Prospectus

COMPAGNIA VALDOSTANA DELLE ACQUE - COMPAGNIE VALDÔTAINE DES EAUX S.p.A.

(incorporated with limited liability under the laws of the Republic of Italy)

€30,000,000 5.30% Notes due 14 December 2038

The €30,000,000 5.30% Notes due 14 December 2038 (the "**Notes**") of Compagnia Valdostana delle Acque - Compagnie Valdôtaine des Eaux S.p.A. ("**CVA**" or the "**Issuer**") are expected to be issued on 14 December 2023 (the "**Closing Date**") at an issue price of 100 per cent. of their principal amount.

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on 14 December 2038.

The Notes will bear interest from (and including) 14 December 2023 at a rate of 5.30 per cent. per annum, which will be payable semi-annually in arrear on 14 June and 14 December each year commencing on 14 June 2024. Payments on the Notes will be made in Euro.

Unless otherwise specified in "*Description of the Notes – Tax Indemnification*", all payments made by the Issuer with respect to the Notes will be made without withholding for taxes, unless withholding of taxes is required by law.

This prospectus (the "**Prospectus**") constitutes a prospectus for the purposes of Article 6 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under the Prospectus Regulation. The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") for the Notes to be admitted to the Official List and trading on its regulated market. This Prospectus is available for viewing on Euronext Dublin's website (https://live.euronext.com/en/product/bonds-detail/28138/documents) and both this Prospectus and the information incorporated by reference herein may be accessed on the Issuer's website (*www.cvaspa.it*) (see "*Information Incorporated by Reference*").

An investment in the Notes involves certain risks. For a discussion of these risks, see "*Risk Factors*" on page 10.

The Notes will be in registered form, without interest coupons, and in the denominations of €100,000 and in integral multiples of €100. The Notes will be in the form of a global certificate (the "**Global Note Certificate**"), which will be deposited on or around the Issue Date with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**"). The Global Note Certificate may be exchangeable, in whole or in part, for individual note certificates (the "**Individual Note Certificate**") in certain circumstances, as specified in "*Transfer and Exchange of Notes*" below.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and the Issuer has not been registered under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The Notes may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S of the Securities Act) unless so registered, or an exemption from the registration requirements of the Securities Act is available. The Issuer does not intend to register any portion of the offering of the Notes in the United States or to conduct a public offering of the Notes in the United States. The Notes are being offered and sold by the Issuer only (1) to non-U.S. Persons outside the United States in reliance on Regulation S of the Securities Act, and (2) to, or for the account or benefit of, U.S. Persons that are "accredited investors" (as defined in Rule 501(a)(1), (2), (3), or (7) of Regulation D under the Securities Act, Qualified Institutional Buyers within the meaning of Rule 144A under the Securities Act ("**Qualified Institutional Buyers**") and Qualified Purchasers (or entities owned (or beneficially owned) exclusively by Qualified Purchasers) within the meaning of Section 3(c)(7) of the Investment Company Act ("**Qualified Purchasers**"). Any resale of the Notes to any person within the United States or to a U.S. person may be made only in reliance on an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. For a description of certain restrictions on transfers of the Notes, see "*Subscription and Sale*".

Arranger - Mediobanca S.p.A.

14 December 2023

IMPORTANT NOTICES

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 its import.

The Issuer has confirmed to the Arranger (as defined in "*Certain Defined Terms*" below) that this Prospectus contains all information regarding the Issuer and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information contained herein (in such context) not misleading in any material respect; and all reasonable enquiries have been made to ascertain and to verify the foregoing.

This Prospectus should be read in conjunction with all information which is incorporated by reference in and forms part of this Prospectus (see "*Information Incorporated by Reference*").

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus or as approved in writing for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Arranger.

This Prospectus is to be read in conjunction with any supplements hereto.

Investors should review, inter alia, the most recently available financial statements of the Issuer when deciding whether or not to purchase any Notes.

Neither the delivery of this Prospectus, nor the offering, sale or delivery of any Notes shall in any circumstances create any implication that, since the date of this Prospectus or the date upon which it has been most recently amended or supplemented, there has not been any change, or any development or event which is materially adverse to the condition (financial or otherwise), prospects, results of operations or general affairs of the Issuer or the CVA Group as a whole.

No representation, warranty or undertaking, express or implied, is made by the Arranger as to the accuracy or completeness of this Prospectus or any further information supplied in connection with the Notes or their distribution. The Arranger accepts no liability in relation to this Prospectus or the distribution of any such document or with regard to any other information supplied by, or on behalf of, the Issuer. Each investor contemplating purchasing Notes must make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the CVA Group as a whole.

Neither this Prospectus nor any other information supplied in connection with the issue of the Notes constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer or the Arranger that any recipient of the Prospectus should subscribe for or purchase any Notes. Each recipient shall be taken to have made its own investigation and appraisal of the financial condition of the Issuer and the CVA Group.

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT. THE NOTES ARE BEING OFFERED ONLY (1) TO NON-U.S. PERSONS OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S AND (2) TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS THAT ARE (X) "ACCREDITED INVESTORS" (AS DEFINED IN RULE 501(A)(1), (2), (3), OR (7) OF REGULATION D UNDER THE SECURITIES ACT,

QUALIFIED INSTITUTIONAL BUYERS AND QUALIFIED PURCHASERS (OR ENTITIES OWNED OR BENEFICIALLY OWNED BY QUALIFIED PURCHASERS). EACH PURCHASER OF A NOTE WILL BE DEEMED TO MAKE CERTAIN ACKNOWLEDGMENTS, REPRESENTATIONS, WARRANTIES AND CERTIFICATIONS. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON TRANSFER, SEE "TRANSFER RESTRICTIONS".

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it's unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. The offer or sale of Notes as well as the distribution of this Prospectus and any documents related to the Notes may be restricted by law in certain jurisdictions. None of the Issuer and the Arranger represents that this Prospectus and any documents related to the Notes 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 assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of the Issuer and the Arranger which would 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 in circumstances that will result in compliance with any applicable laws and regulations. Persons who obtain this Prospectus, any documents related to the Notes or any Notes must inform themselves about and observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States and the European Economic Area (including the United Kingdom and the Republic of Italy). For a description of these and certain further restrictions on offers and sales of the Notes and distribution of this Prospectus, see "Subscription and Sale".

This Prospectus has been prepared for use in connection with the offer and sale of Notes by the Issuer to (i) non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act or (ii) persons that are "accredited investors" (as defined in Rule 501(a)(1), (2), (3), or (7) of Regulation D under the Securities Act, Qualified Institutional Buyers and Qualified Purchasers (or entities owned or beneficially owned exclusively by Qualified Purchasers). Its use for any other purpose is not authorised. It may not be reproduced, redistributed, published or passed on to any person, directly or indirectly, in whole or in part, for any purpose, other than the prospective investors to whom it is originally provided by the Issuer or the Arranger.

THE NOTES ARE BEING OFFERED IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THESE EXEMPTIONS APPLY TO OFFERS AND SALES OF SECURITIES THAT DO NOT INVOLVE A PUBLIC OFFERING. THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, AND NONE OF THE FOREGOING AUTHORITIES HAS CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

SUITABILITY OF INVESTMENT

Each potential investor in the Notes must determine the suitability of that investment in the light of its own circumstances. In particular, each potential investor should:

(i) 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;

(ii) 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 the Notes will have on its overall investment portfolio;

(iii) 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;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, 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 legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to the purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 on insurance distribution, as amended or superseded (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a 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 European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, 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. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPS Regulation.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET: Solely for the purposes of the 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 and professional clients only,

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 manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET: Solely for the purposes of the 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 only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor (as defined above) should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

For a description of certain other restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, the Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language so that the correct technical meaning may be ascribed to them under applicable law.

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, including percentages, may not be an arithmetic aggregation of the figures which precede them.

CERTAIN DEFINED TERMS

In this Prospectus, unless otherwise specified:

(i) references to "**billions**" are to thousands of millions;

(ii) references to the "**Conditions**" are to the terms and conditions relating to the Notes set out in this Prospectus in the section "*Description of the Notes*";

(iii) references to "**€",** "**EUR**" or "**Euro**" are to the single currency introduced at the start of the third stage of the 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;

(iv) the "**Group**" or the "**CVA Group**" means the group consisting of the Issuer and its consolidated subsidiaries;

(v) references to "**IFRS**" are to International Financial Reporting Standards, as adopted by the European Union;

(vi) the "**Issuer**" or "**CVA**" or the "**Company**" means Compagnia Valdostana delle Acque – Compagnie Valdôtaine des Eaux S.p.A.; and

(vii) references to a "**Member State**" are references to a Member State of the European Economic Area.

THIRD PARTY INFORMATION

This Prospectus contains information sourced from the Italian Regulatory Authority for Power, Networks and the Environment (*Autorità di Regolazione per Energia Reti e Ambiente* or "**ARERA**"). Such information has been reproduced accurately in this Prospectus and, as far as the Issuer is aware and is able to ascertain from information published by ARERA, no facts have been omitted which would render such reproduced information inaccurate or misleading.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain statements that are, or may be deemed to be, forward-looking, including statements with respect to the Issuer's and the Group's business strategies, expansion of operations, trends in their business and their competitive advantage, information on technological and regulatory changes and information on exchange rate risk, and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" "aim", "intend", "plan", "continue" or similar expressions. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which are made only as at the date of this Prospectus.

The Issuer does not intend, and does not assume any obligation, to update forward-looking statements set out in this Prospectus. Many factors may cause the Issuer's or the Group's results of operations, financial condition, liquidity and the development of the industries in which they compete to differ materially from those expressed or implied by the forward-looking statements contained in this Prospectus.

The risks described under "*Risk Factors*" in this Prospectus are not exhaustive. Other sections of this Prospectus describe additional factors that could adversely affect the Issuer's and the Group's results of operations, financial condition and liquidity, and the development of the industries in which they operate. New risks can emerge from time to time, and it is not possible for the Issuer to predict all such risks, nor can the Issuer assess the impact of all such risks on their business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not rely on forward-looking statements as a prediction of actual results.

PRESENTATION OF FINANCIAL INFORMATION

This Prospectus incorporates by reference the translations into English of the audited consolidated financial statements of the Issuer as of and for the years 31 December 2022, 2021 and 2020.

The consolidated financial statements of the Issuer as of and for the years ended 31 December 2022, 2021 and 2020 have been prepared by the Issuer's management in accordance with IFRS and have been audited without qualification by EY S.p.A. as stated in the English translations of their audit reports incorporated by reference in this Prospectus. See "*Information Incorporated by Reference*".

The Issuer's historical financial and operating results may not be representative of its future results, operations and financial condition, and are not intended to be indicative of its future performance. In addition, the selected financial information included in this Prospectus does not reflect forward-looking information and are not intended to present the expected future results of CVA Group, given that these have been included solely for the purposes of illustrating the identifiable and objectively measurable effects of the transactions, applied to historical financial information. Although the Issuer accepts responsibility for the fairness and accuracy of its historic financial information, there can be no assurance of the Group's continued profitability or that the Group's future performance will be similar to that experienced to date and described in this Prospectus.

ALTERNATIVE PERFORMANCE MEASURES

In order to better evaluate the CVA's financial management performance, management has identified alternative performance measures ("**APMs**" and, each, an "**APM**"), as defined in the guidelines issued on 5 October 2015 by the European Securities and Markets Authority ("**ESMA**") (ESMA/2015/1415 of the "**ESMA APM Guidelines**"), concerning the presentation of APMs disclosed in regulated information and prospectuses published on or after 3 July 2016 which, although not recognised as financial measures under International Financial Reporting Standards ("**IFRS**"), are used by the management of the Issuer to monitor the Group's financial and operating performance. Management believes that these APMs provide useful information for investors as regards the financial position, cash flows and financial performance of the same, because they facilitate the identification of significant operating trends and financial parameters.

This Prospectus includes information on EBITDA and Net Financial Debt, which are alternative performance measures, as defined by the ESMA's APM Guidelines, and is used by the management of the Issuer to monitor its financial and operating performance.

EBITDA

EBITDA is defined as net result for the period excluding income taxes, net financial expenses, depreciation and amortisation, provision and write-downs.

The Issuer presents EBITDA because management believes it is a meaningful measure to evaluate the Group's operating performance on a consistent basis over time. EBITDA makes the underlying performance of the Group's business more visible by factoring out depreciation, amortisation, interest income and interest expenses and income tax expenses. This measure is also commonly used by investors, analysts and rating agencies to assess performance.

The following table sets forth a reconciliation of EBITDA to period net result indicated:

	Year ended 31 December		
	2022	**2021**	**2020**
Period net result	**164,404**	**135,259**	**61,230**
Income taxes	86,341	(8,267)	23,260
Financial income	(3,236)	(3,674)	(3,115)
Financial expenses	(11,322)	8,751	5,824
Amortisation and depreciation	54,377	52,660	51,059
Provisions and write-downs	4,717	8,683	677
EBITDA	**295,281**	**193,412**	**138,933**

Net Financial Debt

Net Financial Debt is defined as the algebraic sum of current financial assets, cash and cash equivalents, non-current financial liabilities, non-current financial assets and other current financial liabilities.

The aggregate is used as a performance indicator within the Group's financial structure.

The following table sets forth a reconciliation of Net Financial Debt:

	Year ended 31 December		
	2022	**2021**	**2020**
		(thousands of Euro)	
Current financial assets	(1,171)	(675)	(730)
Cash and cash equivalents	(226,662)	(226,831)	(195,103)
Non-current financial assets	(30,215)	(93,731)	(134,294)
Non-current financial liabilities	491,350	215,642	302,496
Current financial liabilities	80,720	252,279	40,545
Net Financial Debt	**314,021**	**146,684**	**12,914**

Further explanation of the components and calculation method for each such APM can be found in the section entitled "*Alternative Performance Indicators*" in the Issuer's consolidated financial statements as at and for the years ended 31 December 2022, 2021 and 2020 (see "*Information Incorporated by Reference – Cross-reference list*").

It should be noted that:

- APMs are based exclusively on the Group's historical data and are not indicative of future performance;
- APMs are not derived from IFRS and they are not subject to audit;
- APMs are non-IFRS financial measures and are not recognised as a measure of performance or liquidity under IFRS and should not be recognised as alternative to performance measure derived in accordance with IFRS or any other generally accepted accounting principles;
- APMs and definitions used herein are consistent and standardised for all the period for which financial information in this Prospectus are included;
- APMs should be viewed as complementary to, rather than a substitute for on in isolation from, the financial information for the Group taken from its consolidated financial statements; and
- as APMs are non-IFRS measures, the definitions of APMs used by the Group may differ from, and therefore not be comparable to, those used by other companies/groups;

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RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industries in which it operates, together with all other information contained in this Prospectus, including in particular, the risk factors described below, and any document incorporated by reference in this Prospectus. 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.

Prospective investors should note that the risks relating to the Issuer, the industries in which it operates and the Notes are the risks that the Issuer believes, based on information currently available to it, to be the most relevant to an assessment by a prospective investor of whether to consider an investment in the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. However, the inability of the Issuer to pay interest, repay principal or pay 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 or which it may not currently be able to anticipate.

The risks that are specific to the Issuer are presented in seven categories and those specific to the Notes are presented in two categories, in each case with the most material risk factors presented first in each category. Additional risks and uncertainties relating to the Issuer and the industries in which it operates that are not currently known to the Issuer or which it currently deems immaterial may also, either individually or cumulatively, have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and the Group.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus, including any information incorporated by reference in this Prospectus, and reach their own views, prior to making any investment decision, based upon their own judgment and individual circumstances, and upon advice from such financial, legal, tax and other professional advisers as they deem necessary.

MATERIAL RISKS THAT ARE SPECIFIC TO THE ISSUER

The risks under this heading are divided into the following categories:

- *Risks related to the Issuer's activities and its status as a government-controlled entity operating within a highly regulated sector*
- *Risks related to the industry in which the Issuer operates*
- *Risks related to general economic conditions*
- *Risks related to financial indebtedness*
- *Liquidity risk*
- *Credit risk*
- *Risks related to legal proceedings*

Risks related to the Issuer's activities and its status as a government-controlled entity operating within a highly regulated sector

The Issuer's activity is in a highly regulated business sector

Due to the Issuer's status as a utility company producing and dispatching electricity to the grid and selling electricity to customers under the free market regime (so-called *mercato libero*) and under one of the regulated market regime (so-called *maggior tutela* or enhanced protection), the Group is required to comply with a wide range of laws and regulations governing administrative concessions, technical

and operating requirements for power plants and the distribution network operated by the Issuer, the operation of energy markets, production capacity remuneration systems, incentives schemes for the production of electricity from renewable sources, and the setting of tariffs for the electricity distribution activities and of the relevant market prices.

Specifically, the Group and the plants which it operates are subject to EU, national and regional regulations that apply to multiple aspects of the Group's activities across the entire electricity production sector. These regulations concern, *inter alia*, the construction of power plants, their operation and the protection of the environment. The viability and profitability of the production of electricity from renewable energy sources may also depend on the regulatory system that governs it, in particular with respect to rules and requirements relating to prices chargeable for the energy produced, or eligibility for the applicable incentive schemes and other support mechanisms (such as the dispatching priority and capacity payment rules).

The adoption of more restrictive or unfavourable regulatory provisions, such as the obligation to modify or refit existing plants, or the requirement for certain adjustments to be made to the operation of the plants, the reduction of public incentives or changes in tax rates, could trigger an increase in production costs or required investments, or in any event affect the Issuer's ability to carry out its business activities.

The electricity distribution and sale sectors in Italy are also heavily regulated and characterised by the regular supervision and intervention by independent authorities and entities with various responsibilities and regulatory power, as well as sanction powers, including ARERA (the Italian Regulatory Authority for Power, Networks and the Environment). Both the Group's electricity distribution service and electricity sales business are regulated by the guidelines issued by ARERA, which by way of example set minimum service quality levels, as well as certain standards of security and continuity with respect to electricity distribution, and impose periodic reporting obligations, including power sold through wholesale agreements. Failure to comply with these standards may result in the Group having to pay indemnities to end users, penalties and/or fines.

With specific reference to the renewable energy sector, the complexity of the applicable regulatory framework, which falls within the authority of both national and local regulators, and the interpretation of those regulations by the relevant authorities which is not always consistent across the country or over time, all contribute to heighten the complexity of the challenges faced by the Issuer.

The complexity of interpreting and applying these regulations, and the possibility that their interpretation by regulatory authorities may vary, or that new rules are introduced in the future, exposes the Group's operations to risks of delays, inefficiencies, increased costs and/or legal disputes, all of which could have a material adverse effect on the Issuer's and the Group's business, financial condition, results of operations and/or prospects.

Risks relating to replacement or abolition of the regulated market for electricity customers

The Issuer - through its subsidiary, CVA Energie - is the main supplier of electricity to the regulated market within the Valle d'Aosta Region. Regulated market customers are those final customers who have not decided to purchase electricity on the free market having opted for the price protection regimes regulated by ARERA.

However, the Issuer expects a reduction in the number of end users supplied in the regulated market due to the step-by-step process initiated by ARERA in 2021 with the goal to obtain a competitive, secure and environmentally sustainable electricity market.

ARERA in fact carried out a competitive process to identify a supplier of last resort to ensure to (a) small businesses (namely businesses with fewer than 50 employees and an annual turnover or assets on balance sheet not exceeding €10 million) holding low voltage withdrawal points (*punti di prelievo*) equipped with contractually reserved capacity exceeding 15 kW and (b) micro-businesses and business

customers holding low voltage withdrawal points equipped with contractually reserved capacity not exceeding 15 kW, the right to be supplied with electricity of a specified quality and price.

In the Valle d'Aosta Region, since 1 July 2021, the end customers referred to by letter a) in the previous paragraph are supplied by Iren Mercato S.p.A. and since 1 April 2023, the end customers referred to by letter b) in the previous paragraph are supplied by Sorgenia S.p.A.

Furthermore, ARERA should identify by 10 January 2024 the supplier of last resort for non-vulnerable retail customers.

Accordingly, in 2024, CVA Energie will operate as supplier of last resort only for vulnerable customers in the regulated market in the Valle d'Aosta Region.

The Issuer is subject to strict regulations designed to ensure the preservation of hydroelectric water sources

The production of electricity from hydroelectric sources is subject to regulation from EU, national, and regional authorities which impose standards for the protection and the integrated management of water courses. In particular, the issuer is subject to the requirements of the Minimum Vital Outflow of water resources (*Deflusso Minimo Vitale* or "**DMV**"), which is a factor regulating water diversions that entails limitations on the exploitation of water for energy purposes, aimed at protecting water resources and the local environment.

The process of updating the Regional Water Protection Plan (*Piano di Tutela delle Acque* or "**PTA**"), currently ongoing in the Valle d'Aosta Region, envisages the transition from Minimum Vital Outflow to Ecological Outflow (see "*Regulation – Production of energy from FER – Ecological Runoff ("DMV")*" below), with a recalibration of the obligations connected with the water release of the intake works of the hydroelectric plants. This regulatory evolution provides for a testing period of five years, with the new release limits coming into force in 2025.

An increase in DMV flow values compared to those currently applicable to the plants of CVA Group or the introduction of new operational limits or adaptation duties of the plants to the new requirements may have an impact on CVA Group in terms of potential reduction of production from hydroelectric plants and additional operational costs. The possible absence of feasible solutions that allow the Group to minimise the loss of production in the planned experimentation period could have a significant financial impact on the Group at the time of effective entry into force of the new limits, although these will only be felt from the year 2025.

In addition, in case of breach of the regulation or prescription related to the DMV, the CVA Group could be subject to penalties, fees, or limitations on its activities which could have an adverse effect on the Group's business, financial condition and results of operations.

The Issuer might not be re-awarded concessions for operation of its hydroelectric plants and electricity distribution service

CVA Group holds concessions related to the operation of large-scale hydroelectric plants and, through its wholly-owned subsidiary Deval, the electricity distribution service. Most of the hydroelectric concessions are due to expire in 2029 (see "*Description of the Issuer and CVA Group – Business - Hydroelectric*"). Upon expiration, the large-scale hydroelectric concessions are to be awarded in accordance with public tender rules as set out in Article 12 of Legislative Decree No. 79 of 16 March 1999 ("**Article 12**"), as amended from time to time (the "**Bersani Decree**"), which regional governments in Italy must implement by the adoption of regional legislation. By contrast, small-scale hydroelectric concessions (five plants) may be renewed upon expiration subject to an administrative procedure. The electricity distribution service concessions, on the other hand, are due to expire in 2030 and, in a similar way, are expected to be subject to a public tender procedure.

As at the date of this Prospectus, the Valle d'Aosta Region has not yet adopted the relevant law implementing Article 12 of the Bersani Decree within the timeframe required under Article 12 and Article 125-*bis*, paragraph 2 of Law Decree No. 18/2020 (i.e. by May 2021). As a result, it is not yet known when the public tender process will start as set by paragraph 1-*quarter* of Article 12 (i.e. two years from the approval of the Regional Law, but no later than 31 December 2023). In case of a delay, the Minister of Infrastructure and Sustainable Mobility is entitled to replace the Region to launch the procedures to re-award large-scale hydroelectric concessions based on the rules provided by the regional law (if adopted) and, in any case, in accordance with the general criteria set forth by the same Article 12 of the Bersani Decree (see "*Regulation – Production of energy from FER – Derivation concessions (concessioni derivative delle acque)* below).

Under the current regulations, no specific priority, pre-emption right or other procedural advantage (with the exclusion of concessions related to hydroelectric plants operated on the basis of small-scale hydroelectric concessions) is allowed for the benefit of current concession holders (see "*Regulation – Production of energy from FER – Derivation concessions (concessioni derivative delle acque)* below). In addition, although there are provisions setting out criteria for the calculation of the indemnity that falls due to an outgoing concession holder where a concession is not re-awarded to it, these may be open to interpretation, giving rise to uncertainty and a greater risk of disputes. Furthermore, concessions impose specific obligations, restrictions and technical requirements to be complied with and, if the Issuer is found to be in breach of any of the material terms on which a concession is granted, the relevant concession may be revoked or terminated early, or the Issuer may be subject to monetary fines, penalties or other restrictions.

Failure to be re-awarded concessions for the operation of hydroelectric plants or for the electricity distributions service under Article 12 would have a significant impact on the CVA Group. Furthermore, there are potential risks arising from any conditions under a new award that are less favourable than those previously in force or from disputes or appeals by third parties. All of the above scenarios could have a material adverse effect on the Issuer's and the Group's business, financial condition and results of operations.

Risks related to the distribution of electricity

Deval provides electricity distribution and metering services in the Valle d'Aosta Region pursuant to the concession issued by the State and subject to the regulation set forth by ARERA concerning the electricity distribution sector. The concession and ARERA's regulations impose specific and ongoing obligations on Deval, including requirements relating to the day-to-day and extraordinary maintenance of the grid, the planning of regular maintenance interventions, the obligation to connect to the Issuer's grid any customer who so requests, proper metering of electricity, ensuring grid security and indemnifying users for loss, and compliance with any electricity tariff regulations in force. If Deval were not able to satisfy, or were found not to have satisfied, those obligations, it could be exposed to fines and penalties, or the concession for the distribution of electricity and the provision of metering services may be suspended or revoked, which in either case could have a material adverse effect on the Issuer's and the Group's business, financial condition and results of operations.

The Issuer is subject to stringent public procurement rules for part of its purchases of goods and services

Given that the Issuer is a regional-controlled entity and that it operates in the utility market, it is subject to stringent public procurement rules for some of its purchases of goods and services imposed by a variety of regional, national and European rules and statutes. The Issuer is also subject to those procurement rules relating to the distribution of electricity and to any portion of the activities (including energy production) which benefit from incentives and dispatching priority to the national grid, as well as relating to the sale of electricity to retail customers connected to the low-voltage grid. These rules

generally require that any contract for the purchase of goods and services or the award of construction or maintenance works must be preceded by a public tender process.

The complexity of these procedures and requirements may lead to inefficiencies in the management of the Group's business and could have negative repercussions on the Group's competitiveness, as a result of higher costs (or additional corporate resources and time) required to run these processes, especially when compared with the lighter burden faced by peers who are not subject to the same obligations. Furthermore, contracts awarded as a result of these tenders are subject to challenges at the relevant regional administrative courts, thereby exposing the Group to the risk of legal proceedings and disputes. This could result in delays and costs which may have an adverse impact on the Group's ability to manage its business effectively.

Risks related to administrative liabilities of entities pursuant to Legislative Decree No. 231/2001 and anti-corruption and transparency legislation

The Issuer is exposed to the risk of incurring administrative sanctions deriving from the possible inadequacy of its organisational model. Legislative Decree No. 231/2001, as amended (the "**Decree 231**"), defines the administrative liabilities for companies and/or their subsidiaries as a result of acts of its directors, managers, employees and collaborators in the interest and to the advantage of the company itself.

However, Decree 231 states that the entity is exempt from such liability (although it must, however, reimburse any unjustified profit) if (i) it demonstrates that it has adopted and effectively implemented an organisational management and control model capable of preventing the commission of offences referred to in Decree 231 (the "**231 Model**"); (ii) a body or officer within the company with autonomous powers of initiative and control (the "**Supervisory Board**" or "**SB**") has been appointed to supervise the operation and ensure compliance with 231 Model, and has been kept up-to-date; (iii) there has been no omitted or insufficient supervision by the SB; and (iv) the persons who have committed the offence acted by fraudulently evading the measures laid down in the 231 Model.

In implementation of the provisions of Article 6 of Decree 231, all legal entities within the CVA Group approved the adoption of the 231 Model. The purpose of the 231 Model is to set out a structured and organic system of procedures and control activities aimed at preventing the commission of different types of offences envisaged under Decree 231. In addition, by a resolution of the Board of Directors on 12 February 2016, the Issuer adopted the Code of Ethics applicable to all Group companies.

By virtue of the provisions of Law No. 190 of 6 November 2012 and Legislative Decree No. 33 of 14 March 2013, each, as amended (the scope of which was amended and extended by Legislative Decree No. 97 of 25 May 2016 and Legislative Decree No. 175 of 19 August 2016, as amended), the publicly held companies (except for listed companies, as defined under Legislative Decree No. 175 of 19 August 2016) are subject to the regulation on prevention of corruption, publicity and transparency with regard to both the organisation and the activities carried out. In particular, those regulations require the appointment of an officer responsible for the prevention of corruption and transparency, the identification of measures for the prevention of corruption and publicity and transparency in addition to those adopted pursuant to Decree 231, to be developed in a three-year plan to be updated annually, as well as the publication and periodic updating of a series of company data and information in a section called "Transparent Company" specifically created on the company's institutional websites.

Following the introduction of Article 52, paragraph 1-*bis* of Law No. 91 of 15 July 2022 (conversion of Law Decree No. 50 of 17 May 2022), the Group companies have now to be considered as listed companies for the purposes of Legislative Decree No. 175 of 19 August 2016 (see "*Regulation – Particular provisions for publicly held companies: recent law changes"* below); therefore, the Group companies – except for Valdigne Energie S.r.l. – are no longer subject to the regulation on prevention of corruption, publicity and transparency.

Notwithstanding the adoption of these measures, any company of the Group could still be found liable for the unlawful actions of its officers or employees if, in the relevant authority's opinion, Decree 231 has not been complied with. This could lead to a suspension or revocation of concessions currently held by the Group, a ban from participating in future tenders and/or an imposition of fines and other penalties. In particular, as the Group's concessions and its ability to take part in public tenders are a key part of its business, any such finding could adversely affect the business, results of operations and financial condition and/or prospects of the Issuer and/or the Group.

Risks related to the industry in which the Issuer operates

The Issuer's success will depend on its ability to implement its strategy

The Issuer's business strategy for the next few years involves the strengthening of its presence in markets and sectors in which the Issuer already carries out its business, as well as expanding to new markets and new customers. The Issuer has detailed its strategic view and potential results in an investment plan approved by the Board of the Issuer and defined in its Strategic Plan (see "*Description of the Issuer and CVA Group - Strategy and Capital Investments"* below).

The Issuer's strategy is based upon certain business and market assumptions and assessments which may not prove correct. There can be no assurance that the growth envisaged by the Group will be achieved or that it will be able to adapt its management, administrative and/or operational systems successfully to respond to any future growth. In the event of rapid expansion, the Issuer may encounter financial difficulties in a business downturn. Conversely, in case of difficulty in integrating any new businesses, the Issuer may lose market share, customers and competitors.

Failure to implement or achieve any component of the Issuer's strategy and/or to manage the Issuer's growth strategy may have an adverse effect on the Issuer's and the Group's business, financial condition, results of operations and/or prospects.

Reliance on suppliers for certain material goods and services

The Group purchases from a large number of suppliers and third-party producers of finished components, mechanical machinery, supplies and consumables required to produce and distribute electricity. These providers are mainly, but not exclusively, Italian. The Issuer relies on a large number of suppliers, none of which operate on an exclusive basis. However, for some specific and technically sophisticated items, the supply base is highly concentrated, which exposes CVA to the availability or willingness of its suppliers to provide it with goods and services. If CVA were unable to identify appropriate substitute suppliers, or new or existing suppliers were to reject purchase orders and and/or payment terms applied by the Group, or any supplier failed to comply with their contractual obligations or with the required technical specifications, or CVA were unable to promptly replace any producers, suppliers or sub-contractors, or to replace them on terms and conditions that are comparable to those applicable to previous suppliers, this could lead to delays, inefficiencies and additional costs, and any such circumstances could have a material adverse effect on the Issuer's and the Group's business, financial condition and results of operations.

The Issuer is subject to volatility in the price of electricity and changes in tariffs

The Issuer's revenues as a producer derive from sales of electricity in the wholesale market, as well as from incentives granted by the Italian government for the production of energy from renewable sources. As an utility company, its revenues also derive from the sale of electricity to businesses and retail customers in both the free market and the regulated market. Furthermore, the Group's activity in the energy distribution sector is exposed to a risk of changes in tariffs applied by ARERA for the remuneration of the service.

The price of electricity is, in some instances, determined by the regulatory authorities, including through incentive mechanisms, and otherwise set by market forces. Prices may be subject to significant volatility due to various factors, such as changes in supply and demand for electricity, the cost of raw materials, and the various types of incentives available for the production of energy from renewable sources. The Issuer also uses financial derivative products for hedging purposes against volatility in energy sale prices. These hedging contracts have limited terms and only apply to part of the electricity production and never apply to all client sales. If on one side, hedging arrangements have the effect of limiting the Group's ability to profit from increases in energy selling prices, on the other side, they may expose the Group to liquidity risks in conjunction with the daily cash settlement of the fair value of the same hedging arrangements ("margin calls"), (see "*Risks related to financial indebtedness – Liquidity Risk*" below).

Any major fluctuations in the sale price of electricity may result in a reduction of revenues and profit margins, which could have a material adverse effect on the Issuer's and the Group's business, financial condition, results of operations and/or prospects. Significant variations in fuel, raw material or electricity prices, or any relevant interruption in supplies, including as a consequence of geopolitical events such as the recent conflict between Israel and certain Palestinian groups and the Russian invasion of Ukraine and the consequent sanctions imposed on Russia by the European Union (see "*Political, geopolitical and economic developments could adversely affect the Issuer's operations*" below), could have an adverse impact on CVA's business, financial condition and results of operations.

In addition, for the purpose of financing measures to contain the increase in energy tariffs, the Italian Government has introduced extraordinary levies on energy sector companies. In particular, article 37 of Law Decree No. 21 of 21 March 2022, as modified by the Law No. 197 of 30 December 2022 (*Legge di Bilancio 2023)*, aims to tax the extra profits made in 2022 by energy sector companies if at least 75% of the revenues for the year 2021 derive from energy production and resale activities. While continuing to monitor the evolution of this matter and, in particular, the uncertain decisions of the administrative and tax authorities, the impact on the CVA Group has been around € 6 million for financial year 2022. Law No. 197 of 30 December 2022 also aims to tax the extra profits made in 2023 by energy companies: the CVA Group currently estimates that the potential impact of this measure on its economic results for the first semester 2023 may be around €10 million. In any event, a judgment on constitutional legitimacy on this taxation is pending (see "*Description of the Issuer and CVA Group – Legal Proceedings*" below).

Moreover, in 2022, the Italian Government, through Article 15-*bis* of Law No. 25 of 28 March 2022 (conversion of Law Decree No. 4 of 27 January 2022 - "*Sostegni-ter* Decree"), introduced a mechanism to collect the increased revenues achieved by renewable energy producers. On 21 June 2022, ARERA published Resolution 266/2022/R/eel which provides for the implementation of such measure. Following Law Decree No. 115 of 9 August 2022 which has partly modified Article 15-*bis* of Law No. 25 of 28 March 2022, the applicative period of such measure has been extended till 30 June 2023. Notwithstanding the above, CVA has challenged the ARERA Resolution of 21 June 2022 266/2022/R/eel in front of the administrative authorities (see "*Description of the Issuer and CVA Group – Legal Proceedings*" below).

Finally, Law No. 197 of 30 December 2022 introduced a similar mechanism to collect the increased revenues achieved by renewable energy producers from those production plants that are not subject to the above said mechanism introduced by article 15-*bis* of Law No. 25 for the period 1 December 2022 – 30 June 2023. On 4 April 2023, ARERA published Resolution No. 143/2022/R/eel which provides for the implementation of such measure. The CVA Group is currently awaiting for the publication of the applicative rules by the Gestore dei Mercati Energetici S.p.A. (GSE).
Furthermore, the Issuer is subject to the risk of changes in the remuneration of regulated activities of electricity distribution through the network tariff component. There can be no assurance that any future revision of tariffs for the Group's distribution activities will keep them at a level that satisfies the Issuer's

expectations or requirements, and they may be significantly reduced, possibly in response to political or public pressure. Should any such changes result in decreases in tariffs or in repayments to customers, these could have a material adverse effect on the Issuer's and/or the Group's business, financial condition and results of operations.

Risk of reduction and termination of incentives for production of renewable energy and relating to the permitting process

The revenues from incentives granted to producers of electricity from renewable sources may materially affect the profitability and prospects of electricity production from renewable sources. In order to maintain eligibility for government incentives, plants must continuously ensure compliance with technical and administrative requirements and obligations imposed by applicable regulations. Compliance with the applicable requirements is monitored by GSE which manages renewable energy services for the Italian Ministry of Economic Development, and the Issuer's failure to comply could result in the reduction or revocation of the relevant incentives.

The future development and profitability of the production of energy from renewable sources by the Issuer depends significantly on the price of electricity and/or on the national and international incentive policies for electricity production in Italy from renewable sources. Possible changes in the type of incentives or decreases or cancellations of existing incentive measures aimed at encouraging the development of renewable energy in Italy may lead the Issuer to change or reduce its development plans and may reduce the profitability of production from certain sources, which could have a material adverse effect on the Issuer's and the Group's business, financial condition, results of operations and/or prospects.

Moreover, the development of new renewable energy plants as well as the repowering, renovation and variations of the existing plants requires the granting of a variety of authorisations by a number of administrative bodies. The granting of such approvals, the time required by the associated procedures and the risk that they will subsequently be challenged in court all might negatively affect the Issuer's development plans and its prospects. In addition, failure by the Issuer to fulfil the prescriptions provided by such authorisations may lead to sanctions and penalties, including the revocation of the authorisations. All of the above factors could adversely affect the business, financial condition and results of operations of the CVA Group.

Risks related to climatic changes and extreme weather events

The Group produces energy using hydroelectric, wind and solar resources. The availability of rainfall and snowfall for hydroelectric plants, suitable wind levels for wind farms and solar irradiation levels for solar plants varies according to weather conditions at the sites where the plants are located and is subject to seasonal trends, as well as exceptional events such as droughts or extreme weather conditions.

In particular, the Group's generation of power from hydroelectric sources depends on the water regime in Valle d'Aosta, which may be subject to climatic variations or extreme weather events such as excessive rainfall or flooding, which could result in damage to the Issuer's plant and equipment and/or the interruption of the Group's operations. Similarly, the production of wind and solar energy is also linked to unpredictable climatic factors. Extreme weather events such as excessive wind or hail can lead to the decommissioning or damage of wind turbines and photovoltaic systems. In order to mitigate the current dependence of the Issuer from hydroelectric sources in a specific geographical area such as Valle d'Aosta, CVA Group continues to diversify its renewable energy production sources by investing in wind farms and photovoltaic plants (see "*Description of the Issuer and CVA Group – Business - Other renewable energy sources*").

Although technological diversification allows the Group to mitigate the risks associated with weather conditions, a prolonged period of adverse weather conditions affecting multiple sources to produce electricity could have a material adverse effect on the business, financial situation, economic results and/or on the prospects of the Issuer.

The CVA Group is exposed to operational risks through its ownership and management of power plants and distribution networks and facilities

The main operational risks to which the Group is exposed are linked to its ownership and management of power plants and its distribution networks and facilities. These power plants 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, production capacity may be compromised.

These risks include events outside of the Group's control or other similar extraordinary events such as extreme weather phenomena, adverse meteorological conditions, natural disasters, fire, terrorist attacks, malicious damage (including penetration of IT systems by outsiders intent on extracting or corrupting information or disrupting business systems), mechanical breakdown of or damage to equipment or processes, accidents, health and safety incidents and labour disputes. Any such events could cause damage or destruction of the Group's facilities and, in turn, result in financial losses, cost increases or the necessity to revise the Group's investment plans. Moreover, supply chain disruptions may delay the completion of the required repairs to plants.

Furthermore, the transmission and distribution networks may be subject to congestion, accidents or interruptions in operation and the operators of these networks may not fulfil their contractual obligations regarding transmission or distribution or withdraw from the relative agreements.

Unexpected failure or disruption at a key site or installation could cause a significant interruption to the supply of services (in terms of duration or number of customers affected), materially affecting the way that the Issuer operates, prejudicing its reputation and resulting in additional costs (including the cost of restoring services), liability to customers or loss of revenue, each of which could have a material adverse impact on the business, financial condition or results of operations and/or prospects of the Issuer and/or the Group.

Additionally, service interruptions, malfunctions or casualties or other significant events could result in the Group being exposed to litigation, which in itself could generate obligations to pay damages. Although the Group has insurance coverage against some, but not all, of these events, such coverage may prove insufficient to fully offset the cost of paying such damages. The occurrence of one of more of the events described above, or other similar events, could have an adverse impact on the business, revenues, financial condition and/or results of operations of the Issuer and/or the Group.

Changes to the Issuer's rating may impair future ability to access capital

As of the date of this Prospectus, the long-term ratings assigned to CVA by Moody's and Fitch are Baa2 (negative outlook) and BBB+ (stable outlook) respectively. The Issuer's ability to access financial markets and loan instruments in the future, and the related costs of such transactions, is affected by the rating assigned to the Issuer. If rating agencies were to downgrade the Issuer's ratings, this could affect its ability to obtain financings on acceptable terms and/or to access the debt capital markets, as well as result in the acceleration of repayments under some of the financing agreements to which the Issuer is a party, or otherwise increase the Issuer's cost of servicing the debt under those financing agreements.

In addition, downgrades to the Issuer's rating may also be a consequence of external factors beyond the Issuer's control, such as a downgrading of the Republic of Italy's sovereign debt or of the rating of Autonomous Region of Valle d'Aosta (which is, indirectly, the Issuer's sole shareholder).

Any downgrade could have a material adverse effect on the Issuer's and the Group's business, financial condition, results of operations and/or prospects. See also "*Risks relating to the Notes – Credit ratings may not reflect all risks*" and "*Description of the Issuer and CVA Group – Recent Developments – Rating action*" below.

Risks associated with the status of an integrated operator

The Group operates as an integrated operator in the electricity industry, active in the production, distribution and sale of electricity. Pursuant to regulations enacted by ARERA, vertically integrated utility companies such as the Group are required to manage each segment of its operations on a stand-alone basis (in other words, power generation, distribution and sale), each managed by separate senior management enjoying autonomous decision making and organisational discretion. If these unbundling requirements become even more stringent and any non-compliance occurs, this may have an adverse effect on the Issuer's and/or the Group's business, financial condition, results of operations and/or prospects.

Insurance coverage may not prove adequate

All companies of the Group have secured insurance coverage from leading insurance providers which is considered by the Group's management to be adequate given the nature of its business. The Issuer's main insurance policies in existence at the date of this Prospectus provide cover against third-party civil liability and contractors' civil liability; direct and indirect damage to property and operating assets; cover for legal, extra-legal and criminal proceedings; directors and officers' liability; personal injury, death, total and permanent invalidity; credit risk; comprehensive cover against theft and fire, and comprehensive cover for company vehicles and the vehicles used by staff. While the Issuer considers this insurance coverage appropriate to its business, in the case of events that are not included in the insurance cover, or where the loss incurred by CVA exceeds the amount of the insurance cover, the Issuer would be required to bear the related costs. All of this could have a material adverse effect on the Issuer's and the Group's business, financial condition, results of operations and/or prospects.

Risks related to general economic conditions

The business could be affected by global economic factors

The Group's earning capacity and stability can be affected by the overall economic situation, both in Italy and worldwide, and by the dynamics of the financial markets. The current macroeconomic situation is characterised by high levels of uncertainty, due to a number of potential factors, such as:

- the consequences of the Russian invasion of Ukraine, the impact of sanctions on Russia and Russian interests, and the risk of the conflict spreading elsewhere (see also "*Political, geopolitical and economic developments could adversely affect the Issuer's operations*" below);
- the consequences of the recent events between Israel and certain Palestinian groups in the Gaza territories (see also *"Political, geopolitical and economic developments could adversely affect the Issuer's operations")*
- the impact of Covid-19 on global growth and individual countries (see "*Risks associated with the Covid-19 pandemic*" below);
- trends in the economy and the prospects of recovery and consolidation of the economies of developed countries such as the US and China;
- the sustainability of the sovereign debt of certain countries and related recurring tensions on the financial markets.

All of the above factors could affect the global economy and the condition of the financial markets, and lead to adverse macroeconomic developments in the Group's primary markets, which may in turn significantly influence the Group's performance.

All of these factors, in particular in times of economic and financial crisis, could result in an increase in the Group's borrowing costs and in a reduction or slower growth in the Group's ordinary business, which could have an adverse impact on the Issuer's and/or the Group's business, financial condition and results of operations and/or prospects.

Political, geopolitical and economic developments could adversely affect the Issuer's operations

External factors, such as political, geopolitical and economic developments, may negatively affect the Issuer's operations, strategy and prospects.

The Issuer's financial condition and operating results as well as its strategy and financial prospects may be adversely affected by events outside the Issuer's control, which include, but are not limited to:

- changes in government and economic policies;
- political instability, military conflicts or geopolitical tensions that impact Europe and/or other regions;
- changes in the level of interest rates imposed by the ECB;
- fluctuations in consumer confidence and the level of consumer spending;
- regulations and directives relating to the banking and other sectors; and
- taxation and other political, geopolitical and economic or social risks relating to the Issuer's business development.

Russia's invasion of Ukraine, which began in February 2022, has increased inflationary pressures and created uncertainties in the markets and in macroeconomic conditions generally, as have the resulting sanctions imposed by, amongst others, the United States, the European Union and the United Kingdom.

In addition, the geopolitical and economic ramifications of the continued evolution of the armed conflict in the Middle East are not currently known.

Any adverse developments in the global economy may negatively affect the overall economic environment and by extension the Italian economy with potential negative consequences for the Group's business, financial condition and results of operations.

Risks related to financial indebtedness

Risks related to financing agreements

As at 31 December 2022, the Group had long-term indebtedness of €491,3 million and a short-term indebtedness of €80,7 million. The Issuer has in place a number of financing agreements pursuant to which it has assumed specific financial obligations and other commitments. Such financing agreements provide, in line with market practice, for certain restrictive covenants, such as negative pledge clauses, change of control clauses, provisions limiting extraordinary transactions and financial covenants. Failure to comply with any of those clauses could, unless a prior waiver is obtained or amendment made, constitute a default under the relevant financing agreement and, potentially, also under the Notes.

Should market conditions deteriorate or fail to improve, or the Issuer's operating results decrease in the future, the Issuer may have to request amendments or waivers to its covenants and restrictions. However, there can be no assurance that the Issuer will be able to obtain such relief. A breach of any of these covenants or restrictions could result in a default and acceleration that would, subject to certain

thresholds, permit its creditors to declare all amounts borrowed to be due and payable together with accrued and unpaid interest and the commitment of the relevant lenders to make further extensions of credit could be terminated. The Issuer's future ability to comply with financial covenants and other conditions, and to make scheduled payments or refinance existing borrowing, depends on future business performance, which is subject to economic, financial, competitive and other factors.

All of the above could have an adverse effect on the Issuer's and/or the Group's business, financial condition, results of operations and/or prospects.

Interest rate risk

A portion of the CVA Group's indebtedness is subject to floating interest rates, thus subjecting the Group to the risk of adverse interest rate fluctuations. As of 31 December 2022, 14.21% of the Group's gross financial debt was subject to floating interest rates. Hedging activities are carefully considered and decisions on hedging transactions are taken at CVA's board level. In addition, it is possible that the hedging and derivative instruments used by the Group to establish a fixed rate for certain of its floating rate liabilities may lock the Group into interest rates that are ultimately higher than actual market interest rates. Hedging activities could also entail significant costs.

There can be no assurance that the hedging policy adopted by the Group will actually have the effect of reducing losses. To the extent it does not, this may have an adverse effect on the Issuer's and/or the Group's business, financial condition and/or results of operations.

Liquidity risk

Liquidity risk is the risk that the Issuer will be unable to meet its payment obligations due to its inability to secure funding or only being able to secure it at above-market costs (funding liquidity risk) or to the possibility of incurring capital losses on the sale of assets (market liquidity risk). Liquidity risk is identified and monitored using the operational and structural maturity ladder (in order to identify possible negative liquidity gaps in relation to specified maturity structure) and the overall liquidity indicator system (a risk appetite statement or RAS, risk limits, contingencies and additional metrics), designed to quickly identify potential strains. Liquidity buffers at 31 December 2022 amounted to a total of €446.6 million of which €226.6 million of cash and cash equivalents and €220.0 million of undrawn committed revolving credit facilities.

CVA operates in an integrated manner in the supply and sale of electricity at different stages of the value chain. CVA is therefore exposed to risks arising from the volatility of energy markets, which are only partially mitigated by an integrated assessment of these markets and associated management strategies. The Issuer also uses financial derivative products for hedging purposes against volatility in energy sale prices. These hedging contracts have limited terms and only apply to part of the electricity production and never apply to all client sales. If, on one hand, hedging arrangements have the effect of limiting CVA Group's ability to profit from increases in energy selling prices, they may, on the other hand, expose the Issuer to significant liquidity requirements related to the cash deposits in the event of daily cash settlements of the fair value of such hedging arrangements ("margin calls"). At the end of each calendar year, on average, a little over half of the energy produced and almost all of the energy sold to fixed-price end customers during the following year is subject to hedging contracts.

The Issuer constantly monitors its own and the Group's liquidity and funding risks. However, any deterioration in market conditions, the general economic environment and/or the Issuer's credit standing, combined with the need to align the Issuer's liquidity and funding position to regulatory requirements, may have an adverse effect on the Issuer's and/or the Group's business, financial condition, results of operations and/or prospects.

Credit risk

Changes in the creditworthiness of the CVA Group's counterparties may adversely affect CVA Group's business and financial condition

CVA Group is exposed to credit risk deriving from commercial, commodity and financial operations. Credit risk entails the possibility that the CVA Group's counterparties might not be able to discharge all or part of their obligations due to an unexpected change in their circumstances, in terms of insolvency or reductions in market value. Beginning in the last few years, with the instability and uncertainty of the financial markets and the global economic crisis, average payment times for trade receivables by counterparties have increased. In this framework, the CVA Group's general policy calls for the application of criteria in all the main regions, countries and business lines for measuring credit exposures in order to identify any deterioration in credit quality promptly, leading to any mitigation actions to be implemented, and to enable the monitoring and reporting of credit risk exposures at CVA Group level.

In addition, for certain segments of its customer portfolio, the Group also enters into insurance contracts with leading credit bank/insurance companies. In spite of such risk management policies and insurance, default by one or more significant counterparties of CVA Group may adversely affect the Issuer's and/or the Group's business, financial condition, results of operations and/or prospects.

Risks related to legal proceedings

The Issuer and certain companies of the CVA Group are defendants in civil, administrative and tax proceedings, which are incidental to their business activities. For a description of such proceedings, see "*Description of the Issuer and CVA Group – Legal Proceedings*" below.

The Issuer makes provisions in its financial statements for potential liabilities from legal proceedings which its management believes to be adequate. In certain cases, however, where the relevant companies believe that litigation may not result in an adverse outcome or that such dispute may be resolved in a satisfactory manner and without any significant impact on them, no specific provisions are made in their financial statements.

The Issuer and the CVA Group are not able to predict the ultimate outcome of any of the claims currently pending against it, or that future claims or investigations brought against it, including any by regulatory authorities, which may be in excess of its existing provisions. In addition, it cannot be ruled out that the Issuer and the CVA Group may incur significant losses over and above the amounts already provisioned in connection with pending legal claims and proceedings or future claims or investigations which may be brought, owing to:

- uncertainty regarding the final outcome of such proceedings, claims or investigations; and/or
- the occurrence of new developments that management was unable to take into consideration when evaluating the likely outcome of such proceedings, claims or investigations in order to make appropriate provisions as at the date of the latest financial statements; and/or
- the emergence of new evidence and information; and/or
- the underestimation of probable future losses.

Furthermore, legal proceedings could damage the Issuer's long-term reputation.

Due to any of the above circumstances, unfavourable outcomes in existing or future proceedings, claims or investigations could have an adverse impact on the business, revenues, financial condition and results of operations and/or prospects of the Issuer and/or the CVA Group.

MATERIAL RISKS THAT ARE SPECIFIC TO THE NOTES

The risks under this heading are divided into the following categories:

- *Risk relating to the structure of the Notes*
- *Risks relating to the market generally.*

Risk relating to the structure of the Notes

The Notes are fixed rate securities and are vulnerable to fluctuations in market interest rates

The Notes will carry fixed interest. A holder of securities with a fixed interest rate is exposed to the risk that the price of such securities falls as a result of changes in the current interest rate on the capital markets (the "**Market Interest Rate**"). While the nominal interest rate of securities with a fixed interest rate remains the same during the life of those securities or during a certain period of time, the Market Interest Rate typically changes on a daily basis and, as the Market Interest Rate changes, the price of those securities changes in the opposite direction. Accordingly, if the Market Interest Rate increases, the price of fixed rate securities typically falls whereas, if the Market Interest Rate falls, the price of those securities typically increases, in each case until their yield is approximately equal to the Market Interest Rate. Investors should be aware that movements of the Market Interest Rate could adversely affect the market price of the Notes.

The Notes may be redeemed for tax reasons

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any 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, the Issuer may redeem all outstanding Notes in accordance with the Conditions. If the Issuer calls and redeems the Notes in the circumstances mentioned above, the Noteholders may not be able to reinvest the redemption proceeds in comparable securities offering a yield as high as that of the Notes.

Inability to raise the funds necessary to finance an offer to prepay the Notes upon the occurrence of certain events constituting a change of control of the Issuer in accordance with the conditions of the Notes

The Note Purchase Agreement contains provisions relating to some events constituting a change of control of the Issuer. If a "*Change of Control*" (as defined below under "*Description of the Notes*") of the Issuer occurs, the Issuer will be required to make an offer to prepay all outstanding Notes at a price equal to their principal amount plus any accrued interest thereon and the applicable "*Make Whole Amount*" (each as defined below under "*Description of the Notes*"), if any. If a Change of Control occurs, the Issuer cannot assure that it will have sufficient funds available at such time to prepay any Notes, or that the restrictions in certain of its credit facilities or other then existing contractual obligations of the Issuer would allow it to make such prepayment. See, "*Description of the Notes — Prepayment Upon Change of Control*.", below.

Change of law or administrative practice

The conditions of the Notes are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus, and the unforeseen consequences of any such change could include a material adverse effect on the marketability and/or value of Notes or on the right of certain investors to continue holding the Notes.

Amendments and waivers to the Notes

The Note Purchase Agreement contains provisions regarding the amendment and waiver of certain provisions of the Note Purchase Agreement and the Notes that affect the interests of the holders of the Notes generally. These provisions permit defined majorities to bind all the holders of the Notes, including holders who did not vote and holders who voted in a manner contrary to the majority, with respect to certain amendments.

The Notes are not rated

The Notes are not rated. To the extent that any credit rating agencies assign credit ratings to the Notes, such ratings may not reflect the potential impact of all risks related to structure, market, and other factors that may affect the value of the Notes. A rating or the absence of a rating is not a recommendation to buy, sell or hold securities.

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 of Italian taxation, unless the withholding or deduction is required by law. In that event, the Issuer will 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 or deduction been required. The Issuer's obligation to gross up is, however, subject to a number of exceptions, including in particular withholding or deduction of Italian substitute tax (*imposta sostitutiva*), pursuant to Italian Legislative Decree No. 239 of 1 April 1996. Where those exceptions apply, the required withholding or deduction of such taxes will be made for the account of the relevant Noteholders and the Issuer will not be obliged to pay any additional amounts to those Noteholders. As a result, those Noteholders will receive lower amounts of interest than those provided for under the Description of the Notes and the Issuer will be under no obligation to assist them in recovering any sum that has been withheld or deducted. Prospective investors in the Notes should consult their own tax advisers as to whether any of those exceptions could be relevant to them.

Risks related to the market generally

There is no active trading market for the Notes and one cannot be assured

Application has been made to admit the Notes to the official list of Euronext Dublin and for the Notes to be admitted to trading on its regulated market. The Notes are new securities for which there is currently no market. There can be no assurance as to the liquidity of any market that may develop for the Notes, the ability of Noteholders to sell such Notes or the price at which the Notes may be sold. The liquidity of any market for the Notes will depend on the number of holders of the Notes, prevailing interest rates, the market for similar securities and a number of other factors. In an illiquid market, the Noteholders might not be able to sell their Notes at any time at fair market prices. There can be no assurance that an active trading market for the Notes will develop or, if one does develop, that it will be maintained. If an active trading market does not develop or cannot be maintained, this could have a material adverse effect on the liquidity and trading prices of the Notes.

The liquidity and market value of the Notes may also be significantly affected by factors such as variations in the Group's annual and interim results of operations, 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 Group.

Risks relating to restrictions on the transfer 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 in the U.S. or the securities laws of any other jurisdiction. Noteholders may not offer the Notes in the United States to or for the account or benefit of a U.S. person 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. It is the obligation of each Noteholder 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. For a description of restrictions which may be applicable to transfers of the Notes, see "*Subscription and Sale*". Any restrictions on the ability of investors to sell or transfer their Notes in any jurisdiction may have an adverse effect on the liquidity of Notes on the secondary market and, consequently, on the market value of the Notes.

Non-compliance with restrictions on ownership of the Notes and the Investment Company Act could adversely affect the Issuer.

Non-compliance with restrictions on ownership of the Notes and the Investment Company Act could adversely affect the Issuer.

The Issuer has not registered with the SEC as an investment company pursuant to the Investment Company Act, in reliance on an exception under Section 3(c)(7) of the Investment Company Act for investment companies (a) whose outstanding securities are owned (or in the case of "qualified purchasers", beneficially owned) only by "qualified purchasers" and (b) which do not make a public offering of their securities in the United States.

If the SEC or a court of competent jurisdiction were to find that the Issuer is required, but in violation of the Investment Company Act had failed, to register as an investment company, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Issuer could sue the Issuer and recover any damages caused by the violation; and (iii) any contract to which the Issuer is party that is made in violation of the Investment Company Act or whose performance involves such violation would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act.

Should the Issuer be subjected to any or all of the foregoing, the Issuer would be materially and adversely affected.

Exchange rate risks 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.

INFORMATION INCORPORATED BY REFERENCE

The following information is incorporated in, and forms part of, this Prospectus:

(i) the translation into English of the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2022;

(ii) the translation into English of the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2021; and

(iii) the translation into English of the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2020,

in each case, prepared in accordance with IFRS and together with the accompanying notes and the English translations of the independent auditors' report thereon.

Access to documents

The above audited consolidated financial statements have been previously filed with the Central Bank of Ireland and can be accessed on the following addresses on the Issuer's website:

- consolidated financial statements as at and for the year ended 31 December 2022:

  https://www.cvaspa.it/sites/default/files/2023-06/2022_CVA_Bilancio_ENG.pdf

- consolidated financial statements as at and for the year ended 31 December 2021:

  https://www.cvaspa.it/sites/default/files/2022-11/2021_Financial%20report%20CVA_ENG_0.pdf

- consolidated financial statements as at and for the year ended 31 December 2020:

  https://www.cvaspa.it/sites/default/files/2022-06/2020_CVASPA-English%20Report.pdf

In addition, the Issuer will provide, without charge to each person to whom a copy of this Prospectus has been delivered, upon the request of such person, a copy of any or all the documents containing information incorporated by reference herein. Requests for such documents should be directed to the Issuer at its offices set out at the end of this Prospectus. Such documents will also be available, without charge, at the specified office of the Fiscal Agent and from the website of the Issuer, *www.cvaspa.it*.

Any websites referred to in this Prospectus are for information purposes only and do not form part of this Prospectus unless that information is incorporated by reference.

Cross-reference list

The following table shows where the information incorporated by reference in this Prospectus can be found in the above-mentioned documents. Information contained in those documents other than the information listed below does not form part of this Prospectus and is either not relevant or covered elsewhere in this Prospectus.

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The documents set out above are translated into English from the original Italian. The Issuer has accepted responsibility for the accuracy of such translations. In the event that there are any inconsistencies or discrepancies between the Italian language versions and the English translations thereof, the original Italian language versions shall prevail.

DESCRIPTION OF THE NOTES

C.V.A. S.p.A. a company limited by shares (*società per azioni*) incorporated under Italian law, with a sole shareholder, will issue on14 December 2023 (the "**Issue Date**") its €30,000,000 aggregate principal amount of its Senior Notes, Series A, due 14 December 2038 (the "**Notes**") under a Note Purchase Agreement (the "**Note Purchase Agreement**"), dated 14 December 2038, among the Issuer and the Purchaser. The terms of the Notes will include those stated in the Note Purchase Agreement.

The following description is a summary of the material provisions of the Note Purchase Agreement. It does not restate the Note Purchase Agreement in its entirety. Potential investors in the Notes are urged to read the Note Purchase Agreement because it, and not the following description, defines the rights of the holders of the Notes.

Definitions of certain terms used in this description can be found under "—*Certain Definitions*." Defined terms used in this description but not defined below under "—*Certain Definitions*" have the meanings ascribed to them in the Note Purchase Agreement.

Brief Description of the Notes

The Notes will be general unsecured obligations of the Issuer and will rank at least *pari passu* with all other unsecured and unsubordinated Indebtedness of the Issuer. Under certain circumstances, certain of the Issuer's Subsidiaries may be required to grant a Subsidiary Guarantee. See also *"—Certain Covenants—Addition of Subsidiary Guarantors.*"

Principal, Maturity and Interest

On the Issue Date, the Issuer will issue €30,000,000 in aggregate principal amount of Notes in this offering, which will mature on 14 December 2038. The Issuer will issue Notes in denominations of at least €100,000.

Interest on the Notes will accrue at the Applicable Rate on the outstanding principal amount of the Notes and will be payable semi-annually in arrears on 14 June and 14 December of each year, commencing on 14 June 2024.

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a on a 30-day month and a 360-day year. Any payment of interest, principal of or Make-Whole Amount or Modified Make-Whole Amount on any Note (including principal due on the Maturity Date of such Note) that is due on a date that is not a Business Day shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

The principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment, together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount or Modified Make-Whole Amount, if any. From and after such date, unless the Issuer shall fail to pay such principal amount when so due and payable, together with the interest plus the Make-Whole Amount or Modified Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Issuer and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

Tax Indemnification

All payments made by the Issuer with respect to the Notes will be made without withholding for Taxes, unless withholding of Taxes is required by law. If any withholding for Taxes imposed by any Taxing Jurisdiction is required by law, the Issuer will pay additional amounts necessary so that the net amounts received by each holder after withholding will equal the amounts that would have been received in the absence of the withholding. No payment of any additional amounts will be required, *inter alia*, to be made for or in relation to any payment or deduction of any interest, premium or other income deriving from Notes on account of *imposta sostitutiva* pursuant to Decree No. 239. Further specific circumstances

in which no payment of any additional amounts is due are also described in the Note Purchase Agreement.

Prepayment

Optional Prepayment with Make-Whole Amount.

The Issuer may at any time prepay all or, from time to time any part of the Notes, in a minimum principal amount of not less than 5 per cent. of the aggregate principal amount of the Notes then outstanding in the case of a partial prepayment, at 100 per cent. of the principal amount so prepaid, together with any accrued interest and the Make-Whole Amount determined for the prepayment date with respect to such principal amount, provided that notwithstanding the foregoing, the Issuer may not prepay any Notes under this section if a Default or Event of Default exists or would result from such optional prepayment unless all Notes at the time outstanding are prepaid on a pro rata basis. In the case of any partial prepayment of the Notes, the principal amount of the Notes to be prepaid will be allocated among all of the Notes at the time outstanding in proportion, so that the same percentage of the outstanding principal amount of each Note is prepaid**.**

Optional Prepayment for Tax Reasons

If at any time as a result of a Change in Tax Law after the date of the original issuance of the Notes, the Issuer is obligated to make payments of any Additional Payments, the Issuer may give the holders of all affected Notes notice of the prepayment of the affected Notes. The affected Notes will be repaid in accordance with the terms better specified in the Note Purchase Agreement.

Prepayment Upon Change of Control

Upon the occurrence of a Change of Control, the Issuer will offer to prepay all the Notes. The Issuer will prepay all of the Notes held by holders that accept the prepayment offer at the principal amount of each such Note, together with interest accrued thereon and the applicable Make-Whole Amount, if any.

Prepayment in Connection with Asset Sales

If the Issuer is required, in accordance with paragraph (a) of section "*Sales of Assets*", to offer to prepay the Notes using the proceeds of a Disposition of the assets of the Issuer and its Subsidiaries, the Issuer will give written notice thereof to each holder of a Note, which notice shall describe such sale in reasonable detail and (a) refer specifically to this section, (b) specify the pro rata portion of each Note being so offered to be so prepaid, (c) specify a date not less than 30 days and not more than 60 days after the date of such notice (the "**Asset Sale Prepayment Date**") and specify the Asset Sale Response Date (as defined below) and (d) offer to prepay on the Asset Sale Prepayment Date such pro rata portion of each Note, together with interest accrued thereon to the Asset Sale Prepayment Date, but without payment of any Make-Whole Amount, Modified Make-Whole Amount or other premium. Each holder of a Note shall notify the Company of such holder's acceptance or rejection of such offer by giving written notice thereof to the Company on a date falling at least 10 Business Days prior to the Asset Sale Prepayment Date (such date, the **"Asset Sale Response Date**"), and the Company shall prepay on the Asset Sale Prepayment Date such pro rata portion of each Note held by the holders who have accepted such offer in accordance with this section at a price in respect of each Note held by such holder equal to 100% of the principal amount of such pro rata portion, together with interest accrued thereon to the Asset Sale Prepayment Date, but without any Make-Whole Amount, Modified Make-Whole Amount or other premium; provided however, that a failure by a holder of any Note to respond to such offer in writing on or begore the Asset Sale Response Date shall be deemed to be a rejection of such offer.

Prepayment in Connection with a Noteholder Sanctions Event

(a) Upon the Issuer's receipt of notice from any Affected Noteholder that a Noteholder Sanctions Event has occurred (which notice shall refer specifically to this section (a) and describe in reasonable detail such Noteholder Sanctions Event), the Company shall promptly, and in any event within 10 Business Days, make an offer (the "**Sanctions Prepayment Offer**") to prepay the entire unpaid

principal amount of Notes held by such Affected Noteholder (the "**Affected Notes**"), together with interest thereon to the prepayment date selected by the Issuer with respect to each Affected Note but without payment of any Make-Whole Amount or Modified Make-Whole Amount or other premium with respect thereto, which prepayment shall be on a Business Day not less than 30 days and not more than 60 days after the date of the Sanctions Prepayment Offer (the "**Sanctions Prepayment Date**"). Such Sanctions Prepayment Offer shall provide that such Affected Noteholder notify the Company in writing by a stated date (the "**Sanctions Prepayment Response Date**"), which date is not later than 10 Business Days prior to the stated Sanctions Prepayment Date, of its acceptance or rejection of such prepayment offer. If such Affected Noteholder does not notify the Company as provided above, then the holder shall be deemed to have accepted such offer.

(b) Subject to the provisions of subparagraphs (c) and (d) of this section, the Issuer shall prepay on the Sanctions Prepayment Date the entire unpaid principal amount of the Affected Notes held by such Affected Noteholder who has accepted (or has been deemed to have accepted) such prepayment offer (in accordance with subparagraph (a)), together with interest thereon to the Sanctions Prepayment Date with respect to each such Affected Note, but without payment of any Make-Whole Amount or Modified Make-Whole Amount or other premium with respect thereto.

(c) If a Noteholder Sanctions Event has occurred but the Issuer and/or its Controlled Entities have taken such action(s) in relation to their activities so as to remedy such Noteholder Sanctions Event (with the effect that a Noteholder Sanctions Event no longer exists, as reasonably determined by such Affected Noteholder) prior to the Sanctions Prepayment Date, then the Company shall no longer be obliged or permitted to prepay such Affected Notes in relation to such Noteholder Sanctions Event. If the Company and/or its Controlled Entities shall undertake any actions to remedy any such Noteholder Sanctions Event, the Company shall keep the holders reasonably and timely informed of such actions and the results thereof.

(d) If any Affected Noteholder that has given written notice to the Company of its acceptance of (or has been deemed to have accepted) the Company's prepayment offer in accordance with subparagraph (a) also gives notice to the Company prior to the relevant Sanctions Prepayment Date that it has determined (in its sole discretion) that it requires clearance from any Governmental Authority in order to receive a prepayment pursuant to this section, the principal amount of each Note held by such Affected Noteholder, together with interest accrued thereon to the date of prepayment, shall become due and payable on the later to occur of (but in no event later than the Maturity Date of the relevant Note) (i) such Sanctions Prepayment Date and (ii) the date that is 10 Business Days after such Affected Noteholder gives notice to the Company that it is entitled to receive a prepayment pursuant to this section (which may include payment to an escrow account designated by such Affected Noteholder to be held in escrow for the benefit of such Affected Noteholder until such Affected Noteholder obtains such clearance from such Governmental Authority), and in any event, any such delay in accordance with the foregoing clause (ii) shall not be deemed to give rise to any Default or Event of Default.

(e) Promptly, and in any event within 5 Business Days, after the Issuer's receipt of notice from any Affected Noteholder that a Noteholder Sanctions Event shall have occurred with respect to such Affected Noteholder, the Company shall forward a copy of such notice to each other holder of Notes.

(f) The Issuer shall promptly, and in any event within 10 Business Days, give written notice to the holders after the Company or any Controlled Entity having been notified that (i) its name appears or may in the future appear on a State Sanctions List or (ii) it is in violation of, or is subject to the imposition of sanctions under, any Sanctions Laws, in each case which notice shall describe the facts and circumstances thereof and set forth the action, if any, that the Company or a Controlled Entity proposes to take with respect thereto.

(g) The foregoing provisions of this section shall be in addition to any rights or remedies available to any holder of Notes that may arise under this Agreement as a result of the occurrence of a Noteholder Sanctions Event; provided, that, if the Notes shall have been declared due and payable pursuant to section "*Acceleration*" as a result of the events, conditions or actions of the Issuer or its Controlled Entities that gave rise to a Noteholder Sanctions Event, the remedies set forth in section "*Remedies on Default*" shall control.

Certain Covenants

Customary Covenants

The Note Purchase Agreement requires that the Issuer will, and – where applicable - will cause each of its Material Subsidiaries to:

(a) comply with all laws and regulations, and obtain and maintain all licenses and permits necessary to the ownership of their properties or to the conduct of their businesses;
(b) maintain customary insurance with respect to their respective properties and businesses;
(c) maintain their properties in good repair, working order and condition;
(d) file all required tax returns and pay all taxes payable; and
(e) maintain its corporate existence and books and records.

Line of Business.

The Issuer will not, and will not permit any Subsidiary to, engage in any business if, as a result, the general nature of the business in which the Issuer and the Subsidiaries, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Issuer and the Subsidiaries, taken as a whole, are engaged on the date of the Note Purchase Agreement and businesses reasonably related thereto or in furtherance thereof.

Addition of Subsidiary Guarantors.

The Issuer will cause each of its Subsidiaries that has outstanding a Guaranty is or otherwise becomes obligated as guarantor or otherwise with respect to any Indebtedness outstanding under or pursuant to any Primary Credit Facility to, concurrently with it becoming liable under or in respect of any Primary Credit Facility, enter into a Subsidiary Guaranty.

Most Favoured Lender Status.

If any Primary Credit Facility contains a Relevant Covenant that is not contained in the Note Purchase Agreement or a Relevant Covenant that is contained in the Note Purchase Agreement which would be more beneficial to the holders of Notes than the Relevant Covenants set forth in the Note Purchase Agreement (a **"More Favorable Covenan**t"), the More Favorable Covenant will be incorporated into the Note Purchase Agreement pursuant to an amendment agreement entered into by the Issuer and the Required Holders, in from and substance satisfactory to the Required Holders, unless waived in writing by the Majority Holders. "**Relevant Covenant**" means any financial covenant (whether set forth as a covenant, undertaking, event of default, restriction, prepayment event or other such provision) that requires the Issuer to achieve or maintain a stated level of financial condition or performance.

Transactions with Affiliates.

The Issuer will not, and will not permit any Subsidiary to, enter into directly or indirectly any Material transaction or Material group of related transactions (including the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Issuer or a Subsidiary), except in the ordinary course and pursuant to the reasonable requirements of the Company's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Company or such Subsidiary than would be obtainable in a comparable arm's length transaction with a Person that is not an Affiliate.

Merger, Consolidation, etc.

The Issuer will not, and will not permit any Subsidiary Guarantor (if any) to, consolidate with or merge with any other Person or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to any Person, unless:

(a) in the case of any such transaction involving the Company, the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of the Company as an entirety, as the case may be, shall be a solvent corporation or limited liability company organized and existing under the laws of the United States or any state thereof (including the District of Columbia) or any other Permitted Jurisdiction, and, if the Company is not such successor corporation or limited liability company, (i) such corporation or limited liability company shall have executed and delivered to each holder of any Notes its assumption of the due and punctual performance and observance of each covenant and condition of the Note Purchase Agreement and the Notes, (ii) such corporation or limited liability company shall have caused to be delivered to each holder of any Notes an opinion of internationally recognized independent counsel, or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and comply with the terms hereof (subject to customary exceptions, assumptions and limitations) and (iii) such corporation or limited liability company shall have provided to the holders evidence of the acceptance by the Process Agent of the appointment and designation for the period of time from the date of such transaction to the date which is one year after the latest maturity date of the Notes then outstanding (and the payment in full of all fees in respect thereof);

(b) in the case of any such transaction involving a Subsidiary Guarantor, the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of such Subsidiary Guarantor as an entirety, as the case may be, shall be (1) the Company, such Subsidiary Guarantor or another Subsidiary Guarantor; (2) a solvent corporation or limited liability company (other than the Company or another Subsidiary Guarantor) that is organized and existing under the laws of the United States or any state thereof (including the District of Columbia), any other Permitted Jurisdiction or the jurisdiction of organization of such Subsidiary Guarantor and, if such Subsidiary Guarantor is not such successor corporation or limited liability company, (A) such corporation or limited liability company shall have executed and delivered to each holder of Notes its assumption of the due and punctual performance and observance of each covenant and condition of the Subsidiary Guaranty of such Subsidiary Guarantor, (B) the Company shall have caused to be delivered to each holder of Notes an opinion of internationally recognized independent counsel in the appropriate jurisdiction(s), or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and comply with the terms hereof (subject to customary exceptions, assumptions and limitations) and (C) such corporation or limited liability company shall have provided to the holders evidence of the acceptance by the Process Agent of the appointment and designation provided for by the Subsidiary Guaranty of such Subsidiary Guarantor for the period of time from the date of such transaction to the date which is one year after the latest maturity date of the Notes then outstanding (and the payment in full of all fees in respect thereof); or (3) any other Person so long as the transaction is treated as a disposition of all of the assets of such Subsidiary Guarantor for purposes of section "*Sale of Assets*" and, based on such characterization, would be permitted pursuant to section "*Sale of Assets*";

(c) each Subsidiary Guarantor under any Subsidiary Guaranty that is outstanding at the time such transaction or each transaction in such a series of transactions occurs reaffirms its obligations under such Subsidiary Guaranty in writing at such time pursuant to documentation that is reasonably acceptable to the Required Holders; and

(d) immediately before and immediately after giving effect to such transaction or each transaction in any such series of transactions, no Default or Event of Default shall have occurred and be continuing.

No such conveyance, transfer or lease of substantially all of the assets of any Obligor shall have the effect of releasing such Obligor, as the case may be, or any successor corporation or limited liability company that shall theretofore have become such in the manner prescribed in this section, from its liability under (x) the Note Purchase Agreement or the Notes (in the case of the Company) or (y) any Subsidiary Guaranty (in the case of a Subsidiary Guarantor), unless, in the case of the conveyance, transfer or lease of substantially all of the assets of a Subsidiary Guarantor, such Subsidiary Guarantor is released from its Subsidiary Guaranty in connection with or immediately following such conveyance, transfer or lease.

Limitation on Liens.
The Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly create, incur, assume or permit to exist (upon the happening of a contingency or otherwise) any Lien on or with respect to any property or asset (including any document or instrument in respect of goods or accounts receivable) of the Issuer or any such Subsidiary, whether now owned or held or hereafter acquired, or any income or profits therefrom, or assign or otherwise convey any right to receive income or profits, except:

(a) Liens for taxes and assessments or governmental charges or levies not yet due and payable and Liens securing claims or demands of mechanics and materialmen;

(b) Liens incurred or deposits made in the ordinary course of business for sum not yet due and, in any case, not incurred or made in connection with the borrowing of money;

(c) Liens of or resulting from any judgment or award, (i) the time for the appeal or petition for rehearing of which shall not have expired, or (ii) in respect of which the Issuer or a Subsidiary shall at all times in good faith be prosecuting an appeal or proceeding for a review and in respect of which a stay of execution pending such appeal or proceeding for review shall have been secured; provided that the Issuer or such Subsidiary such judgment or award is discharged or stayed pending appeal within 60 days after entry thereof (and is discharged within 60 days after the expiration of any such stay);

(d) Liens created to secure Project SPV Indebtedness, provided that the aggregate amount of such Project SPV Indebtedness secured by such Liens under this clause (d) does not at any time exceed 10% of Consolidated Total Assets (determined as of the most recent Determination Date);

(e) Liens created to assets or property of a Subsidiary to secure such Subsidiary's obligations towards the Issuer;

(f) Liens from property acquisitions created within 180 days of the acquisition thereof, securing the lesser of: (i) the cost of the acquired property, or (ii) the fair market value thereof;

(g) Liens securing Indebtedness of the Issuer or any Subsidiary not otherwise permitted by clauses (a) through (f), (including any Project SPV Indebtedness in excess of the amount permitted by clause (d) above) provided that the sum (without duplication and without counting the Notes) of (A) the aggregate unpaid principal amount of all Indebtedness secured by Liens permitted by this section (determined as of the most recent Determination Date) plus (B) the aggregate principal amount then outstanding of all Indebtedness permitted pursuant to paragraph (c) of

"*Limitation on Subsidiary Indebtedness"* does not at any time exceed 25% of Consolidated Total Assets (determined as of the most recent Determination Date), provided, further, that notwithstanding the foregoing, the Issuer shall not, and shall not permit any of its Subsidiaries to, secure pursuant to this section any Indebtedness outstanding under or pursuant to any Primary Credit Facility unless and until the Notes (and any guaranty delivered in connection therewith) shall concurrently be secured equally and ratably with such Indebtedness pursuant to documentation reasonably acceptable to the Required Holders, in substance and in form, including an intercreditor agreement and opinions issued by counsel(s) of the Issuer and/or any such Subsidiary, as the case may be, from counsel that is reasonably acceptable to the Required Holders..

Limitation on Subsidiary Indebtedness.
The Company will not permit any Subsidiary to, directly or indirectly, create, incur, assume or otherwise become or remain liable with respect to any Indebtedness, except:

(a) Indebtedness of a Subsidiary Guarantor for so long as such Subsidiary remains a Subsidiary Guarantor; provided that the Indebtedness represented by the Subsidiary Guaranty of such Subsidiary Guarantor ranks at least pari passu, without preference or priority, at all times with all other unsecured and unsubordinated Indebtedness of such Subsidiary Guarantor in a bankruptcy or insolvency of such Subsidiary Guarantor, other than Indebtedness which is mandatorily preferred by law applicable to companies generally;

(b) Project SPV Indebtedness provided that the aggregate amount of such Project SPV Indebtedness does not at any time exceed 10% of Consolidated Total Assets; and

(c) Indebtedness not otherwise permitted by the foregoing clauses (a) and (b) above (including any Project SPV Indebtedness in excess of the amount permitted by clause (b) above), provided that after giving effect thereto the sum (without duplication) of (1) the aggregate principal amount of all outstanding Indebtedness of Subsidiaries plus (2) to the extent not included in the foregoing clause (i) the aggregate principal amount of Indebtedness secured by all Liens permitted paragraph (g) of "*Limitation on Liens*" above does not at any time exceed 25% of Consolidated Total Assets at any time (determined as of the end of the most recent financial year for which financial statements have been provided pursuant to section "*Reports*") (and for purposes of this clause (c) any Subsidiary Guarantor which is discharged from its Subsidiary Guaranty pursuant to section "*Subsidiary Guarantors*" shall be deemed to have incurred all of its existing Indebtedness on the date such Subsidiary Guaranty is discharged).

Consolidated Net Financial Debt to EBITDA Ratio.
The Issuer shall not, as of any Determination Date, permit the ratio of Consolidated Net Financial Debt as of such Determination Date to Consolidated EBITDA for the Relevant Period ending on such Determination Date to be greater than 3.50 to 1.00.

Consolidated Net Financial Debt to Shareholders' Equity Ratio.
The Issuer shall not, as of any Determination Date, permit the ratio of Consolidated Net Financial Debt as of such Determination Date to Shareholders' Equity as of such Determination Date to be greater than 1.25 to 1.00.

Sale of Assets.
(a) The Issuer will not nor will it permit any Subsidiary to, directly or indirectly (by merger or otherwise), make any sale, transfer, lease (as lessor) or other disposition of any property or assets (other than dispositions of cash not otherwise prohibited by the Note Purchase Agreement) (each or any combination thereof being a "**Disposition**"), including any receivables,

shares, interests or other equivalents of corporate stock or other indicia of ownership of any such Subsidiary of the Parent.

(b) Paragraph (a) does not apply to:

i. in respect of Dispositions where the book value of the relevant assets, when added to the book value of all other assets sold, leased or otherwise disposed of by the Company and its Subsidiaries does not exceed (x) 20% of Consolidated Total Assets (as determined at the most recent Determination Date prior to the Series A Closing Day) within that same fiscal year and (y) 90% of Consolidated Total Assets (as determined at the most recent Determination Date prior to the Series A Closing Day) during the term of the Series A Note, provided, however, such assets are sold in an arm's length transaction and, at such time and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing;

ii. in respect of Disposition where an amount equal to the net proceeds received from such sale, lease or other disposition shall be applied within 365 days after the date of such Disposition, in any combination:

A. to acquire productive assets of a similar nature used or useful in carrying on the business of the Company and its Subsidiaries; and/or

B. to prepay or retire Indebtedness of the Issuer and/or a Subsidiary Guarantor (other than Indebtedness owed to a Subsidiary or Affiliate or which is subordinated in any manner to the Notes), provided that the Company shall, in accordance with "*Prepayment in Connection with Asset Sales*", offer to prepay each outstanding Note in a principal amount, equal to the Ratable Portion for such Note, provided that the Company shall, in accordance with section "*Prepayment in Connection with Sale of Assets*", offer to repay each outstanding Note in a principal amount, equal to the Ratable Portion for such Note;

iii. Dispositions in respect of the granting or incurrence of the granting or incurrence of any Liens permitted by "*Limitation on Liens*" above;

iv. Dispositions in the ordinary course of business involving property that is either (i) inventory held for sale or (ii) equipment, fixtures, supplies or materials that are outdated, worn-out, surplus or obsolete;

v. Dispositions that consist of assignment of receivables for the purpose of cash advance;

vi. Disposition from a Subsidiary to the Company or to a Wholly-Owned Subsidiary, provided that if the transferring Subsidiary is a Subsidiary Guarantor then the transferee Subsidiary must be or become a Subsidiary Guarantee; or

vii. Dispositions made by obtaining the prior written consent of the Required Holders.

Sanctions, Etc.

(a) The Issuer will not, and will not permit any Controlled Entity to (a) become (including by virtue of being owned or controlled by a Sanctioned Person), own or control a Sanctioned Person or (b) directly or indirectly have any investment in or engage in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Notes) with any Person if such investment, dealing or transaction would be in violation of, or could result in the imposition of sanctions under, any Sanctions Laws applicable to the Issuer or such Controlled Entity, except, in the case of this clause (a), to the extent that such violation or sanctions, if imposed, could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) The Issuer will not, directly or indirectly, (i) use the proceeds of the Notes or lend, contribute or otherwise make available such proceeds to any member of the Group, joint venture partner or other person or entity to fund or facilitate any activities or business of or with any Sanctioned Person or in any Sanctioned Country or (ii) use any revenue or benefit derived from any activity or dealing with a Sanctioned Person or from any Sanctioned Country for the purpose of discharging amounts owing to the holders of the Notes.

Reports

The Issuer will provide each holder of Notes with:

(a) copies of the Group's unaudited semi-annual financial statements and audited annual financial statements;

(b) promptly upon their becoming available and unless made available on the website of the Company via www.cvaspa.it, one copy of each regular or periodic report, each registration statement (without exhibits except as expressly requested by such holder), and each prospectus and all amendments thereto filed by the Company or any Material Subsidiary with CONSOB or any similar Governmental Authority;

(c) notice of any Default or Event of Default;

(d) as soon as it becomes available, an annual budget for the financial year (if produced by the Issuer);

(e) within 15 Business Days following the date on which the Company's auditors resign or the Company elects to change auditors, as the case may be, notification thereof, together with such further information as the Required Holders may request; and

(f) copies of any notice to the Issuer or any Subsidiary from any Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect;

(g) with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of the Issuer to perform its obligations hereunder and under the Notes (or of any Subsidiary Guarantor to perform its obligations under its Subsidiary Guaranty) as from time to time may be reasonably requested by any such Purchaser or holder of a Note, including information readily available to the Issuer explaining the Group's financial statements if such information has been requested by the SVO in order to assign or maintain a designation of the Notes.

Events of Default

An "**Event of Default**" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Issuer defaults in the payment of any principal, premium, Make-Whole Amount or Modified Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration; or

(b) the Company defaults in the payment of any interest on any Note or any amount payable pursuant to section "*Tax Indemnification*" after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any term contained in paragraph (b) of section "*Reports*" above and in section "*Most Favoured Lender Status"* above, any negative covenant (*e.g.* section "Merger, Consolidation, etc") or any Incorporated Covenant; or

(d) the Company defaults in the performance of or compliance with any term contained herein (other than those referred to in paragraphs (a), (b) and (c) above) or any Subsidiary Guarantor defaults in the performance or compliance in any Subsidiary Guaranty and such default is not remedied within 30 days after the earlier of (A) a Responsible Officer obtaining actual knowledge of such default and (B) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this paragraph); provided that if no Material Adverse Effect shall have occurred as a result of such default, such default is capable of being cured within 30 days, and the Company and/or

the relevant Subsidiary Guarantor is pursuing the cure thereof the Company and the relevant Subsidiary Guarantor shall have an additional 30 days to cure such default; or

(e) (i) any representation or warranty made in writing by or on behalf of the Company or by any officer of the Company in the Note Purchase Agreement or any writing furnished in connection with the transactions contemplated hereby proves to have been false or incorrect in any material respect on the date as of which made, or (ii) any representation or warranty made in writing by or on behalf of any Subsidiary Guarantor or by any officer of such Subsidiary Guarantor in any Subsidiary Guaranty or any writing furnished in connection with such Subsidiary Guaranty proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (i) the Company or any Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or modified make-whole amount or interest on any Indebtedness (other than the Indebtedness under the Notes) that is outstanding in an aggregate principal amount of at least €15,000,000 (or its equivalent in the relevant currency of payment) beyond any period of grace provided with respect thereto, or (ii) the Company or any Subsidiary is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least €15,000,000 (or its equivalent in the relevant currency of payment) or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become, or has been declared (or one or more Persons are entitled to declare such Indebtedness to be), due and payable before its stated maturity or before its regularly scheduled dates of payment, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time, a change of control event that also constitutes a Change of Control under the Note Purchase Agreement or the right of the holder of Indebtedness to convert such Indebtedness into equity interests), (x) the Company or any Subsidiary has become obligated to purchase or repay Indebtedness before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least €15,000,000 (or its equivalent in the relevant currency of payment); or (y) one or more Person have the right to require the Company or any Subsidiary so to purchase or repay such Indebtedness; or

(g) the Company or any Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts - for an aggregate outstanding principal amount of at least €15,000,000 (or its equivalent in the relevant currency of payment) for all such debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy and/or insolvency, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar procedure and/or agreement according to the law of any jurisdiction (including, without limitation, any *liquidazione* (including, without limitation, a *liquidazione volontaria*), *procedura concorsuale or similar (fallimento, concordato preventivo, liquidazione coatta amministrativa, amministrazione straordinaria delle grandi imprese insolventi), amministrazione straordinaria, piano di risanamento* pursuant to Article 67, paragraph 3, letter d) of the Italian Bankruptcy Law, *accordo di ristrutturazione dei debiti* pursuant to Article 182-bis of the Italian Bankruptcy Law or any other similar proceedings), (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property (including, without limitation, any *commissario straordinario, commissario liquidatore, comitato di sorveglianza, curatore, commissario giudiziale, liquidatore* or any other Person performing the same function of each of the foregoing), (v) is adjudicated as insolvent or to be liquidated or in crisis (in crisi), or (vi) takes corporate action for the purpose of any of the foregoing; or

(h) a court or other Governmental Authority of competent jurisdiction enters an order appointing, without consent by the Company or any of its Subsidiaries, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property (including, without limitation, any *commissario straordinario, commissario liquidatore, comitato di sorveglianza, curatore, commissario giudiziale, liquidatore* or any other Person performing the same function of each of the foregoing), or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or insolvency or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up, administration or liquidation of the Company or any of its Subsidiaries, or any such petition shall be filed against the Company or any of its Subsidiaries and such petition shall not be dismissed within 60 days; or

(i) any event occurs with respect to the Company or any Subsidiary which under the laws of any jurisdiction is analogous to any of the events described in paragraph (g) or paragraph (h) above, provided that the applicable grace period, if any, which shall apply shall be the one applicable to the relevant proceeding which most closely corresponds to the proceeding described in paragraph (g) or paragraph (h) above; or

(j) one or more final judgments or orders for the payment of money aggregating in excess of €15,000,000 (or its equivalent in the relevant currency of payment), including any such final order enforcing a binding arbitration decision, are rendered against one or more of the Company and its Subsidiaries and which judgments are not, within 60 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged (including, without limitation, by way of making payments in full in cash of the relevant amount) within 60 days after the expiration of such stay; or

(k) any Subsidiary Guaranty shall cease to be in full force and effect, any Subsidiary Guarantor or any Person acting on behalf of any Subsidiary Guarantor shall contest in any manner the validity, binding nature or enforceability of any Subsidiary Guaranty, or the obligations of any Subsidiary Guarantor under any Subsidiary Guaranty are not or cease to be legal, valid, binding and enforceable in accordance with the terms of such Subsidiary Guaranty.

Remedies on Default

Acceleration.

(a) If an Event of Default with respect to the Issuer described in paragraphs (g), (h) or (i) of section "*Events of Default*" above (other than an Event of Default described in paragraph (iv) of section "*Events of Default*") has occurred, all the Notes then outstanding shall automatically become immediately due and payable and the Facility shall automatically terminate.

(b) If any other Event of Default has occurred and is continuing, subject to a resolution of the Required Holders to be taken in accordance with section "*Amendment and Waiver*" below (to the extent required by Italian law in effect at such time), the Joint Representative, or the requisite percentage of Notes specified in section "*Amendment and Waiver*" below, may, by notice or notices to the Issuer, declare all the Notes then outstanding to be immediately due and payable and PGIM may at its option, by notice in writing to the Issuer, terminate the Facility.

(c) If any Event of Default described in paragraphs (a) or (b) of section *"Events of Default*" has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

In addition, if (i) any Event of Default (other than those described in paragraph (a) and (b) of section *"Events of Default*" and paragraph (a) of this section has occurred and is continuing, (ii) the holders of

at least one-twentieth of the aggregate principal amount of the Notes then outstanding have requested the convening of a Noteholders' Meeting, and (iii) such Noteholders' Meeting has not been convened on or prior to the fifth day after the expiration of the minimum statutory notice period for such meeting, assuming notice thereof was given on the date of such request (or on or prior to the fifth day after such request if there is no such minimum period), then, until the date such Noteholders' Meeting shall be convened, each holder of Notes shall have the right, at any time, at its option, by notice or notices to the Company, to declare all the Notes then held by it to be immediately due and payable.

Upon any Notes becoming due and payable under this section, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (w) all accrued and unpaid interest thereon (including interest accrued thereon at the Default Rate), (x) the Make-Whole Amount determined in respect of such principal amount and (y) any other amounts owing under the Note Purchase Agreement, shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

***Other Remedies*.**
If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under "*Acceleration*", the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

Amendment and Waiver
Meetings of Holders.
Subject to compliance with provisions of Italian law, any decisions of the holders of Notes (including, without limitation, any acceleration of the maturity of the Notes that must be effected by two or more such holders acting in concert), shall be made at a meeting of the holders of Notes (a "**Noteholders' Meeting**") to be convened by the board of directors of the Company or, if already appointed, by the Joint Representative (i) when the board of directors of the Company or, if already appointed, the Joint Representative deem it necessary or (ii) when requested by holders of Notes representing at least one-twentieth of the aggregate principal amount of the Notes then outstanding. Subject to compliance with provisions of Italian law and the Company's by-laws, the Noteholders' Meeting shall be validly held if: (a) in the case of the First Call (as defined in Schedule 18.1(a) of the Note Purchase Agreement) there are one or more Persons present holding Notes or Voting Certificates or being proxies and holding or representing in aggregate more than one-half of the principal amount of the Notes for the time being outstanding; and (b) in case of the Second Call (as defined in Schedule 18.1(a) of the Note Purchase Agreement) there are one or more Persons present holding Notes or Voting Certificates or being proxies and holding or representing in aggregate more than one-half of the principal amount of the Notes for the time being outstanding. The approval of more than one-half of the principal amount of the Notes for the time being outstanding shall be required to approve any resolution of the holders of Notes. All Noteholders' Meetings under this section shall take place at the location specified in the relevant Notice in accordance with the provisions of the Company's by-laws (as amended from time to time) and provisions of Italian law, and shall be conducted as described in the relevant provision of the Note Purchase Agreement.

Joint Representative.

Pursuant to Article 2417 of the Italian Civil Code, a joint representative of the holders of Notes (the "**Joint Representative**") may be appointed at a Noteholders' Meeting in order to, inter alia, represent the holders' interests hereunder and to effect the resolutions duly adopted at Noteholders' Meetings convened pursuant to section "*Meetings of Holders*" above. The Joint Representative may also be appointed by any holder of the Notes to serve as a proxy for such holder. In order to serve as proxy, to the extent required by Italian law then in effect, the Person being appointed as a proxy (including, without limitation, the Joint Representative if so appointed) must attend Noteholders' Meetings in possession of the original Notes or Voting Certificates of registered holders for which the Joint Representative or such other Person has been designated as proxy.

Requirements.
Notwithstanding anything to the contrary contained in the Note Purchase Agreement or the Notes, in the Note Purchase Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the approval of the holders by resolution adopted in accordance with the procedures set forth in section "*Meetings of Holders*" above and the written consent of the Issuer.

Governing Law
The Note Purchase Agreement will be construed and enforced in accordance with, and the rights of the parties will be governed by, the laws of England.

Certain Definitions
Set forth below are certain defined terms used in the Note Purchase Agreement. Reference is made to the Note Purchase Agreement for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

"**Affected Noteholder**" is defined within the definition of "Noteholder Sanctions Event."

"**Affected Notes**" is defined in section "*Prepayment in Connection with a Noteholder Sanctions Event*".

"**Affiliate**" means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common Control with, such first Person, and, with respect to the Company, shall include any Person beneficially owning or holding, directly or indirectly, or more than 20% of any class of voting or equity interests of the Company or any Subsidiary or any Person of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, or more than 20% of any class of voting or equity interests. Unless the context otherwise clearly requires, any reference to an "Affiliate" is a reference to an Affiliate of the Company.

"**Applicable Percentage**" in the case of a computation of the Modified Make-Whole Amount for purposes of section "*Prepayment for Tax Reasons*" means 1.00% (100 basis points), and in the case of a computation of the Make-Whole Amount for any other purpose means 0.50% (50 basis points).

"**Called Principal**" means the principal of such Note that is to be prepaid pursuant to section "*Optional Prepayment with Make-Whole Amount*" or section "*Optional Prepayment for Tax Reasons*" or has become or is declared to be immediately due and payable pursuant to section "*Acceleration*", as the context requires.

"**Capital Lease**" means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP; for the avoidance of any doubt, this definition excludes operating leases.

"**Cash Equivalents**" with:

(a) cash at banks,

(b) all assets qualified as cash and cash equivalents under the Accounting Principles and

(c) all assets (including, but not limited to, certificates of deposit, time deposits and any credit arising from repurchase transactions) that can be liquidated within twelve months);

(d) but excluding financial receivables due to the Group arising from the assignment or transfer of debts of the Group to entities other than the Company or any Subsidiary, in each case, as shown in, or determined by reference to, their annual consolidated financial statements, calculated on a consolidated basis, as shown in, or determined by reference to the Company's internal management accounts.

"**Change of Control**" means the Relevant Shareholder, shall in the aggregate, directly or indirectly, cease to control or own (beneficially or otherwise) a number of shares representing in the aggregate more than 50% of the total voting power of all classes then outstanding of the voting stock of the Company or have the right to appoint a majority of the members of the Board of Directors at the Company's ordinary and extraordinary shareholders' meeting.

"**Clearing System**" means Euroclear or Clearstream, as the case may be.

"**Clearstream**" means Clearstream Banking, société anonyme.

"**Code**" means the United States Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder from time to time.

"**Company**" is defined in the first paragraph of this Agreement.

"**Competitor**" means any Person (other than a Purchaser, other PGIM Affiliate, or their respective Related Funds) which is involved, directly or indirectly, to a material extent in a similar or competing business of the Group provided that:

(a) the provision of investment advisory services by a Person to a Plan or Non-U.S. Plan which is owned or controlled by a Person which would otherwise be a Competitor shall not of itself cause the Person providing such services to be deemed to be a Competitor if such Person has established procedures which will prevent confidential information supplied to such Person by any member of the Group from being transmitted or otherwise made available to such Plan or Non-U.S. Plan or Person owning or controlling such Plan or Non-U.S. Plan; and

(b) in no event shall an Institutional Investor that maintains or manages passive investments in any Person that is a Competitor be deemed a Competitor.

"**CONSOB**" means the *Commissione Nazionale per le Società e la Borsa*, the Italian securities and exchange commission.

"**CONSOB Regulation No. 11971**" is defined in the definition of "Qualified Investor".

"**CONSOB Regulation No. 20307**" is defined in the definition of "Qualified Investor".

"**Consolidated EBITDA**" means, in respect of any Relevant Period, with reference to and as reported in the Company's financial statements delivered pursuant to section "*Reports*" as applicable for that Relevant Period, the profit of the Company before taxation and before deducting any net interest

expense of the Group in respect of that relevant period and adding back depreciation and amortization deducted in such period.

"**Consolidated Gross Debt**" means, at any Determination Date, the aggregate Indebtedness of the Group determined on a consolidated basis, in each case, as shown in, or determined by reference to, the financial statements delivered pursuant to section "*Reports*", as applicable for such Determination Date.

"**Consolidated Net Financial Debt**" means, as of any Determination Date, the sum of:

(a) Consolidated Gross Debt; *minus*

(b) available cash (*disponibilita' finanziarie*) and Cash Equivalents of the Group as at such Determination Date,

in each case, as shown in, or determined by reference to, the financial statements delivered pursuant to section "*Reports*") as applicable, and determined on a consolidated basis in accordance with GAAP for such Determination Date.

"**Consolidated Total Assets**" means, at any date, the total assets of the Group, determined on a consolidated basis for such date in accordance with GAAP.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "Controlled" and "Controlling" shall have meanings correlative to the foregoing.

"**Controlled Entity**" means (i) any of the Subsidiaries of the Company and any of their or the Company's respective Controlled Affiliates and (ii) if the Company has a parent company, such parent company and its Controlled Affiliates.

"**Decree No. 239**" means Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time.

"**Default**" means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"**Default Rate**" with respect to any Note, has the meaning given in such Note.

"**Determination Date**" means:

(a) June 30 and December 31 of each year;

(b) if any covenant or similar provision to Sections 10.5 and 10.6 contained in, or any test or calculation required by, any Primary Credit Facility that is tested or calculated more frequently than in (a) above, as applicable, then each such other date.

"**Discounted Value**" means, with respect to the Called Principal of such Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Note is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"**Disposition**" is defined in section "*Sale of Assets*".

"**Dollar Equivalent**" means, with respect to any Notes or Accepted, the Dollar equivalent of the principal amount of such Note, in each case as set forth in the records of PGIM.

"**Dollars**," "**U.S. Dollars**," "**$**" or "**U.S. $**" means lawful currency of the United States of America.

"**Environmental Laws**" means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to Hazardous Materials.

"**Equity**" means in at any time, the total consolidated equity at such date, determined in accordance with GAAP.

"**ERISA**" means the Employee Retirement Income Security Act of 1974 and the rules and regulations promulgated thereunder from time to time in effect.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

"**Euro**," "**EUR**" or "**€**" means the unit of single currency of the Participating Member States.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System.

"**Event of Default**" is defined in section "*Events of Default*".

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

"**Fiscal Agent**" means Citibank Europe Plc, acting in its capacity as fiscal agent under the Agency Agreement (or any other entity acting in such capacity which is reasonably satisfactory to the Required Holders), or any replacement of such Person by the Company pursuant to the terms of the Agency Agreement which replacement is reasonably satisfactory to the Required Holders.

"**GAAP**" means (a) with respect to the Company International Financial Reporting Standards as in effect from time to time and (b) with respect to any other Person, generally accepted accounting principles applicable (including Italian GAAP) to such Person in its jurisdiction of incorporation or organization from time to time.

"**Governmental Authority**" means any governmental official or employee, employee of any government-owned or government-controlled entity, political party, any official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity.

"**Governmental Official**" means any governmental official or employee, employee of any government-owned or government-controlled entity, political party, any official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity.

"**Group**" means the Company and its Subsidiaries.

"**Guaranty**" means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner,

whether directly or indirectly, including obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

"**Hazardous Materials**" means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law, including asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

"**holder**" means, with respect to any Note, (a) where the Notes are represented by a Global Note Certificate, the Person who is the beneficial owner of such Note as registered in the Beneficial Owners Register maintained by the Company pursuant to relevant provisions of the Note Purchase Agreement, and (b) where the Notes are represented by Individual Note Certificates, the Person who is registered as the holder of such Note in the Beneficial Owners Register.

"**IFRS**" means International Financial Reporting Standards as in effect from time to time in Italy.

"**Incorporated Covenant**" means any More Favorable Covenant incorporated into the Note Purchase Agreement.

"**Indebtedness**" means, at any time, the outstanding principal, capital or nominal amount and any fixed or minimum premium payable on prepayment or redemption of any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated a finance or capital lease;

(e) receivables sold or discounted (other than receivables to the extent they are sold on a non-recourse basis according to GAAP);

(f) the cost of the purchase of any goods or for the payment of services provided by third parties within the limits in which the same is payable following the acquisition of the aforementioned goods or the supply of the service by the relevant party, in the event that the payment of the goods / service is (i) not in the ordinary course of business, or (ii) mainly agreed as a method to raise funds or to finance the acquisition of the aforementioned asset or finance the cost of providing the aforementioned service, including the related recognition of the relevant debt;

(g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(h) only to the extent it becomes enforceable or is exercised pursuant to its underlying arrangements, any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(i) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in clauses (a) to (h) above.

"**Institutional Accredited Investor"** means an "accredited investor" (as defined in Rule 501(a)(1), (2), (3), or (7) of Regulation D under the Securities Act.

"**Institutional Investor**" means (a) any Purchaser of a Note, (b) any holder of a Note holding (together with one or more of its affiliates) more than 10% of the aggregate principal amount of the Notes then outstanding, (c) any insurance company, commercial, investment or merchant bank, finance company, mutual fund, registered money or asset manager, savings and loan association, credit union, registered investment advisor, pension fund, investment company, or licensed broker or dealer or any other similar financial institution or entity, regardless of legal form, (d) a "qualified institutional buyer" (as such term is defined under Rule 144A promulgated under the United States Securities Act, or any successor law, rule or regulation) or Institutional Accredited Investor and (e) any Related Fund of any holder of any Note.

"**Interest Payment Date**" means (i) with respect to any series A Note, 14 June and 14 December in each year, commencing on 14 June 2024, and (ii) with respect to any Shelf Note, has the meaning given in such Note.

"**Investment Company Act**" means the U.S. Investment Company Act of 1940, as amended.

"**Italian Civil Code**" means the Italian Civil Code as enacted pursuant to the Royal Decree of 16 March 1942, no. 262, as subsequently amended.

"**Italy**" means the Republic of Italy.

"**Italian GAAP**" means the generally accepted accounting principles as in effect in Italy from time to time.

"**Joint Representative**" is defined in section "*Joint Representative*".

"**Lien**" means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such

Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements). For the avoidance of doubt the term "Liens" does not include or refer to (i) surety or guarantee (for example "*fideiussione bancaria*", "*fideiussione*", "*garanzia* a prima *richiesta*") or (ii) deposit granted in the ordinary course of business (for example "*deposito cauzionale per lavori, opere, attraversamenti*").

"**Make-Whole Amount**" and "**Modified Make-Whole Amount**" mean, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, provided that neither the Make-Whole Amount nor the Modified Make-Whole Amount may in any event be less than zero.

"**Material**" means material in relation to the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole.

"**Material Adverse Effect**" means a material adverse effect on (a) the business, operations, property, condition (financial or otherwise), or prospects of the Group taken as a whole, (b) the ability of the Company to perform their obligations under this Agreement, or the Notes, (c) the validity or enforceability of this Agreement or the Notes.

"**Material Subsidiary**" means, at any time, any Subsidiary of the Company which (consolidated with its own Subsidiaries, if any) accounts for 10 per cent. or more of the Group's consolidated revenues or total assets as determined in the latest annual audited consolidated financial statements.

"**Maturity Date**" with respect to any Note, has the meaning given to such term in such Note.

"**More Favorable Covenant**" is defined in section "*Most Favored Lender Status*".

"**NAIC**" means the National Association of Insurance Commissioners.

"**Non-U.S. Plan**" means any plan, fund or other similar program that (a) is established or maintained outside the United States of America by the Company or any Subsidiary primarily for the benefit of employees of the Company or one or more Subsidiaries residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not subject to ERISA or the Code.

"**Note Documents**" means the Note Purchase Agreement, each Subsidiary Guaranty, and the Notes.

"**Noteholders' Meeting**" is defined in section "*Meeting of Holders*".

"**Noteholder Sanctions Event**" means, with respect to any holder of a Note (an "**Affected Noteholder**"), such holder or any of its affiliates being in violation of or subject to sanctions as a result of such holder holding such Note (a) under any Sanctions Laws as a result of the Company or any Controlled Entity becoming a Sanctioned Person or, directly or indirectly, having any investment in or engaging in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Notes) with any Sanctioned Person or in any Sanctioned Country or (b) under any similar laws, regulations or orders adopted by any State within the United States as a result of the name of the Company or any Controlled Entity appearing on a State Sanctions List.

"**Obligor**" means, individually or collectively, the Company and the Subsidiary Guarantors.

"**OFAC**" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"**OFAC Sanctions Program**" means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx.

"**Participating Member State**" means any member state of the European Community that maintains the Euro as its lawful currency in accordance with legislation of the European Community relating to Economic Monetary Union.

"**Paying and Transfer Agent**" means the Fiscal Agent, acting in its capacity as paying and transfer agent under the Agency Agreement (or any other entity acting in such capacity which is reasonably satisfactory to the Required Holders), or any replacement of such Person by the Company pursuant to the terms of the Agency Agreement which replacement is reasonably satisfactory to the Required Holders.

"**Permitted Jurisdiction**" means (a) the United States of America, (b) Italy and (c) any other country that on April 30, 2004 was a member of the European Union (other than Greece or Portugal).

"**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.

"**PGIM**" means PGIM, Inc..

"**PGIM Affiliate**" means any Affiliate of PGIM.

"**Plan**" means an "employee benefit plan" (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any direct or indirect material liability.

"**Primary Credit Facility**" means any credit agreement, loan agreement, bond/note agreement, working capital facility or other similar agreement of the Company or any subsidiary each providing for aggregate financing in principal or notional amount of Euro 50 million or more (or the equivalent in another currency) and does not include any credit facility which would constitute a Project SPV Indebtedness.

"**Process Agent**" means Law Debenture Corporate Services Limited, or any other entity satisfactory to the Required Holders.

"**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, and the equity participations in a company holding such asset or assets.

"**Project SPV"** means a non-recourse project company or other special purpose corporate vehicle in existence or set up for the purposes of investing in a Project.

"**Project SPV Indebtedness**" means any Indebtedness from time to time outstanding which has been incurred or assumed by a Project SPV (the "**relevant debtor**") to finance or refinance a Project, whereby:

(a) the claims of the creditors under such indebtedness (the "**relevant creditors**") against the relevant debtor are limited to:

(i) the amount of cash flow or net cash flow generated by and through the Project during the tenor of such indebtedness; and/or

(ii) the amount of proceeds deriving from the enforcement of any Lien given by the relevant debtor over the Project to secure such indebtedness, and

(b) the relevant creditors have no recourse whatsoever against any assets of any member of the Group other than the Project and such Lien.

"**property**" or "**properties**" means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

"**Purchaser**" or "**Purchasers**" means each of the purchasers that has executed and delivered this Agreement and/or a confirmation of acceptance to the Company and such Purchaser's successors and assigns, *provided, however*, that any Purchaser of a Note that ceases to be the registered holder or a beneficial owner (through a nominee) of such Note as the result of a transfer thereof shall cease to be included within the meaning of "Purchaser" of such Note for the purposes of the Note Purchase Agrement upon such transfer.

"**Qualified Institutional Buyer**" means any Person who is a "qualified institutional buyer" within the meaning of such term as set forth in Rule 144A(a)(1) under the Securities Act.

"**Qualified Investor**" means a qualified investor pursuant to Article 34 ter, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended ("*CONSOB Regulation No. 11971*") implementing Article 100 of the Financial Services Act, as detailed in Article 35, paragraph 1 (d) and Annex III to CONSOB Regulation No. 20307 of February 15, 2018, as amended ("*CONSOB Regulation No. 20307*").

"**Qualified Purchaser**" has the meaning set forth in the Investment Company Act.

"**Ratable Portion**" means, with respect to any Note, an amount equal to the product of (x) the amount equal to the net proceeds being so applied to the prepayment of Indebtedness in accordance with section "*Sale of Assets*" multiplied by (y) a fraction the numerator of which is the outstanding principal amount of such Note and the denominator of which is the aggregate principal amount of Indebtedness of the Company and its Subsidiaries being prepaid pursuant to section "*Sale of Assets*".

"**Recognized German Bund Market Makers**" means two internationally recognized dealers of German Bunds reasonably agreed by the Required Holders and the Company.

"**Registered Holder**" is defined in section "*Registration of Notes*".

"**Registered Holder Register**" is defined in section "*Registration of Notes*".

"**Registrar**" means Citibank Europe Plc, 1 North Wall Quay, Dublin 1, Ireland, acting in its capacity as registrar under the Agency Agreement (or any other entity acting in such capacity which is reasonably satisfactory to the Required Holders), or any replacement of such Person by the Company pursuant to the terms of the Agency Agreement which replacement is reasonably satisfactory to the Required Holders.

"**Reinvestment Yield**" means, the sum of (x) the Applicable Percentage plus (y) the yield to maturity implied by (i) the ask-side yields reported, as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PXGE" on Bloomberg Financial Markets (or such other display as may replace "Page PXGE" on Bloomberg Financial Markets) for the benchmark German Bund having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable, the average of the ask-side yields as determined by Recognized German Bund Market Makers. Such implied yield will be

determined, if necessary, by (a) converting quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the benchmark German Bund with the maturity closest to and greater than the Remaining Average Life of such Called Principal and (2) the benchmark German Bund with the maturity closest to and less than the Remaining Average Life of such Called Principal. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note.

"**Relevant Shareholder**" means directly or indirectly the Autonomous Region of Valle d'Aosta.

"**Remaining Average Life**" means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360 day year comprised of twelve 30 day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment

"**Remaining Scheduled Payments**" means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which an interest payment is due to be made under the terms of such Note, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to section "*Optional Prepayments with Make-Whole Amount*", section "*Prepayment for Tax Reasons*" and section "*Acceleration*".

"**Relevant Covenant**" is defined in section "*Most Favored Lender Status*".

"**Relevant Period**" means, with respect to any Determination Date, the period of twelve months ending on the last day of such Determination Date.

"**Related Fund**" means, with respect to any holder of any Note or PGIM Affiliate, any fund or entity that (i) invests in Securities or bank loans, and (ii) is advised or managed by such holder, the same investment advisor as such holder or by an affiliate of such holder or such investment advisor.

"**Required Holders**" means at any time on or after the date of this Agreement, the holders of more than 50% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Company or any of its Affiliates), and if at any relevant time, there are no Notes outstanding, then PGIM shall constitute the Required Holders.

"**Responsible Officer**" means any Senior Officer of the Company with responsibility for the administration of the relevant portion of the Note Purchase Agreement.

"**Sanctioned Country**" means any country or territory that is itself the subject of comprehensive sanctions (including Crimea, Cuba, Iran, North Korea, Syria, and those portions of the Donetsk People's Republic or Luhansk People's Republic regions (and such other regions) of Ukraine over which any sanctions authority imposes comprehensive sanctions), or any country or territory whose government is the subject of sanctions (including Venezuela) or that is otherwise the subject of broad sanctions restrictions (including Afghanistan, Russia and Belarus). "**Sanctioned Person**" means (i) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by the OFAC or is otherwise the subject or target of Sanctions Laws (a "Listed Person"), or (ii) an agent, department, or instrumentality of, or is otherwise beneficially owned by, controlled by or acting for or on behalf of, directly or indirectly, any Listed Person.

"**Sanctions Laws**" means all economic, financial or trade sanctions or restrictive measures enacted, administered, imposed or enforced by the United States of America (including without limitation its government agencies such as OFAC, the US Department of State and the US Department of Commerce), the United Kingdom Government (including without limitation His Majesty's Treasury of the United Kingdom, the Foreign, Commonwealth & Development Office and the Department for Business, Energy & Industrial Strategy), the European Union (or any member state thereof), or the United Nations Security Council.

"**Securities**" or "**Security**" shall have the meaning specified in section 2(a)(1) of the Securities Act.

"**Securities Act**" means the United States Securities Act of 1933 and the rules and regulations promulgated thereunder from time to time in effect.

"**Senior Officer**" means the chief executive officer, the general manager, the chief financial officer or chief legal officer of the Company. .

"**Settlement Date**" means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to section "*Optional Prepayments with Make-Whole Amount*" or section "*Prepayment for Tax Reasons*" or has become or is declared to be immediately due and payable pursuant to section "*Acceleration*" as the context requires.

"**S&P**" means S&P Global Ratings, a division of S&P Global Inc.

"**Subsidiary Guarantor**" means any Subsidiary of the Company that is a party to a Subsidiary Guaranty.

"**Subsidiary Guaranty**" is defined in Section 1.4.

"**Subsidiary**" means, in respect of the Issuer at any particular time, any *società controllata*, as defined in Article 2359 of the Italian Civil Code. Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Company.

"**SVO**" means the Securities Valuation Office of the NAIC.

"**Tax**" means any tax (whether income, documentary, sales, stamp, registration, issue, capital, property, excise or otherwise), duty, assessment, levy, impost, fee, compulsory loan, charge or withholding.

"**USA PATRIOT Act**" means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001 and the rules and regulations promulgated thereunder from time to time in effect.

"**U.S. Economic Sanctions Laws**" means those laws, executive orders, enabling legislation or regulations administered and enforced by the United States pursuant to which economic sanctions have been imposed on any Person, entity, organization, country or regime, including the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Iran Sanctions Act, the Sudan Accountability and Divestment Act and any other OFAC Sanctions Program.

"**Voting Certificate**" means, with respect to any Note, an English-language certificate (together with a translation thereof into Italian language, if required by any applicable Italian law), issued by the holder of such Note, dated the date of issuance thereof and including the statements set forth in the relevant provisions of the Note Purchase Agreement. The holder of any Voting Certificate shall for all purposes in connection with the relevant Noteholders' Meeting or adjournment thereof be deemed to be the holder of each Note to which such Voting Certificate relates.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN REGISTERED FORM

FORM OF THE NOTES

The Notes will be certificated and will be issued in denominations of at least €100,000.

Face Value of the Note, Registered Holder hereof and Interest.

Payments of principal, interest, premium and Make-Whole Amount or Modified Make-Whole Amount in respect of this Note shall be made in the single currency of the European Union to the Person shown as the Registered Holder in the Registered Holder Register at the close of business on the Clearing System Business Day immediately before the due date for payment, where "**Clearing System Business Day**" means a day on which each clearing system for which this Note is being held is open for business.

REGISTRATION, EXCHANGE, SUBSTITUTION OF NOTES

Registration of Notes

Registered Holder Register. For so long as any of the Notes are outstanding:

(i) The Issuer shall cause the Registrar to keep, outside the United Kingdom (and outside any other jurisdiction which imposes stamp, registration or any similar tax on the keeping of such registers), a register of the registered owners of the Notes (each, a "**Registered Holder**") (as opposed to, for the avoidance of doubt, a "holder" (who is the beneficial owner)) of the Notes (the "**Registered Holder Register**"). As of each Series A Closing Day, the Registered Holder of the Series A Notes shall be a nominee of the Common Depositary.

(ii) The name and address of each Registered Holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such Registered Holder Register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered in the Registered Holder Register shall be deemed and treated as the Registered Holder thereof for all purposes hereof, and the Registrar shall not be affected by any notice or knowledge to the contrary.

Beneficial Owners Register. For so long as any of the Notes are outstanding:

(i) The Company shall keep at its principal executive office a register of the holders (as opposed to the Registered Holders) of the Notes for the registration and registration of transfers of Notes (the "Beneficial Owners Register"). The Beneficial Owners Register shall include a register of each Series of Notes separately.

(ii) The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such Beneficial Owners Register. If any holder of one or more Notes holds through a nominee, then (A) the name and address of the nominee of such Note or Notes shall also be registered in such Beneficial Owners Register as an owner and holder thereof and (B) at any such beneficial owner's option, either such beneficial owner or its nominee may execute any amendment, waiver or consent pursuant to this Agreement. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered in the Beneficial Owners Register shall be deemed and treated as the holder thereof for all purposes hereof (other than, in the case of a Note represented by a Global Note Certificate, the right to receive interest, principal, premium and Make-Whole Amount with respect to such Note, which, as provided therein, the Registered Holder of such Note shall be entitled to receive), and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon

request therefor, a complete and correct copy of the names and addresses in the Beneficial Owners Register of all registered holders of Notes to the extent permitted under applicable laws and regulations.

Transfer and Exchange of Notes

(a) For so long as the Notes are represented by one or more Global Note Certificates:

(i) If any holder wishes to transfer all or any part of any of its Notes and have any transferee thereof obtain the benefits of the Note Purchase Agreement, then such holder must both (A) transfer its interest in the Notes pursuant to the requirements of the Clearing System, and (B)(x) notify the Issuer in writing of such transfer and the name of the transferee(s) and provide evidence to the Issuer of such transfer to such transferee(s) and (y) provide to the Issuer the information contemplated by the Purchaser Schedule with respect to such transferee(s). Upon the Issuer's receipt of the information required in the prior sentence, the Issuer shall register in the Beneficial Owners Register the transfer of such Note(s) and the name of the transferee(s) as the new holder(s) of such Note(s).

(ii) No transferee of any Note shall be treated as a holder under the Note Purchase Agreement or have any rights under the Note Purchase Agreement or under any Note (other than the right to receive interest, principal, premium, Make-Whole Amounts, and Modified Make-Whole Amounts in relation to such Note as provided therein) unless the provisions of this section have been complied with. In furtherance of the foregoing, only a transferee who has become a holder will have the right to enforce the terms of the Note Purchase Agreement against the Issuer, to exercise any of the remedies provided for in the Note Purchase Agreement (including acceleration of the Notes), to provide consents, amendments or waivers in relation to the Notes as provided herein, or to receive any Individual Note Certificate, and otherwise to enjoy the rights and benefits of the Note Purchase Agreement (other than the right to receive interest, principal, premium, Make-Whole Amounts, and Modified Make-Whole Amounts in relation to the Notes as provided therein). If any Global Note Certificate is to be exchanged for Individual Note Certificates as permitted by the relevant provisions of the Note Purchase Agreement, then only holders (who are, for the avoidance of doubt, registered in the Beneficial Owners Register), and not any Registered Holder (nor any Person who holds a book-entry interest in such Global Note Certificate in the Clearing System), shall be entitled to receive any Individual Note Certificate. In furtherance of the foregoing, if any Notes are no longer represented by a Global Note Certificate but rather have been exchanged for Individual Note Certificates as contemplated by the relevant provisions of the Note Purchase Agreement, then all rights of any Registered Holder under such Notes (and accordingly, the rights of any Person who held a book-entry interest in such Global Note Certificate in the Clearing System) shall be extinguished in their entirety and all rights to receive interest, principal, premium, and any Make-Whole Amount or Modified Make-Whole Amount under the Notes shall only be vested in those Persons who are registered in the Beneficial Owners Register as a holder of any Individual Note Certificate.

A Global Note Certificate will be exchanged by the Issuer for Individual Note Certificates only in accordance with the relevant provisions of the Note Purchase Agreement.

(b) If the Notes are no longer represented by Global Note Certificates, but rather have been exchanged for Individual Note Certificates in accordance with the relevant provisions of the Note Purchase Agreement:

(i) Upon surrender of any Individual Note Certificate to the Issuer or the Paying and Transfer Agent at the address and to the attention of the designated officer, for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by a written instrument of transfer duly executed by the registered holder of such Individual Note Certificate

or such holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Individual Note Certificate or part thereof), within 10 Business Days thereafter, the Issuer shall cause the Beneficial Owners Register to reflect such transfer and execute and deliver, at the Issuer's expense (except as provided below), one or more new Individual Note Certificates (as requested by the holder thereof) in exchange therefor, authenticated by the Registrar, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Individual Note Certificate. Each such new Individual Note Certificate shall be payable to such Person as such holder may request and shall be substantially in the form of Schedule 1-B (with respect to the Series A Notes) or Schedule 1-D (with respect to any Series of Shelf Notes). Each such new Individual Note Certificate shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Individual Note Certificate or dated the date of the surrendered Individual Note Certificate if no interest shall have been paid thereon. The Issuer may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Individual Note Certificates. Individual Note Certificates shall not be transferred in principal amounts of less than €100,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Individual Note Certificates, one Individual Note Certificate may be in a principal amount of less than less than €100,000.

(c)

(i) Notwithstanding the foregoing, the Issuer shall not be required to cause the Registrar to, and the Issuer shall not, register the transfer of any Note or Individual Note Certificate if the relevant transferee is not at the time of such transfer, if it is not a U.S. person (as such term is defined in Regulation S under the Securities Act) acquiring Notes in an offshore transaction in reliance on Regulation S under the Securities Act, a Qualified Investor.

(ii) Any transferee, by its acceptance of a Note or an Individual Note Certificate registered in its name (or the name of its nominee), shall be deemed to have (A) made certain covenants set forth in the Note Purchase Agreement, (B) made certain representations set forth in the Note Purchase Agreement, and (C) become a party to the noteholder voting agreement. Without limitation of the foregoing, each such transferee shall execute a noteholder voting agreement joinder and shall deliver a copy thereof to each other holder of Notes and the Issuer.

(iii) Notwithstanding the foregoing, in no event shall any Note or interest therein be transferred to any Person which is not a Qualified Investor. Accordingly, any transfer to a holder that at the time of such transfer is not, if it is not a U.S. person (as such term is defined in Regulation S under the Securities Act) acquiring Notes in an offshore transaction in reliance on Regulation S under the Securities Act, a Qualified Investor shall be null and void ab initio.

(d) Notwithstanding the forgoing, in no event shall any Note or interest therein be transferred to any Person which is a Competitor.

Replacement of Notes

Upon receipt by the Issuer of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note Certificate (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it and the Registrar (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least $100,000,000 or a Qualified

Institutional Buyer, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within 10 Business Days thereafter, the Issuer at its own expense shall execute and deliver, in lieu thereof, a new Note Certificate (authenticated by the Registrar) of the same Series, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note Certificate or dated the date of such lost, stolen, destroyed or mutilated Note Certificate if no interest shall have been paid thereon.

SUCCESSORS AND ASSIGNS OF THE NOTE PURCHASE AGREEMENT.

All covenants and other agreements contained in the Note Purchase Agreement by or on behalf of any of the parties thereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

DESCRIPTION OF THE ISSUER AND CVA GROUP

Compagnia Valdostana delle Acque – Compagnie Valdôtaine des Eaux S.p.A. or, in abbreviated form, CVA S.p.A. ("**CVA**" or the "**Issuer**", and together with its subsidiaries, the "**CVA Group**" or the "**Group**") is a company limited by shares (*società per azioni*) incorporated under Italian law, with a sole shareholder. Its registered office is at Via Stazione 31 in Châtillon (AO), which is in the Autonomous Region of Valle d'Aosta in north-western Italy. Its Tax Code, VAT and registration number with the Companies' Registry of Aosta is 01013130073 and its REA (*Repertorio Economico Amministrativo*) of the Chamber of Commerce of Aosta is No. 61357.

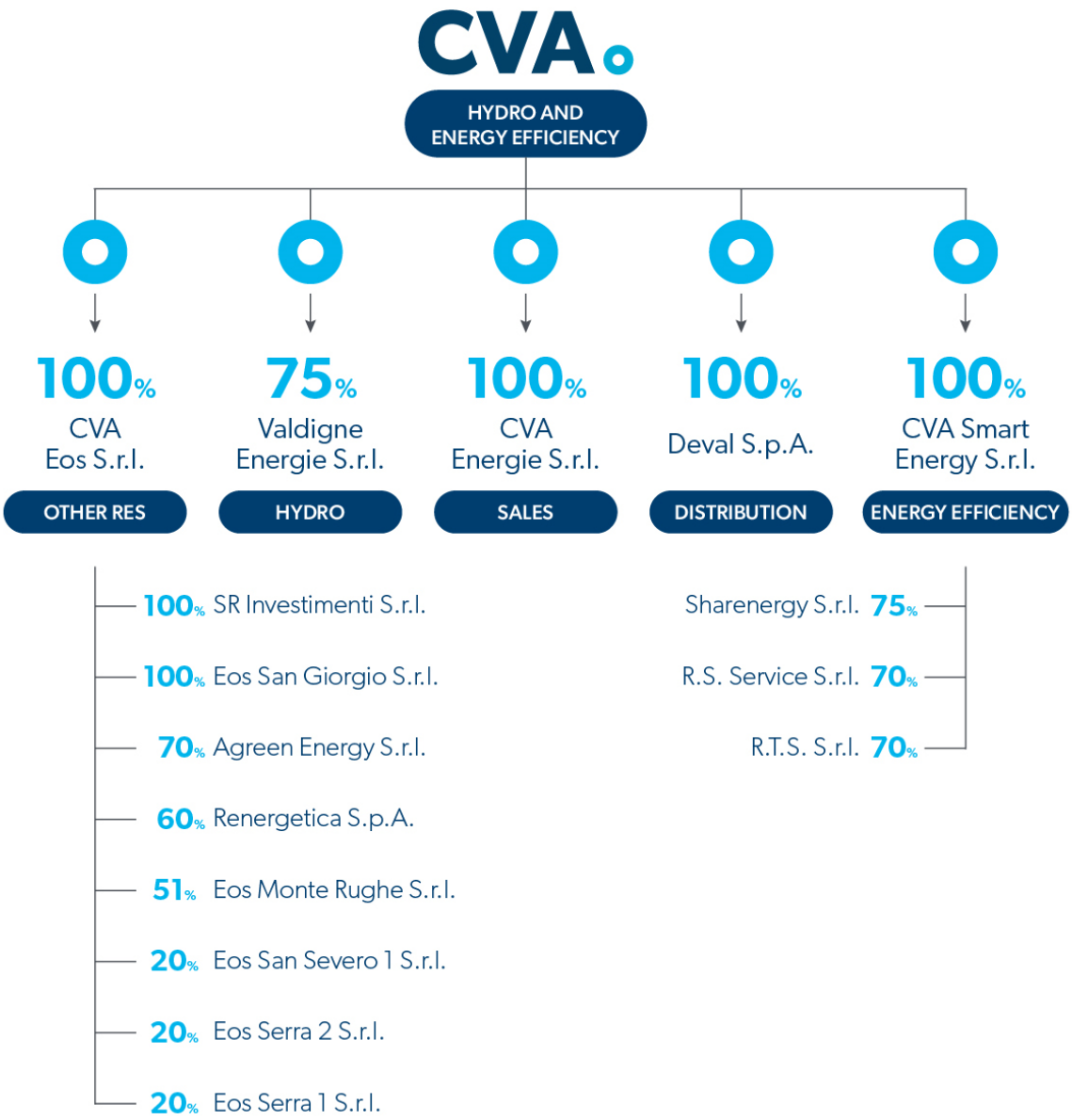
The Issuer was incorporated on 7 December 2000 under the name "Geval S.p.A.". Following the merger by incorporation of the company Compagnia Valdostana delle Acque S.p.A. into Geval S.p.A. on 21 December 2001 (see "*History*" below), the Issuer adopted its current company name. The Issuer's duration, as set out in its Articles of Association, is until 31 December 2050, subject to possible extension.

The corporate objects of CVA Group, as provided under its by-laws, include, *inter alia*: (i) the production of electricity and related activities and services, including management of plants and concessions and related services, import and export, distribution and sale; (ii) district heating and telecommunications in connection with the local territory and urban areas and related services; and (iii) in connection with points (i) and (ii) above, the design, construction, maintenance and management of electricity production plants, and the production and sale of equipment; research, consultancy and assistance activities; as well as the acquisition, sale, marketing and trading of goods and services.

The Issuer is wholly owned by Finaosta S.p.A. ("**Finaosta**"), which in turn is 100% controlled by the Autonomous Region of Valle D'Aosta (see "*Share Capital and Shareholders*" below).

Current Group Structure

The following organisational chart illustrates the structure of the CVA Group as at the date of this Prospectus.



The Group's activities are currently organised as follows:

- CVA and its subsidiary Valdigne Energie S.r.l. ("**Valdigne**") operate in the production of electricity from hydropower sources through 32 hydroelectric plants;
- CVA, CVA Smart Energy S.r.l. ("**CVA Smart Energy**") and its subsidiaries provide services related to industrial energy efficiency (including management and maintenance of co-generation plants, design and installation of trigeneration plants), renovation of buildings with the aim of increasing their energy efficiency and reducing CO_2 emissions and engeneering, construction, installation and maintenance of electric, plumbing, heating and mechanic systems;
- CVA Eos S.r.l. ("**CVA Eos**") and its subsidiaries operate in the production of electricity from other renewable sources through 8 wind farms and 48 photovoltaic plants in operation; CVA Eos, through its subsidiary Renergetica S.p.A., also provides services in the renewable energy sector

as a developer and Independent Power Producer (IPP) covering all value chain activities excluding EPC contracts;

- CVA Energie S.r.l. ("**CVA Energie**") supplies electricity to end customers with a total of more than 1.6 TWh of electricity supplied in 2022; and
- Deval S.p.A. ("**Deval**") is active in the distribution of electricity through a network covering 69 municipalities in the Valle d'Aosta Region.

The Issuer provides CVA Group companies with strategic direction, coordination and control of the industrial management, services in support of the Group's business and operating activities (including administrative and accounting, legal, procurement, personnel management, information technology and communication services) in favour of the CVA Group.

Relationships of a commercial and financial nature are and have been maintained between the Issuer and other companies of the CVA Group, all of which are consistent with business activities carried out by each interested party subject to terms and conditions considered to be at arm's length.

History

Origins and development

In 1995, the government of the Valle d'Aosta Region acquired from the steelmaker Cogne Acciai Speciali S.p.A. the entire share capital of ILVA Centrali Elettriche S.p.A., which owned and operated three hydroelectric power ("**HEP**") plants in the Region (Verrès, Champagne 2 and Lillaz), and thereafter changed the company's name to "Compagnia Valdostana delle Acque S.p.A." (the "**Predecessor Company**"). Over time and through various transactions, the Predecessor Company increased the number of power plants it owned and operated to four.

In June 2001, as part of the process of privatisation and liberalisation of the Italian energy market, the Italian state-owned and incumbent operator, Enel S.p.A. ("**Enel**"), transferred 26 hydro power plants - of which 25 were located in Valle d'Aosta - to Geval S.p.A. ("**Geval**"), which at the time was one of its subsidiaries. Subsequently, Enel sold the entire share capital of Geval to Finaosta, a holding company established by the Valle d'Aosta Region for the purpose of conducting financial investments, as well as 49% of the share capital of Deval, which sold and distributed electricity to end users in the Valle d'Aosta Region.

Subsequently, on 21 December 2001, the Predecessor Company and Geval were merged by Finaosta and the resulting company adopted its current corporate name of "CVA S.p.A. – Compagnia Valdostana delle Acque – Compagnie Valdôtaine des Eaux S.p.A.".

Between 2001 and 2009, the Issuer primarily focused on the management of its existing portfolio of power plants, while gradually consolidating its position in the energy market through the activities of its energy trading and management subsidiary CVA Trading which it had established in November 2001.

Consolidation in HEP and entry into photovoltaic and wind power

Commencing from 2009, the Group expanded its operations into solar and wind power production, primarily through acquisitions of shareholdings in companies which already owned and operated power plants. In 2010, CVA purchased a 50% interest in Saint Denis Vento S.r.l. ("**Saint Denis Vento**"), a corporate vehicle owning a wind farm located close to the village of Saint Denis.

In August 2011, CVA acquired 49% of the shares of Deval from its parent company Finaosta, together with 49% of the capital of Vallenergie S.p.A. ("**Vallenergie**"), a company operating locally in the sale of electricity on the regulated market (the so-called "*maggior tutela*" or enhanced protection market for

retail customers and small businesses). Subsequently, in November 2011, CVA acquired the remaining 51% of the shares of both companies from Enel.

During 2012, the Group acquired a wind farm in Piansano and Arlena di Castro (Viterbo) in Lazio with a total capacity of 42 MW by acquiring the share capital of the vehicle Piansano Energy S.r.l.

In 2013, Vallenergie was merged by incorporation into CVA Trading, which was subsequently renamed CVA Energie in December 2020.

In 2014, CVA acquired the remaining 50% of the shares of Saint Denis Vento.

With reference to the year 2015, the Issuer carried out, *inter alia*, the following transactions:

- the purchase of 100% of the capital of Ponte Albanito S.r.l., a company which manages a wind farm with a total capacity of 23 MW; and
- as part of the Group's corporate reorganisation, an intra-group merger by incorporation of Piansano Energy S.r.l., Ponte Albanito S.r.l. and Saint Denis Vento S.r.l. into the Issuer.

Continuing to implement its expansion strategy in the wind power sector, in 2016 the Group acquired wind power plants in Apulia, through the newly incorporated companies Laterza Aria Wind S.r.l. and Laterza Wind 2 S.r.l. (later merged into Laterza Aria Wind, which in turn became CVA Vento following a change of name).

In January 2017, the Group acquired another wind farm located in Apulia, through the acquisition of all the shares of the special purpose vehicle Tarifa Energia S.r.l.

In July 2018, CVA completed the acquisition of Wind Farm Monteverde S.r.l., a vehicle holding the ownership of a wind power plant located in the Municipality of Monteverde and with a capacity of 38 MW.

In December 2020, CVA Vento S.r.l. changed its name to CVA Eos S.r.l. and Wind Farm Monteverde S.r.l. was merged by incorporation into the newly renamed legal entity.

On 19 December 2022, CVA signed a preliminary contract for the acquisition of 100% of SR Investimenti S.r.l., owner of 42 MW of operating photovoltaic plants, 194 MW of authorised solar projects and 846 MW of solar projects under development; the acquisition of Sistema Rinnovabili also included an additional pipeline in early-stage development of further 1,200 MW. The transaction was completed on 22 February 2023.

On 30 December 2022, CVA agreed the acquisition of 3% of Bonifiche Ferraresi S.p.A. Società Agricola. The acquisition was part of a wider strategy partnership for the development of an agrivoltaic pipeline on the farming lands of Bonifiche Ferraresi.

In February 2023, CVA established CVA Smart Energy with the purpose to provide integrated services in the energy efficiency sector by operating as an ESCo (Energy Service Company) and develop initiatives in the open innovation market.

In June 2023, CVA – through its subsidiary CVA Smart Energy - established Nuova RTS S.r.l., then renamed Renewable Technical Solutions S.r.l. – R.T.S. S.r.l.; through the acquisition of two business lines from V.R. S.r.l. and Beyond Zero S.r.l.s., the company operates in the management and maintenance of co-generation plants, design and installation of trigeneration plants, energy and energy efficiency consulting and services.

In July 2023, CVA – through its subsidiary CVA Smart Energy - acquired 75% of Sharenergy S.r.l., a company active in the construction, installation, management and maintenance of plumbing, heating and electrical systems, as well as in the energy upgrading of buildings. In the same month, CVA Smart

Energy also signed a preliminary agreement for the acquisition of 70% of RS Service S.r.l., company operating in the engineering, construction and maintenance of electronic and mechanic systems. The transaction was then finalised on 28 September 2023.

On 24 October 2023, CVA - through its subsidiary CVA EOS - acquired 60% of the share capital of Renergetica S.p.A., an Italian joint-stock company listed on Euronext Growth Milan market. Following completion of the acquisition, CVA EOS is required to promote a mandatory public tender offer on the remaining ordinary shares of Renergetica which operates in the renewable energy sector as a developer and IPP covering all value chain activities excluding EPC.

Business

Introduction

Based in the Region of Valle d'Aosta, the Issuer is one of Italy's leading[1] renewable energy companies, producing electricity from hydropower, wind and solar plants, both directly and through its subsidiaries. The production of energy from renewable sources can benefit from national incentive schemes, which enables the producer to receive public financial resources in proportion to the energy produced. The incentive systems differ depending on the type of renewable energy source used, the capacity of the plant and the scheme in effect at the time when the plants were included in the incentive scheme. For the year ended 31 December 2022, the Group received incentive revenues related to the production of energy from renewable sources of €16.7 million (€40.4 million in 2021).

In addition, CVA sells electricity to corporate and retail customers in Italy and distributes electricity throughout Valle d'Aosta through a transmission grid that it owns and operates. As at the date of this Prospectus, it operates 88 plants, all located in Italy, and with a total installed capacity of 1,150 MW and a total annual average production of 3.25 TWh.

Through its subsidiary CVA Energie, it sells electricity to free market customers and in the regulated market (so-called "*maggior tutela*"). As of 31 December 2022, its customer portfolio included 1,002 corporate clients, 49,561 retail clients and 33,563 regulated market clients. CVA Energie also trades in the energy market, buying or selling power in response to the Group's needs or market opportunities, or to hedge risks arising from fluctuations of energy prices in the marketplace.

Through its subsidiary Deval, the Issuer holds a concession that makes it almost the sole distributor of electricity in Valle d'Aosta. As of 31 December 2022, the power grid it managed in the Region served 69 municipalities and included 57 km of high-voltage lines, 1,529 km of medium voltage lines and 2,685 km of low voltage lines, with about 130,000 distribution points.

As of the end of 2022, the Issuer was the sixth largest renewable energy generator in Italy[2].

For the year ended 31 December 2022, the CVA Group's revenues amounted to €1,728,280 thousand and its EBITDA was €295,281 thousand. The table below provides a breakdown of the CVA Group's revenues and EBITDA according to business units.

[1] *Source*: ARERA Annual Report 2022, Volume 1, Chapter 2

[2] Source: ARERA Annual report 2022, Volume 1, Chapter 2.

	For the year ended 31 December 2022							
	Hydro-electric	***Distribution***	***Sales***	***Other renewable energy***	***Corporate***	***Energy efficiency***	***Adjustments***	***Total***
	(thousands of Euro)							
Revenues	142,926	34,933	1,627,434	57,121	3,835	31,610	(169,579)	1,728,280
Personnel cost	-14,854	-7,758	-4,109	-597	-14,411	-518)	-	-42,246
Other operating costs	-47,795	-9,906	-1,446,125	-13,071	-14,058	-28,789	168,991	-1,390,752
EBITDA	**80,277**	**17,269**	**177,200**	**43,453**	**(24,633)**	**2,303**	**(588)**	**295,281**
% of revenues	56.2%	49.4%	10.9%	76.1%	-642.3%	7.3%	0.3%	17.1%

For the year ended 31 December 2021, the CVA Group's revenues amounted to €710,645 thousand and its EBITDA was €193,412 thousand. The table below provides a breakdown of the CVA Group's revenues and EBITDA according to business units.

	For the year ended 31 December 2021							
	Hydro-electric	***Distribution***	***Sales***	***Other renewable energy***	***Corporate***	***Energy efficiency***	***Adjustments***	***Total***
	(thousands of Euro)							
Revenues	187,269	33,995	624,085	68,392	2,908	5,676	-211,679	710,645
Personnel cost	-13,991	-7,138	-4,062	-412	-13,572	-346	-	-39,521
Other operating costs	-44,647	-10,970	-607,898	-9,917	-9,917	-5,556	211,192	-477,712
EBITDA	**128,631**	**15,887**	**12,125**	**58,062**	**-20,581**	**-226**	**-487**	**193,412**
% of revenues	68.7%	46.7%	1.9%	84.9%	-707.8%	-4.0%	0.2%	27.2%

For the year ended 31 December 2020, the CVA Group's revenues amounted to €536,182 thousand and its EBITDA was €138,933 thousand. The table below provides a breakdown of the CVA Group's revenues and EBITDA according to business unit.

	For the year ended 31 December 2020						
	Hydro-electric	***Distribution***	***Sales***	***Other renewable energy***	***Corporate***	***Adjustments***	***Total***
	(thousands of Euro)						
Revenues	152,941	33,419	461,416	38,854	3,653	-154,101	536,182
Personnel cost	-13,845	-6,826	-4,114	-301	-13,384	1	-38,469
Other operating costs	-43,211	-10,518	-440,744	-7,721	-10,211	153,625	-358,780
EBITDA	**95,884**	**16,076**	**16,558**	**30,831**	**-19,942**	**-475**	**138,933**
% of revenues	62.7%	48.1%	3.6%	79.4%	-545.9%	-	25.9%

CVA believes that the business of the Group is diversified in terms of contribution to EBITDA from regulated activities[3] (such as energy infrastructure), quasi-regulated activities[4] (such as incentives for

[3] Regulated activities mean activities granted on concession to the Issuer whose revenues are protected by a system of tariffs established by the competent authorities (i.e. ARERA) and are not subject to volume-risk.

[4] Quasi-regulated activities mean activities whose revenues are predictable over time since they are either (i) pre-determined by a system of tariffs that is regulated by the competent authorities or (ii) originated from fixed price formulas over medium- or long-term periods (such as PPAs – Power Purchase Agreements). Revenues, however, are partly subject to volume-risk.

power generation by renewable energy sources and district heating) and non-regulated activities (such as generation and sales).

The CVA Group's activities are currently organised through the business units described below.

Hydroelectric

As at the date of this Prospectus, the Group owns and operates 32 hydroelectric plants located in Valle d'Aosta and one in Piedmont, of which 28 are governed by a "large-scale diversion" concession and four by a "small-scale diversion" concession. Of these plants, 18 are run-of-the-river; nine are in water basins and five are in reservoirs with a total useful capacity of 129 million cubic meters of water. Four plants are enabled to distribute electricity directly to the grid (Valpelline, Maen, Perreres and Gressoney). Due to the large size of these plants, Terna S.p.A. ("**Terna**"), the Italian grid operator, has classified them as being of strategic importance ("*Unità Rilevante Abilitata*"), which entails an obligation to supply power to the grid when so requested by Terna, although the supplier can determine the unit price of the electricity to be supplied. As at 31 December 2022, these plants had a total net installed capacity of 934 MW and a net average annual production of 2.9 TWh.

The Group owns six large dams that are subject to supervision by the Directorate General for Dams and Water and Electrical Infrastructure of the Italian Ministry for Infrastructure and Transport, which carries out regular inspection visits on its facilities and monitors its own control activities. The approval of the Directorate has to be obtained for the carrying out of any new projects or extraordinary maintenance works.

The Valpelline, Avise, Perrères, Maën, Covalou, Pont-Saint-Martin, Gressoney, Sendren, and Zuino plants are included in the resupply and reconnection emergency plan for the national electricity system drawn up by Terna. In the event of a blackout of the national transmission grid, the plan provides that all listed plants should autonomously commence restart operations intended to revive and repower the grid. The Issuer is not remunerated for this service, which is considered of national importance in the event of emergencies.

The Perrères and Gressoney power plants are classified as crucial plants for the security of the national grid system, as they have the capacity to supply isolated sections of the grid that serve the Cervinia and Gressoney areas, given their capacity to independently supply and maintain the minimum voltage and frequency parameters within this section of the grid ("*stand-alone operation*"). The concession for one plant (Champagne II) has expired but continues to be operated by the CVA Group under a caretaker regime ("*in prorogatio*"), pending a public tender procedure for the appointment of a new operator, as provided under applicable law.

The hydro power plants are subject to ordinary and periodic maintenance during their normal operation, as well as during scheduled shutdowns for maintenance. Maintenance is carried out by the Group's internal teams and operational departments.

The Issuer operates its HEP plants under a sub-concession arrangement from the Region of Valle d'Aosta, granted in accordance with national and regional laws regulating the management and use of public water. These concessions have been granted to it and to Valdigne Energie, and mostly expire in 2029. Upon expiration, the terms for renewal of the concession vary depending on whether the plant is governed by a "large-scale diversion" concession (applicable to facilities with a nominal average annual capacity of over 3,000 kW), or by a "small diversion" concession (a nominal average annual capacity lower than or equivalent to 3,000 kW). Concessions for the operation of large-scale diversion of water plants are awarded on the basis of public tender processes, as provided under Article 12 of Legislative Decree No. 79/1999. New concessions for small diversion plants, on the other hand, are expected to be re-awarded to the existing concession holder, for a term and under other conditions set by the granting authority from time to time, and upon application by the existing concession holder pursuant to Article

30 of Royal Decree No. 1775/1933, as long as such renewal is not held to be in conflict with overriding public interest.

The following chart shows details of each concession, including their year of expiry.

Legal entity	Plant	Capacity (MW)	Year of expiry
CVA	Avise	146.70	2029
	Aymavilles	9.04	2029
	Bard	3.80	2029
	Champagne I	14.10	2029
	Champagne II	32.35	2027[5]
	Champdepraz	2.55	2029
	Chatillon	29.40	2029
	Chavonne	33.09	2029
	Covalou	45.82	2029
	Grand Eyvia	1.74	2030
	Gressoney	17.70	2029
	Hone I	18.45	2029
	Hone II	11.80	2029
	Isollaz	35.28	2029
	Issime	3.20	2029
	Lillaz	1.16	2040
	Maen	47.02	2029[6]
	Montjovet	50.00	2029
	Nus	7.81	2029
	Perreres	18.86	2029
	Pont-Saint-Martin	51.45	2029
	Quart	40.84	2029
	Quincinetto II	23.14	2029
	Saint-Clair	34.30	2029
	Sendren	9.95	2029
	Signayes	43.50	2029
	Valpelline	138.75	2029
	Verres	12.20	2044
	Zuino	23.20	2029
Valdigne Energie	Faubourg	11.22	2032
	Torrent	15.58	2037

Other renewable energy sources

As at the date of this Prospectus, the Issuer owns 8 wind farms, directly or through its subsidiary CVA Eos, with an overall installed capacity of 157.5 MW and a net yearly average production of above 300 GWh.

Maintenance activities on the Group's wind farms are performed primarily by third parties pursuant to operation and maintenance ("**O&M**") contracts relating to electrical and civil engineering works and maintenance of the turbines. Accordingly, the contractor (who usually built the plant or was the supplier of the turbines) is entrusted with performing the maintenance services in order to guarantee agreed performance or availability levels for the turbines, in exchange for an overall fee. If these levels are not complied with, the contractor may be liable for penalties payable to the CVA Group. The O&M contracts

[5] The concession related to the hydroelectric plant Champagne II has expired and the plant is currently managed under a caretaker regime ("*in prorogatio*") until the end of December 2027.

[6] In Maen, CVA owns and manages two hydroelectric plants located within the same building and under a single concession.

for the maintenance of the turbines signed by the Group's companies have an overall term that ranges between 10 and 15 years. The Issuer aims to monitor continuously the performance, safety record and professionalism of its contractors, their compliance with applicable health and safety at work regulations and employment laws.

As at the date of this Prospectus, in the solar power sector, the Issuer owns and operates 48 plants. As of 31 December 2022, the aggregate nominal installed capacity of its solar plants was 12.5 MW, with an annual average production capacity of 16 GWh. Following the acquisition of SR Investimenti S.r.l., the nominal installed capacity the Group's solar plants increased to 56.5 MW. Maintenance activities on the Group's photovoltaic plants are performed primarily by third parties pursuant to O&M contracts relating to electrical and civil engineering works and maintenance of the photovoltaic parks and partly internally with the goal of internalizing O&M from 2024.

As part of its Strategic Plan (see definition below), the Group is progressively developing its own greenfield solar and wind power plants rather than purchasing projects developed by third parties.

Electricity sales and trading

The Issuer's electricity sales business unit operates through the subsidiary CVA Energie and is active in the sale and supply of electricity to end users across Italy. CVA Energie is also in charge of energy management activities, which include either the physical or the financial purchase and sale of electricity on the markets, intended primarily to hedge risks arising from the volatility of the market price of electricity which the Group is exposed to, and also to secure its supply sources and ensure that CVA Energie is able to meet contractual obligations to its customers.

CVA Energie is an operator recognised by and admitted to trading on the Italian power exchange managed by the Gestore dei Mercati Energetici S.p.A. and to trading on the European power exchange, EPEX, operated by EEX AG.

Purchase of electricity

CVA Energie purchases quantities consumed by customers on the regulated market from Acquirente Unico S.p.A. As part of its electricity supply activities, and to guarantee continuity of supply to its customers, CVA Energie receives and purchases electricity through the grid's dispatching service.

Sales of electricity to end customers

Through CVA Energie, the Issuer sells electricity nationwide on the free market, as well as on the regulated market in Valle d'Aosta. In the free market, energy is sold in accordance with terms agreed between the parties, while terms of sales on the regulated market are determined by ARERA (the Italian Regulatory Authority for Energy, Networks and Environment). For the year ended 31 December 2022, the Group, through CVA Energie, sold to end customers a total of 1,610 GWh.

Energy management

CVA Energie also carries out energy management activities, by making offers and sales of power in the wholesale market, in Italy or abroad, or by trading derivative energy products.

Power distribution

The Issuer provides power distribution services to the public through its subsidiary Deval. Deval operates pursuant to a free concession granted to it by the Italian government which expires in December 2030. The concession imposes certain requirements on Deval, such as the obligation to provide ordinary and extraordinary maintenance of the grid network, the carrying out of network infrastructure development works, the obligation to provide connecting infrastructure between the grid

and any user who requires a connection, as well as the obligation to charge prices in accordance with tariff regulations in effect. Power distribution is a RAB (Regulatory Asset Base) activity[7].

Deval distributes electricity to the utilities connected to the distribution network in 69 out of a total of 74 municipalities in Valle d'Aosta, extended for a total of approximately 4,270 kilometres. The Group operates a high-voltage transmission grid distributing power generated by its power plant to the medium-voltage national grid, which in turn delivers electricity to end users and is managed by Terna. Deval also draws power from the national grid managed by Terna and is liable to make payments to Terna (in accordance with conditions set by ARERA) whenever the quantity of power drawn from the network exceeds the quantity fed into the grid by the Group.

Corporate and administration

The corporate and administration unit of the Issuer provides a number of centralised services for the benefit of the whole Group. These include management and direction of the overall strategy of the Group, as well as support services such as administration and accounting, legal, procurement, personnel management, information technology, and communications services.

The corporate business unit also manages "Open Innovation activities" projects, related to hydrogen technology, energy efficiency and implementation of smart energy solutions, which could lead to potential business opportunities in the near future.

Energy efficiency

Starting from 2021, CVA established a new business unit to consolidate its activities in the energy efficiency sector. The newly created business unit is expected to play a central role in the implementation of the CVA Strategic Plan (see "*Strategy and Capital Investments*" below).

Strategy and Capital Investments

The Issuer detailed its strategic view and potential results in an investment plan approved by the Board of the Issuer on 30 May 2023 and set out in its Strategic Plan 2023-27 and subsequently updated by the Board meeting of 9 October 2023 ("**Strategic Plan**"). Through an investment plan of about €1.6 billion, the CVA Group intends to consolidate its position as a leading Italian renewable energy player (reaching 2 GW of green installed capacity by the end of 2027) and a primary competitor in the energy transition sector. In particular, the development of the Group's strategy and growth is anchored the following key actions:

- *Hydropower*: 8% increase in average annual hydroelectric production after the revamping of the Chavonne and Hône II hydroelectric plants and the construction of the new Morgex plant with a total investment of €330 million;
- *Other renewables*: 804 MW of additional installed capacity (in addition to the 212 MW currently in operation) to reach 1 GW of capacity by 2027. The plan also includes the development of additional net new capacity, in addition to the 1,016 MW operated by the Group, conservatively expected to be 409 MW, which may be sold to the market when ready-to-build status is reached;
- *Energy efficiency:* investments in tri-generation plants and development in the field of energy efficiency of buildings connected to government grants policies; supporting future growth through acquisitions consistent with a number of identified targets;

[7] This activity is measured on a Regulatory Asset Base, the value of which is the net invested capital in distribution and metering assets of the relevant concessions owned by Deval, as determined and/or approved by the relevant authority (ARERA) pursuant to the criteria, formulae and methods of calculation from time to time set out under resolutions of the authority.

- *Distribution*: €134 million for upgrading and improving the network and the installation of second-generation smart meters, including ground lines to improve environmental impact and reduce maintenance costs, empowerment of current lines and increases in grid resilience, digital grids and remote-controlled devices; and
- *Sales*: development in the retail market, review of the customer base in the "business" market and further steps in cross-selling activities with other business units.

Green Energy and Sustainability

Clean and sustainable energy production has always been a hallmark of the CVA's DNA and the Group has been committed to decarbonisation for more than 20 years. CVA has embraced the goals set at international, European and national level, primarily by increasing green energy production. The Group's Strategic Plan forecasts, over the next four years, an increase of 804 MW in installed capacity, investment in the construction of new solar and wind power plants, with a view to achieving a greater degree of diversification and extending the Group's reach from a regional to a national level.

CVA's Strategic Plan integrates the excellence of 100% renewable production to specific environmental and social sustainability objectives, as evidence of the Group's commitment to the integration of ESG criteria into its overall strategy.Through the definition of specific lines of action and qualitative and quantitative objectives to be measured over time, the Strategic Plan aims to respond to some of the global challenges defined by the United Nations Sustainable Development Goals and outline the Group's development guidelines for the near future, which can be traced to three macro-areas:

- *Positive impact*: zero-emission goal in line with Scope 1 and 2 emissions, participation in active Nature-Based Solutions (NBS) Projects, agrivoltaic feasibility studies and balance and sustainability of withdrawals;
- *Future proof:* secure and resilient assets with more than 90% of plants with automation solutions and 21 hydropower units with 4.0 monitoring and 100% of slopes and relevant area subject to monitoring climate risk analysis and cyber resilience; and
- *Empowering communities:* engagement and dialogue with local communities for the most relevant projects, more than 50% of local students involved in sustainability education projects, corporate voluntering and training and development initiatives dedicated to the local work force.

Financing

As at 31 December 2022, CVA and its subsidiaries were the borrowers under eleven long-term credit facilities, involving an outstanding aggregate principal amount of €457,186 thousand. In addition, at the same date, CVA and its subsidiaries were the borrowers under six committed revolving credit facilities for a total nominal amount of €270,000 thousand of which €50,000 thousand utilised. Summarised below are the main terms of each outstanding long-term credit facility granted to the CVA Group at that date.

Borrower	Lender	Signing date	Maturity date	Security	Amortising plan	Outstanding amount as at 31.12.2022 *(€ thousands)*
CVA	European Investment Bank	09/12/2010	30/11/2026	N/A	6-monthly instalments	44,000
CVA	Intesa Sanpaolo S.p.A.	31/05/2016	30/06/2023	Pledge over equipment and machinery	6-monthly instalments	9,002
CVA	Banca Nazionale del Lavoro S.p.A.	28/12/2018	31/12/2025	N/A	Bullet	70,000
CVA	Mediobanca – Banca di Credito Finanziario S.p.A.	29/03/2021	31/12/2025	N/A	Bullet	30,000
CVA	Intesa Sanpaolo S.p.A.	29/07/2022	29/07/2025	N/A	Bullet	75,000
CVA	Mediobanca – Banca di Credito Finanziario S.p.A.	04/08/2022	04/08/2025	N/A	Bullet	100,000
CVA	Deutsche Bank	08/08/2022	08/08/2025	N/A	Bullet	25,000
CVA	Banca Nazionale del Lavoro S.p.A.	10/08/2022	10/08/2025	N/A	Bullet	50,000
CVA	Unicredit S.p.A.	09/09/2022	09/09/2025	N/A	Bullet	50,000
Valdigne	Intesa Sanpaolo S.p.A.	13/06/2008	13/06/2023	N/A	3-monthly instalments	2,273
Deval	Credit Agricole Italia S.p.A.	11/12/2015	29/12/2023	N/A	6-monthly instalments	1,911

In addition, on 22 November 2021, CVA issued €50 million in aggregate principal amount of senior notes due 22 November 2028, with a coupon of 1.119%. Admitted to trading on the regulated market of Euronext Dublin, the notes are governed by English law and rated Baa2 and BBB+ by Moody's and Fitch, respectively.

In the period from 1 January to 30 September 2023, CVA entered into three new long-term financings for a total nominal amount of €165,000 thousand while the Issuer and its subsidiaries entered into two revolving credit facilities of a total principal amount of €110,000 thousand.

In addition, on 6 April 2023, CVA raised a total of €250 million through two Schuldschein Loans with a five and seven-year maturity. The loans which were placed with primary institutional investors, are governed by German Law and were used for General Corporate Purposes including the repayment of existing indebtedness, acquisitions and capital expenditures.

As at 31 December 2022, CVA reported a Net Financial Debt of €314,021 thousand compared to €146,684 thousand at the end of prior year.

Share Capital and Shareholders

As at 31 December 2022, CVA had a share capital of €395,000,000, divided into 395,000,000 ordinary shares with a nominal value of €1.00 each. Since 31 December 2022, there have been no changes to the Issuer's share capital. The Issuer's shares are unlisted.

Finaosta is the Issuer's sole shareholder and is in turn wholly owned by the Autonomous Region of Valle D'Aosta.

Management

Corporate governance applicable to CVA are provided for under the Italian Civil Code. The shareholders' meeting of the Issuer has adopted a board of directors (*Consiglio di Amministrazione*), which, within the limits prescribed by Italian law, has the power to delegate its general authority to an executive committee and/or one or more executive officers. In addition, the Italian Civil Code requires it to have a board of statutory auditors (*Collegio Sindacale*), which functions as a supervisory body.

Board of directors

The board of directors of the Issuer is composed of five members, all of whom were appointed by its shareholders at a meeting held on 29 June 2022, in each case for a period expiring on the date of the ordinary shareholders' meeting convened to approve the Issuer's financial statements as at and for the year ending 31 December 2024.

The following table lists the current members of the Issuer's board of directors, indicating their role within the Issuer and the positions held by them outside the Issuer (where these are significant to the Issuer) at the date of this Prospectus.

Name	Role	Positions held outside the Group
Marco Cantamessa	Chairman	N/A
Giuseppe Argirò	CEO	Partner and Sole Director of WST S.r.l.
Fabio Marra	Director	N/A
Valeria Casali	Director	N/A
Marzia Grand Blanc	Director	N/A

Board of statutory auditors

Under Article 24 of the Issuer's By-laws (*statuto*), the board of statutory auditors is composed of three acting members and two substitutes. The current board of statutory auditors is appointed until the date of the ordinary meeting of shareholders convened to approve the Issuer's financial statements as at and for the year ending 31 December 2024.

The following table sets out the members of the board of statutory auditors as at the date of this Prospectus.

Name	Role	Positions held outside the Group
Pierpaolo Impérial	Chairman of the Board of Statutory Auditors	Limited Partner of IMPERIAL S.A.S. DI IMPERIAL RENATO E C. Member of the Board of Directors of LOGIX SOCIETA' COOPERATIVA SIGLABILE LOGIX S.C. Alternate Auditor of COOPERATIVA EVANCON SOC. COOP. Alternate Auditor of COOPERATIVA FONTINA S. C. Chairman of the board of statutory auditors of S.V.A.P. SOCIETA' COOPERATIVA Chairman of the board of statutory auditors of SVAP S.R.L.
Carmelo Marco Termine	Auditor	Partner and Director of MCA Audit S.r.l. Insolvency administrator of SOC.COOP.ARL SEMAN Chairman of the board of statutory auditors of Autoporto Valle d'Aosta S.p.A. Chairman of the board of statutory auditors and sole independent auditor of Zenith Società Cooperativa Sociale
Federica Paesani	Auditor	Partner of Micron S.r.l. Partner of A.Di.No S.r.l. in liquidation Partner of La Grenade S.r.l. Vice Chairman of the Board of Directors of Alpifidi Soc. Coop. Limited Partner of Pont des Neiges di Pagani Lero Rosanna & C. S.A.S. Limited Partner of R.A. di Pagani Lero Rosanna & C. S.A.S. Liquidator of Edilcoim S.r.l. in liquidation Alternate Auditor Funivie Monte Bianco S.p.A. Alternate Auditor of Monterosa S.p.A. Independent Auditor of Auberge de la Maison S.r.l. Indipendent Auditor of Les Bich S.r.l.

Name	Role	Positions held outside the Group
Cristina Betta	Alternate Auditor	Limited partner and Director of Betta Giancarlo s.a.s. di Betta Lorenzo Mariolino & C. Liquidator of Soc. Coop. Di Consumo Giuseppe Rabuffi Di Calendasco a r.l. Liquidator of Falco Soc. Coop a r.l. Liquidator of Aras S.r.l. in liquidation Liquidator of Autocarri Versilia S.r.l. Liquidator of Cata 2007 S.r.l. Liquidator of Cd Holding S.r.l. in liquidation Liquidator of Consultrucks S.r.l. in liquidation Liquidator of Domar S.r.l. Liquidator of Domus Vitae Società Cooperativa Sociale in liquidation Insolvency administrator of Gama S.r.l. Liquidator of Immobiliare Guglielmo Marconi S.r.l. Liquidator of Immobiliare Rastello Rosso S.r.l. Liquidator of Piacenza Trucks S.r.l. Liquidator of Pontenure Immobiliare S.r.l. Liquidator of Romiglia S.r.l. Liquidator of Sara Investimenti S.r.l. Liquidator of VIP S.r.l. in liquidation Independent auditor of Aci Servizi Piacenza S.r.l. Alternate auditor of Consorzio Interregionale Ortofrutticoli Soc. Coop. a r.l. Alternate auditor of CONSORZIO MUSP Sole independent auditor of Edilvalla S.r.l. Auditor of FIN.CO S.p.A. Alternate auditor of Funivie Piccolo San Bernardo S.p.A. Auditor of Furia Real Estate S.r.l. Auditor of Furia S.r.l. Alternate auditor of Immobiliare Pace S.p.A. Sole independent auditor of Italcostruzioni S.r.l. Sole independent auditor of Nuova Co.Ro.Fer. S.r.l. Alternate auditor of Pellini S.p.A. Auditor of Piacenza Expo S.p.A. Alternate auditor of Rolleri Holding S.p.A. Alternate auditor of Rolleri S.p.A. Alternate auditor of Struttura Valle d'Aosta S.r.l. Chairman of the board of statutory auditors of Moviemax Media Group S.p.A.
Massimo Scarrone	Alternate Auditor	Sole Director of V.D.A. Consulting S.r.l. Sole independent auditor of Fondazione Liceo Linguistico Courmayeur Chairman of the board of statutory auditors of IN.VA. S.p.A.

Senior management

The following table lists the current senior managers, indicating their role within the Issuer and the positions held by them outside the Issuer (where these are significant to the Issuer) at the date of this Prospectus.

Name	Role	Positions held outside the Group
Enrico De Girolamo	General Manager	Partner of Evolution Project S.r.l. Special Prosecutor of SEA S.r.l. in concordato preventivo
Lorenzo Artaz	Chief Operating Officer	N/A
Angelo Biagini	Chief Financial Officer	N/A
Marco Bortolotti	Chief Legal Officer	N/A

Business address

For the purposes of this Prospectus, the business address for each of the above directors, auditors and senior managers is the following: Via Stazione 31, 11024 Châtillon (AO), Italy.

Conflicts of Interest

Certain members of the board of directors and senior management are also members of the board of directors of certain companies of the Group and, as set out in the tables above, outside the Group. The Issuer is not aware of any other potential conflict of interest between the obligations of the members of the board of directors, board of statutory auditors or senior management, arising from their respective positions within the company and their respective private interests and/or other obligations.

231 Model

On 6 April 2006, the Issuer adopted its organisational, management and control model for the prevention of offences referred to in Decree No. 231/2001 ("**231 Model**"). The 231 Model has been updated several times by the Issuer, most recently on 27 October 2021. The Issuer, as well as its subsidiaries, appointed a supervisory board of a collegiate nature, consisting of three members, or a sole supervisor with the task of supervising the operation of and compliance with the model and ensuring that it is updated. In May 2021, the Issuer adopted the last version of the code of ethics (the "**Code of Ethics**") applicable to all Group companies, regarding the values and principles expressly related to the scope of specific operations and actual exposure to the risks/offences under Decree 231.

Independent Auditors

The current independent auditors of the Issuer are EY S.p.A. ("**EY**"), with their registered office in Via Meravigli 12, 20123 Milan, Italy. EY is authorised and regulated by the Italian Ministry of Economy and Finance ("**MEF**") and registered on the register of auditing firms held by the MEF under number 70945, and is also a member of Assirevi (*Associazione Nazionale Revisori Contabili* or the Italian national association of auditing firms). EY's current appointment was made by the shareholders' meeting held on 15 March 2022 and lasts until the date of the ordinary shareholders' meeting convened to approve the financial statements as at and for the year ending 31 December 2029.

Employees

As at 31 December 2022, the Group had a total of 647 employees, including three managers, 65 middle managers, 396 clerks and 183 blue-collar workers.

Transactions with related parties

Transactions carried out by the Issuer and Group companies with related parties ("**Related Party Transactions**") present the typical risks associated with this type of transaction, including their impact on the objectivity and impartiality of decisions relating to such transactions. Related Party Transactions, identified on the basis of the criteria defined by IAS 24 - Related Party Disclosures, are mainly of a commercial and financial nature and are carried out on normal market conditions. Transactions with the companies belonging to the CVA Group, as well as with the other related parties – mainly the Region of Valle d'Aosta and the Issuer's holding company, Finaosta S.p.A. ("**Finaosta**"), as well as the other subsidiaries and associated companies – are governed by specific contracts. Although Related Party Transactions are carried out under normal market conditions and are potentially approved by the board of directors of the Issuer, there is no guarantee that, if they had been concluded between or with third parties, those third parties would have negotiated and signed the relative contracts, or carried out the transactions themselves, under the same conditions and in the same way. As at the date of this Prospectus, the Issuer's board of directors has neither passed any resolution nor adopted any procedure governing Related Party Transactions.

Relations with the parent company

The main contract with Finaosta concerns the supply of electricity through CVA Energie for a negligeable amount.

Relations with associates

The nature of relations with associated companies is related to the following aspects:

- *Financial transactions*: interest-bearing loans granted by CVA to associated companies; and
- *Commercial relations*: supply of electricity through CVA Energie, under normal market conditions applied to the majority of customers.

Relations with other related parties

Pursuant to IAS 24, related parties also include the subsidiaries and associated companies of Finaosta, the Region and its subsidiaries, as well as the directors, executives with strategic responsibilities and statutory auditors of CVA, as parent company, and of Finaosta. The relations with these parties are mainly of a commercial nature, related to the supply of electricity, as well as compensation for the services performed by the directors, by the executives with strategic responsibilities and statutory auditors with respect to CVA. In the specific case of the Region, the main economic relationship arises from the economic relationship between the concession holder and the grantor with regard to hydroelectric concessions. The fees due to the Region and to the municipalities of the Region for the exploitation of water for hydroelectric purposes are, in fact, of paramount importance, amounting to €37.0 million for the year ended 31 December 2022.

Legal Proceedings

In the ordinary course of its activities, the companies of the CVA Group are involved in a number of proceedings. Below is a summary of the main legal proceedings in which CVA and its subsidiaries are involved.

Additional excise disputes

By its judgment No. 15198 of 4 June 2019 and subsequent judgments, the Italian Supreme Court (*Corte di Cassazione*) found that provisions imposing additional excise duties on customers for electricity were incompatible with Directive 2008/118/EC concerning general arrangements for excise duty. As a consequence, CVA Energie faces the risk of having to refund its customers for additional taxes collected

and paid to the tax authorities for the years 2010 to 2012 (when those taxes were abolished). In fact, the Supreme Court has indicated that the seller of the energy is the person to whom any claim by end users for a refund should be made, rather than directly to the Italian customs authorities (*Agenzia delle Dogane* or the "**Customs Agency**"). As provided under Article 14 of Legislative Decree 504/1995, following an adverse judgement, the seller has 90 days to request a refund from the Customs Agency of the excise reimbursed to the customer. In 2021, 2022 and the first ten months of 2023, CVA Energie refunded approximately €10 million to its customers for additional taxes collected (including interests); CVA Energie expects to recover this amount in due course.

To date, CVA Energie has been sued by 31 customers for reimbursement of additional excise duties for a total amount of approximately €16.5 million. As at 31 December 2022, the amount of provisions set aside in the Issuer's consolidated balance sheet was €8.9 million. Given the difficulty for CVA Energie in recovering from the Customs Agency any excise duty reimbursed to the claimants, the Issuer may bear not only the legal costs relating to customer complaints but also any legal costs relating to applications to the Customs Agency aimed at obtaining a refund of the reimbursed excise duty.

As at the date of this Prospectus, CVA Energie obtained the reimbursement by the Customs Agency of approximately € 290,000 in front of the same amount claimed by customers.

ARERA sanction proceeding

In 2016, the regulatory authority initiated proceedings against market operators in relation to a potential abuse in the wholesale electricity market pursuant to regulation (EU) 1227/2011 by taking advantage of non-diligent programming of electricity (*sbilanciamento*). As a consequence of its findings, ARERA made a request to Terna to determine the amount of non-diligent programming of electricity without the potential abuse perpetrated and, in response, Terna requested a payment of €11.2 million from CVA Energie. The Administrative Court of Lombardy (*Tribunale Amministrativo Regionale*) confirmed the payment request against CVA Energie, which appealed against the decision.

In October 2020, the Administrative Supreme Court *(Consiglio di Stato)* partly allowed CVA Energie's appeal and ordered a reassessment of the value of the unduly charged electricity while still sanctioning CVA Energie for its behaviour. CVA Energie considered it prudent to make provisions of €2.1 million against potential charges arising from the infringement procedure initiated by estimating the maximum amount of the conceivable penalty.

On 31 May 2021, ARERA notified CVA Energie, together with 33 other operators in the sector, in Resolution 217/2021/EEL, containing "*The start of proceedings for compliance with the judgments of the administrative judge on non-diligent programming of electricity",* in which a preliminary investigation supplement is envisaged aimed at "*verifying the impact on direct costs of possible cost savings deriving from counter-phase imbalances*".

On 5 August 2021, CVA Energie received a Resolution from ARERA (340/2021/S/eeI), containing "*an administrative sanction for the implementation of non-diligent planning strategies in the context of the electricity dispatching service*", for an amount of €1.4 million. On 21 October 2021, CVA Energie challenged ARERA's decision before the Regional Administrative Court, applying for cancellation of the sanction or, alternatively, a reduction to the legal minimum and an interim suspension of the ARERA Resolution.

On 26 August 2022, the Administrative Court of Lombardy (*Tribunale Amministrativo Regionale*) overruled ARERA's resolution 340/2021/S/eel of 3 August 2021, as well as the related administrative pecuniary sanction imposed on CVA Energie. ARERA has until March 2023 to appeal against this ruling to the Administrative Supreme Court *(Consiglio di Stato)*.

On 20 October 2022, ARERA notified CVA Energie of Resolution 507/2022/E/eel reviewing the methods for enhancing imbalances, limiting them only to those in so-called counterphase. The relative

quantification, carried out by TERNA S.p.A., amounts to €9.2 million. On 16 November 2022, CVA Energie applied to challenge the Resolution before the Administrative Supreme Court (*Consiglio di Stato*).

On 21 February 2023, CVA Energie – in order to avoid any enforcement actions by TERNA – made a payment in the amount of €9.2 million to TERNA S.p.A.

On 14 July 2023, the Administrative Supreme Court rejected the request of revocation of the ARERA Resolution 507/2022/E/eel affirming that the action for annulment should be brought before the Administrative Court of Lombardy.

On 26 July 2023, CVA Energie notified ARERA and TERNA the new appeal before the Administrative Court of Lombardy; ARERA and TERNA have ritually appeared in court. To date, the hearing on the dispute has not yet been set.

Art. 15-bis (so-called "Sostegni-ter Decree")

In March 2022, the Italian Government, through Article 15-bis of Law No. 25 of 28 March 2022 (conversion of Law Decree No. 4 of 27 January 2022 - "Sostegni-ter Decree"), subsequently modified by Law-Decree No. 115 of 9 August 2022 (then converted into Law No. 142 of 21 September 2022) introduced a mechanism to collect the increased revenues achieved by renewable energy producers. With this measure, a reference price has been introduced for the sale of electricity derived from renewable sources to represent a fair remuneration for the producer according to the geographical location of the plant.

The two-way price mechanism works with the objective to sort potential differences between the reference price and the market price applied by the producer of electricity from renewable sources. In the event the market price applied by the producer is higher than the reference price, the difference ("*extraprofitto*") has to be paid to the GSE; vice versa, if the market price is lower, the producer benefits from a compensation from the GSE.

Through Law-Decree No. 115 of 9 August 2022 (then modified and converted into Law No. 142 of 21 September 2022), the applicative period of such price mechanism has been extended till 30 June 2023. On 21 June 2022, ARERA published a Resolution 266/2022/R/eel which provides for the implementation methods of this measure.

On 22 September 2022, CVA challenged the Resolution of 21 June 2022 266/2022/R/eel from ARERA (implementing art. 15-bis in relation to 2022) in front of the administrative authorities in Milan on the basis that it is unconstitutional and against EU law. To date, the hearing in front of the Administrative Court of Milan has not yet been scheduled.

On 12 December 2022, CVA sued GSE before the tax authority to claim the return of the sums paid on the basis that it is unconstitutional and against EU law.

On 5 June 2023, CVA and CVA Eos challenged the Resolution 143/2023/R/eel from ARERA (implementing art. 15-bis in relation to 2023) in front of the administrative authorities in Milan on the basis that it is unconstitutional and against EU law. To date, the hearing in front of the Administrative Court of Milan has not yet been scheduled.

For the period from 1 February 2022 to 31 December 2022, CVA paid the GSE the amount of around €2.2 million. For the period from 1 January 2023 to 30 June 2023, CVA estimates that the economic impact of this measure may be around €40 million.

Extraordinary contribution ex art. 37 (so called "Taglia Prezzi Decree")

On 21 March 2022, the Italian Government approved Law Decree No. 21 (so-called "Taglia Prezzi Decree"), then modified and converted into Law 51 of 20 May 2022. With art. 37, the Government

introduced an extraordinary contribution by companies active in the production, sale and import of electricity and natural gas and companies active in the production, mining, sale, import, distribution and marketing of oil-related products.

Such extraordinary contribution applies to the increase in the difference between output and input transactions for VAT purposes (as specified in the periodic VAT settlement data sent to the Italian tax authority) in the period 1 October 2021–31 March 2022 compared to the period 1 October 2020–31 March 2021 only if the increase is over €5 million.

CVA and its subsidiaries (CVA Energie and CVA Eos) appealed to the Administrative Court in Rome requesting the abolition of the resolution by the Italian Fiscal Authority on the grounds that it was unconstitutional and contrary to EU law. As of the date of this Prospectus, the extraordinary contribution due from CVA and its subsidiaries (CVA Energie and CVA Eos) of €25.4 million has been paid in full by the Group.

On 10 October 2023, the Administrative Court of Rome suspended the proceedings until the dispute related to the jurisdiction to apply in the case of similar proceedings is resolved by the joint sections of the Supreme Court.

CVA and its subsidiaries requested a reimbursement to the Italian Fiscal Authorities; while CVA was reimbursed of the amount paid of €19 million reflecting a change in the applicable law, CVA Energie and CVA Eos made recourse to the tax authorities for reimbursement of the amount paid on the ground that it is unconstitutional and against EU law. The hearing is scheduled on 27 November 2023.

Temporary solidarity contribution for 2023

On 30 December 2022, the Italian Parliament approved Law No. 197 (budget law 2023) which aims to tax also the extra profits made in 2023 by energy companies.

Such extraordinary contribution is determined by applying a rate of 50% to the amount of the share of total income determined for corporate income tax purposes relating to the tax period prior to the one in progress on 1 January 2023, which exceeds by at least 10% the average of the total income determined under corporate income tax achieved in the four tax periods prior to the one in progress on 1 January 2022. The amount of the extraordinary contribution, in any case, may not exceed a portion equal to 25% of the value of shareholders' equity at the closing date of the financial year prior to the one in progress on 1 January 2022.

CVA and its subsidiaries (CVA Energie and CVA Eos) appealed to the Administrative Court in Rome requesting the cancellation of the resolution by the Italian Fiscal Authority on the ground of being unconstitutional and contrary to EU law. The hearing has not yet been scheduled.

As of the date of this Prospectus, the extraordinary contribution due from CVA and its subsidiaries (CVA Energie and CVA Eos) of around €10.2 million has been paid in full by the Group. CVA and its subsidiaries have requested a full reimbursement of the amount paid to the Italian Fiscal Agency.

Recent Developments

Rating action

On 21 September 2023, Fitch Ratings confirmed CVA’s Long-Term Issuer Default Rating (IDR) at BBB+ stable outlook and senior unsecured rating at BBB+. Such rating confirmation mainly mirrored CVA’s financial solidity and its 2023-2027 industrial plan focussed on significantly diversifying the renewable energy production profile through the deployment of solar and wind plants, as a complement to and a valorisation of the hydroelectric assets.

SUMMARY FINANCIAL INFORMATION OF THE ISSUER

The following tables contain the consolidated statement of financial position and income statement information of the Issuer as at and for the years ended 31 December 2022, 2021 and 2020, derived from the Issuer's audited consolidated annual financial statements as at and for the years ended 31 December 2022, 2021 and 2020;

This information should be read in conjunction with, and is qualified in its entirety by, reference to the Issuer's audited consolidated annual financial statements as at and for the years ended 31 December 2022, 2021 and 2020 together with the accompanying notes and the independent auditors' reports, all of which are incorporated by reference in this Prospectus, as well as the information included in "Presentation of Financial Information". See "*Information Incorporated by Reference*".

Copies of the above-mentioned annual financial statements of the Issuer are available for inspection by Noteholders, as described in "*Information Incorporated by Reference – Access to documents*".

CVA GROUP
AUDITED CONSOLIDATED ANNUAL STATEMENT OF FINANCIAL POSITION

	As at 31 December		
	2022	**2021**	**2020**
	(thousands of Euro)		
Non-current assets			
Tangible assets	606,905	623,165	641,374
Intangible assets	14,126	12,587	12,525
Goodwill	225,564	228,976	238,026
Equity investments	14,649	2,362	2,048
Deferred tax assets	103,375	66,883	26,364
Non-current tax receivables	4,378	11	11
Derivatives	1,309	4,659	3,227
Non-current financial assets	30,215	93,731	134,294
Trade receivables	25,037	8,619	1,308
Other non-current assets	5,132	4,499	4,590
Total non-current assets	**1,030,691**	**1,045,492**	**1,063,771**
Current assets			
Inventories	5,095	3,262	3,399
Trade receivables	171,386	87,384	67,384
Receivables for income taxes	5,521	4,850	7,285
Other tax receivables	26,588	13,350	19,904
Derivatives	255,148	96,235	2,480
Other current financial assets	1,171	675	730
Other current assets	282,181	173,431	19,581
Cash and cash equivalents	226,663	226,831	195,103
Total current assets	**973,753**	**606,019**	**315,866**
Assets classified as held for sale	-	-	-
Total assets	**2,004,445**	**1,651,511**	**1,379,637**

CVA GROUP

AUDITED CONSOLIDATED ANNUAL STATEMENT OF FINANCIAL POSITION (Cont'd)

	As at 31 December		
	2022	**2021**	**2020**
	(thousands of Euro)		
SHAREHOLDERS' EQUITY			
Share capital	395,000	395,000	395,000
Other reserves	255,741	243,128	309,265
Accumulated Profits/(Losses)	55,269	43,134	45,451
Net result of the year	163,975	133,441	59,977
Shareholders' equity attributable to the Group	**869,985**	**814,703**	**809,694**
Shareholders' equity - Minority interests	8,888	9,495	7,650
Total shareholders' equity	**878,873**	**824,197**	**817,344**
LIABILITIES			
Non-current liabilities			
Employee benefits	4,632	5,723	5,893
Provisions for risks and charges	30,488	34,431	28,849
Deferred tax liabilities	23,295	7,663	55,990
Derivatives	117,887	49,736	1,464
Non-current financial liabilities	491,350	215,642	302,496
Other non-current liabilities	23,771	22,637	22,190
Total non-current liabilities	**691,424**	**335,832**	**416,882**
Current liabilities			
Employee benefits	887	1,032	976
Provisions for risks and charges	127	221	212
Trade payables	86,093	73,107	60,210
Payables for income taxes	44,351	20,611	989
Other tax payables	2,851	4,587	920
Derivatives	198,718	118,554	20,120
Other current financial liabilities	80,720	252,279	40,545
Other current liabilities	20,400	21,091	21,438
Total current liabilities	**434,148**	**491,481**	**145,411**
Liabilities related to assets held for sale		-	-
Total shareholders' equity and liabilities	**2,004,445**	**1,651,511**	**1,379,637**

CVA GROUP
AUDITED CONSOLIDATED ANNUAL INCOME STATEMENTS

	Year ended 31 December		
	2022	**2021**	**2020**
	(thousands of Euro)		
Revenues from sales and services	1,701,857	661,743	480,662
Other revenues and income	26,422	48,901	55,520
Total revenues (A)	**1,728,280**	**710,645**	**536,182**
Operating costs			
Costs for raw materials and services	1,348,822	440,041	319,371
Personnel costs	42,246	39,521	38,469
Other operating costs	47,751	42,605	43,963
Capitalised days of work	(5,820)	(4,933)	(4,554)
Total operating costs (B)	**1,432,999**	**517,233**	**397,249**
EBITDA (A-B)	**295,281**	**193,412**	**138,933**
Amortisation, depreciation, provisions and write-downs			
Amortisation/depreciation	54,377	52,660	51,059
Provisions and write-downs	4,717	8,683	677
Total amortisation, depreciation, provisions and write-downs (C)	**59,094**	**61,342**	**51,735**
EBIT (A-B+/-C)	**236,187**	**132,069**	**87,198**
Financial management			
Financial income	3,236	3,674	3,115
Financial expenses	(11,322)	8,751	5,824
Total financial balance (D)	**14,558**	**(5,077)**	**(2,708)**
Pre-tax result (A-B+/-C+/-D)	**250,745**	**126,992**	**84,489**
Income taxes	86,341	(8,267)	23,260
Net result of continuing operations	164,404	135,259	61,230
Net result of discontinued operations	-	-	-
Period net result	**164,404**	**135,259**	**61,230**
Profit/(loss) attributable to the Group	163,975	133,441	59,977
Profit/(loss) attributable to non-controlling interests	430	1,819	1,253

USE OF PROCEEDS

The net proceeds of the issue of the Notes, which are estimated to be in the sum of €30,000,000, will be used by the Issuer to finance the Issuer's general corporate purposes, including the financing of CVA Group's Strategic Plan.

REGULATION

The regulatory framework within which the CVA Group operates is briefly described below, containing the main European and Italian laws and regulations applicable on the basis of the activities carried out. Although this overview provides for the main information the Issuer considers relevant in the context of the issue of the Notes, it does not constitute an exhaustive record of all applicable laws and regulations. Potential investors and/or their advisors should not rely solely on this regulatory summary and should make their own analysis of the laws and regulations applicable to the CVA Group and their potential impact on any investment on the Notes.

Overview

The growing attention to the issues related to climate change and its effects on the population, economy and energy production strategies, has led to the signing of international agreements between States, based on the commitment to achieve objectives for the reduction of climate-altering emissions, such as the Kyoto Protocol, entered into force in February 2005.

The European Union ("**EU**"), among the signatories of the Kyoto Protocol, has developed its own action strategy ("Energy Union Strategy") published in 2015 and subsequently translated into four directives and as many regulations through the "Clean energy for all Europeans package". In particular, Directive (EU) 2019/944 and Regulation (EU) 2019/943 concerns electricity sector, while for the promotion of the use of energy from renewable sources ("**FER**") Directive (EU) 2018/2001 (the "**RED II Directive**") has been developed.

The medium- and long-term strategy was reformulated in January 2020 on a new basis, reaffirming Europe's commitment to tackle climate and environmental issues in the act known as the *Green deal*, which restates the intention to make the Union's economy sustainable by turning environmental and climate problems into opportunities, with a focus on equity and inclusion. With communication COM (2019) 640 of 11 December 2019, the European *Green deal* was officially unveiled by the European Commission, together with the investment and financing plan needed to meet the 2030 climate targets and to implement the EU's long-term strategy, which aims to achieve carbon neutrality by 2050. As regards the energy sector in particular, given that energy production and use account for more than 75% of the EU's greenhouse gas emissions, the *Green deal* includes a decarbonisation target for the energy system, hinged on three principles: ensuring a secure and affordable supply of energy for the EU; developing a fully integrated, interconnected and digitalised energy market; prioritising energy efficiency; improving the energy performance of buildings; and developing an energy sector based largely on renewable sources.

On the basis of the *Green deal*, in July 2021, the *European Climate Law* came into force: this law sets a binding *interim* target to 2030 to reduce net greenhouse gas emissions by at least 55% compared to 1990 levels and a further target to 2050 for all EU countries to achieve zero climate impact, with zero net greenhouse gas emissions, mainly through emission reductions, investment in green technologies and protection of the natural environment. On 14 July 2021, the European Commission presented a package of proposals called "*Fit for 55*" (The package is comprised of thirteen proposals: eight of them are revisions to existing directives/regulations and five are new proposals) which should enable the EU to achieve the stated reduction targets. At the end of June 2022, the European Council agreed on five legislative proposals in the *Fit for 55* since the member states adopted a common position on EU emissions trading system (EU ETS), effort-sharing between member states in non-ETS sectors (ESR), emissions and removals from land use, land-use change and forestry (LULUCF), social climate fund (SCF), new CO_2 emission performance standards for cars and vans. These agreements pave the way for negotiations with the European Parliament that are currently taking places.

In implementation of Regulation (EU) 2018/1999, in order to make known the concrete actions aimed at

achieving the EU energy and climate objectives, each EU country has developed an integrated *National Energy and Climate Plan* (NECP) for the period 2021-2030, divided into five sectors: energy efficiency, renewable energies, reduction of greenhouse gas emissions, interconnections, research and innovation. On 21 January 2020, the Italian Ministry of Economic Development published the text of the Integrated National Energy and Climate Plan (NECP), which defines goals for 2030 in terms of renewable energy production, energy efficiency and emission reduction, and sent it to the European Commission for assessment. On 14 October 2020, the European Commission adopted the document "Assessment of the final national energy and climate plan of Italy", which provides guidelines for the implementation of Italian NECP and the elaboration of the National Recovery and Resilience Plan. In particular, the National Recovery and Resilience Plan should set out a coherent package of reforms and public investment projects in the context of the EU Recovery and Resilience Facility (which entered into force on 19 February 2021 with the aim to mitigate the economic and social impact of the coronavirus pandemic and make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions). An updated version of the integrated Italian *National Energy and Climate Plan* (NECP) for the period 2021-2030 has been submitted to the European Commission for approval by 30 June 2024.

In addition to all the above, on 3 July 2021 the European Council adopted the *Piano Nazionale di Ripresa e Resilienza*, which was filed by Italy on 30 April 2021 (the "**PNRR**") and sets different "missions" for the purposes of re-launch the economy following the Covid-19 pandemic and allow the green and digital development of Italy.

In particular, the PNRR provides, *inter alia*, the "*Missione 2 – Rivoluzione Verde e Transizione Ecologica*" aimed at promoting the ecological transition by the implementation and enhancement of energy fuelled by renewable plants, as well as the promotion of the energy efficiency.

In response to the hardships and global energy market disruption caused by Russia's invasion of Ukraine, the European Commission has presented on May 18th the REPowerEU Plan, with the double aim of urgently ending the EU's dependence on Russian fossil fuels and tackle the climate crisis. The measures set by the REPowerEU Plan focus on energy savings, diversification of energy supplies, accelerated roll-out of renewable energy to replace fossil fuels in homes, industry and power generation.

In addition, the RED II Directive has been amended by the Directive 2023/2413 of the European Parliament and of the Council of 18 October 2023 published in the Official Journal of the European Union on the 30th Octobre 2023 (the "**RED III Directive**")with the objective to release EU Member States from energy dependency from other countries. The new directive was drawn up also in response to the need to accelerate energy efficiency, increase the use of renewable energy and reduce emissions in the European Union. Among other measures designed to achieve those goals, the share of energy from renewable sources in the European Union is expected to increase to, at least, 42.5% of the gross final consumption of energy by 2030. Member States shall bring into force the necessary laws, regulations and administrative provisions to comply with this Directive by 21 May 2025, except for some provisions concerning granting permissions for the construction of renewable energy power plants which will come into force by 1 July 2024.

Italian regulatory framework for electricity sector

Legislative Decree No. 79 of 16 March 1999 ("**Bersani Decree**") implemented Directive 96/92/EC on common rules for the internal electricity market and deeply changed the rules for the electricity sector in its various areas of activity, by providing for gradual liberalisation of the electricity market. In particular, the Bersani Decree provided for (i) the liberalisation of the production, import, export, purchase and sale of electricity, as from 1 April 1999; (ii) the exclusive reservation of transmission and dispatching activities to the State and their assignment under concession to a joint-stock company (*società per azioni*): the Manager of the National Transmission Grid (*Gestore della Rete di Trasmissione Nazionale*) ("**Grid**

Manager"); (iii) the performance of electricity distribution activities under a concession granted by the Ministry of Productive Activities (*Ministero delle Attività Produttive*), providing also that the concessions already in place will be valid until 31 December 2030.

Production of energy from FER – General framework

In this context of launch of the electricity market liberalisation, the Bersani Decree also redesigned the regime of reference applicable to the hydroelectric sector and introduced innovative measures to encourage renewable energy sources (hydroelectric, wind, solar, geothermal, biomass, landfill gas and residual gas from purification processes and biogas).

A further boost to the development of these energy sources was provided by Legislative Decree No. 387 of 29 December 2003 ("**Legislative Decree 387/2003**"), enacted in implementation of Directive 2001/77/EC on the "*promotion of electricity produced from renewable energy sources in the internal electricity market*", which, *inter alia*, unified the authorizations required for the construction and operation of plants producing energy from renewable sources.

It is also necessary to consider, *inter alia*: (i) Law No. 239 of 23 August 2004 ("**Marzano Law**") aimed at reforming and comprehensively reorganising the energy sector and defining the division of competences and responsibilities between State and Region and the powers of the Regulatory Authority for Energy, Networks and Environment (*ARERA*); (ii) Law No. 244 of 24 December 2007 and the Interministerial Decree of 18 December 2008 (Ministry for Economic Development in agreement with the Ministry for the Environment and Protection of Land and Sea) containing provisions concerning incentives for the production of electricity from RES.

In 2011, Italy has implemented Directive 2009/28/EC by enacting Legislative Decree No. 28 of 3 March 2011 (as subsequently modified and integrated lastly by Law Decree No. 76/2020 and Law Decree No. 77/2021), which amended and supplemented Legislative Decree No. 387/2003, with the aim of reorganizing the renewable energy sector by simplifying authorisation procedures and providing for a more efficient incentive mechanism. With similar intent, Legislative Decree No. 199 of 8 November 2021 has implemented Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources. Legislative Decree has introduced simplifications in the authorisation procedures for plants producing electricity from FER and other measures like, for example, identification of areas suitable for low-ecological-risk deployment, which are meant to boost renewable power plants construction.

Recently, the Italian Government has approved multiple decisions in order to further reduce the administrative obstacles still slowing FER development: Law No. 34 of 27 April 2022, converting Law Decree No. 17 of 1 March 2022 (the so-called “Energy Decree”); Law No. 51 of 20 May 2022, converting Law Decree No. 21 of 21 March 2022 (the so-called “*Taglia Prezzi* Decree”); Law No. 91 of 15 July 2022, converting Law Decree No. 50 of 17 May 2022 (the so-called “*Aiuti* Decree”), Law No. 41 of 21 April 2023, converting Law Decree No. 13 of 24 February 2023.

Production of energy from FER – Incentive mechanisms

The Italian legal system of incentives for the production of electricity from renewable sources focuses on various mechanisms that apply differently depending on (i) the date on which the plant starts operations, (ii) the type of renewable source used and (iii) the power of the plant.

The main mechanisms of support to the development of renewable sources of interest for the Issuer’s activity are:

1. Energy Account, introduced by the Ministerial Decree of 28 July 2005 ("**First Energy Account**"), which was first replaced by the Ministerial Decree of 19 February 2007 ("**Second Energy Account**"), and subsequently by the Ministerial Decree of 6 August 2010 ("**Third**

Energy Account"), by the Ministerial Decree of 5 May 2011 ("**Fourth Energy Account**"), and finally by the Ministerial Decree of 5 July 2012 ("**Fifth Energy Account**"). The Energy Account consists in the payment of an incentive tariff in proportion to the electricity produced by photovoltaic plants connected to the electricity grid. The incentive tariff, differentiated on the basis of the power and type of plant, is recognised pursuant to the Energy Account in force on the date of entry into operation of the plant.

The First Energy Account, become effective with the entry into force of the Interministerial Decrees of 28 July 2005 and 6 February 2006, introduced a financing system on account of electricity production, replacing the previous non-repayable government grants for plant commissioning.

By means of the Second Energy Account the Ministry of Economic Development established new criteria for providing incentives for the production of electricity from photovoltaic systems that had come into operation up to 31 December 2010. Among the main innovations introduced: the application of revenues based on actual energy production, parameterised to the kW/h, and not to the installed kW, the streamlining of bureaucratic procedures for obtaining incentive tariffs and the differentiation of tariffs on the basis of the type of architectural integration (integrated, partially integrated, non-integrated plant), as well as the size of the plant (nominal power between 1 and 3 kW; between 3 and 20 kW; over 20 kW).

Originally, the incentive tariffs under the Second Energy Account were reserved for plants which entered into operation in the period between the date of issuance of the measure implementing the decree (*i.e.* ARERA Resolution 90/2007 published on 13 April 2007) and 31 December 2010. Subsequently, however, an exception to this principle was introduced by Article 2-*sexies* of Law No. 41 of 22 March 2010, converting Law Decree No. 3 of 25 January 2010 (the so-called "**Salva-Alcoa Decree**") as amended and supplemented by Law No. 129 of 13 August 2010, converting Law Decree No. 105/2010, which provided that the incentive tariffs provided under the Second Energy Account continue to apply to photovoltaic plants which commenced operations also after 31 December 2010, provided that (i) by 31 December 2010, the installation of the photovoltaic plant is completed and the completion of the works is communicated to the competent authorities (including the declaration of asseveration, drafted by a qualified technician, that the works have been effectively completed and executed in accordance with the relevant regulations) and (ii) the same plants commence operations by 30 June 2011.

The Third Energy Account applies to the photovoltaic plants entered into operation after 31 December 2010 (with the exception of the plants falling within the Salva-Alcoa Decree), initially intended to regulate the incentive tariffs for 2011, 2012 and 2013, but then limited to plants entering into operation by 31 May 2011, as a result of the provisions of Legislative Decree No. 28/2011 and the Fourth Energy Account.

The Fourth Energy Account replaced the previous ones with regard to plants which entered into operation after 31 May 2011 (except for that category of plants which entered into operation by 30 June 2011, proving beneficiaries of the provisions of the Salva-Alcoa Decree). The Fourth Energy Account defines the criteria for providing incentives for the production of electricity from photovoltaic solar plants, applying to all plants with a capacity of not less than 1 kW which come into operation between 1 June 2011 and 31 December 2016, following new construction, total renovation or upgrading interventions. By abandoning the tripartition of the Second Energy Account, it defines a simplified classification of photovoltaic systems, providing for a tariff distinction between two types of intervention: photovoltaic plants installed on buildings; other photovoltaic plants, *i.e.* all plants not falling within the previous category, including ground-mounted plants.

For the purposes of the procedures for admission to the incentive tariffs, the Fourth Energy Account also provides for the distinction between: (I) “Large Plants”, including plants with capacity exceeding 1 MW on buildings, plants with capacity exceeding 200 kW not on buildings and plants, not on buildings, with a capacity of less than 200 kW, which do not operate in on-site exchange; (II) “Small Plants”, including plants installed on buildings with a capacity not exceeding 1 MW, other plants with a power not exceeding 200 kW and operating under the on-site exchange regime and any type of photovoltaic plant of any power installed on buildings and areas of the Public Administrations referred to in Article 1, paragraph 2, of Legislative Decree No. 165 of 2001. Such a classification together with the date of entry into operation implies a different procedure of access to incentives: Large Plants entered into operation from 1 June 2011 (date of start of the Fourth Energy Account) until 31 August 2011 have direct access to the incentive tariffs without having to be entered in the register, while Large Plants entered into operation after 31 August 2011 and until the end of 2012, in order to have access to the incentive tariffs, must be registered in the specific electronic register, managed by the GSE, in a position such as to fall within the cost limits defined for each period.

The Fifth Energy Account introduced a cap to the overall expense for the incentive mechanisms, such Energy Account has therefore applied since 27 August 2012 and until the 30th day after the date of realisation of an indicative cumulative cost of the incentives equal to €6.7 billion/year, which was reached on 6 June 2013. From this date, accordingly, the Fifth Energy Account and the provisions of the previous Energy Accounts for the encouragement of photovoltaic sources ceased to apply.

2. Incentivisation system pursuant to the Decree of the Ministry of the Economic Development (*Ministero dello Sviluppo Economico*) ("**Ministerial Decree of 6 July 2012**"), implementing the provisions of Legislative Decree 28/2011 and establishing the incentivisation procedures for the production of electricity from plants powered by renewable sources, other than photovoltaic solar energy. In particular, the mentioned decree established the incentivization procedures for new plants and plants which have been completely rebuilt, reactivated, subject to upgrading or refurbishment interventions, with a capacity of not less than 1 kW, and entered into operation from 1 January 2013, by providing a system with diversified tariffs on the basis of the source, the type, the power and the entry into operation of the plant. Depending on the energy source and the power of the plant, access to the incentives may take place through (i) direct access; (ii) registration in special registers; or (iii) participation in competitive downwards bidding procedures.

3. Incentivising tariff (so-called "**GRIN Tariff**") pursuant to the Ministerial Decree of 6 July 2012, which supplemented and completed the rules for the transition from the Green Certificates mechanism – introduced in 1999 and entitling to an incentivisation on the production for 15 years – to the new support schemes. In particular, Article 19 of the Ministerial Decree of 6 July 2012 maintained that all plants on renewable sources other than photovoltaic, and entered into operation after 31 December 2007, which have accrued the right to benefit from Green Certificates, shall be granted, for the residual period of entitlement after 2015, a tariff incentive on net production, which is added to the value of the produced electricity (sale or self-consumption), calculated as follows: I = k x (180 - Re) x 0.78. The incentive is therefore commensurate with the product of a coefficient k (which differs depending on the launch of the plant operation and the type of renewable source used) and the difference between the reference value of a Green Certificate (180 euros per MWh) and the energy transfer price (Re); all this is multiplied by 0.78.

4. All-inclusive tariff alternative to Green Certificates, which provides for the payment of an incentive to the wind plants with an average annual nominal capacity not exceeding 0.2 MW, or

not exceeding 1 MW to the other FER plants (excluding solar-powered plants). The tariff, the amount of which varies according to the source, is called all-inclusive as it includes both the value of the incentive and the revenue from the sale of the electricity produced. Furthermore, only the portion of net electricity from renewable sources produced by the plant and injected into the grid, as defined in Annex A of the Ministerial Decree of 18 December 2008, is eligible for the all-inclusive tariff. The all-inclusive tariff is paid to the producer for a period of 15 years, starting from the date of commercial operation of the plant.

5. Incentivisation system pursuant to the Decree of the Ministry of Economic Development of 23 June 2016 ("**Ministerial Decree of 23 June 2016**"), updating the rules and tariffs provided by the Ministerial Decree of 6 July 2012, maintaining in continuity with the previous decree both the general setting of the incentivising mechanism and the procedures for access to the incentives. The Decree introduced however a specific regulation for the case of forced splitting of the power of plants producing energy from renewable sources, including photovoltaic plants, providing the GSE to consider the plants attributable to a single business initiative as a single plant with a cumulative power equal to the sum of the individual plants and, after verifying compliance with the rules for access to incentives, redetermines the tariff due. In the event that the forced splitting has also led to the violation of the rules for access to incentives, the GSE provides for the forfeiture of incentives with the full recovery of sums already paid.

   In accordance with Article 30 of the Ministerial Decree of 23 June 2016 regarding the maintenance and/or modernization interventions carried out on renewable plants benefitting from the GSE incentives, the GSE adopted two Operational Rules (*Manuali Operativi*) respectively on (i) February 2017, for photovoltaics plants and (ii) December 2017, for plants fuelled by other renewables sources.

6. Incentivisation system pursuant to the Decree of the Ministry of Economic Development of 4 July 2019 ("**Ministerial Decree FER 1**"), which, in line with the Ministerial Decree of 6 July 2012 and Ministerial Decree of 23 June 2016, from which it inherits the majority of its structure, envisages an economic support for the production of electricity from renewable sources, including photovoltaic. Depending on the energy source and the power of the plant, access to the incentives may take place through (i) direct access; (ii) registration in special registers; or (iii) participation in competitive downwards bidding procedures. It provided a specific allotment dedicated to newly constructed photovoltaic plants, whole modules are installed in replacement of roofs and rural buildings on which the complete removal of asbestos or Eternit has been carried out.

   During the first half of 2023, the Ministry of the Environment (so called *MASE*) presented the so-called “FER II Decree”, that is supposed to provide rules on incentive mechanisms for geothermal, biomass, biogas, solar thermodynamic and offshore wind plants, implementing the RED II Directive.

   Meanwhile, for the interim period, the Ministerial Decree FER 1 will continue to apply for granting the GSE incentives. In particular, the GSE is entitled to launch further procedures by making available the remaining unallocated power capacity, until it is exhausted. Therefore, it is now open the thirteenth procedure.

Significant are also the measures so-called "*spread-incentives*" (“*spalma-incentivi*”), introduced with the intention to contain the annual burden of the FER incentivisation reflected on consumers' electricity bills. First of all, Law Decree No. 145/2013 (Article 1, paragraphs 3-6) envisaged the so-called "*voluntary incentive spreader*", by which producers of electricity from renewable sources, owners of plants benefiting from Green Certificates, all-inclusive tariffs and premium tariffs, were offered an alternative between continuing to enjoy the incentive regime due for the residual period of entitlement or opting for

the use of a reduced incentive against an extension of the incentive period.

Subsequently, Article 26 of Law Decree 91/2014 introduced the so-called "*compulsory incentive spread*" ("*spalma-incentivi obbligatorio*"), which provided for new methods of disbursement of the incentives already recognised for the energy produced by large photovoltaic plants (with an incentivised power exceeding 200 kW), leaving producers with a choice of three options: i) the extension from 20 to 24 years of the incentive period, against a remodulation of the single value of the incentive of an amount depending on the duration of the remaining incentive period (between 17% and 25%); ii) the maintenance of the twenty-year payment period, against a reduction of the incentive for a first period according to percentages defined by the Ministry of Economic Development (between 10% and 26%), and a corresponding increase for a second period; iii) the maintenance of the twenty-year payment period, against a percentage reduction set by the decree (between 6% and 8%), increasing depending on the size of the plants.

Production of energy from FER – Rules on construction and operation of plants

The authorisation process for the construction and operation of plants powered by renewable sources is governed at a general level by Legislative Decree 387/2003, which, above certain power thresholds, provides for the construction and operation of electricity production plants powered by renewable sources (as well as the interventions of modification, upgrading, total or partial renovation and reactivation, related works and infrastructures necessary for the construction and operation of such plants) to be subject to a single authorisation ("**Single Authorisation**"), issued by the Region or the delegated Provinces, in compliance with the regulations in force on environmental protection, landscape protection and historical-artistic heritage.

In particular, the Single Authorisation is issued following a procedure all the administrations concerned join and it includes all the permits, authorisations and clearances which, according to the previous regulatory regime, had to be obtained through autonomous and distinct administrative procedures (e.g. building permit, authorisation to build in areas subject to constraints, etc.), with the exception of the environmental impact assessment ("**EIA**") procedure.

On 10 September 2010, the Ministry for the Economic Development adopted the decree which outlines the national guidelines for the authorization of FER power plants ("**National Guidelines**") aimed at providing the detailed standard discipline of the Single Authorisation procedure at a national level. Moreover, the National Guidelines also empower the Regions to identify the areas where the installation of power projects is banned, based on certain landscape and zoning general criteria.

With specific regard to EIA procedure whereby the Region is the entity in charge of the adoption of the relevant deed, Article 27-*bis* of Legislative Decree 152/2006 (the "**Environmental Code**"), as introduced by Article 16, para. 1 of Legislative Decree 104/2017, provides the sole regional authorization (*provvedimento autorizzatorio unico regionale*) (the "**PAUR**") which encompasses the EIA, the Single Authorisation and any other permits, authorization, concession, opinion, *nihil-obstat*, whatever named necessary for the construction and operation of the relevant plant, as listed by the same applicant. The entity in charge of the PAUR corresponds to the entity in charge of the EIA.

A further simplified authorisation regime, generally of municipal jurisdiction (Simplified Authorisation Procedure – "**PAS**" - or simple communication), is provided for plants powered by renewable energy sources having a generating capacity below certain thresholds and meeting technical features and/or located on certain areas identified by law.

Further, for the construction of power lines necessary to connect renewable energy production plants of any type to the electricity grid, it may be necessary to obtain a permit for the construction and operation of power lines in accordance with Royal Decree No. 1775 of 11 December 1933 ("*Testo Unico Acque ed Impianti Elettrici*" or "**Consolidated Law on Water and Electric Installations**") or an equivalent

permit in accordance with the requirements of individual regional legislation, where such permit is not already included in the Single Authorisation or the PAS.

Finally, in relation to the characteristics of the sites and the plants on which the plants for the production of energy from renewable sources and the power lines for their connection to the electricity grid are built, it may be necessary to verify their environmental compliance through the EIA procedure and/or the procedure of verification of subjection to EIA.

It should be noted that certain regional legislations, by virtue of the shared legislative powers attributed to the Regions in matters of energy, have significantly affected the authorisation profiles connected with the construction and operation of plants for production of energy from FER and, in order for the regulatory framework to be exhaustive, it is appropriate make reference also to the regional regulation.

Law Decree No. 76/2020, converted into Law No. 120/2020, Law Decree No. 77/2020 converted into Law No. 108/2021 and Legislative Decree No. 199 of 8 November 2021 introduced simplifications in the authorisation procedures for plants producing electricity from FER, with the intention to favour and boost the development of plants and achieve the decarbonisation targets fixed for 2030. With similar intent, in 2022 have been approved also the above-mentioned Law No. 34 of 27 April 2022, converting Law Decree No. 17 of 1 March 2022, Law No. 51 of 20 May 2022, converting Law Decree No. 21 of 21 March 2022 and Law No. 91 of 15 July 2022, converting Law Decree No. 50 of 17 May 2022 and Law No. 41 of 21 April 2023, converting Law Decree No. 13 of 24 February 2023.

From the perspective of the plants management, the wind power production is subject to the unpredictable provisions on dispatching of electricity produced by FER, pursuant to ARERA Resolutions No. 111/06 and ARG/elt 5/10 (as subsequently modified and integrated). In order to ensure the electric system safety, indeed, wind plants may be the addressees of orders by Terna for the containment of production. In such cases, the producer is entitled to be awarded a remuneration for the missed wind production (computed by the GSE as estimated value on the basis of the actual data of wind, measured on site, in the hours in which the containment of production is requested), subject to a prior application of a specific request for the activation of the service managed by the GSE.

Production of energy from FER – Derivation concessions (*concessioni derivative delle acque*)

The development of hydroelectric plants requires, in addition to the Single Authorisation, the issuance of a water diversion concession ("**Derivation Concession**"). Under Article 17 of the Consolidated Law on Water and Electric Installations, it is generally forbidden to use or derive public water without a measure for the authorisation or concession by the competent Authority. The regulation within the Consolidated Law on Water and Electric Installations, which is still today the main regulatory reference in the matter of public water for hydroelectric uses, applies also to the sub-concessions issued by the Autonomous Region of Valle d'Aosta where the Issuer's hydroelectric plants are located.

Uses of public water for motive power are subject to the payment of a number of fees, calculated on the basis of the power of the concession, to be paid to the local authorities concerned by the derivation (the State concession fee pursuant to Article 35 of Royal Decree No. 1775/1933, the additional fees due to the coastal authorities pursuant to Article 53 of Royal Decree No. 1775/1933 and to the Mountainous Catchment Areas (*Bacini Imbriferi Montani*) pursuant to Law No. 959 of 27 December 1953).

The Consolidated Law on Water and Electric Installations distinguishes between concessions for large derivations (average annual nominal power of the motive force exceeding 3,000 kW) and concessions for small derivations (annual nominal power of the motive force of less than 3,000 kW). Such a distinction is relevant for the purposes of the plants at the expiry of the concession and the procedure for obtaining the concession: concessions for large-scale hydroelectric derivation are awarded after a public bidding process (*procedura ad evidenza pubblica*) (Article 12 of the Bersani Decree), while concessions for small-scale hydroelectric derivation are awarded on the basis of the criteria set forth in the Consolidated

Law on Water and Electric Facilities and in accordance with a procedure requiring the concession application to be published, in order to allow the submission of written comments and objections to the requested derivation and the submission of competing applications for the same water resource (articles 7 and following of the Consolidated Law on Water and Electric Facilities and applicable regional regulations).

As regards the maximum duration of Derivation Concessions, the Consolidated Law on Water and Electric Installations provides all derivation concessions to be temporary and that their duration cannot exceed thirty years.

The Bersani Decree, which introduced new rules governing the award, upon expiration, of concessions for large-scale derivation, also reshaped the duration of existing concessions, setting forth specific provisions with regard to concessions held by ENEL. Specifically, it was established that: (i) concessions awarded to ENEL will expire at the end of the thirtieth year following the effective date of the abovementioned decree (*i.e.*, in 2029); (ii) concessions that have expired or are due to expire by 31 December 2010 are extended until 31 December 2010 (subject to compliance with certain formalities). With reference to concessions expiring after 31 December 2010, for which no modification of the natural expiry date has been introduced by the Bersani Decree, the provisions set out in the concession deeds continue to apply.

In case of small-scale concessions for water derivation owned by ENEL, the extension of the duration was instead governed by Article 23, paragraph 8 of Legislative Decree No. 152 of 11 May 1999 (later repealed by Article 175 of the Environmental Code), which provided that, where the thirty-year term had expired, such concessions were to be considered extended for further thirty years from the date of the entry into force of the Bersani Decree, subject to prior submission of a specific application by ENEL by 31 December 2000.

Article 12 of the Bersani Decree, containing the fundamental aspects concerning the regulation of concessions for large-scale derivation, has been the addressee of several amendments as a result of a set of infringement proceedings carried out by the European Commission against Italy (No. 2011/2026), with reference to provisions set under Article 12. Indeed, the Commission claimed that, in so far as Article 12 (in the previous version) required any new concessionaire to step in into the totality of the legal and commercial relationships relating to the specific plant to which the previous concessionaire was party to, and to compensate the previous concessionaire for the loss thereof, this would create an unfair advantage for the existing concessionaire and would act as a deterrent to competition and to the entry of new operators, in violation of the principles of Article 49 of the Treaty on the Functioning of the European Union, and Directive 2006/123 EC. It is to be reported that such infringement procedure was dismissed by means of a decision of the European Commission of 23 September 2021.

The current version of Article 12, as last amended by Article 11-*quater* Law Decree No. 135 of 14 December 2018, converted with Law No. 12 of 11 February 2019, as recently modified by the Annual Market and Competition Law 2021 (Law No. 118 of 5 August 2022), envisages that:

(a) at the expiry of the large hydroelectric derivations and in cases of forfeiture or waiver, Regions become the owners of the so-called "wet works" (collection, regulation and penstock works and the drainage channels) against no consideration. Current concession holders shall be granted with a termination value by the incoming concessionaire for any unamortized (*non ammortizzato*) investments it made during the period of validity of the concession at the latter's own expense (meaning without public financing), on condition that the investments were made in accordance with the concession or authorised by the grantor. For all the other assets (so called "dry works"), the payment of a price to be quantified net of the amortised assets in compliance with the rules set forth by Article 25, paragraph 2, of the Consolidated Law on Water and Electric Facilities applies. In addition, outgoing concessionaires shall be granted with a

compensation in any case the latter carry out extraordinary maintenance works necessary for the efficiency and the development of the plants, provided that they were required by public authorities and carried out during the last five years of the concession, in accordance with Article 26 of the Royal Decree No. 1775/1933;

(b) Regions may award large derivation concessions: (a) economic operators identified by the completion of public tenders procedures (*procedure ad evidenza pubblica*); (b) companies with mixed public corporate capital, in which the private shareholder is elected through completion of public tenders procedures; (c) by forms of public partnerships pursuant to Article 179 et seq. of Legislative Decree No. 50/2016. In any case, the award in favour of publicly held companies is subject to the compliance with the provisions of the Consolidated Act represented by Legislative Decree No. 175 of 19 August 2016;

(c) the terms and conditions of the tender procedures to re-award the concessions are to be set by the single Regions, which shall implement the principles under Article 12 by approving specific Regional laws within the deadline provided under the same Article 12 (as extended by Article 125-bis of Law Decree No. 18/2020). The procedures for the assignment of large derivation concessions should start within two years from the date of entry into force of the regional law and, in any case, no later than 31 December 2023. Substitute powers of the Government are foreseen in the event that the Region fails to meet the deadline for initiating procedures;

(d) procedures for awards of large-scale hydroelectric concessions will be carried out in compliance with the principles of fair competition and transparency, such principles also to apply to procedures for awarding large-scale hydroelectric concessions launched by those regions which have already adopted the relevant implementing regional law;

(e) large derivation concessions might be awarded through project financing, accordingly to the Article 183 of the Italian Procurement Code ("*Codice Appalti*");

(f) in the case of large derivation concessions for hydroelectric purpose, Regions may dispose by law the obligation for concessionaire to annually provide for free in favour of the Regions themselves with 220 kWh for each kW of average nominal power of concession, at least the 50% of which to be destined to public services and categories of users of the provincial territories concerned by derivations;

(g) tender procedures are to be launched to award also new concessions for large-scale derivation of water for hydroelectric use;

(h) concessionaires are required to pay Regions a concession fee on a six-month basis, which is divided into: (a) a fixed component, the amount of which depends on the plant's average power capacity; and (b) a variable component, which is calculated as a percentage of the normalised revenues (*ricavi normalizzati*), based on the ratio (*rapporto*) between the production of the plant – net of the energy supplied free of charge to the relevant region – and the price of the energy per zone (*prezzo zonale*); and

(i) for large derivation concessions expired prior to 31 December 2024 (now 31 July 2024 as modified by Law No. 118 of 5 August 2022), the Regions may allow the outgoing concessionaire to continue the management of the derivation/assets that have passed into the ownership of the Regions pursuant to paragraph 1 of the same Article 12, in favour of, for the time strictly necessary for the completion of the assignment procedures and in any case not later than three years from the date of entry into force of this provision (*i.e*. three years from August 2022), establishing the amount of consideration to be paid by the outgoing concessionaires to the Region.

In relation to the extension until 31 July 2024, the European Commission has expressed concerns from

the perspective of the Service Directive and TFEU. However, the expectation is that no amendments will be required by Italian authorities considering that this extension is of a technical and temporary nature, i.e., until the entry into force of the new system based on tenders for the re-awarding of Large-scale Concessions.

As per small-scale concessions, Article 30 of the Royal Decree No. 1775/1933 stipulates that small-scale concessions can be granted with an extension/renewal without any tender procedure provided that (a) the public interests pursued by the concession remain valid; and (b) no overriding public interests have arisen. Nonetheless, the process remains subject to supervision by the Valle d'Aosta Region, to whom a formal application for renewal must be made.

The National Antitrust Authority (the "**AGCM**"), in Opinion AS1722 of 3 March 2021: (a) highlights that provinces, as granting authorities of small-scale concessions, in the past largely granted concessionaires extensions/renewals; and (b) holds that this practice is in contrast with EU internal market rules (based on Article 30 of Royal Decree No. 1775/1933). The AGCM thus encouraged that the framework be amended to bring it into compliance with EU law. In fact, notwithstanding the absence of EU caselaw on the matter, it is generally understood that EU law applies to large- and small-scale concessions, requiring the introduction of impartial, transparent selection procedures, that prohibits automatic renewals.

The same position is shared by the Italian administrative court specialised in matters relating to the use of public waters (*Tribunale Superiore delle Acque*).

Amendments to the regulatory framework applicable to small-scale concessions may be expected in the future at both national and regional level, with the addition of provisions on tenders for the re-awarding of concessions and well identified parameters to set the terminal value.

Production of energy from FER – Dams

The construction and operation of dams are governed not only by the Consolidated Law on Water and Electric Installations, given that they are necessary for the use and withdrawal of water and are therefore included in concessions for the derivation of water for hydroelectric purposes, but also by industry regulations concerning testing, supervision and safety controls.

Law No. 584 of 21 October 1994 provides the State (and therefore the National Dams Service (*Servizio Nazionale Dighe*), now the Dams Directorate of the Ministry of Infrastructure and Transport (*Direzione Dighe del Ministero delle Infrastrutture e dei Traporti*)) to be responsible for "*dams, retention dams or crossbars that are more than 15 meters high or that create a reservoir volume of more than 1˙000˙000 cubic meters*" (so-called "**large dams**"); on the other hand, "*dams not exceeding 15 meters in height and whose volume does not exceed 1,000,000 cubic meters*" (so-called "**small dams**") fall within the jurisdiction of Regions and Autonomous Provinces of Trento and Bolzano.

In order to protect public safety, the General Directorate for Dams and Water and Electricity Infrastructures (*Direzione Generale per le Dighe e le Infrastrutture Idriche*) provides for the technical approval of large dam projects, also by taking into account the environmental and hydraulic safety aspects deriving from the management of the system made up of the reservoir, the dam and all the complementary and ancillary works; it also supervises the construction of the dams it is responsible for and the control and management operations of the concessionaires.

With regard to "small dams", the Region Valle d'Aosta regulated the matter of dams and their reservoirs by means of Regional Law No. 13 of 29 March 2010.

Production of energy from FER – Ecological Runoff ("DMV")

The demand of balancing the needs of hydroelectric power generation and protection of the environmental quality of watercourses is today expressly provided, in relation to water derivation

concessions, by both Article 12 *bis* of the Consolidated Law on Water and Electric Installations (as amended by Legislative Decree No. 152/1999) and by Article 12, paragraph 9, of the Bersani Decree.

Articles 95 and 121 of Legislative Decree No. 152/2006, in implementation of Directive 2000/60/EC ("**Framework Directive on Water**"), provided the specific measures necessary for the protection of water resources, including mainly those implementing the release of the minimal vital runoff ("**DMV**"), to be regulated in the Water Protection Plan (*Piano di Tutela delle Acque - PTA*), whose approval falls within the competence of the Regions, and must act in accordance with the objectives defined by the basin Authorities on the scale of the hydrographic district as well as the guidelines and criteria established at national level. In this regard, on 13 February 2017, the new guidelines for the update of the methods for determining the DMV in order to ensure the achievement of the water quality objectives established by the Framework Directive on Water were approved by Directorial Decree No. 30 of the Ministry of the Environment and Protection of Land and Sea (*Ministero dell'Ambiente e della Tutela del Territorio e del Mare*). In particular, these guidelines affirm the need to quantify the DMV consistently with the need to consider the effects of runoffs on the environmental compartments of watercourses, with particular reference to biological quality elements, so as to bring the DMV into line with the broader concept of ecological runoff (*deflusso ecologico*). The deadline for completing tests on ecological run off by the district basin authorities have recently been postponed to 31 December 2024, by Law No. 51 of 20 May 2022, converting Law Decree No. 21 of 21 March 2022.

In order to ensure dams capacity and the protection of the quality of watercourses and receiving bodies, the clearing, graveling and mud-sludging operations of the dams were carried out on the basis of management projects. The Ministry of Sustainable Infrastructure and Mobility has defined the guidelines for drawing the project in Decree n. 205 of 12 October 2022.

In the Valle d'Aosta Region, where the CVA Group's hydroelectric plants are located, the process of reviewing and updating the PTA is currently underway, in compliance with the provisions of the Framework Directive on Water and the new ministerial guidelines. The new PTA, will contain, *inter alia*, new methods to define the ecological runoff, taking into account biological, hydro-morphological and chemical-physical parameters, in line with EU and national objectives.

Production of energy from FER – Power lines

Where not already covered by the Single Authorisation or the PAS (*Procedura Abilitativa Semplificata*), the construction and operation of electricity lines and plants is governed by the Consolidated Law on Water and Electric Installations, which provides for the issue of a specific authorisation by the Ministry of Public Works in the case of electricity transmission lines with a voltage of not less than 5,000 volts. It is also to be considered, if necessary, the authorisation issued pursuant to Legislative Decree No. 259/2003 (so-called Communications Code) by the Ministry of Economic Development – Communications Department.

Production of energy from FER – Dispatching priority

Article 11, paragraph 4, of the Bersani Decree introduced the obligation for the Grid Manager to ensure priority in dispatching electricity produced by plants using renewable sources, based on specific criteria defined by ARERA (the Authority for Regulation of Energy, Net and Environment). Furthermore, Article 3, paragraph 3, of the same decree requires the Authority to provide for the priority use of electricity produced by means of renewable energy sources. In this sense, the priority of dispatching in favour of energy produced by renewable plants in the electricity markets allows the formulation of offers to sell energy for which acceptance can be expected in the energy markets.

Without prejudice to the plants entered into operation already benefiting from priority dispatch, pursuant to Article 12 of the EU Regulation 2019/943, Member States shall ensure that, when dispatching electricity generating installations, system operators shall give priority to generating installations using

renewable energy sources only where such power-generating facilities are either: (a) power-generating facilities that use renewable energy sources and have an installed electricity capacity of less than 400 kW; or (b) demonstration projects for innovative technologies, subject to approval by the regulatory authority, provided that such priority is limited to the time and extent necessary for achieving the demonstration purposes.

Energy distribution

The Bersani Decree maintains that distribution activities must be carried out on the basis of concessions granted by the Ministry of Economic Development. The holders of these concessions have *de facto* the authority to manage the electricity distribution service on a monopolistic basis in their area of competence. Pursuant to Article 9 of the Bersani Decree, distribution companies operating under concessions granted by 31 March 2001 will continue to provide the service until 31 December 2030. New concessions to be issued on the expiry of this date, on the other hand, will be awarded through public tenders, after defining the territorial area of competence, which must not be less than the municipal territory and not more than a quarter of all end customers.

Distribution companies are obliged to connect to their grids all those who request it, without compromising service continuity and in compliance with the applicable technical standards and the regulatory framework in force. In this regard, ARERA approved, by means of Resolution No. 268/2015/R/eel, the "Standard Grid Code for the electricity transmission service" (the "**Standard Grid Code**"), which defines detailed regulations for the transmission and distribution service.

Tariffs of the distribution service are set by ARERA, which provided a mechanism of costs recognition borne by the distributor for the investments performed on the grids (in particular, by way of Resolution No. 568/2019/R/eel of 27 December 2019, ARERA adopted the tariff regulation for electricity transmission, distribution and metering services for the 2020-2023 regulatory period). Afterwards, ARERA updated tariffs for the year 2021 applied to non-domestic clients by Resolution No. 564/2020/R/eel of 22 December 2020 and to domestic clients by Resolution No. 566/2020/R/eel of 22 December 2020. Tariffs for 2021 have then been updated by Resolution No. 621/2021/R/eel of 28 December 2021 and Resolution No. 623/2021/R/eel of 28 December 2021. ARERA also updated transmission tariffs for 2021 by Resolution No. 565/2020/R/eel of 22 December 2020 and for 2022 by Resolution No. 622/2021/R/eel of 28 December 2021 and for 2023 by Resolution No. 720/2022/R/eel, 721/2022/R/eel and 719/2022/R/eel of 29 December 2022.

In September 2023, ARERA defined the tariff regulation for electricity transmission, distribution and metering service for the 2024-2027 regulatory period.

Energy sale – Regulation of the wholesale market

By implementation of Directive 96/92/EC, the Bersani Decree as from 1 April 1999 liberalised the activities of purchase and sale of electricity, together with import and export. In order to increase competition in the electricity market, as of 1 January 2003, no company may produce or import, directly or indirectly, more than 50 % of the total electricity produced and imported into Italy.

Pursuant to Article 1, paragraph 2 of Law No. 239 of 23 August 2004 (the "**Marzano Law**"), no governmental licence, consent or permit is required to carry out electricity sale and purchase activities. The sale activity can be split into wholesale and retail.

The liberalisation entailed the creation of the "Electricity Market", a virtual wholesale platform to purchase and sell electricity at a price determined through a competitive bidding process. Wholesale transactions can take place through the so-called "power exchange" (also known as the *Italian Power Exchange*, or "**IPEX**"), or through special platforms for *over-the-counter* transactions.

The electricity market consists of the Spot Electricity Market ("*Mercato elettrico a pronti*" or "**MPE**"), the

platform for physical delivery of financial contracts concluded on IDEX - CDE and the Forward Electricity Market ("*Mercato elettrico a termine*" or "**MTE**"). The MPE is structured into the following markets organised and managed by the Manager of Electricity Markets ("*Gestore dei Mercati Energetici*" or "**GME**"): (i) a market for the trading of daily products ("*mercato dei prodotti giornalieri*" or "**MPEG**"), with continuous trading mode, within which daily contracts with obligation to deliver energy are traded, currently only those with "unit price differential", with *Baseload* delivery profiles (listed for all calendar days, the underlying of which is electricity to be delivered in all relevant periods belonging to the day being traded) and *Peak Load* (listed for the days from Monday to Friday, the underlying of which is electricity to be delivered in the ninth to twentieth relevant periods belonging to the day being traded); (ii) a day-ahead market ("*mercato del giorno prima* " or "**GP**"), where most electricity trading transactions take place; in this market, generators and buyers sell and purchase wholesale electricity through hourly trading on an auction basis, where bids are accepted after the close of the market business, based on economic merit and subject to transit limits between zones, as the MGP is not a continuously traded market; and (iii) an intraday market ("*mercato infragiornaliero*" or "**MI**"), where operators are allowed to make changes to the programs defined in the MGP through additional purchase or sale offers through the carrying out of three auction sessions (MI-A) and one continuous trading session (MI-XBID). In fact, by Resolution 350/2019/R/eel of 30 July 2019, ARERA has set up continuous trading in Italy, accordingly to the European initiative called XBID Market Project, which went into operation in central Europe in 2018, with the aim of creating a European intra-day market based on continuous trading that would allow implicit capacity allocation.

In addition to the above markets, the Dispatching Service Market ("*Mercato del servizio di dispacciamento*" or "**MSD**") also constitutes a market for MPE**.** It represents the instrument through which the manager of the grid for national transmission, TERNA, procures the resources necessary to manage and control the national electricity system (resolution of intra-zonal congestions, creation of energy reserves, real-time balancing). On the MSD, TERNA acts as a central counterparty and the offers accepted are remunerated at the price presented (*pay-as-bid*).

Also organised and managed by the GME is instead a physical futures market (the "*mercato elettrico a termine"* or "**MTE**"), where forward contracts for electric power with delivery and delivery obligations are traded on a continuous basis.

Operators may also enter into bilateral contracts outside the organised markets of the Power Exchange. Under these bilateral contracts, prices and quantities are determined freely by the contracting parties and the GME manages the platform (called the " *Piattaforma Conti Energia a termine*" or "**PCE**") through which these operators register their commercial obligations and declare the related electricity input and output schedules that they undertake to implement.

Finally, on the "*Italian Derivatives Energy Exchange*" (or "**IDEX**"), operated by Borsa Italiana S.p.A., special derivative contracts with electricity as the underlying asset are traded.

Legislative Decree No. 379 of 19 December 2003 and then, Ministerial Decree of 30 June 2014 and Law No. 123 of 3 August 2017, introduced the market of powers (*mercato delle capacità*), *i.e.* a mechanism by which TERNA procures powers through long-term supply contracts awarded by means of competitive tenders, which may be joined by operators holding a (programmable and not programmable) production unit. For the operator selected at the end of the tender, it must offer the power on the market of energy and services, it is entitled to receive from TERNA an annual fixed premium and return TERNA the difference, if positive, between the price of electricity realised on the markets of energy and services and a price of exercise defined by ARERA. Tenders may be joined also by the demand-response units and foreign resources with specific obligations and rights. According to Article 2 of Legislative Decree No. 379/2003, criteria and conditions on the basis of procedures were defined by ARERA by Resolution ARG/let 98/11 and Resolution 363/2019/R/eel, while the Technical Provisions of Operation (*Disposizioni Tecniche di Funzionamento*) were designed by TERNA and

approved by ARERA. The first tenders occurred in 2019 for delivery in 2022 and 2023.

Financial guarantees in the form of (i) first demand surety; (ii) non-interest bearing cash deposit to be paid on the bank account held by GME with the treasury institute are to be presented – alternatively or cumulatively – in order to operate within the energy markets. For each form of guarantee that the operator decides to provide, it may opt to divide the relative amount according to the operations it intends to have on the different markets managed by the GME or may present a different guarantee for different markets. With Resolution No. 345/2023/R/eel, ARERA adopted new rules for the Dispatching Service Market (so called "**TIDE**") that will entry into force from 1 January 2025.

Operators of wholesale markets are subject to a series of data recording and reporting obligations (so-called "**reporting obligations**") deriving from Regulation (EU) No. 1227/2011 of the European Parliament and of the Council of 25 October 2011 on integrity and transparency of the wholesale energy market ("**REMIT**"), which introduced a set of rules aimed at prohibiting abusive practices that could distort the functioning of these markets. In particular, pursuant to Article 8 of REMIT, market operators are required, also by resorting to third parties, to report to ACER the register of transactions carried out on wholesale energy markets, including buy and sell orders. In implementation of this rule, the European Commission's Implementing Regulation (EU) No. 1348/2014 of 17 December 2014 ("**REMIT Implementing Regulation**") then further specified (i) the contracts that must be reported to ACER (including contracts for the delivery of electricity produced by a single generating unit with a capacity of more than 10 MW) and (ii) the information that market participants must transmit to ACER in relation to the type of contract entered into. In order to enable an effective implementation of the data collection activity by ACER, Article 9 of REMIT also provides that market participants subject to the reporting obligation must register with the national regulatory authority of the Member State where they are established or resident or, if they are not established or resident in the Union, in a Member State where they carry out activities. In Italy, the Italian register of market participants ("**REMIT Register**") was introduced by ARERA with Resolution 86/2015/E/com.

Energy sale – Regulation of the retail market

The regulation of the retail market is contained within Law Decree No. 73 of 18 June 2007, as converted into Law No. 125 of 3 August 2007, as of 1 July 2007, pursuant to which end users are entitled to withdraw from their existing electricity supply contracts, according to the procedures established by ARERA, and to choose to be supplied by another electricity supplier. For end users who have opted for free market conditions, terms and conditions – including the price – of electricity supply contracts may be agreed between the supplier and the end user at stake. For end users who have not opted for free market conditions, regulated tariffs instead apply, as indicated in the "*Integrated Text of the Provisions of the Authority for Electricity and Gas for the Delivery of Electricity Sales Services for Greater Protection and Safeguard to End Customers pursuant to Law Decree No. 73/07 of 18 June 2007*" as approved on 10 May 2022 by the ARERA with Resolution 208/2022/R/eel (also called "**Testo Integrato della Vendita**" or the "**TIV**"). In particular, the TIV provides for four possible services end users may be assigned according to the following classification:

(i) the greater protection service (*servizio di maggior tutela*) is addressed to retail clients. The service is supplied by the local distribution business or by a company identified by it. Economic (price) and contractual conditions are defined by ARERA. Ultimately, the responsibility for the supply of electricity to such customers is on Acquirente Unico S.p.A. The regulated tariff is composed of different cost elements relating to the specific services provided (i.e. transport, distribution, marketing activities). Invoices to end users must show a breakdown of such costs;

(ii) the step-by-step protection service for small businesses (*servizio a tutele graduali per le piccole imprese*) is addressed to: a) small businesses (number of employees not exceeding 50 and greater than 10 and/or annual turnover of not less than EUR €2 million) holding only withdrawal

points at low voltage; b) microbusinesses and non-domestic customers holding at least a withdrawal point with contractually reserved capacity not exceeding 15 kW. Such a Service is supplied for three years, from 1 July 2021, by selected sellers through specific public procedures performed by Acquirente Unico S.p.A. Each territorial area is supplied by a single provider, which may also supply more areas simultaneously. Contractual conditions are established by ARERA and price is determined on the basis of the tenders outcome;

(iii) the step-by-step protection service for microbusinesses (*servizio a tutele graduali per le Microimprese*) is addressed to: a) microbusinesses (less than 10 employees and annual turnover not exceeding €2 million) holding only withdrawal points (*punti di prelievo*) at low voltage, all with contractually reserved capacity not exceeding 15 kW; b) end customers holding withdrawal points at low voltage for non-households uses, provided that the points from which energy is withdrawn are all equipped with contractually reserved capacity not exceeding 15 kW. Such service is supplied for three years, from 1 April 2023, by selected sellers through specific public tenders performed by Acquirente Unico S.p.A. Each territorial area is supplied by a single provider, which may also supply more areas simultaneously. Contractual conditions are established by ARERA and price is determined on the basis of the tenders outcome;

(iv) the safeguard service (*servizio di salvaguardia*) comprises all the end customers failing to meet the requirements to be entitled to the other three services of last resort. Specifically, the service applies to clients other than domestic supplied at average voltage or businesses at low voltage with more than 50 employees or annual turnover exceeding €10 million per year. Acquirente Unico S.p.A. is responsible for organising and performing public procedures for the selection of the businesses supplying such a service, according to the conditions set forth by Article 47 of the TIV.

From 1 April 2024 a fifth regulated service will go into operation, reducing the number of end users who may be assigned to the greater protection service: in fact, it will be introduced a step-by-step protection service (*servizio a tutele graduali*) for non-vulnerable domestic customers. Vulnerable domestic customers will still be supplied by the last resort supplier until March 2027.

The step-by-step protection service and the safeguard service are designed as last resort services, destined exclusively to ensure the continuity of supply and not the price protection.

In order to facilitate the transition from regulated services to the free market and improve the understanding and participation of final customers, some obligations have been introduced for electricity and gas sellers by the Ministry of Economic Development and the ARERA. In particular, pursuant to Article 1, Paragraphs 80, 81 and 82, of Law No. 124/2017, the Ministry of Ecology Transition has signed on 5 May 2022 the decree which set out technical, financial and reputational procedures and requirements for registration and permanence in the list of persons authorized to sell electricity to end users, (the "**List of Qualified Sale Entities**" or "*Elenco dei soggetti abiliti alla vendita di energia elettrica ai clienti finali*"). All companies that carry out sales activities in the retail electricity market are required to register into the List of Qualified Sale Entities, as from 16 April 2023 registration will constitute a qualifying title necessary to stay in the Italian power market. CVA Energie is registered in the above-mentioned List since 4 April 2023 Another point of reference for sales regulation, aimed at protecting end customers with minor bargaining power, is the "*Code of business conduct for the sale of electricity*" ("*Codice di condotta commerciale per la vendita di energia elettrica*"), introduced in its original version by attachment A of ARERA's Resolution No. 105 of 30 May 2006, and implemented by ARERA resolution 426/2020/R/com, which set out rules of correctness and transparency of energy sellers *vis-à-vis* end customers, by ensuring equal treatment and equal conditions of the offer to anyone addressing energy sales companies. Further, for retail sale transactions, also the protection regulation of the Consumer Code (*Codice del Consumo*) (Legislative Decree No. 206 of 6 September 6, 2005, as amended and supplemented) applies to supply contracts directly entered into with end customers.

Unbundling

Under Article 2, paragraph 12, letter f of Law No. 481/1995, ARERA implemented a stringent discipline of duties of proprietary, legal, administrative-functional and accounting separation (so-called "*unbundling*"). By way of Resolution No. 296/2015/R/Com, in accordance with Legislative Decree No. 93/2011 and European Directives on such matter, the "*Integrated Text of Functional Unbundling*" ("*Testo Integrato di Unbundling Funzionale*", the "**TIUF**"), which replaced the previous regulations contained in the integrated text approved by ARERA's Resolution No. 11 of 18 January 2007, and, *inter alia:*

(i) amended the definition of vertically integrated company operating, so as to extend this definition, based on the notion of a corporate group that also includes the case of control exercised by both individuals, and economic and non-economic public entities;

(ii) introduced new unbundling requirements with regard to communications policies, distinctive corporate elements and branding (so-called "debranding") for all distributors, regardless of their size or corporate form, requiring a complete unbundling between sales and distribution activities and between sales to end customers of electric power in the deregulated market and the service for greater protection;

(iii) revised the obligations on distribution system operators regarding confidentiality in the handling of commercially sensitive information.

With Resolution No. 15/2018/R/com, ARERA updated the provisions regarding unbundling in the electricity sector, according to which ARERA amended the TIUF and the integrated text of the authority's provisions for electricity, gas and water for the regulation of closed distribution systems ("TISDC") providing the exclusion from the functional unbundling obligations for:

(i) electricity distributors that serve less than 25,000 withdrawal points ("**POD**") and which are not beneficiaries of tariff supplements;

(ii) managers of closed distribution systems ("SDC").

Therefore, in the new regulatory framework, the obligation to provide electronic information on the status of functional unbundling:

(i) remains in respect of electricity distributors serving less than 25,000 withdrawal points (also to enable them to notify the ARERA of the application of the exclusion case introduced by the resolution);

(ii) on the other hand, it is not provided for the operators of SDC (as these parties are separately recorded in the ARERA's records).

With regard to the accounting unbundling, ARERA approved by means of Resolution 231/2014/R/com the "*Integrated Text of Accounting Unbundling*" ("*Testo Integrato di Unbundling Contabile*", the "**TIUC**"). The TIUC replaced the previous regulation contained in the integrated text approved by ARERA Resolution No. 11 of 18 January 2007, and in particular with reference to the electricity sector, *inter alia*:

(i) streamlined the obligations for operators to communicate accounting unbundling information, providing exemption from preparing and sending this information to smaller companies, those that do not operate in tariff regulation activities and foreign companies;

(ii) launched a technical roundtable with operators to draw up a regulatory accounting manual aimed at providing detailed technical specifications for the preparation of separate annual accounts; and

(iii) provided for a series of provisions of a technical nature, aimed at making the process of

preparing separate annual accounts by companies more transparent and homogeneous.

Regulation of Valle d'Aosta Region with special statute

By virtue of the shared legislative power assigned to Regions in matters of energy production, transportation and distribution under Article 117 of the Constitution, the regulatory framework defined at national level is integrated by the Regional single provisions where the specific plant is located.

The Region Valle d'Aosta is endowed with differentiated autonomy by virtue of Article 116 of the Constitution and the Special Statute of the Region approved by Constitutional Law No. 4 of 26 February 1948 ("**Special Statute**"), which makes it necessary to verify from time to time the applicability of national legislation in the Region, taking into account its compliance with the Special Statute.

The Special Statute of the Region Valle d'Aosta provides for certain matters in which the Region is entitled to enact legislative rules for integration and implementation of the laws of the Republic, in order to adapt them to the regional conditions. (a) Industry and trade, (b) expropriation for public interest for works not borne by the State, (c) regulations of the use of public waters for hydroelectric purpose and the assumption of public services are matters falling within shared jurisdiction. In implementation of Article 4 of the Special Statute, the Presidential Decree No. 1142 of 27 December 1985 has also provided for the transfer to the Autonomous Region of Valle d'Aosta of the administrative functions in the matters of industry, energy production and transformation, activities of research, cultivation, utilisation, reprocessing and transport of raw materials and energy.

By means of implementing rules, indeed, the contents of the Regional jurisdictions have been better determined in those matters where it has legislative jurisdiction and in those sectors where the Statute ensures particular powers of intervention. Among the most relevant ones, for example, are the regulations on the use of public waters (Legislative Decree No. 89 of 16 March 1999) and those on dams (Legislative Decree No. 50 of 7 March 2008).

Given the importance of the water heritage for Valle d'Aosta, the Special Statute, in articles 5 and following, provides for a particular position of the Region as regards the use of public waters. In particular, Article 7 provides that waters, with the exception of irrigation and drinking waters, are granted by the State free of charge for ninety-nine years to the Region, unless the State intends to make them the object of a national interest plan. Waters which, at the date of 7 September 1945, had already been the object of a recognition of use or concession are excluded from the concession. The waters granted to the Region can be sub-concessioned by the latter, with a preliminary investigation and according to the procedures provided for the concessions of the State (*i.e.* the Consolidated Law on Waters and Electric Installations and the Bersani Decree).

By means of the following Legislative Decree No. 259/2016 providing "*Rules for implementation of the Special Statute of the Autonomous Region Valle d'Aosta/Vallée d'Aoste in the matter of hydric public property*", the Italian State transferred from its own hydric public property to the regional one the assets of public property assets located within the territory of Region Valle d'Aosta, with exclusion of assets in the riverbed and pertinencies (*pertinenze*) of Dora Baltea from the intersection of Dora di Ferret with Dora di Venv until the border with Region Piedmont, as river of supra-regional scope.

From the perspective of authorisations to the new constructions of plants from renewable sources, Region Valle d'Aosta, by implementing the provisions of the national guidelines, approved the D.G.R. No. 9 of 5 January 2011, which identified the areas of the regional territory not suitable for the installation of plants exploiting the solar source through photovoltaic conversion and wind source.

Particular provisions for publicly held companies: recent law changes

Legislative Decree No. 175 of 19 August 2016 (the "**Madia Decree**"), as amended by Legislative Decree No. 100 of 16 June 2017, provided for certain specific provisions on the subject of publicly owned

companies, at the national level; in particular, the Madia Decree operated a reorganisation of the previous regulations on the subject of publicly owned companies, with the aim of reducing and rationalising the phenomenon of publicly owned companies, also having regard to an efficient management of such shareholdings and the containment of public expenditure. These rules concern, *inter alia*, the incorporation of companies by public administrations, the purchase, maintenance and management of shareholdings by such administrations in companies with total or partial (direct or indirect) public shareholdings, as well as the regulation of corporate governance, the requirements and remuneration of members of corporate bodies and personnel management. The provisions of the Madia Decree apply to listed companies, only if so expressly provided.

Following the introduction of Article 52, paragraph 1-bis of Law No. 91 of 15 July 2022 (conversion of Law Decree No. 50 of 17 May 2022), the Issuer has now to be considered as a listed company for the purposes of the Madia Decree and therefore the relevant provisions will apply to it only where expressly provided for, such as in particular:

(i) Article 8, section 3, which provides that, in case of acquisitions by public administrations of shareholdings in listed companies, the relevant resolution must be adopted in compliance with some specific formalities set forth in Article 7 of the Madia Decree;

(ii) Article 9, section 9, which sets forth that the rules with regard to the management of public holdings also apply to shareholdings of public administrations in listed companies; and

(iii) Article 14, section 5, which, in reference to listed companies, sets forth a waiver of the prohibition for administrations (Article 1, section 3, Law 196/2009) to subscribe to capital increases, make extraordinary transfers, open credit facilities, and issue guarantees in favour of companies in which a shareholding is held and that have recorded operating losses for three consecutive fiscal years or that have used available reserves to cover losses, including interim losses.

At regional level, the matter of companies directly or indirectly held by the Valle d'Aosta Region is governed by Regional Law No. 20/2016, as recently modified by Regional Law No. 11/2022 which, consistently with the national regulatory framework and in particular with the Madia Decree, has introduced specific procedures for the management of regional shareholdings.

However, pursuant to Article 1, paragraph 1-bis of the Regional Law, the provisions therein provided shall not apply to CVA Group, with the exception of Article 5, paragraph 2, relating to the verification of the knowledge of the French language in the context of the procedures for the hiring of non-executive personnel.

TAXATION

The following is an overview of current Italian law and practice relating to the taxation of the Notes. The statements herein regarding taxation are based on the laws in force in Italy as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis.

Prospective purchasers should be aware that tax treatment depends on the individual circumstances of each Noteholder: as a consequence they should consult their tax advisers as to the consequences under Italian tax law and 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 Notes and receiving payments of interest, principal and/or other amounts under the securities, including in particular the effect of any state, regional or local tax laws.

The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Tax treatment of interest

Legislative Decree No. 239 of April 1, 1996 ("**Decree No. 239**") sets forth the applicable regime regarding the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") deriving from Notes falling within the category of bonds (*obbligazioni*) and similar securities (pursuant to Article 44 of Presidential Decree No. 917 of December 22, 1986, as amended and supplemented (the "**Italian Tax Code**" or the "**ITC**")): *(i)* issued, *inter alia*, by Italian stock companies with shares listed in a regulated market or multilateral trading facility situated or operating in an EU Member States or States party to the EEA Agreement allowing a satisfactory exchange of information with the Italian tax authorities as included in the decree of the Ministry of Economy and Finance of September 4, 1996, as subsequently amended and supplemented or superseded pursuant to Article 11, paragraph 4(c) of Decree No. 239 (the "**White List**"); or *(ii)* listed in one of the above mentioned markets or multilateral trading facilities; or *(iii)* not listed but held by qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as subsequently amended, supplemented and implemented.

For these purposes, securities similar to bonds (*titoli similari alle obbligazioni*) are defined as securities that: (i) incorporate an unconditional obligation for the issuer to pay, at maturity, an amount not lower than their nominal value; and that (ii) do not give any right to directly or indirectly participate in the management of the issuer or of the business in relation to which they are issued nor any type of control on the management; and that (iii) do not provide for a remuneration which is linked to profits.

Italian resident Noteholders

Where an Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are effectively connected (unless he has opted for the application of the "*risparmio gestito*" regime – see "*Capital Gains Tax*" below), (b) a non-commercial partnership, pursuant to Article 5 of the ITC (with the exception of general partnership, limited partnership and similar entities) (c) a non-commercial private or public institution, or (d) an entity exempt from Italian corporate income taxation, Interest relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as ***imposta sostitutiva***, levied at the rate of 26%. In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are

connected, the *imposta sostitutiva* applies as a provisional tax and it may be credited against the overall income tax due by the taxpayer in respect of the income derived from its business activity which will include the Interest.

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 and Legislative Decree No. 103 of 10 February 1996 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 individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's annual income tax return and are therefore subject to general Italian corporate taxation ("**IRES**"), generally levied at the rate of 24%. Banks and other financial institutions will be subject to an additional corporation tax levied at the rate of 3.5%. In certain circumstances, subject to the "status" of the Noteholder, also regional tax on productive activities ("**IRAP**") may apply. IRAP is generally levied at the rate of 3.9% while banks or other financial institutions will be subject to IRAP at the special rate of 4.65%; in any case regions may vary the IRAP rate by up to 0.92%.

If an investor is resident in Italy and is an open-ended or closed-ended investment fund (the "**Fund**"), a SICAV (*società di investimento a capitale variabile*) or a SICAF (s*ocietà di investimento a capitale fisso*) and the Notes are held by an authorised intermediary, Interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva* but must be included in the management results of the Fund accrued at the end of each tax period. The Fund, the SICAV or the SICAF will not be subject to taxation on such result.

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into Law No. 410 of 23 November 2001 ("**Decree 351**"), Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, Italian real estate investment funds created under Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 and Italian real estate SICAFs (the "**Real Estate SICAFs**") are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or the Real Estate SICAF.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the results of the relevant portfolio accrued at the end of the tax period, to be subject to a 20% substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest 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 from time to time applicable as set forth under Italian law.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**"), stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an "**Intermediary**"), as subsequently amended and integrated.

An Intermediary to be entitled to apply the *imposta sostitutiva*, it must: (i) be (a) resident in Italy or (b) resident outside Italy, with a permanent establishment in Italy or (c) an entity or a company not resident in Italy, acting through a system of centralised administration of notes and directly connected with the

Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree No. 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 the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change in 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, the *imposta sostitutiva* is applied and withheld by any Italian intermediary paying Interest to a Noteholder or, absent that, by the Issuer and gross recipients that are Italian resident corporations or permanent establishment in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct the suffered *imposta sostitutiva* from income taxes due. If no imposta sostitutiva is levied, the Italian resident beneficial owners listed above (*e.g.*, individuals not engaged in an entrepreneurial activity to which the Notes are effectively connected) will be required to include Interest in their yearly 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 "*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 of 26% on the results.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident, without a permanent establishment in Italy to which the Notes are effectively connected, an exemption from *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a country included in the White List; or (b) an institutional investor that is resident / established in a country included in the White List, even if it does not possess the status of a taxpayer in its own country of residence / establishment; or (c) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (d) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State.

It should be noted that, pursuant to Article 1-bis of Ministerial Decree of 4 September 1996, the Ministry of Economy and Finance retains the right to test the actual compliance of each country included in the White List with the exchange of information obligation and, in case of reiterated violations, to remove from the White List the uncooperative countries.

The exemption procedure for Noteholders who are non-resident in Italy and are resident in a country included in the White List 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, which are member of 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 No. 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 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 timely 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 Ministerial Decree of 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 which have entered into force in Italy or in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State. Additional requirements are provided for "institutional investors" referred to in point (b) above (in this respect see, among others, Circular Letters No. 23/E of 1 March 2002 and No. 20/E of 27 March 2003).

Failure of a non–resident holder of the Notes to comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interest payments to a non–resident holder of the Notes.

The *imposta sostitutiva* will be applicable at the rate of 26% to Interest accrued during the holding period, when the Noteholders are resident, for tax purposes, in a country which is not included in the White List.

The *imposta sostitutiva* may be reduced by applicable double tax treaty, if any.

Capital Gains Tax

Italian resident Noteholders

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is (i) an individual not holding the Notes in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the disposal of the Notes would be subject to an *imposta sostitutiva* provided for by Legislative Decree No. 461 of 21 November 1997, as subsequently amended ("**Decree No. 461**"), levied at the rate of 26%. Under some conditions and limitations, Noteholders may set off losses with gains.

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.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

(a) Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Noteholders under (i) to (iii) above, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the relevant Noteholder pursuant to all disposals of the Notes carried out during any given tax year. These Noteholders must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in their annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

(b) As an alternative to the tax declaration regime, Italian resident individual Noteholders under (i) to (iii) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each disposal of the Notes (the *risparmio amministrato* regime provided for by Article 6 of Decree No. 461). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (b) an express election for the *risparmio amministrato* regime being made timely in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each disposal of the Notes, net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a disposal of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

(c) Any capital gains realised or accrued by Italian Noteholders under (i) to (iii) above who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called *risparmio gestito* regime (regime provided by Article 7 of Decree No. 461) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26% substitute tax, to be paid by the managing authorised intermediary. Under this *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual 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 Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

According to Article 1 (219-226) of Law No. 178 of 30 December 2020, under some conditions, capital losses realised upon sale or redemption of the Notes if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets specific requirements, give rise to a tax credit equal to the capital losses, provided that such tax credit does not exceed: (i) the 20% of the amount invested in the long-term saving accounts (*piano individuale di risparmio a lungo termine*) for

investments made by 2021; and (ii) the 10% of the amount invested in the long-term saving accounts (*piano individuale di risparmio a lungo termine*) for investments made by 2022.

Any capital gains realised by a Noteholder who is an Italian real estate fund to which the provisions of Decree 351, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, apply or a Real Estate SICAF will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or the Real Estate SICAF.

Any capital gains realised by a Noteholder which is a Fund (as defined above), a SICAV or a SICAF will be included in the results of the relevant portfolio accrued at the end of the tax period. The Fund, the SICAV or the SICAF will not be subject to taxation on such result.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20% substitute tax. 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 from time to time applicable as set forth under Italian law.

Non-Italian resident Noteholders

Capital gains realised by non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected, from the disposal of Notes issued by an Italian resident Issuer are not subject to Italian taxation, provided that the Notes are traded on regulated markets in Italy or abroad. Pursuant to the interpretation of the Italian tax authorities the notion of multilateral trading facility ("**MTF**") under EU Directive 2014/65/CE (so called MiFID II) should be assimilated to that of "regulated market" for income tax purposes; conversely, organized trading facilities (OTF), not falling in the definition of MTF under MiFID II, should not be assimilated to "regulated market" for Italian income tax purposes.

Capital gains realised by non-Italian resident Noteholders not holding the Notes through a permanent establishment in Italy from the disposal of Notes not transferred on regulated markets are not subject to the *imposta sostitutiva*, provided that the beneficial owner: (a) is resident in a country included in the White List; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is resident / established in a country included in the White List, even if it does not possess the status of a taxpayer in its own country of residence / establishment, in any case, to the extent all the requirements and procedures in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time, if applicable.

If none of the conditions above are met, capital gains realised by non-Italian resident Noteholders from the disposal of Notes issued by an Italian resident Issuer are subject to the *imposta sostitutiva* at the current rate of 26%. In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected, who may benefit from a double taxation treaty with Italy providing that capital gains realised upon the disposal of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the disposal of Notes.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

(a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4% on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;

(b) transfers in favour of relatives to the fourth degree or relatives-in-law of a direct lineage or after relatives-in-law of a collated lineage up to the third degree are subject to an inheritance and gift tax applied at a rate of 6% on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6% inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and

(c) any other transfer, in principle, is subject to an inheritance and gift tax applied at a rate of 8% on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate, mentioned above in (a), (b) and (c) on the value exceeding, for each beneficiary, €1,500,000.

The *mortis causa* transfer of financial instruments included in a long-term savings account (*piano individuale di risparmio a lungo termine*) - that meets the requirements from time to time applicable as set forth under Italian law – is exempt from inheritance tax.

Transfer tax

Contracts relating to the transfer of securities are subject to the registration tax as follows: (a) public deeds and notarised deeds are subject to fixed registration tax at rate of €200; (b) private deeds are subject to registration tax only in case of use (*caso d'uso*), explicit reference (*enunciazione*) or voluntary registration (*registrazione volontaria*).

Stamp duty

Pursuant to Article 13, paragraph 2 *ter* of the Part I of the Tariff attached to the Presidential Decree No. 642 of 26 October 1972, as subsequently amended, *inter alia* by Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree No. 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the securities deposited therewith. As of 1 January 2014, stamp duty applies at a rate of 0.20% and, for taxpayers different from individuals, cannot exceed €14,000. 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 securities held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory. The communication is deemed to be sent to the customers at least once a year, even for instruments for which it is not mandatory.

Stamp duty applies both to Italian resident Noteholders and to non-Italian resident Noteholders, to the extent that the Notes are held with an Italian based financial intermediary (and not directly held by the Noteholders outside Italy, in which case wealth tax (see "*Wealth Tax on securities deposited abroad (the so-called IVAFE)*") applies to Italian resident Noteholders only).

Tax Monitoring Obligations

Italian resident individuals, non-commercial entities, non-commercial partnerships and similar institutions are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990 converted into law by Law No. 227 of 4 August 1990, as amended from time to time, for tax monitoring purposes, the amount of Notes held abroad during each tax year. The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement does not apply to: (i) Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through their intervention, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a €15,000 threshold throughout the year.

Wealth Tax on securities deposited abroad (the so-called IVAFE)

Pursuant to Article 19 (18-23) of Decree No. 201, as subsequently amended and supplemented, Italian resident individuals, non-commercial entities and certain partnerships including *società semplici* or similar partnerships pursuant to Article 5 of the ITC holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.20% for each year. The maximum amount due is set at €14,000 for Noteholders other than individuals.

This tax is calculated on the market value of the securities 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 State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

U.S. Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting or related requirements. A number of jurisdictions including the Republic of Italy have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide 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 filed with 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. Further, Notes that are issued on or prior to the date that is six months after the date on which final 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 and/or characterised as equity for U.S. tax purposes. 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 or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Any purchase, offer, sale or delivery of the Notes or possession or distribution of this Prospectus or of any other document relating to the Notes must comply with all applicable securities laws and regulations in force in any jurisdiction in which such Notes are purchased, offered, sold or delivered or this Prospectus and any other document relating to any Notes possessed or distributed and any consent, approval or permission required for the purchase, offer, sale or delivery of the Notes must be obtained under the laws and regulations in force in the relevant jurisdiction and the Issuer shall not have any responsibility therefor. The Issuer makes no representation that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

SELLING RESTRICTIONS

The following paragraphs set out certain restrictions on the offering and sale of the Notes and distribution of this Prospectus.

General

No action has been or will be taken in any jurisdiction by the Issuer or the Arranger that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hand this Prospectus comes are required by the Issuer or the Arranger to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute, or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

United States of America

The Notes have not been and will not be registered under the Securities Act or any U.S. State securities laws in the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, “U.S. persons”, except pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S.

Without limiting the foregoing, by holding a Note, you will acknowledge and agree, among other things, that you understand that the Issuer is not registered as an investment company under the Investment Company Act, and that the Issuer is exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act. Section 3(c)(7) excepts from the provisions of the Investment Company Act those issuers who privately place their securities solely to persons who at the time of purchase are “qualified purchasers”. In general terms, “qualified purchaser” is defined to mean, among other things, any person who in the aggregate owns and invests on a discretionary basis, not less than U.S.$25,000,000 in investments; and trusts as to which both the settlor and the decision-making trustee are qualified purchasers (but only if such trust was not formed for the specific purpose of making such investment).

Prohibition of Sales to EEA Retail Investors

The Notes have not been offered, sold or otherwise made available and will not be offered, sold or otherwise made available to any retail investor in the European Economic Area.

For the purposes of this provision:

(i) The expression “retail investor” means a person who is one (or more) of the following:

(a) A retail client as defined in point (11) of Article 4(1) of MiFID II; or

(b) A customer within the meaning of the Insurance Distribution Directive, where the customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(c) Not a qualified investor as defined in the Prospectus Regulation.

(ii) 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.

Republic of Italy

The offering of the Notes has not been registered with the CONSOB pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) To qualified investors (*investitori qualificati*), as defined pursuant to Article 2, paragraph 1, letter (e) of the Prospectus Regulation, Article 100 of the Consolidated Financial Act and any applicable provision of Italian laws and CONSOB regulations; or

(b) In any circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of the Consolidated Financial Act and Article 34-ter of CONSOB regulation No. 11971 of 14 May 1999, as amended from time to time, and in accordance with any applicable Italian laws and regulations.

Any such offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must:

a. Be made by *soggetti abilitati* (including investment firms, banks or financial intermediaries) as defined under Article 1, paragraph 1, letter (r), of the Consolidated Financial Act, permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the Consolidated Financial 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 (the "**Consolidated Banking Act**") and any other applicable laws and regulations; and

b. Comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

United Kingdom

Prohibition of Sales to UK Retail Investors

The Notes have not been offered, sold or otherwise made available and will not be offered, sold or otherwise made available to any retail investor in the UK.

(i) For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) A retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or

(b) A customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive,

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 UK domestic law by virtue of the EUWA; or

(c) Not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA.

(ii) 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.

Other regulatory restrictions

The Arranger has agreed that:

(i) It has 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 it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(ii) It has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

GENERAL INFORMATION

Authorisation

The creation and issue of the Notes has been authorised by resolutions passed by the Issuer's Board of Directors on 27 July 2023.

Listing and admission to trading

Application has been made to Euronext Dublin for the Notes to be admitted to trading on its regulated market and to be listed on the Official List.

Expenses related to admission to trading

The total expenses related to admission to trading are estimated at €6,500.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on its regulated market for the purposes of the Prospectus Regulation.

Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer or the Group.

Significant/material adverse change

There has been no material adverse change in the prospects of the Issuer since 31 December 2022 and no significant change in the financial position or performance of the Group since 31 December 2022.

Auditors

The consolidated financial statements of the Issuer as at and for the years ended 31 December 2022, 2021 and 2020 have been audited without qualification by EY S.p.A.

EY S.p.A. is authorised and regulated by the Italian Ministry of Economy and Finance ("**MEF**") and registered on the register of auditing firms held by MEF under number 70945. The registered office of EY S.p.A. is at Via Meravigli 12, 20123 Milan, Italy.

Documents on display

For the term of the Prospectus, the following documents may be viewed on the following websites:

(a) this Prospectus:

- on the website of Euronext Dublin (https://live.euronext.com/en/product/bonds-detail/28138/documents)

(b) the above-mentioned consolidated annual financial statements of the Issuer:

- on the Issuer's website, at the addresses shown in the section of this Prospectus entitled "*Information Incorporated by Reference*"

(c) an English translation of the By-laws (*statuto*) of the Issuer:

- on the Issuer's website at the following address:

https://www.cvaspa.it/sites/default/files/2021-11/CVA_Bylaws%20ENG.pdf

In addition, physical or electronic copies of the above documents (together, where appropriate, with English translations) may be inspected by a Noteholder during normal business hours at the offices of the Fiscal Agent at 1 North Wall Quay, Dublin 1, Ireland or provided by email to a Noteholder copies of such documents, following the Noteholder's prior written request and provision of proof of holding and identity (in a form satisfactory to the relevant Fiscal Agent).

Legal Entity Identifier (LEI)

The Issuer's Legal Entity Identifier (LEI) is 8156009034C1A5108284.

Interests of natural and legal persons involved in the issue

The Arranger and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, the Issuer and its affiliates and have performed, and may in the future perform, corporate finance and other services for the Issuer and its affiliates, in each case in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Arranger and its 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. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Arranger or its affiliates that have a lending relationship with the Issuer may routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Arranger and its 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 securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Arranger and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In addition, as described in "*Subscription and Sale*" above, the Arranger will receive commissions in connection with the subscription and sale of the Notes.

For the avoidance of doubt, in this Prospectus the term "affiliates" also includes parent companies.

Indication of yield

On the basis of the issue price of the Notes of 100 per cent. of their principal amount, the gross yield of the Notes is 5.30 per cent. on an annual basis. Such amount is not, however, an indication of future yield.

Legend concerning US persons

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO A PERSON THAT IS BOTH (1) A "QUALIFIED PURCHASER" (WITHIN THE MEANING OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT") AND THE RULES THEREUNDER) OR AN ENTITY BENEFICIALLY OWNED EXCLUSIVELY BY QUALIFIED PURCHASERS AS DEFINED FOR PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT) AND (2) AN "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A)(1), (2), (3), OR (7) OF REGULATION D UNDER THE SECURITIES ACT AND A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) TO A PERSON THAT IS NOT A "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE

SECURITIES ACT, AND IN EACH CASE IN COMPLIANCE WITH THE CERTIFICATION AND OTHER REQUIREMENTS SPECIFIED IN THE NOTE PURCHASE AGREEMENT REFERRED TO HEREIN AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY APPLICABLE JURISDICTION.

ISIN and common code

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Notes have the following ISIN and common code assigned to them:

ISIN: XS2728545729

Common code: 272854572

The CFI Code for the Notes is DBFXFR and the FISN for the Notes is COMPAGNIA VALDO/5.3 BD 20381214.

ISSUER

Registered office:
Via Stazione 31
11024 Châtillon (AO)
Italy

FISCAL AGENT AND PAYING AGENT, REGISTRAR AND TRANSFER AGENT

Citibank Europe Plc
1 North Wall Quay
Dublin 1
Ireland

LEGAL ADVISERS

To the Issuer as to English and Italian law:

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Corso Giacomo Matteotti, 10
20121 Milan
Italy

To the Purchaser as to English law:
Akin Gump Strauss Hauer & Feld LLP
Eighth Floor
Ten Bishops Square
London E1 6EG GB
England

LISTING AGENT

Arthur Cox Listing Services Limited
10 Earlsfort Terrace
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Ireland