio*) regime, pending the award of a new concession (see also “Regulation” below) and the water use concession can be considered extended until 31 December 2024 by operation of law, when a new tender is expected.

In addition, the total hydroelectric concession capacity of small and medium-sized plants amounts to 10.347,94 kW.

Most of the above hydropower concessions have been originally granted to the companies currently belonging to the Alperia Group by PAB. As at the date of this Prospectus, PAB is the entity in charge for all the hydropower concessions.

The graph below provides an overview of the amount of capacity by reference to the expected year of expiry of the relevant concession.



The electricity distribution business is carried on by the Alperia Group pursuant to Italian Decree No. 235 of the President of the Republic of 26 March 1977, as amended and implemented. Distribution services licences are expected to expire on 31 December 2030, following which the Alperia Group expects to seek to obtain new licences.

In March 2023, the Alperia Group awarded two major tender processes: (i) the first one for the realisation of a hydrogen refuelling station in the Municipality of Brunico (with a project value of approximately Euro 8 million, 50% of which was financed by the Italian Ministry of Infrastructure and Transport) and (ii) the second one for the realisation of a green hydrogen production plant in the Municipality of Bolzano in collaboration with SASA S.p.A. AG, the local public transport company (with a project value of approximately Euro 14 million, entirely financed by the Italian Ministry of Environment and Energy Security).



## **Sustainability**

### ***Sustainability plan***

On 19 May 2022, the Management Board of Alperia approved the Alperia Group's 2022 – 2027 sustainability plan (the “**Sustainability Plan**”), which represents the continuation, without interruption, of the previous sustainability plan for the period 2017 - 2021.

The Sustainability Plan sets out approximately 160 projects/goals associated with 16 material topics which Alperia has identified as priorities, then divided into the following five areas of action:



**People**, which includes (i) health and safety at work, (ii) employee involvement and development and (iii) diversity and equal opportunities.



**Green mission**, which includes (i) energy consumption, (ii) emissions cutting and (iii) water.



**Territory**, which includes (i) added value for the territory and (ii) supply chain.



**Customers**, which includes (i) sustainable energy products and services and (ii) customer satisfaction



**Governance & resilience**, which includes (i) integrated governance and sustainable business conduct, (ii) economic development and resilience of business model, (iii) security and accessibility of supply, (iv) asset integrity, (v) innovation, digitisation, research and development and (vi) cyber security & data protection.

### *Commitment to United Nations SDGs*

The 2030 Agenda for Sustainable Development is a global action plan for people, planet and prosperity signed in September 2015 by the governments of the 193 United Nations member countries. It incorporates 17 Sustainable Development Goals (“SDGs”) into a large action plan with a total of 169 specific targets. Alperia has embraced these goals and taken up the call to action, putting research, technology and expertise at the service of the Sustainable Development Agenda for recovery and resilience.

Being aware of the essential role that energy can play in addressing these global environmental challenges, the Alperia Group is committed to contribute to the following SDGs: (i) **SDG 3** – ensuring health and wellbeing, promoting a healthy and safe working environment and reducing pollution through the Alperia Group’s products and services; (ii) **SDG 5** – achieving gender equality, striving for gender equality and female empowerment; (iii) **SDG 6** – ensuring the availability and sustainable management of clean water for all, optimising water network, management, reducing the impact of the Alperia Group’s activities and work to protect the aquatic environment; (iv) **SDG 7** – clean and accessible energy, ensuring access to affordable, reliable, sustainable and modern energy systems; (v) **SDG 8** – decent work and economic growth, promoting inclusive and sustainable economic growth and decent and secure employment; (vi) **SDG 9** – industry, innovation and infrastructure, building and maintaining safe and resilient infrastructures, fostering innovation and supporting equitable, responsible and sustainable development; (vii) **SDG 11** – sustainable cities and communities, making cities more inclusive, safer and more energy efficient; (viii) **SDG 12** – responsible consumption and production, promoting sustainable patterns of production and consumption; (ix) **SDG 13** – combat climate action, taking specific action to combat climate change and its consequences; and (x) **SDG 15** – life on land, ensuring the conservation of ecosystem and the protection of biodiversity including through the use of innovative technologies.



In order to emphasise its commitment in achieving the SDGs, Alperia carefully evaluates the contribution that the goals set out in the strategic documents of Alperia give to the achievement of the various SDGs.

The Eligible Green Projects referred to in the Green Financing Framework contribute to the SDGs 7, 9, 11 and 13.

### *ESG governance*

Corporate social responsibility activities carried out by Alperia are aimed at promoting integrated ESG governance at all levels of the organisation, namely:

- **Risk management**, managing reputational, climate and cyber risks;
- **Definition of policies and procedures**, formalising a CSR Management procedure, defining a diversity policy and considering the adoption of a code of conduct;
- **Strengthening the corporate culture** through awareness-raising activities that will increase internal communication on ESG issues and the development of a plan to include ESG issues in corporate training programmes; and
- **Definition** of reporting and performance to ensure the quality of non-financial data as well as clear goals.

Alperia Group risk management system (the “**ESG Risk Management**”) is an essential part of its decision-making processes. The main task of the ESG Risk Management is to implement and develop the management of risks, both financial and non-financial. Within the Alperia Group, risk management operates both on at Alperia Group level, as well as vertically

with dedicated resources in trading, sales and cyber. In 2022, a Group-wide enterprise risk management policy was implemented and approved by the board, which defines risk governance, processes and a risk model. The latter aims at identifying all relevant risk categories which could impact Alperia Group over the horizon of the business plan. However, some risk categories, such as climate-related risks, are being monitored over a longer horizon. Considering the complex and long term nature of climate change related risks, the Alperia Group has defined this process in a climate risk handbook. The risk management process is based on ISO 31000 and the COSO framework and has been audited to ensure best-practice alignment. The process is being supported by a dedicated risk management software, which is coherent with the risk management process and supports the complete risk life cycle, including risk mitigation and reporting – both at the Alperia Group level and at business unit level. ESG-related risks are also monitored in this tool.

Furthermore, Alperia established a sustainable finance committee (the “**Sustainable Finance Committee**”), chaired by the Head of M&A – Structured Finance and represented by the Head of CSR Management, Head of Administration & Finance, the Energy Manager and the Head of Budgeting & Controlling, where the Alperia Group’s subsidiaries and business units relating to specific project(s) and KPI(s) may be involved on an ad-hoc basis. In the context of sustainable finance, the Sustainable Finance Committee is responsible for reviewing, selecting and validating the Eligible Green Projects; annual monitoring of the selected Eligible Green Projects for the lifetime of the Sustainable Finance Instrument; in the event of a postponement, cancellation, divestment or ineligibility, identifying a new Eligible Green Project to replace it; identifying, implementing and monitoring projects to increase the alignment with the EU taxonomy; reviewing of planned investments in the various Business Units in alignment with the EU taxonomy; ensuring that the budgeting and planning process is aligned with objectives set by the Sustainable Finance Committee; supporting, facilitating, and validating impact and allocation reporting; and monitoring the ongoing evolution of international standards regarding sustainable finance, particularly in relation to disclosure and reporting, to ensure Alperia is in line with best market practices.

In addition, with respect to its green bonds, Alperia publishes annually (i) an allocation report and (ii) an impact report, the latter subject to the availability of suitable information and data. The allocation report and the impact report may be published in one single document.


**Remuneration policy**



The Alperia Group is committed to engage all its people in the achievement of its sustainability goals. To this end, in 2020 the Alperia Group started linking employee production bonuses and top management’s management by objectives (MBO) to the achievement of sustainability goals, subdividing them according to the following criteria:

- **production bonus** – achieving at least 65% of the targets defined in the Sustainability Plan each year will affect the production bonus; and
- **management by objectives (MBO)** – top management staff must include at least one sustainability objective in their MBO. The increasing of the variable remuneration, up to 20%, is linked to ESG performance, measured through explicit tangible objectives.

**Main certifications and awards**

As at the date of this Prospectus, the Alperia Group has been assigned by the following certifications.

Certification	Description
	<p>Alperia annually obtains an external certification from TÜV NORD that emissions from the sale of its green gas product are compensated with certified climate projects.</p>

Certification	Description
	<p>Alperia annually measures the status of the integration of sustainability in its governance through the Integrated governance index (IGI). The IGI measures the controls and processes that Alperia adopts to achieve its sustainability goals. The areas assessed are: 1) self-regulatory codes and sustainability, 2) diversity, professionalism, board independence, 3) ESG integrated in remuneration, 4) ESG integrated in business strategies, 5) board committees and sustainability, 6) purpose, materiality and stakeholders, 7) succession plans, 8) finance, 9) HR and human capital, 10) ESG digital governance.</p>
	<p>Ecovadis, an international provider of business sustainability ratings, awarded Alperia with the Gold rating based on the policies, performance, and practices that the company has implemented, in the field of environment, ethics, labour &amp; human rights, and sustainable procurement. With a score of 75/100, Alperia ranked in the 98 percentiles of all ratings, indicating better performance than 98% of rated companies, which can be considered an excellent result confirming the high ESG competence of the Group.</p>
	<p>In April 2023 Alperia was ranked the first Italian utility company among Europe’s Climate Leaders 2023 published in the Financial Times. This is a recognition of the company’s progress in reducing greenhouse gas emissions and its commitment to concrete actions to protect the environment. In the list of European companies, Alperia ranked 55<sup>th</sup>. In relation to this award, Alperia participated to the COP28 in Dubai as part of the Leadership – Interviews hosted by Reuters.</p>

In 2024 Alperia awarded the third place in the “Award for the best strategies capital markets” of Equita, in the category of “Fundraising on the ESG debt market”. The award, released by Equita, recognises the most original and effective transactions carried out by issuing companies in the Italian market and also the companies that approached the capital market in an innovative way.

In 2023 and 2024 Alperia was listed among the “Most Climate-Conscious Companies” ranking (“*Aziende più attente al clima*”) published by Corriere della Sera and Statista.

Alperia has also received unsolicited Environmental, Social, and Governance (ESG) ratings from Fitch Rating Agency in October 2023. These ratings underscore the Alperia Group’s commitment to sustainability and responsible business practices. Alperia obtained the following scores (on a scale from 1 to 5 where 1 is the strongest).

- Entity level: overall rating of the Alperia Group reflects a strong ESG performance with a score of 80/100. This rating acknowledges Alperia's dedication to environmental stewardship, social responsibility, and effective governance practices.
- Instrument (Green Bond 2023) rating: Alperia's green bond issued in 2023 has been awarded a rating of 1, with a score of 89/100. This underlines the high environmental and social standards embedded in Alperia’s financial instruments, demonstrating the Alperia Group focus on financing projects with positive impacts on the planet and society.

Green financing framework rating: the 2023 green financing framework of Alperia has been awarded a rating of 2, with a score of 82/100, highlighting the robustness and transparency of Alperia's ESG framework. This recognition reinforces the Alperia Group’s commitment to maintaining high standards in managing ESG risks and opportunities across our operations.

Alperia was also awarded at the tenth edition of the Top Utility award, which took place on 24 February 2022, while on 1 March 2022, Alperia was awarded with the legality rating with a ★★+ (two stars plus) score by the Italian Antitrust Authority (*Autorità Garante della concorrenza e del Mercato – AGCM*). The legality rating is an indicator of compliance with high standards of legality by companies that have applied for it.

On 28 June 2022, Alperia received the National Award for Innovation “*Premio dei Premi*”, for the “Industry and Services - Large Enterprises” sector, coordinated by the COTEC Foundation. This Award is given annually to subjects operating in industry, design, the tertiary sector, the public administration sector and universities, who have distinguished themselves for the originality of the innovations they have developed in relation to products, processes and business models.

In October 2022, the certification process for the energy produced in 2021 by the Cardano, Lana, San Pancrazio and Santa Valburga plants was successfully completed based on the “Generation EE standard” of TÜV SÜD.

In 2021 Alperia won the 2021 “Sustainable Mobility Award” in South Tyrol for its sustainable mobility initiatives for employees, as well as the “Global District Energy Climate Award”, a prize dedicated to the best sustainable energy solutions based on innovative forms of district heating and cooling.

Furthermore, the Alperia Group has also obtained the certifications ISO 9001, 14001, 27001, 45001 and EMAS. Between August and September 2022, Alperia Greenpower and Alperia Ecoplus obtained ISO 50001:2018 certification for the Ponte Gardena hydroelectric plant and for the Bolzano district heating plant, respectively. ISO 50001 certifies the creation of an energy management system which has the objective of continually improving energy performance. Alperia Green Future obtained the certification, granted at the national level, relating to the provision of energy services, including the activities of financing intervention for improving energy efficiency, namely the UNI CEI 11352:2014.

In addition, the subsidiary Edyna subjected its electricity distribution business to a Carbon Footprint study according to ISO 14067 in the first quarter of 2024. The decision to undertake this analysis stemmed from the results of the 2022 taxonomy study, which had highlighted the limiting factor to the alignment to the EU taxonomy, i.e. the absence of emission calculations for connections or expansions of direct connections and the compliance with the limit threshold of 100 gCO<sub>2</sub>e/kWh imposed by the technical evaluation criteria (*criteri di vaglio tecnico – CVT*). With the ISO 14067 certification, the economic activity of energy transmission and distribution is now fully aligned with the requirements set out by the EU taxonomy.

### **Innovation, digitalisation, research and development (R&D)**

Alperia promotes innovation in the energy sector through several research projects, the continuous improvement of its business processes and supporting information systems according to the best market benchmarks. For this reason the Alperia Group invests in innovation and research in order to respond efficiently and effectively to the challenges of the energy market and to ensure a modern energy supply and state-of-the-art energy services in the future. The innovation projects can therefore release positive direct and indirect impacts on the community, the environment and the local economy through the development of new products and services and the improvement of Alperia's effectiveness and resilience in carrying out its mission.

Innovation can have impacts on people's human rights, both positive and negative. For example, the adoption of new technologies can improve access to education, health and other essential services, but it can also result in the loss of jobs or the exclusion of certain categories of people who do not have access to the technologies or skills needed to take advantage of the opportunities offered by innovation. Furthermore, innovation can affect the protection of privacy and the use of people's personal information. For this reason, Alperia adopts a “wide” approach to innovation that does not only concern the mere R&D, but also the continuous improvement of its *modus operandi* to always have a responsible impact on the local economy, the environment and the human rights. According to Vision 2031, innovation will be increasingly oriented towards promoting sustainable and customer centric services/products and developing new businesses useful for decarbonisation (hydrogen, biomethane, CER and photovoltaics).

Far from being limited to restricted number of internal working groups, innovation is usually the result of cooperation between different actors, generating key partnerships with other entities such as start-up and incubators. Therefore, together with local and international partners, the Group participates in various projects promoting R&D on intelligent systems for efficient energy distribution and production (e.g. smart grids, smart cities, smart meters). The involvement of stakeholders took place through specific meetings and events during which the opinions and views of stakeholders on the various initiatives were collected. To these initiatives are added the communication activities developed by Alperia. Finally, the Alperia Group establishes relations with stakeholders such as universities, research centres and other partners by discussing R&D activities in progress or in the pipeline. When launching innovation programmes or evaluating participation in other innovation programmes, as well as when launching new projects, the impact on stakeholders was always assessed and the results disseminated appropriately. At the same time, insights from the materiality analysis were integrated into the content of the initiatives.

Innovation is fundamental to support the energy transition. For this reason, innovation has been integrated into the Alperia Group's strategy by providing it with dedicated governance, organisational structure and processes. Responsibilities are defined within the companies of the Alperia Group with the involvement of the parent company Alperia and all business units. Starting from the second half of 2022, projects are tracked by means of a structured procedure to intercept them from their conception and monitor their progress until their conclusion. The procedure is supported by a proprietary software

tool of the Alperia Group facilitating the tracking and monitoring. The main KPIs relating to the projects are periodically summarised in a management report. In addition, during 2023 Alperia also introduced the monitoring of external costs and internal resources dedicated to innovation projects. Furthermore, in order to increase effectiveness in project management, Alperia started an internal training course on project management. In 2023 a pilot course was held for the digital organisational area and in 2024 the course will be open to all Alperia Group employees. This approach of Alperia allowed spreading an innovative culture within the entire Group, releasing positive impacts on all business units and organisational units.

## **Infrastructure**

In 2021 Alperia, acting on behalf of Edyna, published a call for tenders for the construction of the new headquarters in Merano. The construction site started in March 2023 and the works are expected to end in summer 2025.

The two buildings, consisting of offices, technical areas and warehouses, have been designed to accommodate around 300 employees of the various Group companies. Particular attention has been paid to the buildings' energy efficiency, aiming for the highest level of energy certification (according to international standards such as LEED Platinum or Gold and national standards such as CasaClima). Alperia's certification aimed at the wellbeing of employees who will work at the new headquarters is also very important (international WELL and CasaClima Work & Life certifications), as well as aspects such as the sustainability of buildings, domotics and smart living solutions, the flexibility of the environments and the integration of the new structure in the urban context of the town of Merano with ample space dedicated to green areas.

## **Regulatory Framework**

Most of the Alperia Group's operations are within heavily regulated sectors. The legislative and regulatory environment within which the Alperia Group operates is summarised in the section entitled "Regulation" below. See also "*Risk Factors — Regulatory Risks*" above.

## **Financing**

As at 31 December 2023, Alperia Group's financial indebtedness was Euro 1,006,768 thousand, of which Euro 869,952 thousand was represented by bonds and Euro 171,740 thousand by loans<sup>2</sup>.

As at the date of this Prospectus, Alperia Group's financial indebtedness is Euro 972,886 thousand, of which Euro 869,952 thousand was represented by bonds and Euro 137,948 thousand by loans.

Alperia's main financial indebtedness as at 31 December 2023 was as follows.

- Euro 125,000,000 1.68 per cent. green bond due 28 June 2024 (ISIN Code: XS1439448678), fully outstanding;
- Euro 150,000,000 2.50 per cent. green bond notes due 23 December 2026 (ISIN Code: XS1540956593), fully outstanding;
- NOK 935,000,000 3.116 per cent. green bond due 18 October 2027 (ISIN Code: XS1703060746), fully outstanding;
- Euro 500,000,000 5.701 per cent. green bond due 5 July 2028 (ISIN Code: XS2641794081), fully outstanding.

The Issuer also has entered into a revolving credit facility (RCF) of Euro 480,000,000 expiring on November 2025. As at the date of this Prospectus the RCF has been reduced to 100,000,000 and is currently drawn for Euro 60,000,000.

## **Share Capital and Shareholders**

### ***Share Capital***

As at 31 December 2023, Alperia had a share capital of Euro 750,000,000, divided into 750,000,000 shares having a nominal value of Euro 1.00 each. Since 31 December 2023, there have been no changes to the Issuer's share capital.

### ***Shareholders***

As at the date of this Prospectus, the Alperia voting share capital is held by shareholders of Alperia as set out in the table below.

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<sup>2</sup> These amounts take into account the effects of the change on foreign exchange related to the green bond denominated in NOK and ancillary charges / amortised cost.

Shareholders	Shares	% of share capital
Autonomous Province of Bolzano	347,852,466	46.38%
Municipality of Bolzano	157,500,000	21.00%
Municipality of Merano	157,500,000	21.00%
Selfin S.r.l.	87,147,534	11.62%

Selfin is a publicly owned company in which 112 of the 116 municipalities of Alto Adige hold a stake, excluding the municipalities of Bolzano, Merano, Laces and Terlano.

The Issuer's share capital is divided into Class A, B, C and D shares, which are held, respectively, by the PAB, the Municipality of Bolzano, the Municipality of Merano and Selfin. Under the Issuer's By-laws, where any shares are transferred from one shareholder of the Issuer to another, the shares transferred will automatically be converted into shares of the same class as those already held by the transferee. The holding of shares of a particular class is relevant to the mechanism for appointments to the Issuer's Supervisory Board (see “– *Corporate Governance – Supervisory Board*” below).

### **Shareholders' agreements**

As at the date of this Prospectus, no shareholders' agreement has been entered into by the shareholders of Alperia.

The relationships between the shareholders of Alperia are regulated by the Alperia By-laws and by an investment agreement executed on 21 February 2015 among the shareholders, AEW and SEL (the “**Investment Agreement**”), as well as by other ancillary and implementation documents and agreements related to such Investment Agreement.

The Investment Agreement regulates the terms and conditions of the AEW-SEL Merger and the transformation of O.9 into a joint-stock company (*società per azioni*). The Investment Agreement provides also for certain indemnity undertakings, binding on PAB, which are related to the occurrence of certain potential adverse events concerning Alperia and its assets. In particular, according to the Investment Agreement, PAB shall indemnify and hold harmless:

- Alperia from any loss related to any possible challenge or claim against Alperia and its subsidiaries companies in relation to the awarding to such companies of the authorisations, concessions, licences or other public instruments pertaining to certain hydroelectric plants by the competent body of PAB.
- the municipalities of Bolzano and Merano from any loss that they may suffer in case of revocation of authorisations, concessions, licences or similar arrangements in relation to certain large-scale hydroelectric plants, namely Cardano, Bressanone, Lana, S. Pancrazio, S. Valburga-Pracupola, Sarentino, Ponte Gardena and Molini di Tures, owned at the signing of the Investment Agreement by certain subsidiaries of SEL (*i.e.*, SE Hydropower, SEL S.r.l. and Hydros).

Should the overall indemnification amounts payable by PAB under the Investment Agreement exceed Euro 40 million, PAB, as an alternative option to the payment of such amounts, may request the Municipalities of Bolzano and Merano – not later than 30 business days following the achievement of the Euro 40,000,000 threshold – to implement a non-proportional demerger of Alperia, to the effect that the municipalities of Bolzano and Merano will own the entire share capital of a new company owning the same assets owned by AEW (and its subsidiaries) before the execution of the AEW-SEL Merger.

### **Corporate Governance**

Corporate governance rules for Italian companies like Alperia, whose shares are not listed on a regulated market or multilateral trading facility or other trading venue, are provided for under the Italian Civil Code and, where applicable, in Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”), and the relevant implementing regulations.

Alperia has adopted a two-tier system of corporate governance (*modello dualistico*), based on an organisational model involving shareholders' meetings, a supervisory board (*consiglio di sorveglianza*) (the “**Supervisory Board**”) and a management board (*consiglio di gestione*) (the “**Management Board**”).

#### **Supervisory Board**

Pursuant to Alperia's By-laws, the Supervisory Board is composed of six members, who are all appointed by the ordinary shareholders' meeting for a maximum period of three financial years. Three members of the Supervisory Board are appointed by the ordinary shareholders' meeting upon designation by a special meeting of the holders of Class A and Class D shares or should such meeting not be held, with the favourable vote of all of the holders of Class A and Class D shares



whereas the other three members of the Supervisory Board are appointed by the ordinary shareholders' meeting upon designation by a special meeting of the holders of Class B and Class C shares or should such meeting not be held, with the favourable vote of all of the holders of Class B and Class C shares.

At least one of the members of the Supervisory Board must be designated among the statutory auditors enrolled with the specific register. Such member shall be (i) one of the members of the Supervisory Board appointed by the ordinary shareholders' meeting upon designation of the special shareholders' meeting of the Class A and Class D share shareholders, for the first 3 financial years from the adoption of the Alperia By-laws, and (ii) one of the members of the Supervisory Board appointed by the ordinary shareholders' meeting upon designation of the special shareholders' meeting of the holders of Class B and Class C shares for the following 3 financial years, and so on.

The special meeting of the holders of Class A and Class D shares has the right to designate four members of the Supervisory Board and the special meeting of the holders of Class B and Class C shares has the right to designate the other two members of the Supervisory Board, where, following a transfer of shares to holders of shares of another class, Class B and Class C shares, when taken together, represent less than 20% of the corporate capital of Alperia.

The special meeting of the holders of Class B and Class C shares has the right to designate four members of the Supervisory Board and the special meeting of the holders of Class A and Class D shares has the right to designate the other two members of the Supervisory Board, where, following a transfer of shares to holders of shares of another class, Class A and Class D shares, when taken together, represent less than 20% of the corporate capital of Alperia.

The Supervisory Board has certain powers usually entrusted to the shareholders' meeting under the traditional system of corporate governance. It is authorised, *inter alia*, to appoint members of the Management Board, to establish their remuneration, to approve the Issuer's financial statements and to authorise management's strategic decisions and certain extraordinary transactions. In addition, the Supervisory Board has supervisory duties.

The shareholders' meeting of Alperia held on 9 June 2022 appointed the Supervisory Board for a period of three financial years. Unless their office is terminated before then, for any reason, all members will remain in office until the approval of Alperia's financial statements for the financial year ending on 31 December 2024. The following table sets out the current members of the Supervisory Board of Alperia and the main positions held by them outside the Alperia Group.

<b>Name</b>	<b>Position</b>	<b>Principal activities outside Alperia</b>
Maurizio Peluso	Chairman of the Supervisory Board	Franz Haas S.r.l. - Member of the supervisory board Studio Map Data S.r.l. – Board member Bodenservice S.r.l. – Statutory Auditor Larice Società Cooperativa – Board member D.U.S. Real Estate S.r.l. – Statutory Auditor ICP Network S.r.l. – Board member Kwork S.r.l. – Board member AZM S.r.l. – Sole Administrator DP Invest S.r.l. – Sole Administrator Aretè Studio S.r.l. – Board Member
Luitgard Spögler	Deputy Chairman of the Supervisory Board	Banca Sistema S.p.A. – Chairwoman of the Board Cassa di Risparmio di Bolzano S.p.A. – Representative of the bondholders ( <i>rappresentante comune degli obbligazionisti</i> )
Manfred Mayr	Member of the Supervisory Board	Consorzio Agrario di Bolzano Società Cooperativa – Member of the Supervisory Board Consorzio dei Comuni della Provincia di Bolzano Società Cooperativa – Chairman of the Supervisory Board Municipality of Kurtinig an der Weinstrasse – Mayor Informatica Alto Adige Spa – Member of the Supervisory Board Briksana casa di cura privata Srl – Statutory Auditor

<u>Name</u>	<u>Position</u>	<u>Principal activities outside Alperia</u>
Silvia Paler	Member of the Supervisory Board	Cassa Raiffeisen Merano Società Cooperativa – Member of the Board Terme Merano S.p.A. – Member of the Supervisory Board Energia Senales S.c. a r.l. – Board Member
Stefano Parolin	Member of the Supervisory Board	Hotel La Perla S.r.l. - Member of the Supervisory Board Palbox S.p.A. – Chairman of the Supervisory Board Fussball Club Suedtiroel GMBH – S.r.l. - Member of the Supervisory Board Lazzeri Società Agricola a responsabilità limitata - Member of the Supervisory Board Alps Audit S.r.l. - Administrator Menz & Gasser S.p.A. – Member of the Supervisory Board Eurolegnami di Debortoli Fabrizio S.p.A. - Chairman of the Supervisory Board
Wolfram Sparber	Member of the Supervisory Board	/

The business address of each of the Supervisory Board members is the Issuer’s registered office at via Dodiciville 8, 39100 Bolzano (Italy).

As at the date of this Base Prospectus there are no potential or existing conflicts of interest between the duties of the members of Supervisory Board and their private interests or other duties.

#### ***Supervisory Board – Internal committees***

Under the authority conferred on it by Alperia’s By-laws and by the shareholders’ meeting, the Supervisory Board has deemed it appropriate to establish specific committees, with members drawn from the Supervisory Board, and to determine their powers and the rules for their functioning. Such committees have a consultative and advisory role.

As at the date of this Base Prospectus, the following committees have been created within the Supervisory Board:

- **Appointments Committee**, having the task of, *inter alia*, assisting the Supervisory Board in the appointment of the members of the Management Board and in the appointment of the Chairperson of the management and supervisory bodies of the companies in which Alperia holds, directly or indirectly, an equity interest. In accordance with Alperia’s By-laws the Appointments Committee is made up of four members.
- **Remuneration Committee**, having the task of, *inter alia* (i) assisting the Supervisory Board in determining the remuneration of members of both the Management Board and Supervisory Board holding special office and (ii) expressing opinions on incentive plans relating to members of the Management Board and Supervisory board. Pursuant to Alperia’s By-laws, the Remuneration Committee is made up of four members.
- **Internal Audit, Risk and Sustainability Committee**, having the task of monitoring the effectiveness of the company’s internal controls, internal audit and risk management systems (including, *inter alia*, with respect to ESG risks) as well as proposing, analysing, and monitoring the company’s sustainability policies and commitments. Such committee is not expressly required by Alperia By-laws, but its establishment was expressly requested by the shareholders’ meeting. The Internal Audit, Risk and Sustainability Committee is made up of four members.

#### ***Management Board***

Pursuant to Alperia’s By-laws, the Management Board is composed of six members, who are all appointed by the Supervisory Board for three financial years. Four members of the Management Board are appointed by a voting list system, unless decided otherwise by a unanimous resolution of the Supervisory Board, whereas the other two members of the

Management Board (including in any case, the General Manager of Alperia) are chosen from among the top managers of the Alperia Group upon a resolution of the Supervisory Board passed by a vote in favour of at least five members.

The Management Board has the power to perform the tasks involved in managing Alperia and is authorised to take all the steps that it deems appropriate in order to achieve Alperia's aims and corporate objectives. In addition, it is vested with the power, *inter alia*, to approve the strategic, industrial and financial plans of Alperia and the Alperia Group and to prepare Alperia's financial statements and consolidated financial statements.

On 22 June 2022, the Supervisory Board appointed the Issuer's current Management Board with effect from 1 July 2022, for a period of three financial years expiring upon approval of Alperia's financial statements for the year ending 31 December 2024.

The following table sets out the current members of the Management Board of Alperia and the main positions held by them outside the Alperia Group.

<b>Name</b>	<b>Position</b>	<b>Principal activities outside Alperia</b>
Flora Emma Kröss	Chairman of the Management Board	EWO S.r.l. - Deputy Chairwoman of the Board
Mauro Marchi	Deputy Chairman of the Management Board	I Popolari Società Cooperativa – Deputy Chairman of the Board
Markus Mattivi	Member of the Management Board	Gemeinschaft Maria Heim/Neustift – Genossenschaft – Chairman of the Board
Daniela Vicidomini	Member of the Management Board	SEAB Spa – Member of the Supervisory Board Ergo Design & Technology Srl – Statutory Auditor Termodolomiti S.r.l. – Statutory Auditor
Alois Amort	Member of the Management Board	/
Paolo Acuti	Member of the Management Board	/

The business address of each of the Management Board members is the Issuer's registered office at via Dodiciville 8, 39100 Bolzano (Italy).

As at the date of this Base Prospectus, there are no potential or existing conflicts of interest between the duties of the members of the Management Board to Alperia and their private interests or other duties.

#### ***Management Board – Executive Committee***

In accordance with Alperia's By-laws, the Executive Committee consists of four members of the Management Board namely the Chairperson and the Deputy Chairperson of the Management Board and the two members of the Management Board appointed among the top managers of the Alperia Group.

The Management Board delegates some of its management responsibilities to the Executive Committee within a specific expense limit and to the extent permitted by applicable laws and its By-laws. As proposed by the shareholders' meeting, an Executive Committee is currently not established.

#### ***Senior management***

The following table sets out the senior managers of Alperia as at the date of this Base Prospectus.

<b>Name</b>	<b>Position</b>
Alois Amort	General Manager
Paolo Acuti	Deputy General Manager
Mario Augusto Trogni	Director Generation BU
Pierpaolo Zamunaro	Director Network BU
Günther Andergassen	Director Heat & Services BU
Andrea Lanzingher	Director Trading BU
Alessandro Randon	Director Sales BU
Luca Fresi	Director Smart Region BU

### ***Code of Ethics, 231 Model and other policies and procedures***

In March 2016 the Management Board adopted a code of ethical conduct for business relationships which provides for a set of rules and principles which Alperia’s management and employees are required to comply with. The latest version of the code of ethics was published by Alperia in January 2021.

Furthermore, in 2016 Alperia first adopted its organisational, management and control model (the “**Alperia 231 Model**”) in accordance with Legislative Decree No. 231 of 8 June 2001 (“**Decree No. 231**”) to prevent crimes that could give rise to liability for the Issuer if the offences are committed by its directors, managers, or employees in the interests or for the benefit of the Issuer. In addition, the majority of the companies of the Alperia Group have implemented their own organisational, management and control model in accordance with Decree No. 231 and constituted their own supervisory board.

A specific channel for confidential reporting has been introduced for employees, top management and members of the corporate bodies of the companies of the Alperia Group who become aware of any unlawful conduct, violations of the Alperia 231 Model or the 231 models of the other Alperia Group’s companies or of the Code of Ethics.

Moreover, the Alperia Group has also implemented certain other policies and procedures including the Group sustainability policy, the Group diversity policy, the Group disciplinary code, the PRO 101 – CSR Management and Integrated Governance Procedure, the PRO 102 – Safety Risk Assessment and Specific Risk Management Procedure, the PRO 103 – Environmental Risk Assessment Procedure, the PRO 105 – Information Risk Assessment Procedure and PRO 407 – Whistleblowing Procedure.

### **Independent Auditors**

The current independent auditors of Alperia are PricewaterhouseCoopers S.p.A., with its registered office at Piazza Tre Torri 2, Milan, Italy (“**PwC**”).

PwC is registered under No. 43 in the Register of Independent Auditors held by the Ministry of Economy and Finance and is also a member of the Assirevi (*Associazione Nazionale Revisori Contabili*), the Italian association of auditing firms.

PwC has been appointed by the Issuer’s shareholders’ meeting for a period of nine years expiring upon approval of Alperia’s financial statements for the year ending 31 December 2024.

### **Employees**

As at the date of this Base Prospectus, the Alperia Group has approximately 1,200 employees.

## **Legal Proceedings**

In the ordinary course of their activities, the companies of the Alperia Group are and may be involved in a number of proceedings, including civil, administrative, regulatory and tax proceedings and/or to investigations by tax and other authorities. For a specific focus on these proceedings, see the paragraph headed “*Litigation and contingent liabilities*” in the notes to the 2023 Consolidated Financial Statements.

## **Recent Developments**

### ***Approval of the Issuer’s consolidated financial statements***

Following the approval by the Management Board of Alperia on 28 March 2024 of the draft of the consolidated financial statements as at and for the year ended 31 December 2023, on 29 April 2024, the Supervisory Board of the Issuer approved, *inter alia*, the 2023 Consolidated Financial Statements incorporated by reference into this Prospectus. See, “*Information incorporated by reference*” above.

### ***Rating action***

On 7 May 2024 Fitch Ratings revised the Issuer’s outlook to “Stable” from “Negative” and affirmed its Long-Term Issuer Default Rating (IDR) and senior unsecured rating at “BBB”.

## REGULATORY FRAMEWORK

*EU and Italian laws comprise significant regulation in relation to, inter alia, the production, transport and distribution of electricity as well as the transport, distribution and sale of gas and the public utilities businesses in general. The main legislative and regulatory measures applicable to the Alperia Group are summarised below. Although this summary contains all the information that the Issuer considers material in the context of the issue of the Notes, it is not an exhaustive account of all relevant applicable laws and regulation. Prospective investors and/or their advisers should make their own analysis of the legislation and regulations applicable to the Alperia Group and of the impact it may have on an investment in the Notes and should not rely on this summary only.*

### 1 OVERVIEW

#### EU Energy Regulation

In 2019 the European Union adopted the so called “Clean Energy for all Europeans Package” consisting of several legislative acts, in order to establish a modern design for the EU electricity market, adapted to the new realities of the market (more flexible, more market-oriented and better placed to integrate a greater share of renewables) and to promote energy efficiency. The main measures are listed below.

- **Energy performance in buildings Directive** (2018/844): outlines specific measures for the building sector to tackle GHG emissions and energy efficiency challenges (updating and amending provisions from the 2010 Energy Performance Building Directive).
- **Renewable energy II Directive** (2001/2018) (“**RED II**”) set an ambitious binding target of 32% for renewable energy sources in the EU’s energy mix by 2030. The recast renewable energy directive entered into force in December 2018. Please note that RED II has been replaced by the RED III Directive (see further below).
- **Energy efficiency Directive** (2002/2018): putting energy efficiency first is a key objective in the Package. The EU has therefore set binding targets of at least 32.5% energy efficiency by 2030, relative to a “business as usual” scenario. The new Directive (amending 2012/27 energy efficiency directive) has been in place since December 2018.
- **Governance Regulation** (1999/2018): introduces five dimensions for the governance of the energy union, through which each Member State is required to draft integrated 10-year national energy and climate plans (NECPs) for 2021 to 2030 outlining how they will achieve their respective targets on all dimensions of the energy union, including a longer-term view towards 2050.
- **Internal electricity market Regulation**: establishes rules aimed at ensuring the functioning of the internal electricity market supply and includes renewable energy and environmental policy development requirements and specific rules for certain types of renewable energy plants with regard to the balancing responsibility, dispatching and re-dispatching as well as the CO2 emissions threshold for the new generated power, whether the same capacity is subject to temporary measures and ensure the necessary level of resource adequacy, *i.e.*, capacity mechanisms.
- **Common rules for the internal energy market electricity Directive**: the main goals of the Directive are to guarantee (i) common standards for the internal market and (ii) a broad electricity supply accessible to all.

Moreover, by means of the so called “**Green Deal**”, European Commission outlined its strategy to orient growth in the EU and define a path allowing climate neutrality to be met by 2050. The goal set out in the European “Green Deal” for Europe’s economy and society to become climate-neutral by 2050. The law also sets the intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels.

Therefore, in 2021 the European Commission presented the “**Fit for 55**” set of proposals with the aim to set the EU’s target of reducing net greenhouse gas emissions by at least 55% by 2030. By means of such proposal the European Commission, just a couple of years after the adoption of the Clean Energy Package, has further increased the already ambitious targets to be reached.

The “Fit for 55” package is composed by 15 proposals, of which to date 12 have been implemented by way of legislative acts at European level and includes *inter alia*:

- **Hydrogen and decarbonised gas package** which consists in a proposal for a regulation and for a directive that set common internal market rules for renewable and natural gases and hydrogen. The proposals aim at creating a regulatory framework for dedicated hydrogen infrastructure and markets and integrated network planning. They also set rules for consumers protection and strengthen security of supply. In this respect, the procedure for the adoption of the relevant legislative instruments is undergoing. A provisional agreement has been reached by the co-legislators (*i.e.*, the European Parliament and the European Council) according to which the framework will enable the uptake of renewable and low-carbon gases in the EU by facilitating connection and access to the existing gas grid and allowing discounts to cross-border and injection tariffs for these gases. A certification system for low-carbon gases, including hydrogen, is also established complementing the certification of renewable gases and hydrogen foreseen in the RED III Directive (see further below).

Furthermore, the agreed framework will establish a market design for hydrogen in Europe. The agreement foresees that rules will be applied in two phases, before and after 2033. In the ramp-up phase a simplified framework will apply with clear visibility about the future rules for a developed hydrogen market. These provisions cover notably access to hydrogen infrastructures, separation of hydrogen production and transport activities (so-called “unbundling”) and tariff setting. A new governance structure in the form of the European Network of Network Operators for Hydrogen (ENNOH) will be established to promote a dedicated hydrogen infrastructure, cross-border coordination and interconnector network construction. It will also be responsible for elaborating specific technical rules.

Today’s provisional agreement now requires formal adoption by both the European Parliament and the Council. Once this process is completed, the new legislation will be published in the Official Journal of the Union and enter into force 20 days later.

- **Renewable Energy III Directive (“RED III”)**: on 31 October 2023, Directive (EU) 2023/2413 of the European Parliament and the Council was published on the EU Official Journal, revising and recasting the RED II Directive. RED III Directive entered into force on 20 November 2023. There will be an 18-month period to transpose most of the directive’s provisions into national law, with a shorter deadline (July 2024) for some provisions related to permitting for renewables. The Directive sets an overall renewable energy target of at least 42.5% binding at EU level by 2030 - but aiming for 45%.
- **Reform of the EU Emissions Trading Scheme (“EU ETS”) and introduction of a carbon border adjustment mechanism (“CBAM”) to tax high-carbon imports**: on 25 April 2023, the European Council approved the EU ETS reform package composed by the revised Directive 2003/87/EC (the “**ETS Directive**”) and four regulations. The new rules increase the ambition of the EU ETS, as GHG emissions in the EU ETS sectors must be cut by 62% by 2030 compared to 2005-levels, against the previous 43%. It also phases out free allowances to companies from 2026 until 2034 and creates a separate new EU ETS II for fuel for road transport and buildings that will put a price on GHG emissions from these sectors in 2027 (or 2028 if energy prices are exceptionally high). Parliament adopted also the rules for the new EU CBAM, which aims to incentivise non-EU countries to increase their climate ambition and to ensure that EU and global climate efforts are not undermined by production being relocated from the EU to countries with less ambitious policies. The CBAM will be phased in from 2026 until 2034 at the same speed as the free allowances in the EU ETS are being phased out.

In response to the hardships and global energy market disruption caused by Russia’s invasion of Ukraine, the European Commission presented the **REPowerEU Plan** which aims at accelerating energy transition to reduce fossil fuels dependence in combination with the “Fit for 55”.

On 7 October 2022 entered into force the **Regulation 2022/1854** that includes measures to reduce electricity demand to help lower the electricity costs for consumers and suggests a temporary revenue cap on electricity producers using the so-called inframarginal technologies with lower marginal costs, such as renewables, nuclear and waste. Moreover, it introduces a temporary solidarity contribution on extra profits made in the oil, gas, coal and refinery sectors, with the goal of raising funds to be redirected to energy consumers.

On 14 March 2023, the European Commission proposed a **reform of the EU Electricity Market Design** to boost renewables, better protect consumers and enhance industrial competitiveness. The proposed reform foresees revisions to several pieces of EU legislation – notably the Electricity Regulation, the Electricity Directive, and the REMIT Regulation. It introduces measures that incentivise longer term contracts with non-fossil power production and bring more clean flexible solutions into the system to compete with gas, such as demand response and storage. The reform further aims to foster price stability by reducing the risk of supplier failure. In this respect, the procedure for the adoption of such reform is undergoing. A provisional agreement has been reached in mid-October 2023 in the context of the exam of the reform within

the European Council. This will allow the Council presidency to start negotiations with the European Parliament to reach a final agreement. The outcome of the negotiations will have to be formally adopted by the Council and the Parliament.

Among the main elements of the new regulation as resulting from the Council works, it is worth mentioning (i) the mandatory application of two-way contracts for difference (CfD) to be used when public funding is involved in long term contracts (with specific application to investments in new power-generating facilities based on wind energy, solar energy, geothermal energy, hydropower without reservoir and nuclear energy); (ii) the structural nature of capacity markets, including a proposal to streamlining the procedures across Europe with temporary exemptions from emission limits; (iii) the EU PPA market; (iv) RES auctions at community level; and (v) the possibility for declaring a national or EU-wide electricity price crisis in the event of exceptionally high electricity prices.

As part of a wide-ranging response to coronavirus pandemic crisis, the European Commission has introduced the **Recovery and Resilience Facility** (“RRF”) in the context of the Next Generation EU program, aimed at mitigating the economic and social impact and at making European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions. At least the 37% of the financial support scheme from RRF must be conveyed towards projects related to the ecological transition (that include, for instance, RES, energy efficiency, circular economy, sector coupling and hydrogen).

Following the RFF initiative Italian Government applied for the whole available amount in grants and loans and obtained approximately Euro 191 billion to fund own **National Resilience and Recovery Plan** (“PNRR”). The Plan is composed by 6 different Missions, the second of which, Mission n.2 “Green revolution and ecological transition”, received the largest resources amount (around 59 billion). Mission n.2 addresses investments towards four different components: sustainable agriculture and circular economy (Euro 5.27 billion), renewable energy, hydrogen, power grids and sustainable mobility (Euro 23.78 billion), energy efficiency and building regeneration (Euro 15.36 billion), land protection and water resources (Euro 15.05 billion).

Currently, due to some the difficulties faced by the Italian State to meet certain objectives under the PNRR, the European Council (on 27 November 2023) ECOFIN Council (on 8 December 2023) approved a revision of the PNRR structure and objective aimed at:

- on one hand diverting resources destined to PNRR in favor of the European cohesion funds (that provides for a wider temporal range of implementation of the relevant financed works); and
- on the other integrating the PNRR in order to tackle the additional sources made available in the context of the REPowerEU Plan.

As a result, the PNRR funds have been increased to about Euro 194,1 billion.

#### Italian Energy Regulation and the Italian Energy strategy

Ministry of Environment and Energy Security (“MASE”) shares the responsibility for the overall supervision and regulation of the Italian energy sector with the Regulatory Authority for Energy, Networks and Environment (“ARERA”). In particular, the MASE establishes the strategic guidelines and principles for the electricity and gas sector, while the ARERA regulates tariffs and technical matters.

In addition to regulation by the ARERA, the Italian Antitrust Authority also plays an active role in the energy market in ensure the competition between suppliers and protecting the rights of clients to choose their suppliers.

As regards national policies, in early 2020 the Ministry for economic development, previously responsible for the energy sector, approved the definitive version of the Energy and Climate Integrated National Plan (“PNIEC”), which defines goals for 2030 in terms of renewable energy production (30%), energy efficiency (-40% vs. 2007) and emission reduction (-40% vs. 1990). These figures will be revised in light of new Green Deal features and recent more ambitious targets for 2030.

In line with the EU vision, Italy plans to take an integrated approach to tackling issues relating to energy and climate, and agrees with the approach proposed by the Governance Regulation, which opts for an organic and synergic strategy for the five dimensions of the Energy Union, in particular:

- a) **Decarbonisation:** Italy is considering accelerating the transition from traditional fuels to renewable sources, by promoting the gradual phasing out of coal for electricity generation in favour of an electricity mix based on a growing renewables share and, for the remainder, gas. A further goal concerns the important development of storage



capacity, which will also be gradually, but increasingly, directed toward "energy intensive" solutions to limit overgeneration and help achieve renewable energy consumption targets. Among storage technologies, hydropower storage systems are considered as the most mature option, together with electrochemical batteries solutions, with an objective of 1 GW of storage capacity installed by 2023. This transition is requiring and will keep doing, more and more over the next decades, replacement of fossil fuelled plants with renewable energy plants and the necessary infrastructure to be built with the proper planning;

- b) **Energy efficiency:** the Italian strategy provides for a mix of physical, economic (in particular maintaining existing incentives regimes), regulatory and policy instruments, calibrated towards the sectors of activity (*i.e.*, industry, transports and households) and type of beneficiaries;
- c) **Energy security:** In terms of security of supply, the aim is, on the one hand, to become less dependent on imports by increasing renewable sources and energy efficiency and, on the other hand, to diversify sources of supply (for example through the use of natural gas, including LNG, with infrastructure consistent with the scenario of full decarbonisation by 2050). The increasing development of RES would also need interventions over the existing electricity network with improvements and repowering interventions as well as the development of storage systems as a factor of stabilization and regulation of energy flows in peak or shortage periods;
- d) **Internal market:** a greater degree of market integration is considered to be advantageous to the entire Union, and therefore the electricity interconnections and market coupling with other Member States will be enhanced;
- e) **Research and innovation:** Italian strategy focuses on three criteria: (i) the finalisation of resources and activities geared towards the development of processes, products and knowledge related to the use of renewables, energy efficiency and network technology; (ii) the synergistic integration between systems and technologies; (iii) the milestones in the process towards full decarbonization.

On 26 February 2024, the MASE published the consultation regarding the update of the PNIEC. The consultation ended on 31 March 2024. The government expects to present the updated PNIEC to the EU Commission by 30 June 2024. The update takes into account the consequences of the recent energy crisis, which, if on the one hand it has accelerated some processes and introduced new tools, resources and reforms (for example through the PNRR, the RepowerEU Plan etc.), on the other hand it has created a complicated macroeconomic situation (inflation, bottlenecks in supply chains, etc.). The review of the PNIEC also considers the updated European decarbonisation objectives and the need to maintain the security and adequacy of the national energy system.

The PNIEC update process therefore followed a realistic and technologically neutral approach, which however aims to provide for a strong acceleration on renewable electricity sources; production of renewable gases (biomethane and hydrogen) and other biofuels; building renovations and electrification of final consumption (heat pumps); diffusion of electric cars and policies for the reduction of private mobility; CCS (capture, transport and storage of CO<sub>2</sub>).

This was done by providing for: (i) the updating and fine-tuning of already existing policies (regulation, simplifications, incentives); (ii) the full implementation of what is already provided for in the PNRR and in the new REPowerEU chapter; (iii) the definition of further policies in the fields of transport, industry, agriculture, research and economics.

Furthermore, to implement the European Directives on renewable energy and on the internal market for electricity in Italy, the following legislation has been approved:

- **Legislative Decree 210/2021:** provides for the strengthening of end customers' rights in terms of transparency (of offers, contracts, and bills), a greater opening of the market to demand and storage systems, the possibility of establishing closed distribution systems, and the introduction of a long-term supply system for storage capacity. One of the most prominent measures concerns the regulations provided for energy self-consumption schemes, as the energy community configurations. In addition to the modalities of participation and energy sharing being established, the figure of active customers is also defined, who can participate in the market individually, in aggregate or through energy communities and have the right to sell self-generated electricity on the market. Another important measure concerns the introduction of a new market mechanism to promote the development of energy storage systems, as pump storage plants or batteries.
- **Legislative Decree 199/2021 ("RED II Decree"):** lays down provisions on energy from renewable sources, and defines the tools, mechanisms, incentives, and institutional, financial, and legal framework necessary to achieve the targets for increasing the share of energy from renewable sources to 2030. An important measure concerns the

extension with some modifications of the current support mechanisms dedicated to renewable energies, also integrated in new energy self-consumption schemes.

## 2 ELECTRICITY REGULATION IN ITALY

Since the electricity market liberalisation conducted under Legislative Decree 79/1999 (the “**Bersani Decree**”), implementing the EU Directive 1996/92/EC on the internal electricity market, electricity activities have been primarily undertaken by private entities based on free competition. To date, except for distribution activity carried out under concession regime, and the activities of transport and dispatching, carried out by the national grid operator, the production, import, export, purchase and sale of electricity are free.

Distribution, transport and dispatching activities are incompatible with the other mentioned business unless the latter are carried out by different companies separated from a functional and accounting level. From an accounting perspective, the regulation has been established by ARERA with resolution No. 137/2016/R/com (TIUC). In accordance with the functional unbundling obligations provided for under Directive 2009/72/UE and Legislative Decree 93/2011, ARERA resolution 296/2015/R/COM provided for the Consolidated Text on Functional unbundling obligations for companies operating in the electricity and gas sectors – TIUF).

In addition to the functional unbundling obligations provided for in the sector legislation, Article 8, paragraph 2-bis, of Law No. 287/90 (Antitrust law) must be taken into consideration, pursuant to which companies that, by provisions of law, exercise the management of services of general economic interest or operate under a monopoly regime in the market, if they intend to carry out activities in the market, must operate through separate companies.

More recently, Legislative Decree No. 210/2021 provided: (i) active role of citizens and energy communities that are entitled to participate in the market, directly or through aggregators or by way of energy communities, to sell self-generated electricity as well as to take part in flexibility mechanisms and energy efficiency mechanisms; (ii) e-mobility, prohibition for the distribution system operators to own, develop, manage or operate electric vehicle charging points to be allocated through transparent and non-discriminatory auction procedures.

In compliance with the mentioned provision and the Legislative Decree 199/2021, ARERA issued the resolution 727/2022 (“**TIAD**”) regulating the different forms of participation to energy generation by citizens (self-consumptions, renewable energy communities, citizens energy communities etc.), effective from 1 March 2023 or the later date of entry into force of the Ministerial Decrees defining the support regime of self-consumption initiatives regulated under the TIAD. It is to be noted that under the TIAD, energy communities have the possibility to extend within a larger area (market area for shared energy and area subtended by primary cabin for self-consumed energy valorization) and to include also plants with a capacity until 1 MW. This will probably contribute to the creation of energy communities over the following years.

The Ministerial Decree for renewable energy communities was recently published and entered into force on 24 January 2024 (“**CACER Decree**”). Moreover, the operating rules were drafted to implement Article 11 of the CACER Decree and Article 11 of Annex A to the TIAD.

In the same direction, the regulatory framework on electricity sector has been updated by Law No. 124/2017 (the so called “**Competition Law**”). In particular, the Competition Law has endorsed measures aiming at removing regulatory barriers to market opening, promoting the development of competition and ensuring consumer protection.

As regards energy efficiency, Legislative Decree No. 102/2014, implementing the EU Directive 2012/27/UE, has provided measures to improve energy efficiency and to achieve the primary energy saving national target for the period 2014-2020, by means of three main tools: (i) the Energy Efficiency Certificate system, (ii) the tax deductions and (iii) the Energy Efficiency Support Scheme (*Conto Termico*).

### Capacity mechanisms

In accordance with Legislative Decree No. 379 of 19 December 2003 the availability of electricity capacity must be regulated by a compensation mechanism aimed at ensuring adequacy of the system to cover the demand with the necessary reserve margins. This mechanism shall ensure transparency and shall not cause distortion in the market, while reducing the total costs for consumers. As a consequence of a complex process involving Terna S.p.A. (the company that manages electricity transmission in Italy), ARERA and the Ministry of Economic Development (now, Ministry of Companies and Made in Italy (“**MIMIT**”)), on 30 June 2014 the Ministry of Economic Development (now, MIMIT) approved the Ministerial Decree that establishes the discipline for the provisional system of payments to remunerate producers that make

generation capacity available to the electricity system at times of peak demand, known as capacity payments (“**Capacity Payments**”).

The Capacity Payments model was a fixed revenue system of payment for participants offering generation capacity in the energy market. Under such a scheme, power plant operators would not only be remunerated for the electricity they produce but would also receive an additional payment for the guaranteed capacity they provide.

The above-mentioned mechanism has been superseded by the so called "**Capacity Market**".

The Capacity Market is a mechanism whereby Terna S.p.A. (as TSO) procures electricity capacity through forward contracts awarded via competitive auctions. With the auctions the participants have the right to receive an annual fixed premium for the capacity made available for a given period against the obligation to offer committed capacity on the energy markets and to return the difference, if positive, between the electricity price on the energy markets and a strike price defined by ARERA. Successful bidders execute with Terna S.p.A. an agreement whereby Terna S.p.A. remunerates the services provided in favor of the electricity system.

The Capacity Market regulation has been elaborated by Terna S.p.A. in accordance with the criteria established by ARERA with Resolution ARG/ELT/98/11 and Resolution 363/2019/R/EEL. The regulation has been approved by the MIMI with the Decree of 28 June 2019 and with a Decree by the Italian Ministry of Ecologic Transition (now MASE) of 28 October 2021. The mechanism took effect in November 2019, and provides for the procurement by Terna S.p.A. of the necessary capacity by way of auctions held in relation to a 4-year planning period (*orizzonte di pianificazione*) with delivery (*period di consegna*) at 1 year.

On November 2019, Terna S.p.A. held the auctions for the delivery years 2022 and 2023, while on 21 February 2022 for the delivery year 2024.

Auctions are open to existing generation units (*unità produttive esistenti*) as well as to new generation units<sup>1</sup>. In case of existing generation units the producer commits on a yearly basis, while for new generation units, the regulation in force provides for the possibility (upon choice of the operator) to execute a 15-year remuneration agreement, provided that the investments costs are not lower than a certain threshold defined by ARERA.

As regards the overall results of the auctions, for 2022 and 2023 Terna S.p.A. contracted the whole capacity offered by the participants at a premium for the existing and new generation capacity equal to respectively, Euro 33,000 MW/year and Euro 75,000 €/MW/year.

For the year 2024 Terna S.p.A. contracted 34.2 GW of existing capacity, 1.5 GW of licensed new capacity and 2.3 GW of unlicensed new capacity. The awarded premium in all national areas has been equal to Euro 33,000/MW/year for existing capacity and Euro 70,000/MW/year for authorised new capacity; for unlicensed new capacity the premium was - for the Northern area - about Euro 48,000/MW/year.

Alperia Trading S.r.l., by participating in the auction with the power plants owned by the Group for the delivery year 2022, was awarded 557 MW of existing capacity, which corresponds to revenues of 18.38 million. In addition, for the delivery year 2023 was awarded 660 MW, of which 614 MW of existing capacity corresponding to revenues of 20.26 million, and 46 MW of new capacity referring to the Lasa plant upgrade corresponding to revenues of 51.75 million. Finally, for the delivery year 2024 was awarded 632 MW of existing capacity, which corresponds to revenues of Euro 20.8 million; it was also awarded 22 MW of new unauthorised capacity referring to the refurbishment of the San Pancrazio plant, which corresponds to revenues of Euro 15.8 million over a 15-year period. In December 2023, Terna S.p.A. started a consultation on the regulation of the next Capacity Market auctions to be scheduled in the second half of 2024 for the 2025, 2026 and 2027 delivery periods. Terna consultation closed on 31 March 2024. In parallel, on 26 March 2024, ARERA started a consultation for the definition of the economic parameters of the capacity auctions related to 2025, 2026 and 2027 delivery periods. ARERA consultation will close on 26 April 2024.

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<sup>1</sup> Which include: (i) plants that have never been qualified to operate on the MGP market and have never been directly or indirectly connected to the network and for which the competent administration has issued the permits for construction and operation required by the regulations in force or for which the competent administration has initiated the procedures for the issuance; and (ii) plants for which renovation is planned or under implementation, to be completed by the beginning of the delivery period, for which the competent administration has issued the permits for the intervention or for which the competent Administration has initiated the procedures for the issuance.

On 28 April 2023, Terna S.p.A. launched a consultation process, in compliance with ARERA resolutions 98/2023 e 99/2023, whereby storage systems, starting from 1 July 2023, have been officially equaled to generation plants, thereby recognizing them as generation units for dispatching purposes. The consultation is aimed at modifying the existing regulation as regards the remuneration criteria and would apply to storage plants entering into operation by 17 March 2024. In this respect, it shall be noted that following the conclusion of the pilot phase, storage systems have been considered eligible to participate at the capacity market mechanism starting from the capacity market main session (*asta madre*) for 2024 held on 21 February 2022, where Terna S.p.A. contracted 1.1 GW of storage capacity.

At the same time, on 3 August 2022, with DCO 393/2022 ARERA started a consultation procedure for the definition of the criteria and conditions of the future storage system capacity mechanism as per the new provision of Art. 18, para 6, Legislative Decree 210/2021 providing for a specific storage capacity market (mainly for BEES and pumping facilities) managed by Terna S.p.A.. The provision is connected with the development of storage systems that should play a key role in the stabilization and strengthening of existing electricity infrastructures and ancillary services under the 10-year Terna S.p.A. development plan and the network plans local distribution companies are called to elaborate pursuant to Legislative Decree 93/2011 and Legislative Decree 210/2021.

With the entry into force of Legislative Decree No. 210/2021, implementing Directive 944/2019, the principles of the long-term procurement system for the purchase of new electricity storage capacity have been defined, based on competitive auctions conducted by Terna S.p.A. (the “MACSE”). In this respect, ARERA, on 6 June 2023, approved through Resolution 247/2023/R/eel through which it defined the criteria and conditions for the operation of the mechanism.

According to the information available, the MACSE is expected to support the construction of storage facilities with a cumulative capacity of 71 GWh and a total capacity of more than 9 GW until December 31, 2033.

Moreover, on 21 December 2023 the European Commission approved the MACSE with regard to state aid European regulation. In light of available information, the first auctions to procure new storage capacity through this mechanism are expected to be called by Terna S.p.A. at the beginning of 2025, following the expected approval by the MASE of the relevant regulations.

## TIDE

The dispatching services have undergone a significant reorganization by ARERA under the so-called Consolidated Text on Electricity Dispatching (“TIDE”) approved by ARERA on 25 July 2023 with resolution 345/2023/R/eel, following a previous consultation with the public held concluded on 31 March 2023.

The reform of the dispatching service is connected with the need to (i) rationalize the general regulatory framework of dispatching vis-à-vis the European framework and (ii) ensure the security of the electricity system in light of the increasing spread of non-programmable renewable energy source, expected to further grow in view of the achievement of 2030 and 2050 European decarbonisation targets (linked to the progressive substitution of conventional sources with renewables). This trend changes the nature and physical characteristics of the resources that can provide the ancillary services needed to ensure the safe operation of the system, making it necessary to remove any barriers that prevent their use.

The TIDE proposes an economic merit dispatching model in which all grid resources (at least in principle) can take on the dual role: the "main" role of producing or consuming energy (as appropriate) and the "ancillary" role of providing services, which consist of the willingness to modify or temporally shift production and consumption with respect to a given reference, at the request of the TSO or DSO. This reference is represented for programmable sources by the “withdrawal and injection schedule” and for non-programmable sources by the so-called “baseline”, which, in practice, corresponds to the state of operation of the non-programmable plant in the period immediately preceding the one in which the service is provided. In the future, therefore, there will no longer be a market for services with participation limited to a few concentrated resources (and in which aggregates are allowed only on an experimental basis), but a system built to make concentrated and distributed resources compete on the same level, based on organised platforms that ensure that the most efficient flexibility resources are selected, at any given time and for any specific need, *i.e.*, those that are able to modulate production or load at the lowest cost.

The TIDE will replace the current regulation on dispatching services (contained in ARERA resolution 111/06) starting from 1 January 2025.

In compliance with the provision of the TIDE, to which Terna S.p.A. network code must be aligned, Terna S.p.A. started as of 1 October 2023 the so called “Tide Stakeholder Group” a committee envisaged under the TIDE and composed by representatives of Terna S.p.A., E-Distribuzione S.p.A. as main DSO, minor local DSOs, representative of the Energy

Market Manager (*Gestore dei Mercati Energetici S.p.A. – GME*), trade associations of the energy sector (e.g. *Elettricità Futura*) and representatives of the ARERA and the *Acquirente Unico*.

### Promotion of renewable energy

With particular reference to the promotion of electricity generated by renewable sources, the main current support regimes in place for renewables are the following.

#### (A) *Off-take regime* (so-called “Ritiro Dedicato”)

Regulated under Annex A to ARERA Resolution No. 280/2007, it is managed by the national Energy Services Operator (“GSE”) and applies to plants below 10MVA or without power limitations to wind, solar, geothermic, wave tidal and hydraulic flowing water energy plants. Under agreements with the GSE, producers sell the electricity generated and to be injected into the grid to GSE, instead of selling it through bilateral contracts or directly on the power exchange market. GSE purchases and resells the electricity to be fed into the grid at the zonal price or, only for smaller plants, at minimum guaranteed prices defined by ARERA.

#### (B) *The FER Decree*

Jointly issued on 4 July 2019 by the Ministry of Economic Development (now, MIMIT) and the Ministry of Environment and Land and Sea Protection (now MASE), the Ministerial Decree at issue, known as “**FER Decree**”, sets the support regime for renewable energy plants, including PV plants. The support scheme applies to newly built, fully rebuilt and reactivated, repowered plants and plants undergoing power renovation. The FER Decree is the last one of a series of previous support mechanisms (e.g. CIP6, green certificates etc.) introduced in the past by the Italian Government to incentivize RES-E plants to reach the targets 2020 and 2030 of renewable energies in the energy mix.

Access to current incentives is based on qualification as a result of: (1) plants  $\geq 1$ MW: Dutch auctions up to the available capacity made available at each auction; and (2) plants  $< 1$ MW: registry enrolment up to the power quota made available for each enrolment session.

Tariffs are awarded based on the reduction on the base tariff offered by each participant. The base tariff varies according to the kind of energy power source as listed in Table 1.1. of Annex 1 to the FER Decree. The final incentive paid is equal to the difference between the awarded tariff and the hourly zonal price. The mechanism is based on contracts for difference, and thus the producer may have to pay back an amount in the case that the difference between the awarded tariff and the hourly zonal price is negative.

Although the FER Decree provided for only 7 awarding procedures that have been all carried out to date, Art. 9 RED II Decree allowed for plants to access the incentives under the FER Decree provided they qualify under any subsequent awarding procedure that the GSE has been mandated to call for the allocation of the unassigned power capacity resulting from the previous qualification procedures.

The possibility to access incentives under FER Decree on such terms is limited to the unassigned power capacity quota. Therefore, Plants could access incentives until the unassigned power capacity has been fully allocated under the eighth awarding procedure or any subsequent one (in case not all the capacity is allocated immediately) and provided they comply with the requirements for application illustrated above. To date further four awarding procedures have been held.

#### (C) *Upcoming support regime*

Art. 5 to 8 of RED II Decree provide for the main principles for the implementation of a new support regime for large scale (1 MW or more), small-scale (lower than 1 MW) renewable energy plants and self-consumption energy configuration as renewable energy communities. The implementation is left to Ministerial Decrees to be adopted within 180 days from the entry into force of Legislative Decree 199/2021 (thus by 13 June 2022).

The main principles of the new regime can be summarised as follows: a) the incentive is assigned through a tariff paid by the GSE on the electrical energy produced by the plant, or on the portion of such production that is injected into the grid or self-consumed; b) the incentive period starts from the date of entry into operation and is equal to the average conventional useful life of the type of plant in which it falls; c) the incentive is proportionate to the costs of the intervention in order to guarantee fair remuneration and is applicable to the construction of new plants, reactivation of decommissioned plants, complete reconstruction, upgrading and refurbishment of existing plants, also taking into account the different specific costs and the peculiar characteristics of the different applications and technologies; d) the incentive may be diversified on

the basis of the size and dimension of the plant in order to take into account the scale effect; e) the incentive is designed to favour the coupling of renewable energy plants with storage facilities and f) priority is given to plants installed on suitable areas as defined pursuant to Art. 20 RED II Decree.

For small scale plants: (i) in relation to technologies for which generation costs are close to market parity, access to the incentives occurs after the entry into operation upon application, without the need of a previous qualification under registries or auction procedures; admission is granted until the 5-year power capacity threshold (as established by the relevant Ministerial Decrees) is reached; the incentive should be designed such as to favor self-consumption as well as the coupling of plants with storage solutions; (ii) in relation to technologies for which generation costs are not close to market parity, access to the incentives occurs through pre-qualification awarding procedures with power quota caps.

For large-scale plants: access to the incentives occurs through rebate auctions.

Between August and September 2023, the consultation on the draft of the so called "**FER X**" Decree took place. The decree implements a support mechanism aimed at promoting the production of electricity from renewable source plants and will replace the previous FER Decree. Based on the draft circulated in March 2024 the following power plant will be able to access the mechanism (including revamping and repowering interventions): (i) photovoltaic solar systems; (ii) wind farms; (iii) hydropower plants; (iv) treatment plants for gases residual from purification processes. The so-called FER X Decree is subject to review/approval by the EU Commission.

Moreover, an additional decree to incentive innovative renewable energy plants or those with high generation costs (so called "FER 2 Decree"), should be introduced, by the end of 2024.

By September 2024, the Italian government should also issue a new decree (so called FER X-2 Decree) dedicated to decentralised applications of mature technologies (*i.e.*, wind, solar and hydropower) through the creation of smart grids.

All such incentive schemes should be based on the contract for difference mechanism which legitimacy has been recently deferred before the European Court of Justice.

In addition, based on press news, a decree supporting the construction of storage systems is expected to be adopted in November 2024.

Law-Decree 181/2023 also opened to the introduction of a support scheme for promoting investments in renewable energy generation alternative to the incentives system which will be based on power purchase agreements ("**PPAs**") executed with the GSE.

Finally, in relation to agro-voltaic plants, on 13 February 2024, the MASE published a dedicated Ministerial Decree providing for a specific support regime for experimental and innovative agro voltaic plants in connection with the PNRR funds. Access to the mechanism is granted through registries or auction procedures depending on the ownership and size of projects, which will take place during 2024. The incentives are reserved to agricultural entrepreneurs and their aggregations, or temporary business associations that include at least one agricultural entrepreneur.

#### Large hydropower concessions

Exercising electricity generation plants feed by hydroelectric energy are subject to obtaining a public water use concession (*concessione di derivazione*). The specific proceedings for the awarding of the concessionaire title as well as its renewal is regulated in particular by the Royal Decree No. 1775/1933, the Bersani Decree and, only for the autonomous provinces of Bolzano and Trento, by the Autonomy Statute of Trentino-Alto Adige. According to the current regulatory framework all the concessions are temporary (*i.e.*, granted for a determined period of time).

Although concessions should be per se temporary, for long time no awarding procedures have been performed, because of a series of national provisions providing from time to time for the prorogation (*proroga tecnica*) of the existing concession, with continuation of the concessions in favor of the original concessionaires, which led to the opening of an almost 20-year long infraction procedure by the UE (procedure 2011/2026) against Italy (and other Member States) for breach of competition rules, subsequently closed by the EU Commission due to the fact, among others, that the peculiarities of the hydroelectric sector would not allow for a higher degree of competition compared to the existing one.

In this respect, the regulation of large hydroelectric concessions has been recently considerably reformed, first by Law No. 205 of 27 December 2017 (Budget Law 2018, Article 1, Section 833 that modified the art.13 of the Autonomy Statute of

Trentino-Alto Adige), then by Decree-Law No. 135 of 14 December 2018 (converted, with amendments, into Law No. 12/2019), Law 160/2019 (Budget Law 2020) and most recently by Law No. 118/2022 (Competition Law 2021).

In light of the foregoing, the discipline of large hydroelectric concessions (i) in relation to ordinary regions (*Regioni a statuto ordinario*) is regulated by Art. 12 Bersani Decree; (ii) in relation to the Autonomous Provinces of Trento and Bolzano as well as the other special statute regions (*Regioni a statuto speciale*) is regulated by the latter in compliance with their competences under the special status although without prejudice to the fundamental principles established by the legislator.

As far as fundamental principles are concerned, pursuant to Art. 12 Bersani Decree, paragraphs 1-quarter and 1-sexies, without prejudice to what is provided by the Autonomy Statute for the Autonomous Provinces of Trento and Bolzano (see further below):(i) the awarding procedure for large hydroelectric concession should have started by 31 December 2023 and (ii) in relation to concessions expiring before or on 31 December 2024, the Region can allow for the continuation of the concession by the current concessionaire pending the performance of the awarding procedures, which must in any case be concluded within 3 years from the entry into force of the amended provision (thus by 27 August 2025).

#### (A) Ordinary Regions

The regions are required to regulate, by their own laws, the terms and procedures for awarding of concessions of large water derivations for hydroelectric purposes, which must take place within the following two years. The deadline for the adoption of these regulations was extended from 31 March 2020 to 31 October 2020 by Article 125-bis of Decree Law No. 18/2020 (converted with amendments into Law No. 27/2020), in relation to the state of emergency declared as a result of the epidemiological spread Covid-19. For regions affected by the 2020 regional elections, the aforementioned provision extended the deadline of 31 October 2020 by an additional 7 months from the date of appointment of the new regional council.

Regional laws must bear certain contents legislatively predefined by the national framework, such as the procedures to conduct awarding procedures; the deadlines for the start of the procedures; the admission and allocation criteria; the requirements of financial, organizational and technical capacity technical capacity appropriate to the object of the concession required of participants and the criteria for evaluating project proposals.

In particular, the laws should provide for the following minimum requirements, among which: (i) for the purpose of demonstrating adequate organizational and technical capacity of the concessionaire, the participants must have operated for a least 5 years hydro power plants with an average rated capacity of at least 3 MW; (ii) the terms of duration of new concessions, ranging from 20 to 40 years; the maximum term may be increased up to a maximum of 10 years, depending on the complexity of the proposed project submitted and the amount of the envisaged investment; (iii) management obligations or limitations, subject to which projects for the exploitation and use of the works and water, including the possibility of using the invaded water for hydroelectric purposes to cope with water crisis situations or for flood lamination; (iv) minimum energy improvements in terms generation power and producibility to be achieved taking into account the national strategic objectives on energy security and renewable energy sources; (v) minimum levels in terms of environmental improvement and rehabilitation of the catchment area; (vi) the modalities of evaluation by the relevant administration of the projects submitted as a result of to the awarding procedures, which will take place as part of a single procedure for the purpose of the selection of the submitted project proposals, which takes place of the environmental impact assessment procedure, the VINCA procedure with respect to the affected sites of community importance as well as of the landscape authorization, and any other act of consent, concession, permit however named for the authorization of the project, with the participation of the MASE, the MIMI and the MIC, as necessary.

Moreover, Art. 12 Bersani Decree clarifies that the concession can be assigned (i) to private companies through tender procedures or (ii) to public companies where the private shareholder is selected as a result of public procedures or (iii) through public-private partnership (*partenariato pubblico-privato*) in compliance with the provisions of the Code of Public Contracts (Legislative Decree 36/2023).

In relation to the remuneration in favor of the outgoing concessionaire (*concessionario uscente*), Art. 12, para 1, Bersani Decree provides that: (a) as regards wet works (*opere bagnate*, such as dams, penstocks, culverts etc.) if the concessionaire has performed interventions over the assets, at its own expense and during the period of validity of the concession, provided that such investments are envisaged in the concession or in any case authorised by the grantor, the former concessionaire is entitled to a compensation equal to the non-depreciated value of the assets; (b) as regards dry works (*opere asciutte* e.g. tangible assets) the outgoing concessionaire is entitled to an amount quantified pursuant to Art. 25, para 2 and ff., Royal Decree No 1775/1933 net of the depreciated assets, based on the criteria of Art. 12, paragraph 1-ter Bersani Decree. Thus, the amount should be calculated based on the estimated value of the assets in place, at the time of takeover, without

considering any potential income to be derived from it, as resulting from, in terms of residual value, the data available from the accounting records of the outgoing concessionaire or by means of a sworn appraisal.

It shall however be noted that based on Art. 12, para 1-ter Bersani Decree (providing for the criteria the Regions should follow when implementing the regulation on concessions awarding) the compensation recognised to the outgoing concessionaire may vary depending on the underlying assets that the new concessionaire is going to use, to be indicated in the project submitted by this latter new concessionaire for the concession awarding. Indeed, the compensation is recognised as long as the relevant asset is “used” and thus taken over by the new concessionaire. Otherwise, if movable, it will be dismantled, while if immovable, it will be simply retained by the outgoing concessionaire. Therefore, it may well happen that only some assets underlying the concession are transferred to the new concessionaire (so-called cherry picking), and not the whole going concern. In any case, as of today only a few regions have taken regulatory action and none of them has initiated the reallocation process, with the exception of Lombardia and Abruzzo Regions that recently started to call some tender’ process.

Specifically, with Regional Resolution (DGR) No. 1601 and 1602 of 18 December 2023, Lombardia Region has foreseen the imminent launch of the public procedures for the awarding of the “Resio” and “Codera Ratti-Dongo” large hydropower concessions. The procedures are opened to operators who have managed hydropower plants for at least 5 years and those who have managed large hydropower concessions for an average annual power equal or higher than 10,000 kW.

As regards Abruzzo Region, on 1 March 2024, the Region has suspended the public awarding procedure related to the awarding of three large hydropower concessions (*i.e.*, “S. Angelo” (58,4 MW), “Pratofranco” (7,7 MW) and “Tirino Medio” (3,2 MW)), due to objections raised by the MASE that led the Region to implement future changes to the existing regional law and consequently modify some criteria established by the competitive procedure.

During the parliamentary procedure for the approval of the newly published 2024 Energy Decree (*i.e.*, Law-Decree No. 181/2023) and the so called “Milleproroghe Decree” (*i.e.*, Law-Decree No. 215/2023), there was a consultation (currently ongoing) with European institutions in order to verify whether an adjustment of procedures and regulations (not in contrast with EU law and with Italian PNRR) allowing to extend the duration of the concessions in favour of the current concessionaires, aimed at reducing differences and unbalances between different Member States regulations and to unlock investments.

#### **(B)** *Autonomous Provinces of Trento and Bolzano*

With specific reference to the Trentino – Alto Adige Region, the issuance of new licenses or reassignment for large hydropower concessions is managed by the Autonomous Provinces, pursuant to the Decree of the President of the Republic No. 670/1972 recently modified (*i.e.*, the Autonomous Statute of Trentino-Alto Adige).

More precisely, Budget Law 2018, Budget Law 2020 and Competition Law 2021 modified Art. 13 of the Special Statute of Trentino Alto Adige.

Pursuant to the modified version of Art. 13 Special Statute of Trentino Alto Adige: (i) the autonomous provinces of Trento and Bolzano have been given the power to regulate, by provincial law, the methods and procedures for awarding concessions, establishing, in particular, procedural rules for the holding of tenders, the terms for calling the same tenders, admission and award criteria, and the financial, organizational and technical requirements of the participants; (ii) at the expiration of the concession, the so called wet works are transferred in the ownership of the autonomous provinces; (iii) concessions expiring before 31 December 2024 are automatically extended until the completion of the awarding procedures for the selection of the new incumbent.

The above transfer of competences is in any case without prejudice to the principle of uniform regulation of the main aspects of the discipline, *i.e.*, those related to the compliance with European regulation concerning awarding of public goods and services functional to the protection of competition and transparency (as clarified by the Constitutional Court with ruling No. 117/2022).

In relation to the remuneration in favor of the outgoing concessionaire (*concessionario uscente*) Art. 13 Special Statute provides that: (a) as regards wet works, the concessionaire who has made, at his own expense and during the period of validity of the concession, investments, provided that they are contemplated in the concession deed or otherwise authorised by the grantor, shall be entitled upon expiration of the concession, or in cases of forfeiture or renunciation, to an indemnity equal to the value of the part of the asset that has not been depreciated, in accordance with the relevant provincial law regulating such aspect; (b) as regards dry works, the concessionaire is entitled to an amount determined in accordance with Art. 25, para 2, Royal Decree 1775/1933, *i.e.*, the estimated value of the assets in place, at the time of takeover, without



considering any potential income to be derived from it (differently from Bersani Decree, which provides for dry works to value only the undepreciated part, with reference to accounting data or expert opinion and depending on the “use” of the relevant component).

In this respect, the autonomous province of Trento, in September 2022, adopted an amendment to provincial law 16/2022 providing for the suspension of the awarding procedures for those concessions in which respect the concessionaire presents or has presented an investment plan equal to the duration of such plan. The Italian Government challenged such provision before the Constitutional Court on 5 April 2023 starting also a confrontation with the autonomous province of Trento to find a viable solution taking into account also the industrial needs of the concessionaires promoting the investment plan. The confrontation should also examine the compatibility of potential scenarios of extension of the concessions vis-à-vis the competition principles.

Thereafter, with provincial law 20/2023 (in force as of 1 January 2024), also the autonomous province of Bolzano adopted its regulation on the awarding of large hydropower concessions. With province executive body (DGP) resolution No. 1074 of 5 December 2023, the autonomous province of Bolzano has selected the existing large hydropower concessions to be reallocated<sup>2</sup>, deeming the awarding through public procedure the most appropriate way.

As at the date of this Base Prospectus, the Alperia Group’s hydropower plants are located exclusively in the Autonomous Province of Bolzano. For further information, see “*Description of the Issuer and the Alperia Group – Business of the Alperia Group*” and “*Description of the Issuer and the Alperia Group – Concessions, licences and other public instruments*” above.

### Distribution

Distribution can be defined as the transportation and conversion of electric energy, from the transmission grid, on distribution networks of medium and low-voltage for delivery to end-users.

Distribution companies in Italy are licensed by the state (specifically, the Ministry of Companies and Made in Italy - former Ministry of Industry, Trade and Crafting - pursuant to Art. 1, para 1, Bersani Decree) to provide distribution services to all clients who request them. These clients are subject to the payment of applicable tariffs. As regards the Trentino-Alto Adige Region, electricity distribution concessions are granted by the autonomous provinces of Trento and Bolzano pursuant to Art. 1 DPR 235/1977 (specifying the competences transferred pursuant to Art 8, 9 and 10 of the Trentino-Alto Adige Region).

The Bersani Decree sought to promote the consolidation of the Italian electricity distribution industry by providing for a single distribution license within each municipality and establishing procedures to consolidate distribution activities under a single operator in municipalities where both Enel S.p.A. (the former monopolist) and a local distribution company were engaged in electricity distribution. The same Decree gave local distribution companies the right to request that Enel S.p.A. sell its distribution networks located in the municipalities where those companies already distributed electricity to at least 20% of the consumers.

Regulated activities are remunerated through the network tariff component, which is set directly by the ARERA at the same level for all operators on the national territory. At the end of 2019, with resolutions 568/2019/R/eel ARERA adopted the new tariff and quality regulation for transmission, distribution and metering services for the period 2020-2023 in the context of the eight-year regulatory period set under resolution 654/2015/R/eel. Capital expenditures, depreciation and operating costs for providing transmission, distribution and metering services are covered by tariffs set up by ARERA at the beginning of each regulatory period and updated on a yearly basis with an inflation and an efficiency parameter.

In 2015, with resolution 583/2015/R/com, it was established an overall reform of the “return on invested capital” (WACC), pursued to avoid the extreme rates’ volatility experienced during the last years of financial turbulences. This reform ARERA has established a floor to the risk free rate (one of the main component of the WACC formula), considered the minimum reasonable return for infrastructure investments, and has defined a “country risk premium” to isolate the higher return requested by investors to finance companies in high-risk countries (like Italy). In 2021, with resolution 641/2021/R/com ARERA set the parameters for the WACC formula in relation to the period 2022-2027.

With Resolution 163/2023 ARERA approved the integrated text of the regulation by expenditure and service objectives (ROSS) for regulated infrastructure services of the electricity and gas sectors for the period 2024-2031 (TIROSS 2024-

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<sup>2</sup> I.e., Premesa-Prembach (GS/80), Bruni-Brunek (GS/63), Ponte Gardena, Barbiano (GS/58), Naturno (GS/1292), Vizzate (GS/46), Curon (GS/986), Marlengo (GS/1) and Lappago (GS/100).

2031) defining, *inter alia* the criteria for determining the recognised cost common to all regulated infrastructure services of the electricity and gas sectors (the so-called “ROSS-base”) for the period 2024-2031, relevant for the determination of the constraint on companies’ allowed revenues. The “ROSS-base” approach will focus on total expenditures-including by using standard coefficients for defining capitalised expenditures, thus overcoming the current cost recognition regime that considers operating costs (with price-cap incentives) and capital expenditures (with a rate-of-return adjustment) separately.

The regulation confirms the tariff decoupling approach: for each regulated infrastructure service of the electricity and gas sectors, limitations on the allowed revenue are set, also through the definition of fees that size this constraint, together with the tariffs relevant to the use of infrastructure, which for distribution services are named “mandatory tariffs”. The balance between actual revenues and the companies’ allowed revenue is ensured by appropriate compensatory mechanisms. In service-specific regulations, compensatory mechanisms may be defined on account. Revenue related to compensatory mechanisms is covered through tariff components, including additional ones, for network use.

Efficiency incentives are calculated as a function of the difference between total reference spending, or total spending baseline, and total actual spending (total efficiency recovery). Total efficiency recovery, for the purpose of setting efficiency incentives, is distinguished into two parts: total efficiency recovery allocated to operations and total efficiency recovery allocated to investment. The allocation is made on the basis of allocation coefficients set in advance by ARERA, based on the efficiency recovery expectations related to investment and operational management, according to reasonableness criteria, when setting the tariff regulation for each regulated infrastructure service. Total efficiency recoveries allocated to investments are distributed between enterprises and users, for each regulated infrastructure service, on the basis of a sharing coefficient equal to 70%. As a result, enterprises are left with an incentive coefficient equal to 30% of the higher/lower efficiencies compared to the expenditure forecast.

As at the date of this Base Prospectus, the Alperia Group deals with the electricity distribution in several municipalities of the Province of Bolzano pursuant to Decree of the President of the Republic No. 235/1977. Specifically, through the company Edyna S.r.l., Alperia performs the electricity distribution services in the Province of Bolzano, previously awarded to Enel Distribuzione S.p.A.

Specifically, Edyna has undertaken the gas distribution activity following the merger in 2016 between Azienda Energetica Reti SpA-Etschwerke AG (AEW) and SELNET, of which SELNET was the former concessionaire performing the electricity distribution service in the territory of Alto Adige since 2011 (taken over from Enel Distribuzione S.p.A.). The electricity distribution service concession has a duration until 2030, as also indicated in the electricity distribution plan approved by the Autonomous Province of Bolzano with DGP n. 2626 on 30 July 2007. For further information, see “Description of the Issuer and the Alperia Group – Business of the Alperia Group” and “Description of the Issuer and the Alperia Group – Concessions, licences and other public instruments” above.

### Sale of electricity

Electricity is traded in two main markets, which are the wholesale and the retail markets.

#### **(A) Wholesale**

Following Bersani Decree, also the wholesale activity became a liberalised activity that can be carried out between companies that produce or buy and resell electric energy. The Italian Power Exchange (hereinafter the “IPEX”), which is managed by GME, is the venue where electric energy transactions take place. The IPEX is structured as follows:

- (a) **Spot Electricity Market** (*Mercato Elettrico a Pronti*) which, in turn, consists of four submarkets:
  - (i) **Day-Ahead Market** (*Mercato del Giorno Prima*, the “MGP”): it hosts most of the electricity sale and purchase transactions. The MGP market is an auction-based market and not a continuous-trading market. GME acts as a central counterparty.
  - (ii) **Intra-Day Market** (*Mercato Infragiornaliero*, the “MI”): the venue where market participants can modify the programs defined in the day-ahead market by submitting additional supply offers or demand bids. The MI takes place in three sessions. Unlike in the MGP market, accepted demand bids are valued at the zonal price. GME acts as a central counterparty. In addition to the three sessions, an additional session based on continuous-trading has been recently introduced (so called “MI-XBID” session). The MI-XBID is the session dedicated to the allocation of the intraday capacity among all Italian market zones and the other geographical areas comprised within the XBID network (*i.e.*, the network of European intra-day markets – currently

composed by 12 Member States in the context of the integration of all intra-day markets in the Single Intra-Day Coupling (SDC) established at European level).

- (iii) Daily Products Market (*Mercato dei Prodotti Giornalieri*): it is the venue for the trading of daily products with the obligation of energy delivery. GME acts as a central counterparty.
  - (iv) Dispatching Service Market or Ancillary Services Market (*Mercato del Servizio di Dispacciamento*): the venue where Terna S.p.A. procures the resources necessary to manage and control the system (intrazonal congestion resolution, power reserve creation, real-time balancing).
- (b) **Forward Electricity Market** (*Mercato Elettrico a Termine dell'energia elettrica con obbligo di consegna e ritiro*), where forward electricity contracts with delivery and withdrawal obligations are traded<sup>3</sup>.

In addition to the above, in March 2022, pursuant to Art 28 Legislative Decree 199/2021, the GME has established a dedicated on-line platform managed by the same entity for promoting the encounter between parties interested in selling and purchasing energy through PPAs – so-called *Bacheca PPA*. Participation to the *Bacheca PPA* is voluntary. Any contracts concluded by the parties participating to the PPA platform following the encounter on the platform or also outside the platform shall be registered in a dedicated section of the PPA platform. Registration does not affect the validity of contracts, but it serves as a tool for the GME to monitor transactions for evaluating the creation of a stable and regulated market on PPAs.

As at the date of this Base Prospectus, the Alperia Group acts in the wholesale market through Alperia Smart Services Srl and Fintel Gas e Luce S.r.l.. For further information, see “*Description of the Issuer and the Alperia Group – Business of the Alperia Group*”.

#### **(B) Retail**

As far as the retail market is concerned, with Law 124/2017 and subsequent interventions, the government has set a clear path to progressively abandon the so-called protected market regime (*maggior tutela*), reserved to households and SMEs that had not chosen a supplier on the free market as of 1 July 2007 (when all customers became “eligible”, *i.e.*, free to choose their supplier). Based on the current regulation set by ARERA under the Consolidated Text of Electricity Sale (TIV – ARERA Resolution 288/2022/R/eel), the electric supply regimes are the following:

- (i) protected market (*maggior tutela*), available to households until 30 June 2024, where the terms and conditions of supply are defined by ARERA as well as the economic conditions (updated every 3 months). Thereafter, households who by said date have not chosen a supplier on the free market will be supplied under the dynamic protected market (*servizio tutela graduale*), with the exception of the so-called vulnerable users (*clienti vulnerabili – i.e.*, those characterised by deprived economic conditions, life support machines, handicapped people, users of minor islands not interconnected and people beyond 75 years). Vulnerable users will continue being served by the cure provider of the protected market until the relevant supplier is selected by the *Acquirente Unico S.p.A.* as a result of public tender procedures yet to be performed. The supply period will last 4 years;
- (ii) dynamic protected market (*servizio tutela graduale – STG*), available to (a) as of 1 January 2021, small businesses and micro-enterprises with a committed capacity of more than 15 kW; (b) as of 1 April 2023 micro-enterprises and users different from households with a committed capacity of up to 15 kW; (c) as of 10 July 2024, households and other subjects different from those referred to under point (a) and (b) above who have not chosen a supplier in the free market. The supply is provided by companies selected as a result of public tender procedures held by the *Acquirente Unico S.p.A.* every 3 years (4 years for the supply to companies under point (b)).

Following the awarding procedures, the current selected suppliers are:

- A2A Energia S.p.A., Hera Comm S.p.A., Iren Mercato S.p.A: and Axpo Italia S.p.A. for the supply to users under point (ii) (a) above, depending on the relevant geographical area. The supply period goes from 1 July 2021 to 30 June 2024;

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<sup>3</sup> For the sake of completeness please note that a further market within the IPEX was the “Delivery of electricity derivatives” which was the platform for physical delivery of financial contracts concluded on IDEX (the derivatives segment of Borsa Italiana SpA) where financial electricity derivatives are traded and that it is no longer active.

- Hera Comm S.p.A., Sorgenia S.p.A, A2A Energia S.p.A. AGSM AIM Energia S.p.A., Illumia S.p.A., Estra Energie S.p.a. and Acea Energia S.p.A. for the supply to users under point (ii)(b) above, depending on the relevant geographical area. The supply period goes from 1 April 2023 to 31 March 2027;
  - Enel Energia S.p.A, Illumia S.p.A., E.ON Energia S.p.A., A2A Energia, Iren Mercato S.p.A./Salerno Energie Vendita S.p.A., Edison Energia S.p.A. and Hera Comm S.p.A. for the supply to users under point (ii) (c) above, depending on the relevant geographical area. The supply period goes from 1 July 2024 to 31 March 2027.
- (iii) last resort supply (*servizio di ultima istanza*), available to consumers not eligible for the protected market or the dynamic protected market or any other consumers that for whatever reasons remains without a supplier. The supply is provided by companies selected as a result of public tender procedures held by the *Acquirente Unico S.p.A.* every two years.

Sale of electricity in the retail markets can be performed only by subjects enrolled in the vendors list kept at the MASE established with Ministerial Decree n. 164 of 25 August 2022, in compliance with Art. 1, para 80, 80-bis and 81 Law 124/2017.

As at the date of this Base Prospectus, the Alperia Group acts in the retail market serving both households as well as other kind of customers based on a free market regime (without prejudice to the protected market regime which currently coexists with the free market). For further information, see “*Description of the Issuer and the Alperia Group – Business of the Alperia Group*”.

#### Extra Profits regulation

##### (A) *Extra-profits RES-E*

Art. 15-bis of Law-Decree No. 4/2022, converted into law, with amendments, by Law No. 25/2022 (hereinafter “**Art. 15-bis**”) provides for a provisional levy mechanism aimed at tackling additional revenues (so-called “extra-profits RES-E”) deriving from the high electricity market prices generated by the Russian-Ukrainian war on the assumption (as it emerges from the parliamentary work) that these would be contingent revenues.

Article 15-bis, in particular, introduced a two-way compensation mechanism for some renewable energy technologies on energy produced from 1 February 2022 to 31 December 2022 by the following plants:

- a. photovoltaic plants of more than 20 Kw capacity eligible for *Conto Energia* incentives not dependent on market prices.
- b. plants of more than 20 Kw power, not incentivised and powered by solar, hydropower, geothermal and wind power, provided that they entered into operation before 1 January 2010.

The measure provides for a “*contract for difference*” mechanism, considering:

- a “reference price” as specified in Annex I-bis attached to the decree (based on the arithmetic average of the hourly prices of each market zone, recorded from 1 January 2010 to 31 December 2020, equal to 58 €/MWh for market zone “North”);
- the “market price”, *i.e.*, in a nutshell, the price received by the producer for the sale of the energy set equal to the hourly zonal market price or, in case hedging contracts previously subscribed with an average price higher than the “reference price” + 10%, the price provided for in such contracts.

Art. 15-bis, paragraph 4, provides that in the event of a negative difference in the aforementioned values, the GSE is entitled to collect such amount from the producer either by offsetting or by requesting from the producer the corresponding amount, while if the difference is positive the GSE shall pay the relevant amount to the producer.

Pursuant to Art. 15-bis, paragraph 7, in relation to the year 2022, the mechanism under consideration does not apply provided that: (i) the sale of energy is governed by a contract entered into before 27 January 2022, which is not linked to the price trend of the energy spot markets; and (ii) the price stipulated in such contracts is not 10% higher than the reference price identified by the law, which is in any case much lower than the price cap introduced in the meanwhile

under EU Regulation 2022/1854 of Euro 180 per MWh. Pursuant to the implementing regulation adopted by ARERA with Resolution No. 266/2022/R/eel, producers had to provide the GSE with the relevant information necessary to determine the application or the exclusion from the mechanism within 10 August 2022. In this respect, Art. 4 Resolution No. 266/2022/R/eel provides for partial exemptions from the Extra-profits RES-E in relation to (i) revamping or repowered plants entered into operation before 1 January 2010; (ii) plants including storage systems (such as mixed pumping hydropower plants and plants including electrochemical batteries); (iii) hydropower plants for which the producer is obliged to supply energy for free the autonomous Provinces of Trento and Bolzano (limited to the amount of energy provided to such entities).

The above-mentioned provisions, together with the implementing regulation adopted by ARERA with Resolution No. 266/2022/R/eel, have been challenged by many operators before the regional administrative court (TAR) of Milan that on 1 December 2022 published its decision (limited to the ruling section – *dispositivo*) only on some selected cases, providing for the illegitimacy of the ARERA resolution<sup>4</sup>. The full judgement, including the whole reasoning of the court, has been made available only in February 2023. The TAR decision has been appealed before the State Council that on 22 March 2023 granted the preliminary suspension (*sospensione cautelare*) of the effectiveness of the first degree ruling, thereby restoring the ARERA implementing regulation and thus the effectiveness of the extra-profits RES-E mechanism. The public hearing has been scheduled on 5 December 2023.

In the meantime, following the changes introduced under Article 11 Law-Decree No. 155 of 9 August 2022, converted into law, with amendments, by Law No. 142 of 21 September 2022, the mechanism at issue has been extended until 30 June 2023. The same provision introduced further amendments.

In this respect:

- Art. 15-bis, paragraph 7-bis, Law-Decree No. 4/2022, introduced by Article 11, para 3, Law-Decree No. 155 of 9 August 2022, converted into law, with amendments, by Law No. 142 of 21 September 2022, provides that the two ways compensation mechanism does not apply to energy sale contracts executed between companies belonging to the same corporate group pursuant to Article 2497 to 2947-septies ICC;
- pursuant to Art. 15-bis, paragraph 7-ter, Law-Decree No. 4/2022, introduced by Article 11, para 3, Law-Decree No. 155 of 9 August 2022, converted into law, with amendments, by Law No. 142 of 21 September 2022, for the year 2023, the extra profit mechanism applies only to contracts entered into before 5 August 2022.

Such an extension has been implemented by ARERA with Resolution no. 143/2023/R/eel. On 23 June 2023, the GSE updated the technical rules concerning the implementation of the Extra-profits RES-E mechanism to take into account the amendments introduced under Law-Decree No. 155 of 9 August 2022 and to implement also ARERA Resolution no. 143/2023 (as specified in the official GSE news)<sup>7</sup>

Numerous disputes have been initiated against the extra-profits RES-E measure by various operators. The disputes are currently pending awaiting the ruling of the European Court of Justice, which has been called to express its opinion on the compatibility of the measure with EU Regulation no. 2022/1854/EU. The European Court of Justice is expected to rule on the topic before the end of 2024.

#### **(B) Budget Law 2023 extra-profits**

In addition to the above, a one-way compensation mechanism was introduced by Law 197/2022 (“**Budget Law 2023**”) for the period between 1 December 2022 and 30 June 2023 for plants not falling within the scope of the compensation mechanism set forth by Law Decree No. 4/2022 (the “**Budget Law 2023 extra profits**”). Specifically, Art. 1, para 30 to 38, Budget Law 2023, provide for a “price cap” one-way mechanism, applying from 1 December 2022 until 30 June 2023, considering:

- a) a “reference price” equal to the one established under EU Regulation 2022/1854 of Euro 180 per MWh. For sources with generation costs higher than Euro 180 per MWh, the reference price is equal to a value established in accordance with criteria defined by ARERA with the mentioned Resolution no. 143/2023, taking into account investment and operating costs and a fair return on investment. To this end, in the case of plants incentivised with

<sup>4</sup> It is worth noting that the TAR has not decided on the compatibility of Art. 15 bis and Arera Resolution no. 266/2022 with the EU Regulation 2022/1854 introducing a price cap of Euro 180 to the sale of energy, to be applied from December 2022 until June 2023. This non compatibility has been promoted by the claimants with so-called “*motivi aggiunti*”, not yet decided by the TAR.

<sup>7</sup> See <https://www.gse.it/servizi-per-te/news/extra-profitti-online-le-regole-tecniche-aggiornate>

one-way mechanisms other than those that replaced green certificates, the reference price is equal to the maximum value between the amount of Euro 180 per MWh and the incentive tariff;

- b) a “market price” equal to the monthly average of the hourly zonal market price, calculated as a weighted average for non-programmable plants, based on the production profile of the individual plant, and as an arithmetic average for programmable plants, or, for supply contracts entered into before the date of entry into force of Budget Law 2023 (*i.e.*, 13 January 2023) provided that they do not fall under the exclusion provided by Art. 1, para 37, Budget Law 2023, at the price indicated in such contracts

Art. 1, paragraph 33, Budget Law 2023 provides that in the event of a negative difference in the aforementioned values, the GSE is entitled to collect such amount from the producer or offset the same against other amounts due to the producer.

Pursuant to Art. 1, para 37, Budget Law 2023, the one-way mechanism at issue does not apply to:

- plants with a capacity of up to 20 Kw;
- electricity falling within the scope of Article 5-bis of Law-Decree No. 14 of 25 February 2022, converted into law, with amendments, by Law No. 28 of 5 April 2022;
- hedging contracts concluded before 1 December 2022, provided that they are not linked to the price trend of the energy spot markets and that, in any case, the average price is not higher than the reference price under point a) above;
- off-take regime agreements (RID) concluded with the GSE pursuant to Article 16-bis of Law-Decree No. 17 of 1 March 2022, converted into law, with amendments, by Law No. 34 of 27 April 2022, and which, in any case, are not stipulated at an average price higher than the reference price under point a) above;
- renewable source plants (i) for which the producer has executed an incentive agreement based on a two-way incentivisation mechanism, (ii) incentivised by way of all-inclusive fixed feed-in tariff (*tariffa onnicomprensiva fissa*) as well as (iii) electricity shared within energy communities and self-consumption configurations referred to in Article 30 of Legislative Decree 199/2021.

ARERA has introduced the implementing regulation of the one-way mechanism at issue with Resolution No. 143/2023/R/eel (which is thus common to both the extra-profits RES-E extended mechanism and the Budget Law 2023 extra profits). To date, however, the measure has not yet been applied, as the GSE has not adopted the related implementing rules.

#### Extraordinary solidarity contribution

##### **(A) *Decreto Ucraina-bis***

In order to cope with the increase in electricity and gas prices resulting from the effects of the Russian-Ukrainian crisis, on 21 March 2022 the government adopted Law-Decree No. 21/2022 (Urgent measures to counter the economic and humanitarian effects of the Ukrainian crisis) converted into law, with amendments, by Law No. 51 of 20 May 2022 (the so-called “***Decreto Ucraina-bis***”) subsequently amended by Article 55 of Decree-Law No. 50/2022, converted into law by Law No. 91/2022.

Specifically, Art. 37 of the aforementioned Decree provided, for the year 2022, an extraordinary solidarity levy to be borne by certain entities, with the declared purpose “*to contain for businesses and consumers the effects of the increase in prices and tariffs in the energy sector*”.

Recipients of this extraordinary levy measure are companies engaged in the business of producing electricity, natural gas or extracting natural gas for subsequent sale, entities reselling electricity, natural gas and methane gas or engaged in the business of producing, distributing and trading petroleum products. The levy is also payable by those who, for subsequent resale, permanently import electricity, natural gas or methane gas, petroleum products or who bring into the state territory said goods from other states of the European Union. The contribution is due if at least 75% of the turnover in the year 2021 is derived from the above-mentioned activities.

The taxable base is the increase in the balance between active and passive transactions for value-added tax (VAT), referring to the period from 1 October 2021 to 30 April 2022, compared to the balance of the period from 1 October 2020 to 30 April 2021.

The contribution shall be applied at the rate of 25% in cases where said increase exceeds Euro 5 million. The contribution is not due if the increase is less than 10% or, in any case, if the aforementioned threshold of Euro 5 million is not exceeded.

The provision at issue has been implemented by the Tax Agency with the Note of the Director of the Internal Revenue Service no. 221978 of 17 June 2022, Circulars n. 22/E of 23 June 2022 and Circular n. 25/E of 11 July 2022, defining the modalities for the collection of the solidarity levy at issue.

The implementing regulations have been challenged before the TAR Lazio. TAR Lazio has raised the question of the constitutional legitimacy of the law and the disputes are currently pending awaiting the decision of the Constitutional Court.

### **(B)** *Budget Law 2023*

Art. 1, para 115-121 Budget Law 2023 introduced an extraordinary contribution for the year 2023, which is de facto, with some changes, an extension of the one originally provided under *Decreto Ucraina bis* (i.e. Law Decree n. 21 of 21 March 2022, converted into law by Law n. 51 of 20 May 2022). Indeed, the contribution at issue applies to the same recipients and activities and is due if at least 75% of the turnover in the fiscal year before 1 January 2023 is derived from the above-mentioned activities.

The extraordinary contribution is determined by applying a rate equal to 50% on the amount of the portion of total income determined for corporate income tax purposes in relation to the fiscal year prior to the one in progress as of 1 January 2023, that exceeds by at least by 10% the average of total income determined for corporate income tax purposes in the four fiscal years prior to the one in progress as of 1 January 2022; in the event that the average of total income is negative, a value of zero shall be assumed. In this respect, it shall be noted that the threshold of 10% is in contrast with EU Regulation 2022/1854 providing for a threshold of 20%. Moreover, the scope of application of the national provision is also in contrast in that it involves also renewable energy generation, while according to the Regulation at issue the solidarity levy was to apply to companies active in gas, oil and refinery sector.

The amount of the extraordinary contribution, in any case, may not exceed 25% of the value of shareholders' equity as of the closing date of the fiscal year prior to the one in progress as of 1 January 2022.

Also the extraordinary solidarity contribution as deriving from the Budget Law 2023 has been challenged before the TAR Lazio. In this regard, on 16 January 2024 the TAR Lazio deferred to the exam of the Constitutional Court the legitimacy of the measure on the ground that the contribution was contrary to the art. 117 of the Italian Constitution with regard to the constraints deriving from European law and, specifically, from EU Regulation 1854/2022 as well as in relation to the articles. 3 and 53 of the Constitution, having identified critical issues in the provisions that established the criteria for calculating the taxable base of the contribution.

## **3 NATURAL GAS REGULATION IN ITALY**

Italian regulations enacted in May 2000 (Legislative Decree No. 164 of 23 May 2000, the “**Letta Decree**”) implementing EU directives on gas sector liberalisation (1998/30/EC) introduced competition into the Italian natural gas market through the liberalisation of the import, export, transport, dispatching, and sale of gas. The liberalisation process was successively strengthened by EU Directive 2003/55/EC and by EU Directive 2009/73/EC on natural gas internal market, comprised in the Third Energy Package as implemented in Italy by Legislative Decree 93/2011.

Pursuant to the Letta Decree, until 31 December 2010, no single operator was allowed to import or produce gas (for the purpose of selling such gas, directly or through subsidiaries, holding companies or companies controlled by the same holding company) in a quantity exceeding a specified percentage of the total domestic gas consumption, set at 75% in 2002 and decreasing by two percentage points each year thereafter, to 61% in 2010. At the same time, until that date, no single operator was allowed to hold a market share higher than 50% of domestic sales to final clients, directly or through subsidiaries, holding companies or companies controlled by the same holding company. Legislative Decree No. 130 of 23 April 2010 set new antitrust caps that prevent any single operator from introducing into Italy gas in a quantity exceeding 40% of domestic gas consumption. This cap may be lifted to 55% if the relevant operator invests in new storage capacity equal to at least 4 billion cubic meters.

Law No. 99/2009 foresees the constitution of a market exchange for the supply and sale of natural gas, managed by GME.

GME organises and manages the natural gas market (the “MGAS”). In the MGAS, parties authorised to carry out transactions at the “*Punto Virtuale di Scambio*” (PSV – Virtual Trading Point) may make spot purchases and sales of natural gas quantities. In the MGAS, GME plays the role of central counterparty of the transactions concluded by market participants. The MGAS consists of a Day-Ahead Gas Market (MGP-GAS), a Intra-Day Gas Market (MI-GAS) and a Forward Gas Market (MT-GAS).

### Transportation and dispatch

According to the Letta Decree, transporting and dispatching gas is considered an activity of public interest. Companies involved in these activities must guarantee access on a non-discriminatory basis to users who request it, provided that the connection works required are technically and economically feasible. Companies that carry out transport and dispatch activities govern the flow of gas and the auxiliary services needed for the system to function, including modulation. These companies are also responsible for the strategic storage of gas under MIMIT directives<sup>5</sup> and they must ensure compliance with any other obligations aimed at guaranteeing the safety, reliability, efficiency and lowest cost of the service and of supplies.

From 1 January 2002, only operators that have no other activities in the gas production process, except for storage activities, may transport and dispatch gas. Even so, all such storage and transportation activities must be accounted for separately.

### Storage

Pursuant to the Letta Decree, as modified by Law Decree No. 179/2012, storage activities are conducted under concessions, granted by the MIMIT, which have terms of 30 years and may be extended for one further ten-year period. Operators are required to provide storage services to third parties upon request, with priority for residential clients, provided that they have enough capacity and that providing such storage services are economically and technically feasible.

The ARERA regulates the storage tariff system establishing the criteria for the determination of tariffs for each regulatory period. With resolution 419/2019/R/gas, ARERA defined the storage tariffs for the regulatory period 2020-2025.

As at the date of this Base Prospectus, the Alperia Group does carry out gas storage activity through Alperia Trading S.r.l.

### Distribution

The Letta Decree established that distribution activities must be exercised only by operators having won tenders for gas distribution concessions for periods not exceeding 12 years. Licensees of distribution networks are obliged to grant access to any third party that so requests on the basis of tariffs set by the AEEGSI and in compliance with its network code. The AEEGSI, in July 2004, adopted Resolution No. 138/2004 (as subsequently amended by many AEEGSI resolutions), which sets the criteria for access to distribution services and for the drafting of the network codes by distribution operators, introducing special measures for the operations of interconnection points between transportation and distribution networks.

The operation of the gas distribution service is regulated by a concession agreement which provides, *inter alia*, the rules for the operation of the service by the concessionaire, the obligations and rights of the concessionaires on the assets, the quality service targets, the economic terms and conditions, consequences in case of defaults, conditions for the termination of the concession, etc. Nevertheless, outgoing operators are still required to continue providing the service, within the limits of the ordinary administration, until the date of the new assignments.

Prior to the implementation of the reform of the gas distribution sector started with the Letta Decree, all gas distribution concessions were awarded by Municipal Authorities. Subsequently Article 46 *bis* of Law Decree 159/2007 introduced the principle that gas distribution services must be rendered within wider geographical areas and no longer at a municipal level.

A first decree (Ministerial Decree dated 19 January 2011) setting out the criteria for establishing the territorial jurisdictions was published on 31 March 2011 and a second decree (Ministerial Decree dated 18 October 2011) defining the composition of the so-called *Ambiti Territoriali Minimi* (“ATEMs”) was published on 28 October 2011.

On 12 November 2011, the Ministry of Economic Development (now, MIMIT) adopted decree No. 226/2011, regulating the new tender procedure for the awarding of the distribution concessions within the ATEMs (“**Tenders Decree**”).

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<sup>5</sup> Legislative Decree No. 93/2011 abolished the ratio imports/strategic storage = 10%.



According to Article 12 of the Tenders Decree, the selection is made on the basis of the most economically convenient offer, calculated through the combination of three parameters (economic conditions, security and quality criteria and network development plans). A specific score is assigned to each of the aforementioned parameters by a commission of five independent members, on the basis of the sub-criteria and specifications established in the call for bids.

The terms originally expected to begin and carry out the tenders, however, were subject to numerous deferrals by way of Law Decree No. 69/2013, Law Decree No. 210/2015 (converted into law by Law No. 21/2016), Law Decree No. 244/2016 (converted into law by Law No. 19/2017). As a result, the terms for the publication of calls for tenders for the concession of natural gas services provided under Annex 1 to the Tenders Decree have been extended.

It has to be noted that to date that only few awarding procedures in relation to the ATEM have been called and assigned, however, given the current regulatory framework, current concessionaires continues to provide the distribution service in those areas for which new awarding procedures have not been called yet, as they are obliged by law to ensure continuity until the new incumbent is selected, even if the concession period is formally expired, as well as to receive the related remuneration tariffs established by ARERA.

At the expiration of the old concessions, the plants should have been transferred to the Municipalities upon the payment of an indemnity in favour to the outgoing concessionaire. Such indemnity may be paid by the new concessionaire or by the Municipalities themselves.

In several cases, there are disputes (pending before Administrative and Ordinary Courts) between the parties regarding the quantification of the indemnity and the related assessment is assigned to an arbitrators panel. Regarding the investments held by the previous concessionaire on the plants transferred to the new concessionaire, based on Article 24, Paragraph 1, of Legislative Decree 93/2011, the new concessionaire is required to step in to the existing guarantees and financing obligations or, as an alternative, to discharge them by paying to the previous concessionaire an amount equal to the repayment value (the “**Repayment Value**”) of the plants transferred.

The Repayment Value is due to the previous concessionaire at the expiration of the concession and is equal, for the first round of tenders, to the residual industrial value, then to the value of net fixed assets of locality (*immobilizzazioni nette di località*) of the distribution service, including construction in progress, net of public or private contributions, calculated using the methodology of the current tariff adjustment and on the basis of the consistency of the plants at the time of their transfer.

Costs for providing distribution and metering services are covered by tariffs fixed by the AEEGSI at the beginning of each reference period and updated on a yearly basis by applying defined mechanisms. Tariff reference periods used to have a length of 4 years, while the current tariff reference period has been set to 6 years from 2014.

Pursuant to Resolution No. 570/2019/R/gas (so-called “**RTDG 2020-25**”), ARERA has defined the methodology for determining the distribution tariffs for the fifth regulatory period 2020-2025, which was recently refreshed by Resolution No. 737/2022/R/gas for the second semi-period 2023-2025. Pursuant to Article 43 of the RTDG the national territory is divided into seven tariff areas each one having its own “*tariffa obbligatoria*”, while for each operator ARERA approves the “*tariffa di riferimento*”, determined in order to cover its own efficient costs, according to specific regulation rules. Starting from 2016, the return on capital is defined by the new regulation adopted with Resolution No. 583/2015/R/com (so-called TIWACC).

With Resolution 614/2021/R/com, another overall reform of the WACC occurred: ARERA, in order to adjust return on capital to renewed financial market, revised to value 5,6% (real, pre-tax) for the 2022; as electric service, the WACC future update is only triggered if the changes in the exogenous variables embedded in the formula result in a variation of the WACC above a certain threshold (50 bps). For 2023, Resolution 654/2022/R/com confirmed the same return on capital of 2022.

The Alperia Group acts as concessionaire in the gas distribution market of the Municipality of Merano through Edyna S.r.l. Edyna has undertaken the gas distribution activity following the merger between Azienda Energetica SpA-Etschwerke AG (AEW) and SELNET, of which AEW was the former concessionaire performing the natural gas distribution and metering in the territory of the Municipality of Merano by virtue of Resolution No. 59 of the Merano Municipal Council of 24 September 2003 (hereinafter the “Concession”) acquired in 2004 from Azienda Servizi Municipalizzati di Merano S.p.A. (hereinafter ASM SPA) originally entrusted with the service at issue. All assets and contracts related to the distribution activity are now in the name or availability of Edyna. A special service contract for the use of the networks, facilities and other assets owned by ASM SPA has been executed.

## Sale of natural gas

Sale of gas to end-users requires authorisation from the MASE, which can only be refused on objective and non-discriminatory grounds. Starting from 1 January 2012, companies authorised to sell gas are included the specific list managed and published by the MASE pursuant to Article 17 of Legislative Decree 164/2000.

Since 1 January 2003, all clients have been able to freely choose their suppliers of natural gas.

With Law 124/2017 and subsequent interventions, the government has set a clear path to progressively abandon the so-called protected market regime (*servizio di tutela*), reserved to households and SMEs that had not chosen a supplier on the free market as of 1 January 2003 (when all customers became “eligible”, *i.e.*, free to choose their supplier). Based on the current regulation set by ARERA under the Consolidated Text of Gas Sale (TIVG – ARERA Resolution ARG/gas 64/09, as amended from time to time), the regulated gas supply regimes are the following:

- (i) PLACET variable price regime (*Prezzo Libero a Condizioni Equiparate di Tutela*), available as of 1 January 2024, to households served in the protected market (*servizio di tutela*) that did not choose by then a supplier on the free market. The PLACET variable price regime is characterised by freely determined economic conditions) with price indexed to wholesale market trends) while the pricing structure and contractual conditions are established by ARERA (that also publish the periodical updates of such conditions) and cannot be derogated;
- (ii) last resort supply services (*servizi di ultima istanza*), which takes two forms:
  - a. the gas last supply service (*fornitura di ultima istanza gas – FUI*), applying to (i) certain categories of gas consumers that for whatever reasons do not have a gas supplier<sup>6</sup> and (ii) non-paying gas consumers that cannot be disconnected (*clienti morosi non disalimentabili*);
  - b. the gas default service (*servizio di default gas*), concerns the supply of gas to (i) consumers different from those entitled to the FUI service that remain for whatever reasons without a gas provider and (ii) consumers eligible for the FUI services but in which respect the FUI cannot be activated for any reasons.

Last resort supply services are provided by companies that must be listed in the gas retail sellers list and that are selected every two thermic years<sup>7</sup> by the *Acquirente Unico S.p.A.* by way of competitive procedures, in compliance with ARERA resolutions setting the modalities and criteria of the procedures.

The free market includes all clients not served under the regulated market regimes. Economic as well as contractual conditions are freely negotiated between the parties. However, there are a number of binding provisions that must be complied with (e.g. the Code of Commercial Conduct, provisions on billing, quality of services, withdrawal, switching etc.).

As at the date of this Base Prospectus, the Alperia Group operates in the sale of natural gas sector through Alperia Smart Services and Fintel Gas e Luce. For further information, see “*Description of the Issuer and the Alperia Group – Business of the Alperia Group*”.

## Heating service

District heating supply agreements are subject to the general provisions of the Italian Civil Code. However, in January 2012 the Antitrust Authority started a cognitive survey regarding the district heating market. The survey ended in March 2014 and analysed the possible competition constraints inside the regional heating markets. The final report issued by the Antitrust Authority wishes for the prompt adoption of a more homogenous national regulatory framework, although this regulation should not distort the competition.

Legislative Decree No. 102/2014, implementing the EU Directive 2012/27/UE, has attributed the regulatory power for heating/cooling service to the ARERA. At the date of this Prospectus the ARERA, following several consultations launched over the years involving the interested market operators, has defined a number of provisions concerning (i) the access of third-parties to district heating/cooling networks and withdrawal for end-customers (ARERA resolution 463/2021/R/tlr –

<sup>6</sup> *I.e.*, (i) households, (ii) apartment buildings with no more than 200.000 m<sup>3</sup> gas consumptions per year; (iii) public interest activities (e.g. schools, hospitals, prisons, nursing and retirement homes and other public and private facilities carrying out recognised assistance activities) and (iv) clients different from households and public relevant activities with gas consumptions not higher than 50.000 m<sup>3</sup>/year.

<sup>7</sup> A thermic year goes from 1 October of the relevant year to 30 September of the subsequent year

so-called TUAR), (ii) information transparency (ARERA resolution 574/2018/R/tlr) (iii) commercial quality of service (ARERA resolution 526/2021/R/tlr); (iv) technical quality of services (ARERA resolution 548/2019/R/tlr); (v) measurement services (ARERA resolution 478/2020/R/tlr). The regulation is based on a 3-year period.

As per the applicable regulation, gas and electricity distributors, including Alperia, can fulfil their obligation to achieve quantitative objectives of primary energy saving by carrying out energy-efficiency projects entitling them to the white certificates or acquiring the latter from other parties on the energy efficiency certificates market organised by the GME (please refer to the paragraph below “*Environmental Regulation In Italy*”). Projects aiming to issue white certificates may be submitted, *inter alia*, by gas and electricity distributors with more than 50,000 final costumers, companies operating in the energy services sector as well as companies and institutions with an energy management system pursuant to the ISO 50001 certified according to UNI CEI 11352 and UNI CEI 11339 rules.

After a consultation launched on 20 June 2023, ARERA approved Resolution No. 638/2023/tlr, whereby it defined the heating service tariffs first regulation for the period 1 January 2024 to 31 December 2024. In compliance with the provision of Article 10(18) of Legislative Decree No. 102 of 04/07/2014, as amended by Legislative Decree No. 13 of 24 February 2023, and ARERA Resolution 546/2023/R/tlr, the Resolution at issue does not address all aspects of tariff regulation, but it is a first step to a more comprehensive framework such as to favor a gradual approach to allow users and operators to adapt and maintain the economic-financial balance.

Specifically, Resolution No. 638/2023:

- (i) applies to heating service provider operating plants with a power higher than 30 MW;
- (ii) provides for a limit to the revenues deriving from the district service heating based on the avoided cost, such as the actual annual revenues deriving from the application of the fees for the supply of the district heating service (R) cannot exceed the annual revenue constraint (VR) set by the regulation. The VR constraint is calculated on the basis of the avoided cost, *i.e.*, with reference to the cost of alternative plants to district heating, represented by a gas boiler in methanised areas and a pellet-fueled plant in non-methanised areas.

Queries were addressed to ARERA on interpretative doubts and requests for clarification concerning the calculation of the VR revenue constraint, which have not yet been answered. Therefore, a simulation on the impact on the revenue structure is purely indicative.

From an initial analysis, it would appear that the overall revenues of the district heating service do not respect the constraint, and that therefore the provisions of paragraph 8.2 of Annex A to Resolution 648/2023 apply: in the event that the revenues actually achieved by the operator are greater than the revenue threshold, the relative deviations are deducted from the revenue threshold for the following years, according to the modalities that will be defined by ARERA with a subsequent provision.

When fully operational, the restriction on revenues shall reflect the costs of the service, in accordance with regulatory provisions. ARERA intends to shift from the avoided cost criterion to the service cost criterion starting from 1 January 2025.

However, given the time required to collect the necessary information from the operators in relation to the cost elements of the service, and given the technical timing of an ARERA consultation open to all interested parties, as mandatorily provided for in these cases, it cannot be excluded that the transitional period, initially envisaged for the year 2024 only, will be extended beyond one year.

On 20 December 2023, the MASE launched a consultation of the so-called “OIERT” decree, concluded on 31 January 2024. The OIERT decree defines the modalities by which public and private companies that sell thermal energy in the form of heat for heating and cooling to third parties, for quantities exceeding 500 TOE per year, must ensure that a share of the thermal energy sold derives from renewable energy sources.

The Alperia Group is currently the owner and the manager of heating plants in Bolzano, Merano, Verano, Chiusa, Lazfons and Sesto Pusteria. Furthermore, the Alperia Group is also the manager of the heating plant in Silandro. For further information, see “*Description of the Issuer and the Alperia Group – Business of the Alperia Group*”.

## 4 ENVIRONMENTAL REGULATION IN ITALY

In Italy, the regulatory framework on energy efficiency is in force as from 2005 and was originally regulated by two Ministerial Decrees enacted in July 2004. Under energy efficiency regulation, electricity and gas distributors are required to achieve end-use energy efficiency targets, with reductions in primary energy consumption. Major updates to the regulatory framework came in 2012 when most responsibilities were shifted from ARERA to GSE, and in 2017 when the Ministry for Economic Development Decree extended targets and obligations through 2021, defining new criteria for eligible energy efficiency projects and introduced a cap price to the Tariff Contribution. More recently (May 2021) a new decree was issued by the Ministry of the Ecological Transition, increasing the number of eligible projects and establishing national targets and obligations for the period 2021-2024.

The above-mentioned Ministerial Decrees provided that distributors who are required to achieve energy saving must deliver GSE a quantity of the so-called “energy efficiency certificates” (“**TEE**”) or “white certificates” equal to their energy saving obligation. The energy efficiency certificates, of a unit value of 1 TOE, are issued by GSE in favour of the distribution system operators, their subsidiaries and also in favour of ESCOs, energy service companies certified to the UNI EN 11352 standard. Since 2017, also companies who nominate a EGE (Expert in Energy Management) certified to the UNI 11339 standard or having their Energy Management System certified to the ISO 50001 standard can access the white certificate scheme.

This kind of project includes measures aimed at reducing the quantity of primary energy required to meet the customers’ energy demand or to reduce energy consumption.

Energy Efficiency Directive No. 2012/27/EU was implemented in Italy by Legislative Decree No. 102/2014 and amended in 2020 by Legislative Decree No. 73/2020 in accordance with Italian National Climate and Energy Plan, it expects the “white certificate” scheme to have a key role in achieving 2030 national energy saving target.

Through the Legislative Decree No. 102/14, it has also been introduced the energy audit obligation (art. 8 EED No.2012/27/EU) for non-SMEs, to be fulfilled every 4 years. This obligation is not occurring for those non-SMEs that have implemented an environmental or energy management system, certified by an independent body according to European or International standards. The energy audit obligation is expected to be reinforced in the new revision of the Energy Efficiency Directive (expected for the first half of 2023), through the introduction of new criteria for obliged entities identification and higher requirements for the obligation fulfilment.

With specific reference to emissions trading and, particularly, in relation to CO<sub>2</sub> Emissions, both the European Union and Italy are signatories to the so-called Kyoto Protocol setting legally binding targets for reduction of emissions in the context of the United Nations Framework Convention on Climate Change (UNFCCC). The Kyoto Protocol established an international carbon market to trade emission permits, allowing parties to comply with reduction targets in a cost-efficient way.

On 13 October 2003 the European Parliament and the Council passed Directive No. 2003/87/EC (hereinafter also referred to as the “**Emission Directive**”), which establishes a scheme for greenhouse gas emission allowance trading within the EU. The EU ETS works on the “cap and trade” principle. A cap is set on the total amount of certain greenhouse gases that can be emitted by the factories, power plants and other installations in the system. The cap is reduced over time so that total emissions fall. Within the cap, companies receive or buy emission allowances which they can trade with one another as needed. The limit on the total number of allowances available ensures that they have a value. After each year a company must surrender enough allowances to cover all its emissions, otherwise heavy fines are imposed. If a company reduces its emissions, it can keep the spare allowances to cover its future needs or else sell them to another company that is short of allowances. The flexibility that trading brings ensures that emissions are cut where it costs the least to do so.

The Emission Directive was originally implemented by means of Legislative Decree dated 4 April 2006, No. 216. Following the 2009 major revision, Legislative Decree No. 216/2006 was repealed and replaced by Legislative Decree 13 March 2013, No. 30. A revision of the EU ETS was adopted in 2018, applying to the phase IV of the regulation starting in 2021 and ending in 2030, which introduces several changes to ensure that the system will remain “fit for purpose” regarding the climate goals. Among the amended rules, a new methodology to allocate free EUAs to the installations, that will be greatly reduced and more accurately determined. This new methodology allows the system to keep up the incentive to reduce emissions when comparing abatement costs and the market price for EUAs, when not exempted from the costs through the free allocation. The revised EU ETS Directive was transposed in the Italian legislation through Legislative Decree n. 47 of 9 June 2020.

Later, the European Commission presented its plan to reduce EU greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels: an increase from the previous 40% reduction target. This level of ambition for the next years will put the EU on a balanced pathway to reaching climate neutrality by 2050. The new target was adopted in the framework of the **European Climate Law**.

On 14 July 2021, the Commission released the “**Fit for 55**” package, aiming to revise the entire EU 2030 climate and energy framework: more specifically, a proposed Directive to amend the EU ETS Directive, the Market Stability Reserve (“**MSR**”) Decision (Decision (EU) 2015/1814) and the Monitoring, Reporting and Verification (“**MRV**”) Regulation (Regulation 2015/757).

Following the legislative proposals, on 18 December 2022 the European Parliament and the European Council reached a provisional agreement to strengthen the EU ETS, applying emissions trading to new sectors for effective economy-wide climate action, and establishing a Social Climate Fund to ensure a fair transition to the new rules.

Emissions from the EU ETS sectors will be reduced by 62% by 2030, compared to 2005 levels. This represents a substantial increase of 19 percentage points compared to the 43% reduction under the existing legislation.

Finally, Decree Law No. 34/2020 (the so-called “Decreto Rilancio”) introduced a 110 percent tax deduction (the so-called “**Superbonus**”) for expenses related to energy efficiency upgrades (so-called EcoBonus) and seismic risk reduction (so-called SismaBonus) in condominiums and individual homes. In this regard, Mission 2, Component 3, Investment 2.1 of the PNRR has allocated more than 13 billion for the enhancement of the measure.

Following several changes to the *Superbonus* regulation under Law No. 234/2021, Art. 9, Law-Decree No. 176/2022, Art. 1, paragraph 894, Law No. 197/2022 and Law-Decree No. 104/2023, the possibility to benefit from the *Superbonus* at 110% has been limited to works concluded by 31 December 2023 as follows.

In relation to condominiums, buildings up to four apartments and apartments in condominiums for which it is not possible to perform insulation:

- (i) the building formalities (*pratica edilizia*) has been performed by 25 November 2022; and
- (ii) the condominium meeting (*assemblea condominiale*) has approved the works between 18 to 24 November 2022.

If the conditions under points (i) and (ii) are not met, it is possible to access Superbonus provided that, the building formalities (*pratica edilizia*) have been performed by 31 December 2022 and the condominium meeting (*assemblea condominiale*) has approved the works before 18 November 2022.

In relation to single-family buildings and functionally independent residential building units with one or more independent entrances from the outside located within multi-unit buildings, the *Superbonus* at 110% can be used in relation to works performed up to 30 September 2023 provided that as of 30 September 2022 at least 30% of the planned works have been performed.

In addition, the *Superbonus* at 110% can be used for demolition and reconstruction or buildings for which the application for the authorization of the relevant intervention has been filed as of 31 December 2022.

Outside such cases, it is still possible to benefit from *Superbonus* although in a reduced amount, i.e. (i) 90% for works performed in 2023; (ii) 70% for works performed in 2024 and (iii) 65% for works performed in 2025.

Certain technical requirements must also be met depending on the relevant interventions, as better defined under ministerial decree of 6 August 2020 jointly issued by the Ministry of Economic Development (now, MIMIT), MEF, Ministry of Environment and Land and Sea Protection (now MASE) and the Ministry of Infrastructure and Transport.

Lastly, further limitations to the application of the Superbonus have been introduced under Law-Decree No. 39/2024, such as it is requested that by 30 March 2024, depending on the relevant kind of intervention: (i) the building title has been requested or the building formalities (*pratica edilizia*) have been performed; (ii) the condominium meeting (*assemblea condominiale*) has approved the works and (iii) the works have already started or if not a started a binding agreement for the performance of such works has been executed and an advanced payment on the price made.

## TAXATION

*The statements herein regarding taxation summarise the principal Italian tax consequences of the purchase, ownership, redemption and disposal of the Notes.*

*This is a general summary that does not apply to certain categories of investors and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. It does not discuss every aspect of Italian taxation that may be relevant to a Noteholder if such Noteholder is subject to special circumstances or if such Noteholder is subject to special treatment under applicable law.*

*This summary also assumes that the Issuer is resident in the Republic of Italy for tax purposes, is structured and conducts its business in the manner outlined in this Base Prospectus. Changes in the Issuer's organisational structure, tax residence or the manner in which it conducts its business may invalidate this summary. This summary also assumes that each transaction with respect to the Notes is at arm's length.*

*Where in this summary English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian tax law.*

*The statements herein regarding taxation are based on the laws in force in the Republic of Italy as of the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The Issuer will not update this summary to reflect changes in laws and if such a change occurs the information in this summary could become invalid.*

*Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.*

### **Interest on the Notes**

#### ***Notes qualifying as bonds or securities similar to bonds***

Decree 239 regulates the income tax treatment of interest, premium and other income (including any difference between the redemption amount and the issue price, hereinafter, collectively, referred to as “**Interest**”) from notes falling within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by:

- (a) Italian resident companies whose shares are traded on a regulated market or on a multi-lateral trading facility of any EU Member State or State of the European Economic Area allowing a satisfactory exchange of information with the Italian tax authorities as included in the decree of the Ministry of Economy and Finance dated 4 September 1996, as subsequently amended and supplemented or superseded pursuant to Article 11 (4)(c) of Decree 239 (the “**White List Country**”); or
- (b) Italian resident companies whose shares are not listed as indicated above, *provided that* the notes are listed on the aforementioned regulated markets or facilities, or, if not traded in the aforementioned market or multilateral trading facility, when such notes are held by “qualified investors” (*investitore qualificato*) as defined pursuant to Article 100 of the Legislative Decree 24 February 1998, No. 58, as subsequently amended and supplemented as a result of Article 2, (1)(e) of Regulation (EU) 2017/1129, as implemented by Article 35 (1)(d) of CONSOB Regulation No. 20307 of 15 February 2018.

For this purpose, securities similar to bonds are securities that incorporate an unconditional obligation for the issuer to pay, at maturity (or at any earlier redemption), an amount not lower than their nominal value and that do not allow any direct or indirect participation either in the management of the issuer or in the business in connection with which they have been issued, nor any control on such management.

#### ***Italian resident Noteholders***

Where an Italian resident Noteholder is (i) an individual not engaged in a business activity to which the Notes are effectively connected, (ii) a non-commercial partnership, pursuant to Article 5 of the Italian Tax Code (“**ITC**”) (with the

exception of general partnership, limited partnership and similar entities), (iii) a non-commercial private or public institution or trust (except for Italian resident investment funds), (iv) an investor exempt from Italian corporate income taxation, Interest payments relating to the Notes, accrued during the relevant holding period, are subject to a substitutive tax, referred to as “*imposta sostitutiva*”, levied at the rate of 26% (either when the Interest is paid by the Issuer, or when payment thereof is obtained by the Noteholder on a sale of the relevant Notes). All the above categories are qualified as “net recipients” unless the Noteholder has opted for the application of the “*risparmio gestito*” regime – see “*Capital Gain Tax*” below. The *imposta sostitutiva* may not be recovered by the Noteholder as a deduction from the income tax due.

In the event that the Noteholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax. Interest is subject to the *imposta sostitutiva* and is included in the relevant income tax return. As a consequence, the Interest is subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity, or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 (“**Decree No. 509**”) and Legislative Decree No. 103 of 10 February 1996 (“**Decree No. 103**”), may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest relating to the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 13-bis of Law Decree 124/2019 and, as applicable, by Article 1(100-114) of Law No. 232 of 11 December 2016 (the “**Finance Act 2017**”), as subsequently amended and supplemented from time to time.

Pursuant to Decree 239, *imposta sostitutiva* is levied by banks, *società di intermediazione mobiliare* (“**SIMs**”), *società di gestione del risparmio* (“**SGRs**”), fiduciary companies, stock exchange agents and other entities identified by the relevant Decrees of the Ministry of Economy and Finance, as subsequently amended and integrated (the “**Intermediaries**”).

An Intermediary, to be entitled to apply the *imposta sostitutiva*, must satisfy the following conditions:

- (i) it must be: (a) resident in Italy; or (b) a permanent establishment in Italy of an intermediary resident outside of Italy; or (c) an entity or company non-resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Ministry of Economy and Finance (which includes Euroclear and Clearstream) having appointed an Italian representative for the purposes of Decree 239; and
- (ii) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of *imposta sostitutiva*, a transfer of the Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, *imposta sostitutiva* is applied and withheld by any Italian bank or any Italian intermediary paying Interest to a Noteholder or, absent that, by the Issuer. If Interest on the Notes is not collected through an Intermediary or any entity paying interest and as such no *imposta sostitutiva* is levied, the Italian resident Noteholders listed above under (i) to (iv) will be required to include Interest in their annual income tax return and subject them to a final substitute tax at a rate of 26%.

The *imposta sostitutiva* regime described herein does not apply in cases where the Notes are held in a discretionary investment portfolio managed by an authorised intermediary pursuant to the so-called discretionary investment portfolio regime (“**Risparmio Gestito**” regime as defined and described in “*Capital Gains*”, below). In such a case, Interest is not subject to *imposta sostitutiva* but contributes to determine the annual net accrued result of the portfolio, which is subject to an ad-hoc substitutive tax at 26% on the results.

The *imposta sostitutiva* also does not apply to the following entities, qualified as “gross recipients”, to the extent that the Notes and the relevant coupons are deposited in a timely manner, directly or indirectly, with an Intermediary:

- (i) *Corporate investors* – Where an Italian resident Noteholder is a corporation or a similar commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), Interest accrued on the Notes must be included in: (I) the relevant Noteholder’s yearly taxable income for the purposes of corporate income tax (“**IRES**”), generally applying at the current ordinary rate of 24%; and (II) in certain circumstances, depending on the status of the Noteholder, also in its net value of production for the purposes of regional tax on productive activities (“**IRAP**”), generally applying at the rate of 3.9% (certain categories of taxpayers, including banks, financial entities and insurance companies, are subject to higher IRAP

rates). The IRAP rate can be decreased or increased by regional laws up to 0.92%. Said Interest is therefore subject to general Italian corporate taxation according to the ordinary rules;

- (ii) *Investment funds* – Interest paid to Italian investment funds (including a *Fondo Comune d'Investimento*, a SICAV or a SICAF, as defined below, collectively, the “**Funds**”), (i) that are subject to the supervision of a regulatory authority and the Notes are timely deposited with an authorised intermediary or (ii) their manager are subject to the mentioned supervision, are subject neither to the *imposta sostitutiva* nor to any other income tax in the hands of the Funds. Proceeds distributed by the Funds to their unitholders are generally subject to a 26% withholding tax;
- (iii) *Pension funds* – Pension funds (subject to the tax regime set forth by Article 17 of Legislative Decree No. 252 of 5 December 2005, the “**Pension Funds**”) are subject to a 20% substitutive tax on their annual net accrued result. Interest on the Notes is included in the calculation of such annual net accrued result. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20% substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 13-bis of Law Decree 124/2019 and, as applicable, by Article 1 (100-114) of the Finance Act 2017, as amended from time to time; and
- (iv) *Real estate investment funds* – Interest payments in respect of the Notes to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 (the “**Real Estate Investment Funds**”) and to Italian resident “*società di investimento a capitale fisso*” to which the provisions of Article 9 of Legislative Decree No. 44 of 4 March 2014 apply (“**SICAFs**”) are generally subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the same Real Estate Investment Funds. Unitholders are generally subject to a 26% withholding tax on distributions from the Real Estate Funds. Law Decree No. 70 of 13 May 2011 (converted with amendments by Law No. 106 of 12 July 2011) has introduced certain changes to the tax treatment of the unitholders of Real Estate Investment Funds, including a direct imputation system (tax transparency) for certain non-qualifying unitholders (e.g. Italian resident individuals) holding more than 5% of the units of the Real Estate Fund.

#### **Non-Italian resident Noteholders**

An exemption from *imposta sostitutiva* on Interest on the Notes is provided with respect to certain beneficial owners resident outside of Italy, not having a permanent establishment in Italy to which the Notes are effectively connected. In particular, pursuant to Decree 239 the aforesaid exemption applies to any beneficial owner of an Interest payment relating to the Notes who: (i) is resident, for tax purposes, in a White List Country; or (ii) is an international body or entity set up in accordance with international agreements which have entered into force in the Republic of Italy; or (iii) is the Central Bank or an entity also authorised to manage the official reserves of a country; or (iv) is an “institutional investor” which is established in a White List Country, even if it does not possess the status of taxpayer in its own country of establishment (each, a “**Qualified Noteholder**”).

The exemption procedure for Noteholders who are non-resident in Italy and are resident in a White List Country identifies two categories of intermediaries:

- (a) an Italian or foreign bank or financial institution (there is no requirement for the bank or financial institution to be EU resident) (the “**First Level Bank**”), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below); and
- (b) an Italian resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via electronic link, with the Italian tax authorities (the “**Second Level Bank**”). Organisations and companies non-resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Ministry of Economy and Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, *provided that* they appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in Italy of a non-resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of 24 February 1998) for the purposes of the application of Decree 239.

In the event that a non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.



The exemption from the *imposta sostitutiva* for the Noteholders who are non-resident in Italy is conditional upon:

- (a) the timely deposit of the Notes, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and
- (b) the submission to the First Level Bank or the Second Level Bank of a statement of the relevant Noteholder (*autocertificazione*), to be provided only once, in which it declares that it is eligible to benefit from the exemption from *imposta sostitutiva*. Such statement must comply with the requirements set forth by a Ministerial Decree dated 12 December 2001, is valid until withdrawn or revoked and needs not to be submitted where a certificate, declaration or other similar document for the same or equivalent purposes was previously submitted to the same depository. The above statement is not required for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements entered into force in the Republic of Italy or Central Banks or entities also authorised to manage the official reserves of a State.

Additional requirements are provided for “institutional investors”.

Failure of a non-resident holder of the Notes to comply in due time with the procedures set forth in Legislative Decree No. 239 and in the relevant implementing rules will result in the application of the *imposta sostitutiva* on Interest payments to a non-resident holder of the Notes.

In the case of non-Italian resident Noteholders not having a permanent establishment in Italy to which the Notes are effectively connected, the *imposta sostitutiva* may be reduced (generally to 10%) or eliminated under certain applicable tax treaties entered into by Italy, if more favourable, subject to timely filing of the required documentation.

#### **Notes qualifying as atypical securities (*titoli atipici*)**

Interest payments relating to Notes that are neither deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) nor in the category of shares (*azioni*) or securities similar to shares (*titoli similari alle azioni*) are subject to a withholding tax levied at the rate of 26%.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 13-bis of Law Decree 124/2019 and, as applicable, by Article 1(100-114) of the Finance Act 2017, as amended from time to time.

Where the Noteholder is (i) a non-Italian resident person, (ii) an Italian resident individual not holding the Notes for the purpose of carrying out a business activity, (iii) an Italian resident non-commercial partnership, (iv) an Italian resident non-commercial private or public institution, (v) a Fund, (vi) a Real Estate Investment Fund, (vii) a Pension Fund, (viii) an Italian resident investor exempt from Italian corporate income taxation, such withholding tax is a final withholding tax.

Where the Noteholder is (i) an Italian resident individual carrying out a business activity to which the Notes are effectively connected, or (ii) an Italian resident corporation or a similar Italian commercial entity (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected), such withholding tax is an advance withholding tax.

In the case of non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, the above-mentioned withholding tax rate may be reduced (generally to 10%) or eliminated under certain applicable tax treaties entered into by Italy, if more favourable, subject to timely filing of the required documentation.

#### **Fungible issues**

Pursuant to Article 11(2) of Decree 239, where the Issuer issues a new Tranche forming part of a single series with a previous Tranche, for the purposes of calculating the amount of Interest subject to *imposta sostitutiva* (if any), the issue price of the new Tranche will be deemed to be the same as the issue price of the original Tranche. This rule applies where (a) the new Tranche is issued within 12 months from the issue date of the previous Tranche and (b) the difference between the issue price of the new Tranche and that of the original Tranche does not exceed 1% of the nominal value of the Notes multiplied by the number of years of the duration of the Notes.

## Capital Gains

### *Italian resident Noteholders*

Pursuant to Legislative Decree No. 461 of 21 November 1997 (“**Decree 461**”), as amended, a 26% capital gains tax (the “**CGT**”) is applicable to capital gains realised on any sale or transfer of the Notes for consideration by (i) an individual not engaged in a business activity to which the Notes are effectively connected, (ii) a non commercial partnership, pursuant to Article 5 of the Italian Tax Code (“**ITC**”) (with the exception of general partnership, limited partnership and similar entities), (iii) a non commercial private or public institution or trust (except for Italian resident investment funds), regardless of whether the Notes are held outside of Italy.

For the purposes of determining the taxable capital gain, any Interest on the Notes accrued and unpaid up to the time of the purchase and the sale of the Notes must be deducted from the purchase price and the sale price, respectively.

With regard to the CGT application, taxpayers may opt for one of the three following regimes:

- (a) “Tax declaration” regime (“*Regime della Dichiarazione*”) – The Noteholder must assess the overall capital gains realised in a certain fiscal year, net of any incurred capital losses, in his annual income tax return and pay the CGT so assessed together with the income tax due for the same fiscal year. Losses exceeding gains can be carried forward into following fiscal years up to the fourth following fiscal year. Since this regime constitutes the ordinary regime, the taxpayer must apply it to the extent that the same does not opt for either of the two other regimes;
- (b) “Non-discretionary investment portfolio” regime (“*Risparmio Amministrato*”) – The Noteholder may elect to pay the CGT separately on capital gains realised on each sale or transfer of the Notes. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs or other authorised intermediaries and (ii) an express election for the *Risparmio Amministrato* regime being made in writing by the relevant Noteholder. The *Risparmio Amministrato* lasts for the entire fiscal year and unless revoked prior to the end of such year will be deemed valid also for the subsequent one. The intermediary is responsible for accounting for the CGT in respect of capital gains realised on each sale or transfer of the Notes, as well as in respect of capital gains realised at the revocation of its mandate. Where a particular sale or transfer of the Notes results in a net loss, the intermediary is entitled to deduct such loss from gains subsequently realised on assets held by the Noteholder with the same intermediary and within the same deposit relationship, in the same fiscal year or in the following fiscal years up to the fourth following fiscal year. The Noteholder is not required to declare the gains in his annual income tax return; and
- (c) “Discretionary investment portfolio” regime (“*Risparmio Gestito*”) – If the Notes are part of a portfolio managed by an Italian asset management company, capital gains are not subject to the CGT, but contribute to determine the annual net accrued result of the portfolio. Such annual net accrued result of the portfolio, even if not realised, is subject to an ad-hoc 26% substitutive tax, which the asset management company is required to levy on behalf of the Noteholder. Any losses of the investment portfolio accrued at year end may be carried forward against net profits accrued in each of the following fiscal years, up to the fourth following fiscal year. Under such regime the Noteholder is not required to declare the gains in his annual income tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity, or social security entities pursuant to Decree No. 509 and Decree No. 103, may be exempt from Italian capital gain taxes, including the GGT, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 13-bis of Law Decree 124/2019 and, as applicable, by Article 1(100-114) of the Finance Act 2017, as amended from time to time.

The CGT does not apply to the following entities:

- (A) *Corporate investors* – Capital gains realised on the Notes by Italian resident corporate entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) form part of their aggregate income subject to IRES. In certain cases, capital gains may also be included in the taxable net value of production of such entities for IRAP purposes. The capital gains are calculated as the difference between the sale price and the relevant tax basis of the Notes. Upon fulfilment of certain conditions, the gains may be taxed in equal instalments over up to five fiscal years.

- (B) *Funds* – Capital gains realised by the Funds on the Notes are subject neither to CGT nor to any other income tax in the hands of the Funds (see “*Italian Resident Noteholders*”, above).
- (C) *Pension Funds* – Capital gains realised by Pension Funds on the Notes contribute to determine their annual net accrued result, which is subject to an 20% substitutive tax (see “*Italian Resident Noteholders*”, above). Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains realised upon sale or redemption of the Notes may be excluded from the taxable base of the 20% substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 13-bis of Law Decree 124/2019 and, as applicable, by Article 1 (100-114) of the Finance Act 2017, as subsequently amended and supplemented from time to time.
- (D) *Real Estate Investment Funds* – Capital gains realised by Real Estate Investment Funds and by SICAFs on the Notes are not taxable at the level of same Real Estate Investment Funds (see “*Italian Resident Noteholders*”, above).

### ***Non Italian resident Noteholders***

Capital gains realised by non-resident Noteholders (not having permanent establishment in Italy to which the Notes are effectively connected) on the disposal of the Notes are not subject to tax in Italy, regardless of whether the Notes are held in Italy, subject to the condition that the Notes are listed in a regulated market in Italy or abroad (e.g. Euronext Dublin).

Should the Notes not be listed in a regulated market as indicated above, the aforesaid capital gains would be subject to tax in Italy, if the Notes are held by the non-resident Noteholder therein. Pursuant to Article 5 of Decree 461, an exemption, however, would apply with respect to beneficial owners of the Notes, which are Qualified Noteholders. In order to ensure gross payments, non-Italian Qualified Noteholders must satisfy the same conditions set forth above to benefit from the exemption from the *imposta sostitutiva* in accordance with Decree 239.

In any event, non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a tax treaty with Italy providing that capital gains realised upon sale or transfer of Notes are taxed only in the country of tax residence of the recipient, will not be subject to tax in Italy on any capital gains realised upon any such sale or transfer.

### **Registration tax**

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) executed in Italy should be subject to a fixed registration tax (Euro 200); (ii) private deeds (*scritture private non autenticate*) should be subject to registration tax at a fixed amount (Euro 200) only in “case of use” or voluntary registration or occurrence of the so-called *enunciazione*.

### **Stamp duty**

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (the “**Decree 201**”), as subsequently amended and supplemented by Law No. 147 of 27 December 2013, a proportional stamp duty applies on an annual basis to any periodical reporting communications which may be sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary. The stamp duty is collected by banks and other financial intermediaries and applies, on a yearly basis, at a rate of 0.2%; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held. The stamp duty cannot exceed €14,000 for taxpayers other than individuals.

The proportional stamp duty does not apply to communications sent by Italian financial intermediaries to subjects not qualifying as clients, as defined by the Provision of the Governor of the Bank of Italy of 20 June 2012. Communications and reports sent to this type of investors are subject to the ordinary €2.00 stamp duty for each copy. Moreover, the proportional stamp duty does not apply to communications sent to Pension Funds.

Periodical communications to clients are presumed to be sent at least once a year, even though the intermediary is not required to send any communications. In this case, the stamp duty is to be applied on 31 December of each year or in any case at the end of the relationship with the client.

## **Wealth tax on securities deposited abroad**

Pursuant to Article 19(18) and (18-bis) of Decree 201, as subsequently amended by Article 1(710)(d) of Law No. 160 of 27 December 2019, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of ITC) resident in Italy for tax purposes, holding the Notes outside the Italian territory are required to pay a wealth tax at a rate of 0.2%. Such tax is due only in cases where the stamp duty described in the previous paragraph (Stamp Duty) is not due. For taxpayers different from individuals, the wealth tax cannot exceed Euro 14,000 per year.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the country where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Pursuant to Article 1, par. 91, lett. b), of law 30 December 2023, such tax has been established at a rate of 0.4%, as from the year 2024, of the value of financial products held in States or territories with a privileged tax regime identified by the decree of the Minister of Economy and Finance of 4 May 1999.

## **Inheritance and gift tax**

Inheritance and gift taxes apply on the overall net value of the relevant transferred assets, at the following rates, depending on the relationship between the testate (or donor) and the beneficiary (or donee):

- (a) 4% on the net asset value exceeding, for each person, Euro 1 million, if the beneficiary (or donee) is the spouse or a direct ascendant or descendant;
- (b) 6% on the net asset value exceeding, for each person, Euro 100,000, if the beneficiary (or donee) is a brother or sister;
- (c) 6% on the net asset value, if the beneficiary (or donee) is a relative within the fourth degree or a direct relative-in-law as well an indirect relative-in-law within the third degree;
- (d) 8% on the net asset value, if the beneficiary (or donee) is a person, other than those mentioned under (a), (b) and (c) above.

In case the beneficiary has a serious disability recognised by law, inheritance and gift taxes apply on its portion of the net asset value exceeding Euro 1.5 million.

The *mortis causa* transfer of financial instruments included in a long-term savings account (*piano di risparmio a lungo termine*) – that meets the requirements set forth in Article 13-bis of Law Decree 124/2019 and, as applicable, by Article 1 (100-114) of the Finance Act 2017, as subsequently amended from time to time – is exempt from inheritance tax.

## **Tax monitoring**

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990, as amended, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of ITC) resident in Italy for tax purposes who, at the end of the fiscal year, hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return).

The requirement also applies where the abovementioned persons, being not the direct holders of the financial instruments, are the actual owners of the instruments.

In relation to the Notes, such reporting obligation shall not apply if the Notes are not held abroad and, in any case, if the Notes are deposited with an Italian intermediary that intervenes in the collection of the relevant income and the intermediary applied withholding or substitute tax on income derived from the Notes.

## US Foreign Account Tax Compliance Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”) impose a reporting regime and potentially a withholding tax with respect to certain payments to any non-U.S. financial institution (a “**FFI**”) that does not enter into an agreement with the U.S. Internal Revenue Service (“**IRS**”) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA.

According to the intergovernmental agreement (“**IGA Italy**”) signed by the United States of America and the Republic of Italy on 10 January 2014 and implemented in Italy by Law No. 95 of 18 June 2015, a FFI is not generally subject to withholding under FATCA on any payments it receives. Furthermore, a FFI is not required to withhold from payments it makes (unless it has agreed to do so under the U.S. “qualified intermediary” regime, according to which, in certain cases, a 30% withholding tax is applied on the payments from sources within the United States).

Certain aspects of the application of these rules to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed U.S. Treasury regulations have been issued that *provided that* such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Moreover, on or prior to the date that is six months after the date on which final U.S. Treasury regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## SALE AND OFFER OF THE NOTES

### General

In connection with the Offering, Banca Akros S.p.A. and Equita SIM S.p.A. are acting as joint bookrunners (the “**Joint Bookrunners**”), Equita SIM S.p.A. as placement agent (the “**Placement Agent**”) has, according to Article 2.4.3 of the trading rules of Borsa Italiana, been appointed by the Issuer to, subject to the Placement Agreement, offer and display the Notes for sale on the MOT. Furthermore, pursuant to the Placement Agreement, Finint Private Bank S.p.A., Cassa di Risparmio di Bolzano S.p.A. and Cassa Centrale Raiffeisen dell'Alto Adige S.p.A. have been appointed as managers and selling agents (the “**Managers**”). The fees payable to the Joint Bookrunners and the Managers in connection with the Offering will be up to 1.35 per cent. of the total principal amount of the Notes issued pursuant to offers to purchase the Notes (“**Purchase Offers**”).

Under the Placement Agreement, the Joint Bookrunners and the Managers consider their clients to be each of the Issuer and potential Investors in the Notes. There are no interests of natural and legal persons other than the Issuer and the Joint Bookrunners and the Managers involved in the issue of the Notes, including conflicting ones that are material to the issue. For a disclosure of any potential conflict of interest see paragraph “*General information – 10. Potential Conflicts of Interest*” below.

### Offering of the Notes

#### *Offering Amount*

Subject to the Minimum Offer Condition, the Issuer is offering for subscription and listing and admission to trading on the MOT a minimum of €100,000,000 aggregate principal amount of the Notes (the “**Minimum Offer Amount**”) and a maximum of €200,000,000 aggregate principal amount of the Notes (the “**Original Maximum Offer Amount**”), subject to any reduction and/or increase up to €250,000,000 as specified below. The Original Maximum Offer Amount will be offered to the general public in Italy and to qualified investors and may be reduced by the Issuer at any time prior to 16:00 (CET) of the business day on which Borsa Italiana is open preceding the Launch Date (the amount so reduced being the “**Reduced Maximum Offer Amount**”). If the Original Maximum Offer Amount is reduced below €200,000,000 the Issuer will publish a notice specifying the Reduced Maximum Offer Amount on the Issuer’s Website and the Euronext Dublin Website and released through the RIS of Euronext Dublin (<https://direct.euronext.com/#/>) (the “**Euronext Dublin RIS**”). Moreover, in such a case a supplement to this Prospectus may be published by the Issuer to the extent that such reduction meets the requirements under Article 23 of the Prospectus Regulation.

For the purpose of this section, the “**Minimum Offer Condition**” will not be satisfied if, at the expiration of the Offering Period, Purchase Offers have not been placed sufficiently for the sale of at least the Minimum Offer Amount, in which case the Offering will be withdrawn.

The Issuer, in agreement with the Joint Bookrunners, may increase during the Offering Period, the Original Maximum Offer Amount or the Reduced Maximum Offer Amount up to a maximum overall amount of Euro 250,000,000 (the amount so increased being the “**Increased Maximum Offer Amount**”), *provided that*, (i) the Original Maximum Offer Amount or the Reduced Maximum Offer Amount may be increased only once and only to the extent that Purchase Offers (as defined below) were already placed for the entire Original Maximum Offer Amount or the Reduced Maximum Offer Amount and (ii) any amount exceeding the Original Maximum Offer Amount or the Reduced Maximum Offer Amount will only be offered to natural persons resident in the Republic of Italy. Such decision will be communicated to the public by publishing a notice specifying the Increased Maximum Offer Amount on the Issuer’s Website and the Euronext Dublin Website and released through the Euronext Dublin RIS. For the purpose of this section “*Sale and Offer of the Notes*”, “**Maximum Offer Amount**” shall mean the Original Maximum Offer Amount, the Reduced Maximum Offer Amount or the Increased Maximum Offer Amount, as applicable.

#### *Pricing Details*

The Notes will be issued at a price of 100 per cent. of their principal amount (the “**Issue Price**”).

#### *Disclosure of the Interest Rate, Yield and Redemption Prices and the Results of the Offering*

The interest rate (which shall not be less than the Minimum Interest Rate) will be determined on the basis of the tenor of the Notes, the yield and the demand by Investors in the course of the determination of the conditions (the bookbuilding procedure) prior to the start of the Offering Period. In the course of the bookbuilding procedure, the Joint Bookrunners

will accept within a limited period of time indications of interest in subscribing for the Notes from Investors, including credit spreads usually within a predetermined spread range. Subsequently, the Joint Bookrunners will determine, in consultation with the Issuer based on, among other things, the quantity and quality of the expressions of interest received from Investors during the bookbuilding procedure, the interest rate, the final yield and the redemption prices (expressed as a percentage of the principal amount on the redemption date, plus accrued and unpaid interest and additional amounts, if any, to the relevant redemption date). The interest rate of the Notes (which shall not be less than the Minimum Interest Rate), the yield and the redemption prices will be set out in the Interest Rate, Yield and Redemption Prices Notice, which will be filed with the Central Bank of Ireland, published on the Issuer's Website and the Euronext Dublin Website and released through the Euronext Dublin RIS prior to the start of the Offering Period.

The aggregate principal amount of the Notes, the number of Notes sold and the gross proceeds of the Offering will be set out in the Offering Results Notice which will be filed with the Central Bank of Ireland, published on the Issuer's Website and the Euronext Dublin Website and released through the Euronext Dublin RIS by no later than the second Business Day prior to the Issue Date. No trading in the Notes will start before the Offering Results Notice is published.

### *Conditions of the Offering*

Except for the Minimum Offer Condition, the Offering is not subject to any conditions. Subscription rights for the Notes will not be issued. Therefore, there are no procedures in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

### *Offering Period, Early Closure, Extension and Withdrawal*

The Offering will open on 21 May 2024 at 09:00 (CET) (the "**Launch Date**") and will expire on 31 May 2024 at 17:30 (CET) (the "**Offering Period End Date**"), subject to amendment, extension or early termination by the Issuer and the Joint Bookrunners (the "**Offering Period**").

Investors will be required to remit payment in exchange for the issuance of the Notes for which they have placed Purchase Offers on the Issue Date, which will initially be on or about 5 June 2024. In the case of an extension of the Offering Period, the Issue Date will be the fifth business day following the closure of the Offering Period. Notwithstanding any early closure of the Offering, the Notes will be issued on the original Issue Date (5 June 2024).

The Offering Period has been determined by the Issuer. The Issuer expressly reserves the right to amend or extend the Offering Period or modify the Launch Date and/or the Offering Period End Date in agreement with the Joint Bookrunners by giving due notice to the Central Bank of Ireland and Borsa Italiana, by way of a notice published on the Issuer's Website and the Euronext Dublin Website and released through the Euronext Dublin RIS, to the general public. Any notice of postponement or modification of the Offering Period will be given no later than two business days prior to the Launch Date.

Following the Launch Date and before the Offering Period End Date, the Issuer, in agreement with the Joint Bookrunners, may decide to extend the Offering Period. In case of an extension of the Offering Period a supplement to this Prospectus will be published in accordance with Article 23 of the Prospectus Regulation (a "**Supplement**") (to the extent such postponement or extension will be a significant new factor, as defined in Article 23 of the Prospectus Regulation).

If, during the Offering Period, Purchase Offers exceed the Maximum Offer Amount, the Joint Bookrunners, in agreement with the Issuer, will close the Offering prior to the expiration of the Offering Period, and no Purchase Offers in excess of the Maximum Offer Amount will be executed. The Issuer will promptly communicate an early closure of the Offering Period to the Central Bank of Ireland, Borsa Italiana and, by way of a notice published on the Issuer's Website, to the general public.

The Issuer and the Joint Bookrunners may withdraw the Offering at any time prior to 17:30 (CET) on the Offering Period End Date, including if Purchase Offers are lower than the Minimum Offer Amount. The Issuer will promptly communicate a withdrawal of the Offering to the Central Bank of Ireland and Borsa Italiana, first, and, subsequently, to the general public, by way of a specific notice published on the Issuer's Website and the Euronext Dublin Website, and released through the Euronext Dublin RIS.

The Joint Bookrunners, in agreement with the Issuer, expressly reserve the right to cancel the launch of the Offering at any time between the date of this Prospectus and the Launch Date or to withdraw the Offering at any time after the Launch Date and before 17:30 (CET) on Offering Period End Date in the case of (i) any extraordinary change in the political, financial, economic, regulatory, currency or market situation of the markets in which the Alperia Group operates which

could have a materially adverse effect on the Offering, or the economic, financial and/or operating conditions of the Issuer and/or the Alperia Group or on their business activities, or (ii) any act, fact, circumstance, event, opposition or any other extraordinary situation which has not yet occurred at the date of this Prospectus which may have a materially adverse effect on the Offering, or the economic, financial and/or management conditions of the Issuer and/or the Alperia Group or on their business activities. If the launch of the Offering is cancelled or the Offering is withdrawn, the Offering itself and all submitted Purchase Offers will be deemed cancelled. Prompt notice of any decision to cancel the launch of the Offering or withdraw the Offering after the Launch Date will be communicated to the Central Bank of Ireland, Borsa Italiana and, by way of a notice published on the Issuer's Website, and released through the Euronext Dublin RIS, to the general public.

If, prior to the Issue Date, Borsa Italiana has failed to set the start date of official trading of the Notes on the MOT (the "**MOT Trading Start Date**"), the Offering will be automatically withdrawn by giving notice to the Central Bank of Ireland and, no later than the day after notice has been given to the Central Bank of Ireland, by notifying the general public by way of a notice published on the Issuer's Website and the Euronext Dublin Website, and released through the Euronext Dublin RIS.

### ***Technical Details of the Offering on the MOT***

The Offering will occur prior to the start date of the official admission to trading on the Market and on the MOT. The Offering will take place on the MOT electronic platform through the distribution of the Notes by the Placement Agent to the Intermediaries (as defined below) and subsequent Purchase Offers made by Investors through Intermediaries (as defined below) and coordinated by the Placement Agent. The Placement Agent has been appointed by the Issuer to offer and display the Notes for sale on the MOT according to the trading rules of Borsa Italiana. Purchase Offers may only be made with the MOT through an investment company, bank, wealth management firm, registered financial intermediary, securities house and any other intermediary authorized to make Purchase Offers directly on the MOT or – if such institution is not qualified to perform transactions on the MOT – through an intermediary or agent authorized to do so (each an "**Intermediary**"). Purchase Offers must be made during the operating hours of the MOT for a minimum quantity of one Note of a par value of €1,000 and may be made for any multiple thereof.

During the Offering Period, Intermediaries may make irrevocable Purchase Offers directly or through any agent authorized to operate on the MOT, either on their own behalf or on behalf of third parties, in compliance with the operational rules of the MOT.

The Notes shall be assigned, up to their maximum availability, based on the chronological order in which Purchase Offers are made on the MOT. The acceptance of a Purchase Offer on the MOT does not alone constitute the completion of a contract with respect to the Notes requested thereby. The perfection and effectiveness of contracts with respect to the Notes are subject to confirmation of the correct execution of the Purchase Offer and issuance of the Notes. Each Intermediary through whom a Purchase Offer is made will notify Investors of the number of Notes they have been assigned within the Issue Date.

After the end of the Offering Period, the Euronext Dublin, in conjunction with the Issuer, shall set and give notice of the start date of the official admission to trading on the regulated market of the Euronext Dublin and Borsa Italiana shall set and give notice of the MOT Trading Start Date. The MOT Trading Start Date shall correspond to the Issue Date.

Investors wishing to make Purchase Offers who do not have a relationship with any Intermediary may be requested to open an account or make a temporary deposit for an amount equivalent to that of the Purchase Offer. In case of partial sale of the Notes or a cancellation or withdrawal of the Offering, all amounts paid as temporary deposits, or any difference between the amount deposited with the Intermediary and the aggregate value of the Notes actually sold to the Investor, will be repaid to the Investor who initiated the Purchase Offer by the Issue Date. See "*Terms and Conditions of the Payment and Delivery of the Notes*" below.

Except as otherwise set forth herein, Purchase Offers, once placed, may not be revoked. See "*Revocation of Purchase Offers*" below.

Any Purchase Offer received outside the Offering Period, or within the Offering Period but outside the operating hours of the MOT, will not be accepted. Investors may place multiple Purchase Offers. Purchase Offers placed by Italian Investors through telecommunication means are not subject to the existing withdrawal provisions applicable to distance marketing of consumer financial services, services in accordance with articles 67-bis and 67-duodecies of Legislative Decree No. 206 of 6 September 2005 as regards the public offer in Italy.



### ***Revocation of Purchase Offers***

If the Issuer publishes any Supplement, any Investor who has placed a Purchase Offer prior to the publication of the Supplement shall be entitled to revoke such Purchase Offer by delivering a written notice to the Intermediary through whom the Purchase Offer was made by no later than the second business day following the publishing of the Supplement in accordance with Article 23(2) of the Prospectus Regulation. The Intermediary will in turn notify the Joint Bookrunners of such revocation.

### ***Terms and Conditions of the Payment and Delivery of the Notes***

Investors will pay the Issue Price to the Intermediaries through whom they have placed Purchase Offers on the Issue Date.

A press release will be published to inform Investors and potential Investors of any early closure of the Offering, whereas in case of extension of the Offering Period, a Supplement to this Prospectus will be published by the Issuer in accordance with Article 23 of the Prospectus Regulation. In case of an extension of the Offering Period the Issue Date will be postponed to the fifth Business Day following the closure of the Offering Period, as extended. In case of an early closure of the Offering Period, the Issue Date will remain unchanged and the Notes will be issued on 5 June 2024. For more information about the circumstances in which the Offering Period may be closed early or extended, see “*Offering Period, Early Closure, Extension and Withdrawal*” above.

Ownership of interests in the Notes will be limited to persons that have accounts with Euronext Securities Milan or persons that hold interests in the Notes through any authorized financial intermediary institution entitled to hold accounts on behalf of its customers with Euronext Securities Milan, including any depository banks appointed by Euroclear and Clearstream, Luxembourg (the “**ESM Accountholders**”). Payments and transfers of the Notes will be settled through Euronext Securities Milan.

Neither the Issuer, the Paying Agents nor any of their respective agents will have any responsibility, or be liable, for any aspect of the records relating to the ownership of interests in the Notes.

### ***Costs and Expenses Related to the Offer***

The Issuer will not charge any costs, expenses or taxes directly to any Investor. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence related to the opening of a bank account or a temporary deposit account with an Intermediary, if necessary, and/or any costs related to the execution, acceptance and transmission of Purchase Offers imposed by such Intermediaries. See “*Technical Details of the Offering on the MOT*” above.

### ***Consent to the use of this Prospectus***

The Issuer has granted its consent to the use of this Prospectus for the Offering of the Notes during the Offering Period and accepts responsibility for the content of the Prospectus also with respect to the subsequent resale or final placement of the Notes by any financial intermediary which was given consent to use this Prospectus in Italy.

### ***Public Offer and Selling Restrictions***

The Offering is addressed to the general public in Italy and to qualified Investors (as defined in the Prospectus Regulation), as set out in paragraphs below, following the approval of this Prospectus by the Central Bank of Ireland for the purposes of the Prospectus Regulation, and the effective notification of this Prospectus by the Central Bank of Ireland to CONSOB according to Article 25 of the Prospectus Regulation.

Purchase Offers may only be placed through Intermediaries. Any persons who, at the moment of making a Purchase Offer, even if they are resident in Italy, may be considered as being resident in the United States or in any other country in which the offer of financial instruments is not permitted to be made unless it has been authorized by the competent authorities of such country (the “**Other Countries**”) are not entitled to subscribe for the Notes in the Offering.

If, according to the Intermediaries, Purchase Offers were made by persons resident in Italy in breach of the provisions in force in the United States or in Other Countries, the Intermediaries shall adopt any adequate measure to remedy the unauthorized Purchase Offers and shall promptly notify the Joint Bookrunners.

### *United States and its Territories*

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes have not been, and will not be, offered or sold within the United States or to U.S. persons (as defined in Regulation S) except in accordance with Rule 903 of Regulation S. Neither the Issuer nor the Intermediaries, nor any persons acting on their behalf, have engaged, or will engage, in any directed selling efforts with respect to the Notes. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are in bearer form and are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder, including TEFRA D.

In accordance with TEFRA D, the Joint Bookrunners, the Managers and each Intermediary represent and agree that:

- a) except to the extent permitted under TEFRA D, (a) it has not offered or sold, and until 40 days after the later of the commencement of the offering and the Closing Date (the “**Restricted Period**”) will not offer or sell, the Notes to a person who is within the United States or its possessions or to, or for the account or benefit of, a United States person and (b) it has not delivered and will not deliver within the United States or its possessions definitive Notes (if any) that are sold during the Restricted Period;
- b) it has, and throughout the Restricted Period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling the Notes are aware that such Notes may not be offered or sold during the Restricted Period to a person who is within the United States or its possessions or to, or for the account or benefit of, a United States person, except as permitted by TEFRA D;
- c) if the Intermediary is a United States person, it represents that it is acquiring the Notes for purposes of resale in connection with their original issuance and, if such Intermediary retains the Notes for its own account, it will only do so in accordance with TEFRA D;
- d) with respect to each affiliate (if any) that acquires from such Intermediary the Notes for the purpose of offering or selling such Notes during the Restricted Period, such Intermediary either (a) hereby represents and agrees on behalf of such affiliate to the effect set forth in the three bullet points above or (b) agrees that it will obtain from such affiliate, for the benefit of the Issuer, the representations and agreements contained in the three bullet points above; and
- e) such Intermediary will obtain for the benefit of the Issuer the representations and agreements contained in the four bullet points above from any person other than its affiliate with whom it enters into a written contract, as defined under TEFRA D, for the offer and sale during the Restricted Period of the Notes.

Terms used in this paragraph have the meanings given to them by Regulation S,

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### **EEA**

In relation to each Member State of the European Economic Area, the Notes which are the subject of the offering contemplated by this Prospectus will not be offered to the public in that Member State other than the Public Offer in the Republic of Italy from the time the Prospectus has been approved by the competent authority in Ireland and published and notified to the relevant competent authorities (including in Italy to the *Commissione Nazionale per le Società e la Borsa*) in accordance with the Prospectus Regulation, and provided that the Issuer has consented in writing to use of the Prospectus for any such offers, except that the Joint Bookrunners and the Managers may make an offer of such Notes to the public in that Member State:

- a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

- b) to fewer than 150 natural or legal persons in each Member State (other than qualified investors as defined in the Prospectus Regulation); or
- c) in any other applicable circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes shall require the Issuer or the Joint Bookrunners and the Managers to publish a prospectus pursuant to Article 3, paragraph 1, of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

## **UK**

The Joint Bookrunners and the Managers have represented and agreed that they have not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in the United Kingdom other than:

- (a) to any legal entity which is a qualified investor, as defined in Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom; or
- (c) in any other circumstances falling within section 86 of the FSMA, provided that no such offer of Notes shall require the Issuer or the Joint Bookrunners or the Managers to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

The Joint Bookrunners and the Managers have represented and agreed that:

- (a) they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by them in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the Notes in, from or otherwise involving the United Kingdom.

### *No sales to retail in the UK*

The Joint Bookrunners and the Managers have further represented and agreed that they have not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to retail investors in the United Kingdom.

For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

## **Italy**

The Joint Bookrunners and the Managers have represented and agreed that, in addition to the restrictions under section “*EEA*” above, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy must be made:

- (a) by *soggetti abilitati* (including investment firms, banks or financial intermediaries), as defined by Article 1, first paragraph, letter r), of the Financial Services Act, permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the Financial Services Act, CONSOB regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended from time to time (the “**Italian Banking Act**”) and any other applicable laws and regulations;
- (b) in compliance with any applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy and/or any other competent authority, including, without limitation, Article 129 of the Italian Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy issued on 25 August 2015 and amended on 10 August 2016 and 2 November 2020, as further amended from time to time, pursuant to which the Bank of Italy may request periodic reporting, data and information on the issue or the offer of securities in the Republic of Italy.

## GENERAL INFORMATION

### 1. Authorization

The issue of the Notes has been authorized by a resolution of the Management Board and a resolution of the Supervisory Board of the Issuer, both 29 April 2024, notarised by Notary Public Felipe Benvenuti with, respectively, *repertorio* and *raccolta*: 16528/14446 and *repertorio* and *raccolta*: 16529/14447 and registered with the Companies Register of Bolzano on 7 May 2024.

A *determina esecutiva* will be passed upon, if any, prior to the issue of the Notes.

### 2. Expenses related to Admission to Trading

The total expenses related to the admission to trading of the Notes are expected to amount to €1,000 in respect of the admission to trading of the Notes on the Euronext Dublin, and an amount ranging between €10,000 and €25,000 (depending on the size of the Offering) in respect of the admission to trading of the Notes on the MOT.

### 3. Listing and Admission to Trading

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and admitted to trading on the Euronext Dublin's regulated market. The Euronext Dublin's regulated market is a regulated market for the purposes of the MIFID II.

Application has also been made to list the Notes on the regulated MOT segment of Borsa Italiana. Borsa Italiana has admitted the Notes to listing on the regulated MOT segment with provision n. FIA-000167 dated 9 May 2024. The MOT Trading Start Date will be set by Borsa Italiana and shall correspond to the settlement date of the purchase agreements with respect to the Notes and the Issue Date. See "*Sale and Offer of the Notes – Offering of the Notes – Technical Details of the Offering on the MOT*" above.

### 4. Legal Entity Identifier

The Issuer's Legal Entity Identifier (LEI) is 815600117D7977461B75.

### 5. Legal and Arbitration Proceedings

Save as disclosed in "*Information about the Issuer and the Alperia Group – Legal proceedings*" above, neither the Issuer nor any other member of the Alperia Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware) in the 12 months preceding the date of this Prospectus which may have or have had in such period a significant effect on the financial position or profitability of the Issuer and/or the Alperia Group.

### 6. No significant/Material Change

Save as disclosed in "*Description of the Issuer and the Alperia Group – Recent Developments*" above, since 31 December 2023 there has been no material adverse change in the prospects of the Issuer no significant change in the financial position and financial performance of the Alperia Group.

### 7. Independent Auditor

The Issuer's current independent auditor is PricewaterhouseCoopers S.p.A., with registered office at Piazza Tre Torri, 2, 20145 Milan ("PwC"). PwC is registered under No. 119644 in the Register of Accountancy Auditors (*Registro Revisori Legali*) kept by the Italian Ministry of Economy and Finance, in compliance with the provisions of Legislative Decree no. 39 of 27 January 2010. PwC is also a member of the ASSIREVI (*Associazione Nazionale Revisori Contabili*), the Italian association of auditing firms, and is registered with the Public Company Accounting Oversight Board (PCAOB).

PwC's current appointment was conferred for a period of nine years expiring upon approval of Alperia's financial statements for the year ending 31 December 2024.

## 8. Documents available

For as long as the Notes are outstanding, copies of the following documents are or will be available for inspection at [www.alperigroup.eu/en/investors/green-bond-institutionalretail](http://www.alperigroup.eu/en/investors/green-bond-institutionalretail):

- (a) the By-laws (*statuto*) of the Issuer; and
- (b) this Prospectus, any supplement thereto, if any, and any document incorporated by reference therein.;

## 9. Clearing Systems

The Notes have been accepted for clearance through Euronext Securities Milan. The ISIN is IT0005595373 and the common code is 282170442. The address of Euronext Securities Milan is Piazza degli Affari 6, 20123 Milan, Italy.

## 10. Potential Conflicts of Interest

Banca Akros S.p.A. and Equita SIM S.P.A., in their capacity as joint bookrunners (the “**Joint Bookrunners**”) and Finint Private Bank S.p.A., Cassa di Risparmio di Bolzano S.p.A. and Cassa Centrale Raiffeisen dell'Alto Adige S.p.A. as managers and selling agents (the “**Managers**”), will receive certain commissions in relation to the Offering (as further described in section “*Sale and Offer of the Notes*” above).

The Joint Bookrunners, the Managers and their respective affiliates are financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities.

The Joint Bookrunners, the Managers and their affiliates have, from time to time, performed, and may currently and/or in the future perform, various financial services, such as financial advisory, investment and corporate banking, commercial lending and banking, consulting and other commercial services in the ordinary course of business for the Issuer and its affiliates, and may have from time to time in the past held, and may in the future hold, positions in the Issuer and its affiliates’ securities or enter into hedging or general derivative transactions with the Issuer and its affiliates in the ordinary course of business, for which they received or will receive customary fees and commissions and reimbursement of expenses.

In the ordinary course of their various business activities, the Joint Bookrunners, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve the Issuer and its affiliates’ securities and/or instruments (directly, as collateral securing other obligations or otherwise). The Joint Bookrunners, the Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and at any time may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

If any of the Joint Bookrunners, the Managers and their respective affiliates have a lending relationship with the Issuer and its affiliates, certain of the Joint Bookrunners, the Managers and their affiliates may routinely hedge their credit exposure to the Issuer and its affiliates in a manner consistent with their customary risk management policies. Typically, Banca Akros S.p.A. and Equita SIM S.p.A. and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer and its affiliates’ securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby.

There are no interests of natural and legal persons other than the Issuer and the Joint Bookrunners and the Managers involved in the issue of the Notes, including conflicting ones that are material to the issue.

## 11. Foreign Languages used in the Prospectus

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

## **12. Yield**

On the basis of the issue price of the Notes of 100 per cent. of their principal amount and a Minimum Interest Rate of 4,5 per cent. per annum, the gross real yield of the Notes is a minimum of 4,5 per cent. on an annual basis. The final yield will be set out in the Interest Rate, Yield and Redemption Prices Notice (see “*Sale and Offer of the Notes – Disclosure of the Results of the Interest Rate, Yield, Redemption Prices and the Offering*” above). The yield indicated in this paragraph is calculated, and the final yield set out in the Interest Rate, Yield and Redemption Prices Notice will be calculated, as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

## **13. Websites**

In this Prospectus, references to websites or uniform resource locaters (“URLs”) are inactive textual references. The contents of any such website or URL (other than the contents of the URL’s contained in the section entitled “*Documents Incorporated by Reference*” which is incorporated by reference herein) shall not form part of, or be deemed to be incorporated by reference into, this Prospectus and have not been scrutinised or approved by the Central Bank of Ireland or the MOT.

## **14. Post-issuance Information**

The Issuer will not provide any post-issuance information, except if required by any applicable laws and regulations.

## **15. European Single Electronic Format**

As clarified in the 2023 Consolidated Financial Statements (incorporated by reference into this Prospectus), prior to the issue of the Notes the Issuer was not within the scope of Directive 2013/50/EU and was therefore not required to prepare its consolidated financial statements in an ESEF (*European Single Electronic Format*), being the issuer of notes with a denomination per unit of at least Euro 100,000 in accordance with Directive 2004/109/EC, as implemented by Ireland as the home Member State chosen by the Issuer. Upon the issue of the Notes, as the Notes have a minimum denomination of Euro 1,000 each, the Issuer will fall within the scope of Directive 2013/50/EU and will therefore be required to prepare its consolidated financial statements in an ESEF (*European Single Electronic Format*) in accordance with Directive 2004/109/EC, as implemented by Ireland as the home member state chosen by the Issuer.

## REGISTERED OFFICE OF THE ISSUER

**Alperia S.p.A.**  
Via Dodiciville 8  
39100 Bolzano  
Italy

## PLACEMENT AGENT

**Equita SIM S.p.A.**  
Via Filippo Turati 9  
20121 Milan  
Italy

## JOINT BOOKRUNNERS

**Banca Akros S.p.A.**  
Viale Eginardo 29  
20149 Milan  
Italy

**Equita SIM S.p.A.**  
Via Filippo Turati 9  
20121 Milan  
Italy

## MANAGERS

### **Finint Private Bank S.p.A.**

Corso Monforte, 52  
20122 Milan  
Italy

### **Cassa di Risparmio di Bolzano S.p.A.**

Via Cassa di Risparmio 12  
39100 Bozen  
Italy

### **Cassa Centrale Raiffeisen dell'Alto Adige S.p.A.**

Via Laurin, 1  
39100 Bozen  
Italy

## PAYING AGENT

### **BNP Paribas, Italian Branch**

Piazza Lina Bo Bardi 3  
20124 Milan  
Italy

## LISTING AGENT

### **Walkers Listing Services Limited**

5th Floor, The Exchange  
George's Dock, IFSC  
Dublin 1  
Ireland

## LEGAL ADVISERS

*To the Joint Bookrunners as to Italian Law and Italian Tax Law*

**Dentons Europe Studio Legale Tributario**  
Via XX Settembre 5  
00187 Rome  
Italy

*To the Issuer as to Italian Law and Italian Tax Law*

**Legance Avvocati Associati**  
Via Broletto 20  
20121 Milan  
Italy

## AUDITORS

### **PricewaterhouseCoopers S.p.A.**

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20145 Milan  
Italy