



**Borsa Italiana**

<b>AVVISO</b> <b>n.26000</b>	18 Dicembre 2019	MOT - EuroMOT
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Mittente del comunicato : BORSA ITALIANA

Societa' oggetto dell'Avviso : ALERION CLEAN POWER

Oggetto : EuroMOT - INIZIO NEGOZIAZIONI  
'ALERION CLEAN POWER'

*Testo del comunicato*

Si veda allegato.

*Disposizioni della Borsa*

Società Emittente:	<b>ALERION CLEAN POWER</b>
Titolo:	"Alerion Clean Power S.p.A. Senior Unsecured Notes due 2025" (Codice ISIN XS2083187059)
Oggetto:	<b>INIZIO DELLE NEGOZIAZIONI IN BORSA</b>
Data inizio negoziazioni:	<b>19/12/2019</b>
Mercato di negoziazione:	Borsa - Mercato telematico delle obbligazioni (MOT), segmento EuroMOT, 'classe euro-obbligazioni, ABS, titoli di emittenti esteri e altri titoli di debito'.
Clearing:	CC&G
Sistemi di regolamento:	Euroclear e Clearstream
Calendario di regolamento:	Il calendario della valuta EUR tenuto altresì conto dei giorni di chiusura dei sistemi di liquidazione interessati
Termini di liquidazione:	Il secondo giorno successivo alla data di stipulazione dei contratti di compravendita
EMS:	25.000
Operatore Specialista:	Equita SIM S.p.A. (codice operatore IT1505)

### **CARATTERISTICHE DEL TITOLO**

#### **"Alerion Clean Power S.p.A. Senior Unsecured Notes due 2025"**

Modalità di negoziazione:	<b><u>corso secco</u></b>
N. obbligazioni in circolazione:	200.000
Valore nominale unitario:	1.000 EUR
Valore nominale complessivo delle obbligazioni in circolazione:	200.000.000 EUR
Interessi:	le obbligazioni fruttano interessi annui lordi, pagabili in via posticipata il 19 dicembre di ciascun anno, pari al 3,125% del valore nominale del prestito.
Tasso della cedola in corso:	3,125%
Modalità di calcolo dei ratei:	ACT/ACT su base annuale
Data di Godimento:	19/12/2019
Data di Scadenza:	19/12/2025 (rimborso in unica soluzione a scadenza, salvo rimborso anticipato, anche parziale, come previsto dal Prospetto Informativo del prestito).

Tagli:	1.000 EUR
Codice ISIN:	XS2083187059
Codice Instrument Id:	853695
Descrizione:	ALERION GREEN TF 3,125% DC25 CALL EUR
Importo minimo di negoziazione:	1.000 EUR
Obblighi operatore Specialista:	Equita SIM S.p.A. (codice operatore IT1505) agirà come operatore Specialista nel rispetto degli obblighi indicati nella "Guida ai Parametri".
Disposizioni normative:	Provvedimento n. LOL-004150 del 04/12/2019 di Borsa Italiana

### **DISPOSIZIONI DELLA BORSA ITALIANA**

Dal giorno 19/12/2019 il prestito "Alerion Clean Power S.p.A. Senior Unsecured Notes due 2025" verrà iscritto nel Listino Ufficiale, comparto obbligazionario (MOT).

Allegati:

- Prospetto Informativo del prestito;
- Comunicato relativo ai risultati dell'offerta

**ALERION CLEAN POWER S.p.A.**  
(incorporated in the Republic of Italy as a public limited liability company)  
**Senior Unsecured Notes due 2025**

Subject to the Minimum Offer Condition (as defined herein), Alerion Clean Power S.p.A. (the **Issuer** or **Alerion**) is expected to issue on or about 19 December 2019 (the **Issue Date**) between Euro 150,000,000 (the **Minimum Offer Amount**) and Euro 200,000,000 (the **Maximum Offer Amount**) [ ● ] per cent. Senior Unsecured Notes due 2025 with a denomination of Euro 1,000 (the **Notes**) (the **Offering**). The Maximum Offer Amount may be reduced by the Issuer prior to the Launch Date (as defined herein). The Notes will be issued at a price of 100.00 per cent. of their principal amount (the **Issue Price**). The Notes will bear interest from and including 19 December 2019 to, but excluding, 19 December 2025, at a minimum rate of 3 per cent. per annum (the **Minimum Interest Rate**), payable annually in arrears on 19 December each year, commencing on 19 December 2020. The Notes are subject to redemption in whole, but not in part, at their principal amount, together with accrued interest, at the option of the Issuer at any time in the event of certain developments in applicable tax law (see Condition 6.2). The Issuer may redeem the Notes, in whole or in part, at the Make Whole Amount (see Condition 6.3). Noteholders may also require the Issuer to redeem their Notes if a Change of Control occurs (see Condition 6.4). See “*Conditions of the Notes*” for further information. The Notes, and any non-contractual obligations arising out of or in connection therewith, will be governed by English law. The Issuer’s obligations under the Notes will constitute direct, unconditional and unsecured obligations of the Issuer, ranking *pari passu* without any preference among themselves and *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, unless such obligations are accorded priority under mandatory statutory law. The Notes will be effectively subordinated to the Issuer’s and its subsidiaries’ (the **Group**) existing and future secured obligations that are secured by property and assets that do not secure the Notes to the extent of the value of the property or assets securing such debt. The Notes constitute *obbligazioni* pursuant to Articles 2410 et seq. of the Italian Civil Code.

This prospectus (the **Prospectus**) constitutes a prospectus within the meaning of Article 6.3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the **Prospectus Regulation**). This Prospectus is published in electronic form together with all documents incorporated by reference herein on the website of the Issuer (www.alerion.it) (the “**Issuer’s Website**”) and the website of Euronext Dublin (as defined below) (www.ise.ie) (the **Euronext Dublin Website**) and will be available free of charge at the registered office of the Issuer. This Prospectus has been approved by the Central Bank of Ireland (the **CBI**), as competent authority under Regulation (EU) 2017/1129. The Central Bank of Ireland only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Moreover, such approval relates only to the Notes which are to be admitted to trading on the regulated market of Euronext Dublin (as defined below) or other regulated markets for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, **MiFID II**) or which are to be offered to the public in any member state of the European Economic Area. The Issuer has requested the CBI to provide the competent authority in Italy, *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) with a certificate of approval pursuant to Article 25 of the Prospectus Regulation attesting that this Prospectus has been drawn up in accordance with the Irish prospectus law (the **Notification**).

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 (the “**Official List**”) and trading on its regulated market (the “**Regulated Market**”) and to Borsa Italiana S.p.A. for the listing and trading of the Notes on the *Mercato Telematico delle Obbligazioni* (the **MOT**). The Regulated Market and the MOT are regulated markets for the purposes of MiFID II. References in this Prospectus to the Notes being listed (and all related references) shall mean that the Notes have been admitted to trading on the Regulated Market and the MOT. The start date of official trading of the Notes on the MOT (the **MOT Trading Start Date**) will be published on the Issuer’s Website and the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana. The MOT Trading Start Date shall correspond to the Issue Date. The interest rate of the Notes (which shall not be less than the **Minimum Interest Rate**) and the yield will be set out in a notice, which will be filed with the CBI and published on the Company’s Website, the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana prior to the start of the Offering Period (the **Interest Rate and Yield Notice**). The aggregate principal amount of the Notes, the number of Notes sold and the proceeds of the Offering will be set out in a notice, which will be filed with the CBI and published on the Issuer’s Website, the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana no later than the third business day after the end of the Offering Period (the **Offering Results Notice**). The Notes will be issued in new global note (NGN) form and are intended to constitute eligible collateral for the Eurosystem monetary policy, provided the other eligibility criteria are met. The Notes will be in bearer form and will initially be represented by a temporary global note (the **Temporary Global Note**), without interest coupons, which will be deposited on or prior to 19 December 2019 (the **Closing Date** and the **Issue Date**) with a common safekeeper for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), without interest coupons, on or after a date which is expected to be 40 days after the Issue Date (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances (see “*Summary of Provisions Relating to the Notes while represented by the Global Notes*”).

**The Notes have been assigned the following securities codes:  
ISIN: XS2083187059; Common Code: 208318705.**

**This Prospectus is valid for 12 months. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply, once the Notes are admitted to the Official List and trading on the regulated market of Euronext Dublin.**

**The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act (Regulation S) or United States persons as defined in the US Internal Revenue Code of 1986, as amended (the US Code), and U.S. Treasury regulations thereunder. For a further description of certain restrictions on the offering and sale of the Notes and on the distribution of this Prospectus, see “*Sale and Offer of the Notes*”.**

**An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading “*Risk Factors*” on pages 17 to 35.**

*Placement Agent*  
**Equita S.I.M. S.p.A.**  
The date of this Prospectus is 3 December 2019.

## RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. In addition, the Issuer, having made all reasonable enquiries, confirms that this Prospectus contains or incorporates all material information with respect to the Issuer and the Notes (including all information which, according to the particular nature of the Issuer and of the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes), that the information contained or incorporated by reference in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts, the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

## CONSENT

The Issuer has granted its consent to the use of this Prospectus for the Offering of the Notes during the Offering Period (as defined below) without conditions and accepts responsibility for the content of the Prospectus also with respect to the subsequent resale or final placement of the Notes by any financial intermediary which was given consent to use this Prospectus in Italy and in other jurisdictions as indicated in the selling restrictions as described in “*Sale and Offer of the Notes—Public Offer and Selling Restrictions*”.

## NOTICE

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

No person is or has been authorised by the Issuer, the Placement Agent (as defined in “*Sale and offer of the Notes*”), the Principal Paying Agent or the Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Placement Agent expressly does not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

This Prospectus does not constitute an offer of, or an invitation by, or on behalf of, the Issuer, the Placement Agent, the Principal Paying Agent or the Trustee to subscribe for, or purchase, any of the Notes. Neither this Prospectus nor any other information supplied in connection with the Offering of the Notes constitutes an offer to sell, and may not be used for the purpose of an offer to sell or a solicitation of an offer to buy, the Notes by anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

In particular, no action has been taken by the Issuer, the Placement Agent, the Principal Paying Agent or the Trustee 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 under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. 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) (see “*Sale and Offer of the Notes*”).

Save for the Issuer, no other party has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Placement Agent, the Principal Paying Agent or the Trustee as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the

Notes or their distribution. The Placement Agent, the Principal Paying Agent and the Trustee accept no liability in relation to the information contained or incorporated by reference in this Prospectus or any other information by the Issuer.

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Placement Agent, the Principal Paying Agent or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the Offering of the Notes should purchase the Notes. Each investor contemplating purchasing the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act (**Regulation S**) or **United States persons** as defined in the US Internal Revenue Code of 1986, as amended (the **US Code**), and U.S. Treasury regulations thereunder. For a further description of certain restrictions on the offering and sale of the Notes and on the distribution of this Prospectus, see “*Sale and Offer of the Notes*”.

Certain third-party information has been extracted from external sources as described in this Prospectus. The Issuer confirms that such information has been accurately reproduced and, as far as it is aware and is able to ascertain from published information, no facts have been omitted which would render the reproduced information inaccurate or misleading. Neither the Issuer, the Placement Agent, the Trustee nor the Principal Paying Agent makes any representation as to, and is not responsible for, the accuracy or completeness of such third-party information provided herein.

The legally binding language of this Prospectus, according to Article 27 of the Prospectus Regulation, is English.

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

**In the event of an offer of the Notes being made by a financial intermediary, such financial intermediary will provide information to Investors on the terms and conditions of the offer at the time the offer is made.**

**Any financial intermediary using this Prospectus has to state on its website that it uses this Prospectus in accordance with the consent and the conditions attached hereto.**

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Prospectus will have the meaning attributed to them in “*Conditions of the Notes*” or any other section of this Prospectus. In addition, in this Prospectus:

- all references to **euro**, **EUR**, **Euro** and **€** refer to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- certain figures have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them; and
- certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

### Forward-Looking Statements

This Prospectus may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “may”, “plans”, “projects”, “will”, “would” or similar words. These statements are based on the Issuer’s current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Issuer’s strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to publicly update or revise any forward-looking statements.

### Presentation of Financial Information

Unless otherwise indicated, the financial information in this Prospectus relating to the Issuer has been derived from (i) the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2018 and 31 December 2017 (respectively, the Annual Report 2018 and the Annual Report 2017 and, together, the **Annual Reports**) (ii) the unaudited interim condensed consolidated financial statements of the Issuer for the first six months ended on 30 June 2019 and 30 June 2018 (respectively, the Interim Report as at 30 June 2019 and the Interim Report as at 30 June 2018 and, together, the **Interim Reports**) and (iii) the unaudited pro forma consolidated financial information of the Issuer for the financial year ended 31 December 2018 and for the six months ended 30 June 2019 (the **Unaudited Pro Forma Consolidated Financial Information**).

The Issuer’s financial year ends on 31 December, and references in this Prospectus to any specific year are to the 12-month period ended on 31 December of such year. The Annual Reports, the Interim Reports and the Unaudited Pro Forma Consolidated Financial Information have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (**IASB**) and endorsed by the European Union (**IFRS**). IFRS are understood to include international accounting standards (**IAS**) still in force, as well as all the interpretative documents issued by the International Financial Reporting Interpretations Committee (**IFRIC**), formerly known as the Standing Interpretations Committee (**SIC**).

### Suitability of Investment

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has 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 or any applicable supplement;

- (ii) has 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) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behavior of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its 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.

### **Key Information Document available**

Where investors in the European Economic Area (**EEA**) do not qualify as qualified investors, the Issuer shall provide a key information document for packaged retail and insurance-based investment products (**KID**) in accordance with Regulation (EU) No 1286/2014, as amended (the **PRIIPs Regulation**).

### **Alternative Performance Measures**

This Prospectus contains certain alternative performance measures (**APMs**) – as described in the European Securities and Markets Authority (**ESMA**) Guidelines on Alternative Performance Measures published by ESMA on 5 October 2015 and which entered into force on 3 July 2016 – in addition to the IFRS financial indicators (as defined in the documents incorporated by reference herein), obtained directly from the Annual Reports, the Interim Reports and the Unaudited Pro Forma Consolidated Financial Information, each incorporated by reference in this Prospectus.

Such APMs have been identified by the Directors of the Issuer in order to facilitate understanding of the economic and financial performance of the Issuer. In particular, APMs are used to identify operational trends and to make investment and resource allocation decisions. To ensure that the APMs are correctly interpreted, it is emphasised that these measures are not indicative of the future performance of the Issuer. The APMs are not part of IFRS and are unaudited. They should not be taken as replacements of the measures required under the reference reporting standards. The APMs should be read together with the financial information prepared. Since they are not based on the reference financial reporting standards, APMs used by the Issuer may not be consistent with those used by other companies or groups and therefore may not be comparable with them. The APMs and definitions used herein are consistent and standardised for all the period for which financial information in this Prospectus are included.

On 6 September 2019, the Issuer was awarded the competitive procedure by the Courts of Verbania (Italy) for the acquisition of a participation equal to 100% of the corporate capital of a company operating the Regalbuto Wind Farm, organised in the context of an in Court insolvency proceedings of the indirect shareholders of the company operating such wind farm. See "*Description of the Issuer – History*". As such, the APMs relating to the Regalbuto Wind Farm could not be compared to comparatives data for the corresponding previous periods. This is an objective impossibility due to the lack of available complete, certain and sufficient information relating to the Regalbuto Wind Farm made available to the Issuer in the context of the in Court insolvency procedure.



## DEFINITIONS

In this Prospectus, unless otherwise specified, all references to “€”, “EUR” or “Euro” are to the 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, and references to “USD” or “U.S. dollar” are to the legal currency of the United States of America.

### Definitions

As used in this Prospectus:

- “**2018-2024 Bond**” refers to the 3.75% unsecured, non-convertible, non-subordinated bond issued by the Issuer on 29 June 2018 and due on 29 December 2024;
- “**AER**” refers to Alerion Energie Rinnovabili S.p.A.;
- “**Alerion**” refers to Alerion Clean Power S.p.A.;
- “**Alerion Group**” refers to Alerion Clean Power S.p.A. and its subsidiaries;
- “**ASTS**” refers to Alerion Servizi Tecnici e Sviluppo S.r.l.;
- “**Borsa Italiana**” refers to Borsa Italiana S.p.A.;
- “**CBI**” refers to the Central Bank of Ireland;
- “**Clearing Systems**” refers to Clearstream, Luxembourg and Euroclear;
- “**Clearstream, Luxembourg**” refers to Clearstream Banking S.A.;
- “**Committee**” refers to the Green Bond Committee established by the Issuer to oversee the implementation of the Green Bond Principles and the allocation process;
- “**Conditions**” refers to the terms and conditions relating to the Notes set out in this Prospectus in the section “*Conditions of the Notes*” and any reference to a numbered “**Condition**” is to the correspondingly numbered provision of the Conditions.
- “**CONSOB**” refers to the Italian Commissione Nazionale per le Società e la Borsa;
- “**DNV GL**” refers to DNV GL Business Assurance Italia S.r.l., the company commissioned by the Issuer to provide a green bond eligibility assessment of the Issuer’s Green Bond Framework;
- “**Eligible Green Projects**” refers to the projects which meet the criteria described in the Green Bond Framework which has been developed in compliance with the ICMA’s Green Bond Principles 2018 edition;
- “**EU**” refers to the European Union;
- “**Euroclear**” refers to Euroclear Bank SA/NV;
- “**European Economic Area**” or “**EEA**” refers to the economic area encompassing all of the members of the European Union and the European Free Trade Association;
- “**FGP**” refers to FRI-EL Green Power S.p.A., the controlling shareholder of the Issuer;
- “**GDP**” refers to gross domestic product;
- “**Green Bond Framework**” refers to the green bond framework developed and established by the Issuer in compliance with the ICMA’s Green Bond Principles 2018 edition;
- “**Group**”, “**us**”, “**we**” and “**our**” refer to the Issuer and the companies directly or indirectly controlled by the Issuer pursuant to Article 2359 of the Italian Civil Code;

- “**ICMA**” refers to the International Capital Markets Association;
- “**Intermediary**” or “**Intermediaries**” refer to investment companies, banks, wealth management firms, registered financial intermediaries, securities houses and any other intermediary authorised to make Purchase Offers directly on the MOT or - if such institution is not qualified to perform transactions on the MOT - through an intermediary or agent authorised to do so;
- “**Interest Rate and Yield Notice**” refers to the notice which will sets out the interest rate of the Notes and the yield, which will be filed with the CBI and published on the Company’s Website, the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana prior to the start of the Offering Period;
- “**Investors**” refers to the general public in Italy and to qualified investors (as defined in the Prospectus Regulation) in Italy and other jurisdictions as indicated in the selling restrictions as described in “*Sale and Offer of the Notes—Public Offer and Selling Restrictions*”, being the persons to whom the Offering is addressed;
- “**Ireland**” refers to the Republic of Ireland;
- “**Euronext Dublin Website**” refers to [www.ise.ie](http://www.ise.ie);
- “**Issue Date**” refers to the date the Notes are issued, initially set as 19 December 2019. In the case of an early closure or extension of the Offering Period (as defined in “*Sale and Offer of the Notes*”), the Issue Date will be the fifth business day following the closure of the Offering Period;
- “**Issuer**” refers to Alerion Clear Power S.p.A.;
- “**Issuer’s Website**” refers to [www.alerion.it](http://www.alerion.it);
- “**Italy**” refers to the Republic of Italy;
- “**Listing Agent**” refers to Arthur Cox Listing Services Limited;
- “**Maximum Offer Amount**” refers to Euro 200,000,000, being the maximum aggregate principal amount of Notes that will be offered by the Issuer, as such amount may be reduced by the Issuer prior to the Launch Date;
- “**Member State**” refers to a member state of the European Union;
- “**MiFID II**” refers to Directive 2014/65/EU on markets in financial instruments;
- “**Minimum Interest Rate**” refers to the minimum rate of 3 per cent. per annum;
- “**Minimum Offer Amount**” refers to Euro 150,000,000, being the minimum aggregate principal amount of Notes that will be offered by the Issuer;
- “**Minimum Offer Condition**” refers to the condition that, if, at the expiration of the Offering Period, Purchase Offers have not been placed sufficient for the sale of at least the Minimum Offer Amount, the Offering will be withdrawn;
- “**Monte Titoli**” refers to Monte Titoli S.p.A.;
- “**MOT**” refers to the *Mercato Telematico Telematico delle Obbligazioni* segment of Borsa Italiana;
- “**MTA**” refers to the *Mercato Telematico Azionario* segment of Borsa Italiana;
- “**Notes**” refers to the [ ● ] per cent. Senior Unsecured Notes due 2025 of the Issuer;
- “**O&M Agreements**” refers to the operation and maintenance agreements entered into by the Group in relation to the Wind Farms owned by the Group;
- “**Official List**” refers to the official list of Euronext Dublin;

- “**Offering Period**” refers to the period during which the Offering will be open, starting on 6 December 2019 at 09:00 (CET) (the “**Launch Date**”) remaining open until 12 December 2019 at 17:30 (CET) (the “**Offering Period End Date**”), subject to postponement, anticipation or amendment by the Issuer and the Placement Agent;
- “**Offering Results Notice**” refers to the notice which will set out the aggregate principal amount of the Notes, the number of Notes sold and the proceeds of the Offering, which will be filed with the CBI and published on the Issuer’s Website, the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana no later than the third business day after the end of the Offering Period;
- “**Paying Agents**” refers to the Principal Paying Agent, together with any other paying agent appointed from time to time under the Agency Agreement;
- “**Placement Agent**” and “**Specialist**” refer to Equita S.I.M. S.p.A.;
- “**PRIIPs Regulation**” refers to Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014;
- “**Principal Paying Agent**” refers to The Bank of New York Mellon, London Branch;
- “**Project Financing Agreements**” refer to the project financing agreements entered into by the Issuer and its affiliates;
- “**Prospectus**” refers to this prospectus, which constitutes a prospectus within the meaning of Article 6.3 of the Prospectus Regulation;
- “**Prospectus Regulation**” refers to Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended);
- “**Purchase Offer**” refers to an offer to purchase the Notes;
- “**Regulated Market**” refers to the exchange regulated market of Euronext Dublin;
- “**Supplement**” refers to any supplement to this Prospectus in accordance to Article 23 of the Prospectus Regulation;
- “**MOT Trading Start Date**” refers to the start date of official trading of the Notes on the MOT;
- “**Trust Deed**” refers to the trust deed dated as of the Issue Date between the Issuer and the Trustee;
- “**Trustee**” refers to The Law Debenture Trust Corporation p.l.c, in its capacity as trustee of the Noteholders;
- “**VAT**” refers to value added tax;
- “**Wind Farms**” refers to a group of wind turbines in a same location operated by the Group to produce electricity.

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## SUMMARY

### Section A – Introduction and warnings

This summary should be read as an introduction to this prospectus (the “**Prospectus**”).

Any decision to invest in the [ ● ] per cent. Senior Unsecured Notes due 2025 (ISIN: XS2083187059) (the **Notes**) offered hereby by Alerion Clean Power S.p.A. (Legal Entity Identifier (**LEI**): 81560090173FFC67B069) (the **Issuer** and the offering of the Notes, the **Offering**) should be based on consideration of this Prospectus as a whole by the Investor.

The Investor could lose all or part of the capital invested in the Notes.

Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff Investor might, under the national legislation of its member state of the European Union (“**Member State**”) to the Agreement on the European Economic Area, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid Investors when considering whether to invest in the Notes.

You are about to purchase a product that is not simple and may be difficult to understand.

The Issuer’s registered address is Milan (MI), Viale Majno 17, 20122, Italy.

The Prospectus was approved by the Central Bank of Ireland (**CBI**) on 3 December 2019. CBI’s registered address is New Wapping Street, North Wall Quay, Dublin 1, D01 F7X3. CBI’s contact details: (i) telephone: +353 (0)1 224 6000, (ii) fax: +353 (0)1 224 5550, (iii) e-mail: [enquiries@centralbank.ie](mailto:enquiries@centralbank.ie)

### Section B - Who is the Issuer of the Notes?

#### Legal and commercial name

Alerion Clean Power S.p.A. is the legal name of the Issuer and Alerion is the commercial name of the Issuer.

#### Domicile, legal form, legislation, country of incorporation

Alerion Clean Power S.p.A. is a public limited liability company governed by the laws of the Republic of Italy and registered with the Milan Trade and Companies Register (*Camera di Commercio – Registro Imprese*) under number 02996890584. Alerion Clean Power S.p.A. has its operational headquarters in Milan (MI), Viale Majno 17, 20122, Italy.

#### Principal activities

The Alerion Group generates electricity from wind. Its activities consist mainly in managing a portfolio of wind farms (**Wind Farms**) and in selling electricity generated by these Wind Farms. The Group operates mainly in Italy, where it benefits from an incentive system for the production of energy from renewable sources and, specifically, the Alerion Group manages 16 fully operational Wind Farms (of which 14 in Italy, 1 in Bulgaria and 1 in Spain) with a total gross installed capacity of 514.3 MW and a net capacity of 467.5 MW. The Group sells electricity on the free market or through private bilateral transactions. The Group was one of the first companies in Italy to produce and sell electricity generated from wind and other renewable energy sources. In 2013, the Group completed the sale of its photovoltaic and biomass plants with the strategic objective of focusing its main activities in the wind sector.

#### Description of the Group and the Issuer’s position within the Group

The Issuer is the parent company of the Group. The Group organizes and manages its activities in the following areas: (i) operational activities, which include the sale of electricity generated by Wind Farms and the construction of Wind Farms on behalf of third parties; and (ii) holding activities in respect to the other companies of the Group and the related consulting activities.

#### Controlling Persons

The Issuer is controlled, in accordance with Article 2359 of the Italian Civil Code, by FRI-EL Green Power

S.p.A. (**FGP**), which directs and coordinates the Issuer in accordance with Article 2497 et seq. of the Italian Civil Code. FGP holds around 85.5% stake in Alerion.

The Issuer, insofar as it is the parent company of the Group, does not depend on any other company within the Group.

### Board of Directors

The Directors of the Issuer are:

Name and surname	Office	Place and date of birth
Josef Gostner	Chairman and Managing Director	Bolzano, 20 August 1960
Georg Vaja	Deputy Chairman and Managing Director (*)	Bolzano, 2 June 1957
Patrick Pircher	Director and Managing Director (*)	Bolzano, 14 January 1974
Paolo Signoretti	Board Member	Rovereto (Trento), 8 August 1979
Nadia Dapoz	Independent Board Member	Brunico (Bolzano), 13 November 1980
Vittoria Giustiniani	Independent Board Member	Ferrara, 8 October 1964
Paola Bruno	Independent Board Member	Rome, 23 February 1967
Elmar Zwick	Independent Board Member	Silandro (Bolzano), 26 April 1981

(\*) Director with operational powers.

### Auditors

The Issuer's auditor is Deloitte & Touche.

### What is the key financial information regarding the Issuer?

- a) The following tables set out selected financial information relating to the Group. The information below has been extracted from the audited consolidated annual financial statements of the Group as of and for the years ended 31 December 2017 and 2018, as well as from the unaudited consolidated interim financial statements as of and for the six-month periods ended 30 June 2019, unless otherwise stated.

(millions of euros)	<b>30 June 2019</b>	<b>2018</b>	<b>2017</b>
Revenues	30.9	59.0	54.9
EBITDA	25.2	45.4	42.0
Group Net Result	6.1	3.5	5.0
Net Financial Indebtness	( 325.8 )	( 226.9 )	( 174.1 )
Net Cash flows from operating activities	18.6	34.7	31.2
Net Cash flows from financing activities	38.2	54.2	( 22.4 )
Net Cash flow from investing activities	( 86.4 )	( 68.2 )	( 0.5 )

- b) The following tables set out selected financial information extracted from the unaudited pro-forma consolidated statement of financial position as at 30 June 2019 and as at 31 December 2018, the unaudited pro-forma consolidated income statement for the six-month period ended 30 June 2019 and the unaudited pro-forma consolidated income statement as at 31 December 2018 (together, the **Unaudited Pro-forma Consolidated Financial Information**). The Unaudited Pro-forma Consolidated Financial Information have been prepared to present the main effects of the acquisition through the subsidiaries Alerion Spain SL and Alerion Teruel SL of the 100% of the share capital of Comiolica SL, a company that owns a 36

MW wind farm, located in Spain, and the acquisition of 100% of the share capital of Fri-el Ichnusa S.r.l., that holds 100% of the share capital of Fri-el Campidano S.r.l., which owns a 70 MW wind farm, located in Sardinia.

(millions of euros)	30 June	
	2019	2018
Revenues	46.0	86.1
EBITDA	37.1	65.1
Group Net Result	9.0	6.6
Net Financial Indebtness	( 406.9 )	( 357.7 )

#### What are the key risks that are specific to the Issuer?

The following are risk factors relating to the Issuer and the Group that may affect the Issuer's ability to fulfil its obligations under the Notes.

1. *Risks linked to the Group's existing bonds and financings;*
2. *Risks linked to the Group's financial indebtedness;*
3. *Risks linked to incentive programmes in favour of the Group;*
4. *Risks linked to the reduction in electricity market prices;*
5. *Risks linked to the late or missing payment from the GSE of the incentives accrued by the Group*
6. *Risks linked to the legal and regulatory framework in the Group's business sectors.*

If any of the risks described above were to materialize, this may affect the Issuer's ability to fulfil its payment obligations under the Notes and/or lead to a decline in the market price of the Notes.

#### Section C - What are the main features of the Notes?

##### Type and class of securities being offered including any security identification number

Subject to the condition that, the Offering will be withdrawn if, at the expiration of the Offering Period, offers to purchase the Notes (**Purchase Offers**) have not been placed sufficient for the sale of at least Euro 150,000,000 million aggregate principal amount of the Notes (the **Minimum Offer Condition**), the Issuer is expected to issue on or about 19 December 2019, between a minimum of Euro 150,000,000 and a maximum of Euro 200,000,000 (the **Maximum Offer Amount**) [ ● ] per cent. senior unsecured notes due 2025 (the **Notes**). The Maximum Offer Amount may be reduced by the Issuer prior to the Launch Date at 09:00 (CET). The Notes will constitute direct, unconditional and unsecured obligations of the Issuer bearing fixed interest.

*Securities codes for the Notes:* ISIN: XS2083187059      *Common Code:* 208318705

*Pair Value of the Notes:* Euro 1,000      *Denomination:* The Notes are denominated and payable in euro.

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

*Maturity Date:* The Notes will mature on 19 December 2025.

##### Rights attached to the Notes, ranking of the Notes, limitations of the rights attached to the Notes

*Negative Pledge:* The Terms and Conditions of the Notes (the **Terms and Conditions**) contain a negative pledge.

*Financial Covenants:* The Terms and Conditions contain financial covenants.

*Taxation:* All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding

or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of the relevant jurisdiction, unless the withholding or deduction of the Taxes (the **Tax Deduction**) is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Notes (the **Couponholders** and the **Coupons** respectively) after the withholding or deduction, shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction. All the above is nevertheless subject to customary market exceptions.

*Events of Default:* The Trustee at its discretion may, and if so directed by an Extraordinary Resolution of the Noteholders, or so requested in writing by holders of at least one-fifth in principal amount of Notes then outstanding, subject in any case, to mandatory provisions of Italian law, shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest.

*Status of the Notes:* The Notes and the Coupons are direct, unconditional and (subject to the negative pledge) unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves with all other outstanding unsecured and unsubordinated obligations of the Issuer present and future but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

*Interest:* Interest on the Notes (which shall not be less than the Minimum Interest Rate) will accrue at a minimum fixed rate of 3 per cent. per annum starting from the Issue Date, payable annually in arrears on 19 December of each year commencing on 19 December 2020.

*Indication of yield:* On the basis of the issue price of the Notes of 100 per cent. of their principal amount and a Minimum Interest Rate of 3 per cent. per annum, the gross real yield of the Notes is a minimum of 3 per cent. on an annual basis. The final yield will be set out in the Interest Rate and Yield Notice (see "*Sale and Offer of the Notes*"). The yield indicated in this paragraph is calculated, and the final yield set out in the Interest Rate and Yield Notice will be calculated, as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

*Redemption at the Option of the Issuer:* At any time on or after 20 December 2022, the Issuer may redeem the Notes, in whole or in part and from time to time, at the following redemption prices (expressed as the sum of the principal amount redeemed plus a portion of the yearly interest due on such an amount determined on the redemption date), plus accrued and unpaid interest and additional amounts, if any, to the relevant redemption date:

<b>Redemption period</b>	<b>Price</b>
From 20 December 2022 to 19 December 2023	100% of the principal amount redeemed + amount equal to ½ of the yearly interest due on such a principal amount
From 20 December 2023 to 19 December 2024	100% of the principal amount redeemed + amount equal to ¼ of the yearly interest due on such a principal amount
From 20 December 2024 and thereafter	100% of the principal amount redeemed

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

*Redemption at the option of the Noteholders (Change of Control):* If a change of control of the Issuer occurs, the Noteholders shall have the option to require the Issuer to redeem Notes held by such Noteholder on the date specified in the put notice. In such a case, the Issuer shall redeem in whole (but not in part) the Notes which are the subject of the put notice. Such Notes will be redeemed at a redemption price equal to 100 per cent. of their principal amount, together with interest accrued and unpaid to but excluding the redemption date.

*Trustee:* The Law Debenture Trust Corporation p.l.c..



**Restrictions on free transferability of the Notes**

The Notes are freely transferable. However, the offer and the sale of the Notes and the distribution of this Prospectus is subject to specific restrictions that vary depending on the jurisdiction where the Notes are offered or sold or this Prospectus is distributed.

**Where will the securities be traded?**

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 (the “**Official List**”) and trading on its regulated market (the “**Regulated Market**”) and to Borsa Italiana S.p.A. for the listing and trading of the Notes on the *Mercato Telematico delle Obbligazioni* (the **MOT**).

**Is there a guarantee attached to the Notes?**

No guarantee is attached to the Notes.

**What are the key risks that are specific to the Notes?**

An investment in the Notes involves certain risks associated with the respective characteristics of the Notes which could lead to substantial losses that Noteholders would have to bear in the case of selling their Notes or with regard to receiving interest payments and repayment of principal. Those risks include that:

1. *The Notes will be effectively subordinated to the Issuer’s and its subsidiaries’ existing and future secured obligations that are secured by property and assets that do not secure the Notes to the extent of the value of the property or assets securing such debt;*
2. *The Notes are not rated;*
3. *The Conditions of the Notes contain provisions which may permit their modification without the consent of all investors;*
4. *“Green Bonds” may not be a suitable investment for all investors seeking exposure to green assets;*
5. *The Notes are subject to optional redemption;*
6. *An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes.*

If any of the risks described above were to materialize, this may affect the Issuer’s ability to fulfil its payment obligations under the Notes and/or lead to a decline in the market price of the Notes.

**Section D – Offer****Under which conditions and timetable can I invest in the Notes?****Terms and conditions of the offer**

*Offering of the Notes:* The Offering is addressed to the general public in Italy and to qualified investors (as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended) (the “**Prospectus Regulation**”)) in Italy and other jurisdictions as indicated in the selling restrictions (the “**Investors**”) following the approval of this Prospectus by the Central Bank of Ireland (the **CBI**) according to the Prospectus Regulation and the Irish prospectus law, and the effectiveness of the notification of this Prospectus by the CBI to the competent authority in Italy, the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) according to Article 25 of the Prospectus Regulation.

*Offering Period:* The Offering will open on 6 December 2019 at 09:00 (CET) and will expire on 12 December 2019 at 17:30 (CET), subject to amendment, extension or postponement by the Issuer and Equita S.I.M. S.p.A. (the “**Placement Agent**”) (the “**Offering Period**”).

*Pricing Details:* The Notes will be issued at a price of 100.00 per cent. of their principal amount.

*Offeror of the Notes and person asking for admission to trading of the Notes on the MOT and the Regulated Market:* Alerion Clean Power S.p.A., a public limited liability company under the laws of the Republic of Italy with registered office in Milan (MI), Viale Majno 17, 20122, Italy.

*Disclosure of the Results of the Offering:* The interest rate (which shall not be less than the Minimum Interest Rate) will be determined on the basis of the yield and the demand by Investors in the course of the determination of the conditions (the market sounding procedure) prior to the start of the Offering Period. In the course of the

market sounding procedure, the Placement Agent will accept within a limited period of time indications of interest in subscribing for the Notes from Investors. Subsequently, the Placement Agent will determine, in consultation with the Issuer and based on, among other things, the quantity and quality of the expressions of interest received from Investors during the market sounding procedure, the interest rate (coupon) and the final yield. The interest rate of the Notes (which shall not be less than the Minimum Interest Rate) and the yield will be set out in the Interest Rate and Yield Notice, which will be filed with the CBI, and published on the Issuer's Website ([www.alerion.it](http://www.alerion.it)), the Euronext Dublin Website ([www.ise.ie](http://www.ise.ie)) and released through the SDIR-NIS system of Borsa Italiana prior to the start of the Offering Period. The aggregate principal amount of the Notes, the number of Notes sold and the proceeds of the Offering will be set out in the Offering Results Notice which will be filed with the CBI, and published on the Issuer's Website ([www.alerion.it](http://www.alerion.it)), the Euronext Dublin Website ([www.ise.ie](http://www.ise.ie)) and released through the SDIR-NIS system of Borsa Italiana no later than the third business day after the end of the Offering Period.

*Conditions of the Offering:* Except for the Minimum Offer Condition, the Offering is not subject to any conditions.

Subscription rights for the Notes will not be issued. Therefore, there are no procedures in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

*Technical Details of the Offering:* The Offering will occur through Purchase Offers made by Investors on the MOT through Intermediaries and coordinated by the Placement Agent, who has been appointed by the Issuer to offer and display the Notes for sale on the MOT according to the trading rules of Borsa Italiana. Purchase Offers may only be made with the MOT through an investment company, bank, wealth management firm, registered financial intermediary, securities house and any other intermediary authorised to make Purchase Offers directly on the MOT or - if such institution is not qualified to perform transactions on the MOT - through an intermediary or agent authorized to do so (each an "**Intermediary**"). Purchase Offers must be made during the operating hours of the MOT for a minimum quantity of aggregate par value of Euro 1,000 of the Notes, and may be made for any multiple thereof.

During the Offering Period, Intermediaries may make irrevocable Purchase Offers directly or through any agent authorized to operate on the MOT, either on their own behalf or on behalf of third parties, in compliance with the operational rules of the MOT.

*Plan of distribution:* The Notes shall be assigned, up to their maximum availability, based on the chronological order in which Purchase Offers are made on the MOT. The acceptance of a Purchase Offer on the MOT does not alone constitute the completion of a contract with respect to the Notes requested thereby. The perfection and effectiveness of contracts with respect to the Notes are subject to confirmation of the correct execution of the Purchase Offer and issuance of the Notes. Each Intermediary through whom a Purchase Offer is made will notify Investors of the number of Notes they have been assigned within the Issue Date, which is also the date on which Investors will be required to remit payment in exchange for the issuance of Notes that have been accepted by the Issuer.

After the end of the Offering Period, Euronext Dublin, in conjunction with the Issuer, shall set and give notice of the start date of the official admission to trading on the regulated market of Euronext Dublin and Borsa Italiana shall set and give notice of the start date of official trading of the Notes on the MOT (the "**MOT Trading Start Date**"). The MOT Trading Start Date shall correspond to the Issue Date.

Investors wishing to make Purchase Offers who do not have a relationship with any Intermediary may be requested to open an account or make a temporary deposit for an amount equivalent to that of the Purchase Offer. In case of partial sale of the Notes or a cancellation or withdrawal of the Offering, all amounts paid as temporary deposits, or any difference between the amount deposited with the Intermediary and the aggregate value of the Notes actually sold to the Investor, will be repaid to the Investor who initiated the Purchase Offer by the Issue Date.

Any Purchase Offer received outside the Offering Period, or within the Offering Period but outside the operating hours of the MOT, will not be accepted.

Investors may place multiple Purchase Offers.

*Revocation of Purchase Offers:* If the Issuer publishes any supplement to this Prospectus in accordance with Article 23(1) of the Prospectus Regulation (a "**Supplement**"), any Investor who has placed a Purchase Offer prior to the issuance of the Supplement shall be entitled to revoke such Purchase Offer by no later than the second business day following the publishing of the Supplement, in accordance with Article 23(2) of the Prospectus Regulation. Revocation of a Purchase Offer may be accomplished by delivering written notice to

the Intermediary through whom the Investor made the Purchase Offer, who shall in turn notify the Placement Agent of such revocation.

Other than as described above, Purchase Offers, once placed, may not be revoked.

*Payment and Delivery of the Notes:* Investors will pay the Issue Price on the Issue Date.

In case of early closure of the Offering or extension of the Offering Period, a press release will be made to announce the action and inform Investors and potential Investors of the revised Issue Date.

The Notes will initially be represented by a temporary global note, and will be exchangeable for interests in a permanent global note without interest coupons attached against certification of non-U.S. beneficial ownership in compliance with the U.S. Internal Revenue Code of 1986, as amended (“**TEFRA D**”). Ownership of interests in Notes (the “**Book-Entry Interests**”) will be limited to persons that have accounts with Euroclear and/or Clearstream, Luxembourg or persons that hold interests in the Notes through participants in Euroclear and/or Clearstream, Luxembourg, including Monte Titoli. Euroclear and Clearstream, Luxembourg will hold interests in the Notes on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective depositories. Book-Entry Interests will not be issued in definitive form. Payments and transfers of the Notes will be settled through Euroclear and Clearstream, Luxembourg.

None of the Issuer, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent or any other paying agent appointed from time to time or any of their respective agents will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

#### **Estimated expenses charged to the Investor by the Issuer**

The Issuer will not charge any costs, expenses or taxes directly to any Investor. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence related to the opening of a bank account or a temporary deposit account with an Intermediary, if necessary, and/or any costs related to the execution, acceptance and transmission of Purchase Offers imposed by such Intermediaries.

#### **Why is this Prospectus being produced?**

##### **Reasons for the offer and use of proceeds**

The net proceeds of the issue of the Notes will be applied by the Issuer to finance and/or refinance, in whole or in part, existing and/or future green projects which meet the criteria described in the green bond framework developed and established by the Issuer in compliance with the IMCA’s Green Bond Principles 2018 edition (the **Eligible Green Projects**). The share of net proceeds of the issue of the Notes to be applied to refinance existing green projects is expected to be less than 25%.

##### **A description of any interest that is material to the issue/ offer including conflicting interests**

The Placement Agent and its affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Placement Agent and its affiliates have received or will receive customary fees and commissions.

There are no interests of natural and legal persons other than the Issuer and the Placement Agent involved in the issue, including conflicting ones that are material to the issue.

## **RISK FACTORS**

*An investment in the Notes is subject to a number of risks. Prospective investors should consider carefully the risks described below and the other information contained in this Prospectus prior to making any investment decision with respect to participation in the Offer. We have described below those risks that we currently consider to be specific to the Issuer and the Notes and which are material for taking an informed investment decision in the Notes. We have assessed the materiality of the risk factors below based on the probability of their occurrence and the expected magnitude of their negative impact.*

*Each of the risks discussed below could have a material adverse effect on our business, financial condition, results of operations or prospects which, in turn, could have a material adverse effect on the principal amount and interest which investors will receive in respect of the Notes. In addition, each of the risks discussed below could adversely affect the trading or the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.*

*This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward looking statements as a result of various factors, including the risks described below and elsewhere in this Prospectus.*

*Prospective investors should read the entire Prospectus and reach their own views prior to making any investment decision.*

### **Risk related to the Issuer's financial situation**

#### ***Risks linked to the Group's existing bonds and financings***

The Group's indebtedness is mainly represented by the 2018-2024 Bond and by the facilities disbursed to the Group's companies under the project financing facilities. The Group is exposed to the risk of not being able to honour the financial covenants and the other covenants provided for in both the financing agreements to which the Group is a party and in the 2018-2024 Bond.

The breach of the aforesaid clauses may trigger the bondholders' right, including under the Notes, to demand the early repayment of the bond executed, which would result in negative effects on the results, the outlook, as well as on the financial and economic position of the Group as well as on the Issuer's ability to honour its financial commitments pursuant to the Notes.

Moreover, if the Issuer breaches some of the clauses relating to the project financing facilities and it receives a demand for early repayment of the facility, the costs will be borne by the financed SPV. If the corresponding SPV is unable to honour its payment commitments, the relevant bank will be permitted to enforce the guarantees and the securities provided by the facility, including a special privilege on all the assets held by the relevant financed SPV and a pledge on the entire share capital of the financed SPV. Failure to comply with the aforesaid clauses could adversely affect the Issuer's compliance with the financial commitments that the Issuer will take on in relation to the Notes.

Should the Issuer be unable to honour its financial commitments, it may be forced to adjust the schedule for the implementation of the ongoing investments or those investments that are foreseen in one of the Plan's limbs or to withdraw from such investments. In case of failure to complete the planned investments, even with a smaller increase in financial indebtedness, the Group may nonetheless be unable to generate cash flows in line with the expectations, which may result in the Group being unable to honour the financial commitments originating from its own indebtedness structure..

This may result in negative effects on the Issuer's ability to pursue the Plan's objectives, as well as on the results, the outlook, and on the financial and economic position of the Group and its ability to repay the Notes.

#### ***Risks linked to the Group's financial indebtedness***

The Group is characterised by a high level of financial indebtedness, which, in turn, generates financing costs for the Group. As of 30 June 2019 and 31 December 31, 2018, the Group had Euro 226,930,000 and Euro 325,785,000 in indebtedness, which was 2.19 and 1.54 times shareholders' equity.

In addition, the gross financial indebtedness of the Group is expected to significantly worsen in case of subscription of the Notes. The increase of the consolidated financial indebtedness is due to material investments

in plants performed by the Group in 2019, which allow the Group's installed capacity to increase from 306 MW (at 30 June 2018) to 514 MW (at 30 June 2019). However, the economic effect of such investment will start to be reflected in the results from the 1<sup>st</sup> January 2020.

The Group's results and liquidity, in turn, depend on the Group's ability to maintain its competitive position in the markets in which the Group operates and on market trends, as well as the Issuer's creditworthiness. Should the Group face a situation where it is forced to refinance its existing indebtedness before the relevant maturity date, the Group may not be able to complete the investments or to achieve the investments laid out in the Plan.

As many of the above factors are beyond the Group's control, the Issuer may not be able to meet its financial commitments or refinance its debt in the future, including the Notes, which could have negative effects on the Issuer's ability to perform its obligations, including obligations originating from the issuance of the Notes.

#### ***Risks linked to incentive programmes in favour of the Group***

The Group's business takes advantage of the national incentive programmes to support energy production from renewable sources. In particular, the ratio of the granted incentives to the Group's operating revenues is 59.6% and 63.1%, respectively, as of 31 December 2018 and 31 December 2017 and is 54.8% as of 30 June 2019. However, the average residual term of the Group Wind Farms' incentives is about 10 years.

A significant reduction in the incentives would result in a proportional reduction in the Group's revenues, affecting the Group's ability to repay its indebtedness or to carry out its business strategy. In addition, given that the Group's business consists primarily of the sale of electricity produced through Italian Wind Farms, the recessive context and further austerity measures adopted by the Italian government may determine a reduction in the incentives or obligation to pay additional fees. Should the latter occur, there may be negative effects on the results, the outlook and the economic and financial position of the Group.

In addition, certain project financing facility agreements entered into by the Group provide that, in case of amendments to the law changing the mechanism for the sale of the incentives or having an impact on the incentive regime so as to cause the reduction of the ratios provided for the covenants under the respective agreements, AER (and, following the AER Incorporation, as defined below, the Issuer), being the direct parent company of such companies, to the extent required, shall provide capital injections or intra-group loans, under the terms provided in the agreement executed with the agent, and the project company shall repay the loan in advance in the amount required to reinstate the minimum level of the reference ratio pursuant to the same facility agreement.

Moreover, the change from the green certificates regime to the feed-in tariffs mechanism and any further amendments to the law, even with retroactive effects, changing the currently applicable incentive programmes or introducing new costs or changing the current ones, may have an impact on the Group's business, with potential negative effects on the results, the outlook and the economic and financial position of the Group, as well as the Issuer's ability to fulfil the financial obligations undertaken in relation to the issuance of the Notes.

#### ***Risks linked to the reduction in electricity market prices***

The Group's revenues arising from the sale of the electricity produced in its facilities significantly depend on the reference market prices at which electricity may be sold.

The Group sells the electricity produced by all its Wind Farms through bilateral agreements with primary trading companies. Pursuant to such agreements it is not provided that the trading companies pay any minimum consideration. Therefore, it is not certain whether the market prices relating to electricity will remain at the same level so as to allow the Group to maintain its revenue margins and return on investments.

Variations in the energy market prices cannot be foreseen and there are no assurances that adequate and timely measures can be adopted to protect the Group's business from such variations. In addition, as a consequence of potential changes affecting the electricity market price, the projects under development may become unprofitable and therefore unfeasible.

As a result, a reduction of the market sale prices may negatively impact the Group's revenues, with potential negative effects on the results, the outlook and the economic and financial position of the Group as well as the Issuer's ability to fulfil the financial obligations undertaken in relation to the issuance of the Notes.

### ***Risks linked to the late or missing payment from the GSE of the incentives accrued by the Group***

The Group is exposed to the risk that GSE may not repay the receivables accrued in favour of the Group companies. The Group's facilities benefit from a tariff incentive regime and the GSE periodically provides the Group companies with the total amount of the incentive accrued.

In particular, except for the Wind Farms in Albanella and Agrigento, whose incentives expired on February 2016 and January 2019, all the Group's Wind Farms take advantage of the tariff incentive.

A potential late or missing payment of the amounts to be paid the GSE may have negative effects on the results, the outlook and the economic and financial position of the Group as well as the Issuer's ability to fulfil the financial obligations undertaken in relation to the issuance of the Notes.

### ***Risks linked to the Issuer being a holding company***

The Issuer is the holding of the Group and, therefore, its economic performances depend upon the economic results of its subsidiaries. As a consequence, the Issuer's ability to make repayments in relation to its loans and fulfil its obligations is connected with the subsidiaries' ability to generate liquidity, as well as the ability of the same subsidiaries to distribute such liquidity in favour of the Issuer through dividends, fees, interest and repayments of intra-group loans.

Moreover, the Issuer expects that dividends received from subsidiaries and other sources of funding available to the Issuer will continue to cover its operating expenses, including its obligations in respect of the Notes. However, the Issuer's subsidiaries have no obligation, contingent or otherwise, to pay any amounts due under the Notes or to make funds available to the Issuer to enable it to pay any amounts due under the Notes.

In addition, the distribution of dividends or granting of loans, advance payments or other kind of payments may be subject to contractual, legal and regulatory limitations, restricting the amount of retained earnings that could be distributed by the Group as dividends.

As a result, if the Group companies do not maintain the level of revenues realised in the past, the Issuer may not be able to fulfil its obligations, which may result in negative effects on the results, the outlooks and the Issuer's economic and financial position as well as on the ability of the Issuer to fulfil its obligations pursuant to the Notes.

### ***Risks linked to the alternative performance indicators***

This Prospectus contains certain Alternative Performance Indicators which are not recognised as accounting measures under IFRS and, therefore, may not be compared to any of those used by other groups.

This Prospectus provides certain economic and financial indicators used by the Issuer to monitor the Group's economic and financial performance in the financial years ended on 31 December 2018 and 2017 and in the first six months ended on 30 June 2019.

Such indicators are determined *inter alia* on the basis of the historical financial data of the Group elaborated in compliance with the provisions of the guidelines included in the ESMA/2015/1415 documentation of 5 October 2015 and under point 100 of the FAQ ESMA/2016/1133 of 15 July 2016, which are effective from 3 July 2016.

The Alternative Performance Indicators are not being recognised as accounting measures under IFRS and, therefore, cannot be considered as measures alternative to those provided by the accounting principles for the assessment of the Group's economic performance and the relevant financial position.

The Alternative Performance Indicators must be interpreted together with the financial information provided in the consolidated financial statements as of 31 December 2018 and 2017 and the Interim Report as at 30 June 2019.

Given that the quantification of such measures falls outside the regulation provided by the accounting principles generally accepted in the preparation of the consolidated financial statements, and they are not subject to audit, the Issuers' quantification of such measures may not be consistent with similar measures used by other groups and such measures may not be compared with those potentially used by such groups.

As a result, the Issuer faces the risk of variation in the quantification of the Alternative Performance Indicators as compared to the quantification made by other groups.

### ***Risks related to the use of pro forma financial information***

As part of this Prospectus, the Issuer presents the Unaudited Pro Forma Consolidated Financial Information as at 30 June 2019 and as at 31 December 2018, reflecting the Friel Ichnusa Acquisition (as defined below) and also including the Comiolica Acquisition (as defined below) which is already reflected in the Interim Report as at 30 June 2019. In this respect, please see sections *Unaudited Proforma Consolidated Financial Information as at 30 June 2019 and Unaudited Proforma Consolidated Financial Information as at 31 December 2018*.

The Unaudited Pro Forma Consolidated Financial Information does not give pro forma effect to the Regalbuto Acquisition which main historic financial information available is set out in section *Description of the Issuer – History*. As at the date of this Prospectus, the Issuer believes that it does not have available complete, verifiable and sufficient information to be in the position to reflect the Regalbuto Acquisition in the Unaudited Pro Forma Consolidated Financial Information. Prospective Investors may be aware that the historic financial information set out in section “*Description of the Issuer – History*” was only derived from the data and documents made available by the insolvency procedure of the seller in the context of the relevant bid procedure and the Issuer was not in a position to independently assess or verify any such data and information and to procure the missing information taking reasonable efforts in consideration of the size of the transaction. In particular, it is to be noted that historical financial information available on Anemos Wind S.r.l. and on the Regalbuto Wind Farm is prepared in accordance with the generally accepted accounting principles in Italy and needs to be reclassified according to IFRS in compliance with the principles as applied by the Issuer (also in light of the principles set out in “IFRS 3 – Business Combination” which requires, inter alia, the relevant classifications to be made on the basis of the contractual terms, economic conditions, their operating or accounting policies and other pertinent conditions as they exist at the acquisition date and taking into account a time period to make the adjustment properly). There is no assurance that such data and information is accurate and may significantly vary with respect to the information provided during the acquisition process. In this respect please also see section “*The Group's acquisitions and investments involve risks that may not have been uncovered by prior due diligence or that may have been incorrectly evaluated by the Group*”. The completion of the Regalbuto Acquisition occurred on 14 November 2019 (see “*Description of the Issuer - History*” below).

The pro forma adjustments have been made based on available information and assumptions that the Issuer’s management believes are reasonable. The pro forma adjustments are described in the notes to the Unaudited Pro Forma Consolidated Financial Information. The Unaudited Pro Forma Consolidated Financial Information is for informational purposes only and does not necessarily present what the Group’s results would have been had the Ichnusa Acquisition and the Comiolica Acquisition actually occurred on the relevant dates as set out in the Unaudited Pro Forma Consolidated Financial Information, nor should it be used as the basis of projections of the Group’s results of operations or financial conditions for any future period. The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only and, because of its nature, it addresses a hypothetical situation and, therefore, does not represent the Group’s actual financial position or results. There is a greater degree of uncertainty associated with pro forma figures than with actual reported financial information. Prospective Investors are therefore advised to carefully consider the Group’s and the Issuer’s historical financial statements.

### **Risks related to the Issuer’s business activities and industry**

#### ***Risks linked to the legal and regulatory framework in the Group’s business sectors***

The Group operates in the sector of the electricity generation from renewable sources which depends upon price subsidies and other incentives and is highly regulated and, therefore, the Group companies have to comply with a high number of national and local laws and regulations.

The adoption of new regulations applicable to the Group or its electricity production activities or potential changes to the current regulatory framework, including tax laws, may have a material negative impact upon the Issuer and the Group’s business and the Group could bear specific additional costs as a consequence of the implementation of such changes.

In addition, the high level of complexity and fragmentation of national and local legislation, applicable in the countries where the Issuer and the other companies belonging to the Group operate, together with an interpretation of the same by the competent authorities, which is not always consistent, may cause uncertain situations and litigation.

Should such events occur, they may have negative effects on the results, the outlook and the economic and financial position of the Issuer and the Group and, consequently, the Issuer's ability to fulfil the financial obligations undertaken in relation to the issuance of the Notes.

***Risks linked to the malfunctioning and/or interruption of the network infrastructure and facilities' operation***

Electricity production is exposed to risks of malfunctions or limitations to its operations arising from events outside the Group's control, for instance natural disasters, lightning, ice formation on the blades, earthquakes, attacks, sabotage and resolutions adopted by judicial and/or administrative authorities, which may cause the interruption in full or in part of the business or increased costs to conduct the same.

The amount of electricity the Group is able to produce and/or distribute may also depend on operative issues, such as degradation of the turbines' elements due to their use or weather conditions, or limitations to the power on the electricity transmission network. In such circumstances, the Group may be requested to turn off the relevant facilities or the related equipment and infrastructure and the level of electricity production and the Group's revenues may be consequently reduced.

The facility's malfunctioning or the service's interruption may also cause the enforcement of contractual warranties *vis-à-vis* single creditors of the Group, which may be long-lasting and complex.

Thus, the inability to find a solution to potential issues arising at the Group's facilities may have a negative effect on the Group's cash flows and short-term liquidity and, therefore, it may negatively impact the results, the outlook and the economic and financial position of the Group.

***Risks linked to the right of use and lease of the land relating to the Wind Farms***

The Group is exposed to the risk that the right of use and lease of the land relating to the Wind Farms may be subject to judicial proceedings or are revoked.

The Group is not the owner of all the land where its Wind Farms are located and occupies the land not owned by virtue of easement/building lease agreements and long-term lease agreements and, in certain cases, the ownership is also subject to completion of expropriation procedures.

The average expiry of the easement and building lease agreements is approximately 29 years, and that of the lease agreements is approximately 29 years. More specifically, the average remaining term of the easement/building lease agreements and lease agreements related to the areas where the Wind Farms are located is approximately 20 years. As of 31 December 2018, the Group bore costs for the use and lease rights in relation to the Wind Farms equal to Euro 0.8 million.

In the event the Group cannot renew the lease agreements and/or the easement/building lease with the respective owner of the land within the relevant deadline, it may have to renegotiate such rights, and, as a consequence, the Group would bear costs that cannot currently be estimated, with possible negative effects on the results, the outlook, as well as the Group's economic and financial position.

In addition, if the Group cannot renew the lease agreements and/or the easement/building lease with the respective owner of the land within the relevant deadline, it may be requested to commence with the competent authorities the expropriation procedure or establishment of easement by necessity on the basis of the public interest in the renewable energy facilities. On this point, it is noted that the measures adopted in the context of expropriation procedures may be challenged or contested by a person demonstrating an actual and current interest, or there may be a decision of annulment within an internal review procedure in case of defects in the related procedure. In addition, the invalidity, breach or termination of any of such easement and lease may have an impact on the Group's ability to sell in full or in part its Wind Farms, with possible negative effects on the results, the outlook and the Group's economic and financial position, as well as its ability to fulfil its obligations pursuant to the Notes.

Although the Group conducts assessments on the ownership of the real property rights and obtains a warranty of real property title in relation to its facilities in order to protect itself against any of these risks, such measures may not be sufficient to protect the Group against all the risks of loss of its rights to use the land where the facilities are placed, and this fact may have potentially negative effects on the profits, the outlook and the Group's economic and financial situation.



### ***Risks linked to climate conditions***

The facilities' operation and profitability are strictly connected with the weather conditions. More specifically, the electricity production in the Wind Farms is proportionate to the levels of wind, in light of the fact that the turbines' functioning starts upon occurrence of a certain speed of wind and stops whenever this speed exceeds the maximum threshold of the turbines' load, so as to avoid damage.

Any adverse climate conditions and, in particular, a potential persistence of a lack of wind in the Wind Farms may cause the reduction or interruption of the facilities' operation, with a consequent decrease of the produced electricity's volumes and potentially significant negative effects on the Group's business.

Significant weather variations could have negative effects on the results, the outlook and the economic and financial position of the Group and, consequently, on the Issuer's ability to fulfil its financial obligations undertaken in relation to the issuance of the Notes.

### ***Risks linked to the non-renewal of the agreements with the Wind Turbines' manufacturers in relation to the management and maintenance of the Group's Wind Farms and the related securities***

The Group relies on the wind turbines' suppliers to manage and maintain its Wind Farms (other than Comiolica SL, which relies on its own employees to manage the relevant Wind Farm). For this purpose, the Group executed, in relation to each of the Wind Farms owned by the Group, Operation and Maintenance (O&M) agreement.

Most of such O&M agreements include certain warranties on the services suppliers' part in relation to the disposal of each Wind Farm, generally quantified on the basis of the average disposal of the Wind Farms' turbines relating to the electricity production in a certain period. Should the average effective disposal, quantified at the end of a certain period, be lower than the average guaranteed disposal, the supplier or subcontractor shall reimburse the company managing the Wind Farm under the terms and conditions generally agreed upon in each case, it being understood that the difference between the average guaranteed disposal and 100% is not ensured. Furthermore, the amount of reimbursement due by the supplier by virtue of such warranties is limited to a cap, which may be equal to or lower than the yearly price paid against the services provided under the O&M agreement.

Therefore, should the supplier's reimbursement obligations exceed the cap provided by each O&M agreement, the Group could bear losses arising from the reduction of the electricity produced by the turbines due to malfunctions or non-maintenance, with potential negative effects on the results, the outlook and the economic and financial position of the Group.

The Group's activities, outlook, economic and financial position and results may suffer substantial negative consequences if (i) any of the O&M services' suppliers cannot, or refuse to, renew an agreement, or (iii) the Group is not able to promptly renew such agreement, or (v) the services provided under the O&M agreements are not sufficient to cover the relevant Wind Farm's needs and the Issuer has to obtain the same services through other suppliers on the market, or (vi) the O&M services' supplier becomes insolvent or is in a situation similar to insolvency, also given the fact that, pursuant to the project financing agreements, such events are considered as events of default, and should any of such events occur, the respective lenders shall have the right to declare the related project company subject to an acceleration event or the right of termination of, or withdrawal from, the agreement, with the consequent obligation of repayment in full of the loan.

In addition, given the limited number of wind turbine manufacturers or other suppliers that would be able to perform such activities, the Group may encounter difficulties in renewing such agreements under favourable terms and conditions, with potential negative effects on the results, the outlook and the economic and financial position of the Group.

### ***Risks linked to the facilities' connection to the electricity network***

The electricity produced by the Group's facilities is introduced in the transmission network and sold on the market. Therefore, the Group, in the course of its business, is dependent on the facility being close to the electricity network, the stability and reliability of the same and the infrastructure connecting the facility to the network. In this respect, the connection to the national transmission grid is essential for the operation of the Group's business.

The agreements relating to the connection to the electricity network do not have a fixed term, given that their duration is for as long as the facility remains in operation. Although such agreements ensure that the Group supplies the correct amount of energy into the network, in any case congestions, accidents or interruptions to the

operation may occur due to maintenance or malfunctioning in the operation of the transmission infrastructures, which may limit the amount of electricity distributed by the Group.

In addition, to be connected to the network, the Group's facilities need to meet and maintain certain technical and economic requirements imposed by the authority, and as to Italy, Terna S.p.A. (**Terna**) (*i.e.* the national transmission grid manager, which is competent in relation to the connection to the network) or Enel Distribuzione S.p.A. (**Enel**), otherwise the disconnection from the network or suspension of the connection may be ordered. As a result of any disconnection and/or suspension from the electricity network, the Group would be prevented from producing and dispatching energy, with a consequent negative impact on the generation of revenues and operating cash flows to support the Group's indebtedness, and the quantification of the imbalance charges (*i.e.*, costs related to the introduction of electricity into the network on a discontinuous and unpredictable basis, which may depend upon the difference, hour by hour, between the energy introduced into the electricity system on a given day and the final programme relating to the electricity introduction).

In addition, it is possible that Terna, Enel or the local distributing companies may breach their contractual obligations relating to the transmission or distribution or withdraw from the related agreement.

Should any of such circumstances occur, it may have a negative impact on the results, the outlook and the economic and financial position of the Group.

### ***Risks linked to the non-implementation of the Plan***

On 15 November 2018, the Issuer's Board of Directors approved the industrial plan for 2019-2021 (the **Plan**), which includes the strategic guidelines and the Group's economic and financial objectives.

The Group is exposed to the risk of not being able to implement the Plan and to be forced to change or reduce its growth targets. Furthermore, the Plan and the Plan's objectives have been established on the basis of some assumption the fulfilment of which cannot be guaranteed by the Issuer and that, even if fulfilled, may not generate the desired effects.

The Plan and its forecasts have been developed on the basis of some assumptions characterised by a high degree of uncertainty and associated with a market scenario, future events and actions taken by the Board of Directors that will not necessarily take place, and with events and actions on which the Board of Directors has little or no influence at all (the **Assumptions**). In light of the uncertainty associated with the occurrence of any future event, there is currently no guarantee that the aforementioned Assumptions will actually take place or that they will take place in the manner and to the extent foreseen.

Should the Assumptions be mistaken or significantly deviate from the Board of Directors' forecasts, the Issuer may not be able to implement, in whole or in part, the Plan, with resulting negative effects on the results, the outlook, the financial and economic position of the Group as well as the Issuer's ability to perform its obligations, including the obligations arising from the issuance of the Notes.

### ***Risks linked to the relationship between the Group and partners of its joint ventures***

The Group is exposed to the risk that the termination of its joint ventures or the occurrence of conflicts between the partners of the same may negatively affect the operation of Wind Farms in relation to which it is not the full owner.

The Group exercises its business of Wind Farm management also through companies in joint ventures. In the 2018 financial year, the profits relating to Wind Farms in joint ventures were equal to Euro 2.1 million (compared to Euro 2.4 million in the 2017 financial year); such companies' profits are consolidated on the basis of the equity method in line with the IFRS 11.

The partnership agreements participation is exposed to the risk of conflicts among partners in relation to the execution of the same and/or the strategic and operating objectives, which may negatively impact their effectiveness or duration. If the relationships with such partners are impaired and their participation in current or future projects is limited or ceases, the Group may face difficulties searching for other partners being able to carry on specific projects under development or construction or to start new projects.

In addition, certain fundamental resolutions are adopted only upon unanimous approval of the board of directors or the shareholders' meeting, while other specific resolutions shall be made with the favourable vote of at least one director per partner. More specifically, should the joint venture be in a deadlock situation due to the potential

disagreement among the partners on the resolutions to be adopted, there may be issues relating to the management of the same and a slowdown of their business.

If the partnership relationships relating to the abovementioned companies are impaired or terminated, the Group may be required to sell its shareholdings held in such companies and thus it may not be able to continue to operate the respective Wind Farms. In contrast, in cases where the Group has an obligation to purchase the entire shareholdings held in such joint venture, it would bear costs that cannot currently be estimated.

***Should any of such events occur, it may have a negative effect on the results, the outlook and the Group's economic and financial position. Risks linked to the dependence on key employees***

The Group is highly dependent on the professional contribution and expertise of specific executives, and, specifically, the Chairman and Managing Director Josef Gostner, the Vice-Chairman and Managing Director Georg Vaja and the Director and Managing Director Patrick Pircher, as well as the executives with strategic responsibilities. It should be noted that Alerion's Board of Directors currently holding office has not yet decided to adopt an executive directors' succession plan.

In addition, the Group is highly dependent on the technical personnel, which is crucial for the productive management of the existing facilities and the new facilities by reason of their specific expertise and professionalism in relation to the Group's business. Therefore, the Group relies on its continued ability to retain the loyalty and motivation of its key employees and attract new qualified personnel.

Any termination of the employment relationship with any of the key employees, the inability to attract and maintain qualified personnel and competent executives or integrate the organization with equally qualified persons may have in the future negative effects on the business, the outlook and the economic and/or financial position of the Issuer and the Group.

#### ***Risks linked to technological development***

The technology used in the energy production from renewable sources, with particular regard to those relating to wind energy, is continuously evolving and subject to fast changes and a constant improvement process.

To keep the produced energy costs competitive and develop its business, the Group may have to bear the costs connected with the substitution or replacement of certain materials and/or new technology. Furthermore, it should be noted that, in order to continue to take advantage of the national incentives for electricity distribution, the changes to be made to the operating facilities shall be compliant with the provisions of applicable laws on the basis of which the facility was granted the right to such incentives.

If the Issuer is not able to find on the market the necessary technology and assets to improve its operative performance, the Group may have to change or reduce its objectives or suffer a reduction in its facilities' efficiency, with consequent negative effects on the results, the outlook and the economic and financial position of the Group.

#### ***Risks linked to the competition level of the sector***

The electricity production from renewable sources sector is highly competitive, in relation to both the search for the proper location to construct the facilities, and the technology used in the construction of the same.

More specifically, the Group competitors' ability to develop new technology or enter into more favourable agreements with their suppliers, and their ability to find financial resources at a lower cost, may limit the Group's ability to increase its market share or lead the Group to change its objectives.

In addition, the Group primarily competes in relation to a limited number of locations, which are available for the Wind Farms, and the supply of components and equipment which are essential for the Wind Farms built by the Group.

The occurrence of such circumstances may have negative effects, even significant, on the results, the outlook and the economic and financial position of the Group.

### ***Risks linked to the limited availability of locations suitable for the Wind Farms' construction***

The installation of facilities aimed at producing electricity from renewable sources is subject to various limitations, such as the orographic and morphologic conditions of the area, the availability and limits related to the facilities' connection to the local and national electricity distribution networks and the environmental restrictions, also in relation to the landscape, which are applicable in the given area (such as being close to a residential area or protected area pursuant to the local and/or national regulations).

In addition, the increase of the installed facilities generating energy from renewable sources and the competition in the search of such locations result in a reduction of available locations. For these reasons, the amount of locations available for the installation of facilities aimed at producing energy from renewable sources is limited and such reduced availability is a restriction in relation to the Group's profit development.

After finding an adequate location, negotiations with the owners are required to obtain the necessary land rights (including the rights of access, backing and other easements). Such negotiations may last for a long period, they are not always successful and sometimes require economic concessions that were not originally provided.

Should the availability of usable locations for the development of high-revenues projects be significantly reduced, or the process connected with the issuance of authorisations necessary for the Wind Farms' construction be more burdensome, the Issuer may have to change or reduce its development objectives, restricting its investment activities; a further reduction of the available locations could lead the Issuer to change its development strategy, with potential negative effects on the results, the outlook and the economic and financial position of the Group.

### ***Risks linked to the adverse financial and macroeconomic conditions within the markets where the Group operates***

Changes to the overall economy in the Group's principal markets could have a significant adverse effect on the Group's businesses and profitability.

From the second half of 2007 until the beginning of 2014, disruption in the global credit markets created increasingly difficult conditions in the markets where the Group operates. The significant economic stagnation in certain countries in the Eurozone, especially Greece, Italy, Portugal, Spain and Cyprus, in part due to the effects of the sovereign debt crisis and corresponding austerity measures in these markets.

The economy in Italy, the Group's principal market, was adversely affected in 2009 by a significant slowdown, with a direct impact on consumption. On a countrywide level, 2009 saw the first reduction in demand for electric power and in demand for special waste services since 1981. It is expected that, for the near future, demand for energy will be substantially below the level achieved before the economic crisis. In addition, the decrease in demand for energy has put pressure on sales margins due also to greater competition, particularly in the natural gas sector. If demands continue to be sluggish or if there is another reversal in demand without corresponding adjustments in the margins charged by the Group on its sales or without an increase in its market share, then the revenues in most of the Group's business areas would be reduced and its future growth prospects would be limited.

The occurrence of such circumstances may have negative effects, even significant, on the results, the outlook and the economic and financial position of the Group.

### ***Risks linked to market and political uncertainty regarding the UK's exit from European Union***

On 29 March 2017, the United Kingdom invoked Article 50 of the Lisbon Treaty and officially notified the European Union of its decision to withdraw from the EU. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the United Kingdom and the European Union (the **article 50 withdrawal agreement**). As part of those negotiations, a transitional period has been agreed in principle which would extend the application of European Union law, and provide for continuing access to the European Union single market, until the end of 2020.

The article 50 withdrawal agreement has not yet been ratified by the United Kingdom or the European Union. The parties have agreed to an extended time line which allows for ratification to take place any time prior to 31 October 2019 (the "**Article 50 Period**"). Following a further renewal request from the UK government, on 28 October 2019 the European Council informally agreed on an additional extension of the Article 50 Period until 31 January 2020. If it is not ratified within this time frame (as extended from time to time, most recently to 31 January 2020), the Treaty on the European Union and the Treaty on the Functioning of the European Union will cease to apply to the United Kingdom from that date. Whilst continuing to negotiate the article 50 withdrawal agreement, the

United Kingdom Government has therefore commenced preparations for a ‘hard’ Brexit or ‘no-deal’ Brexit to minimise the risks for firms and businesses associated with an exit with no transitional agreement. This has included publishing draft secondary legislation under powers provided in the European Union (Withdrawal) Act 2018. The European authorities have not provided United Kingdom firms and businesses with similar assurances in preparation for a ‘hard’ Brexit.

Due to the on-going political uncertainty as regards the terms of the United Kingdom’s withdrawal from the European Union and the structure of the future relationship, the precise impact on the business of the Issuer is difficult to determine. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

## **Legal and regulatory risks**

### ***Risks linked to the facilities’ authorisations***

The planning, construction and management of the facilities to produce electricity from renewable sources and the related works of connection to the electricity network are highly regulated activities (also on a regional basis), which require numerous approvals, opinions and permits to be released by public administrations, entities and authorities. Each authority is responsible for the assessment of the project and the issuance of the related authorisations, permissions, licences and consents.

Given the administrative procedure required for the issuance of the abovementioned titles, the Group may not be able to obtain all necessary measures or could obtain them at higher costs than expected and/or taking a longer time than expected, with potentially significant negative effects on the results, the outlook and the economic and financial position of the Group. Furthermore, without obtaining all necessary authorisations for the construction and operation of the facilities, it may be necessary to start ad hoc remediation procedures, and this could have an impact on the facilities’ operation and cause the imposition of administrative and/or criminal sanctions. Also, a delay in obtaining the necessary titles for the construction and operation of the facilities could prevent the entry of operation of the same in time to benefit from national incentives.

Significant delays in obtaining any of the public approvals, opinions and permits required could have negative effects on the results, the outlook and the economic and financial position of the Group and, consequently, on the Issuer’s ability to fulfil its financial obligations undertaken in relation to the issuance of the Notes.

### ***Risks linked to the maintenance of authorisations, licences and permits necessary for the Wind Farms’ operation***

The Issuer faces the risk that the authorisations, licences and permits necessary for the Wind Farms’ operation become subject to judicial proceedings or are revoked.

The breach, by the Issuer or any company of the Group, of the regulatory requirements provided for the maintenance of authorisations, licences and permits, and any ineffectiveness and/or forfeiture of authorisations and permits or the failure to comply with the obligations set under the authorisations and/or licences in force and/or the national and regional applicable regulation, may result, as the case may be, in challenges, warnings, adjustment obligations (and, in the most serious cases, suspension or revocation of the relevant authorisations), and imposition of sanctions, compulsory return of the amounts obtained and/or ineligibility to be granted with further incentives which consequently may have negative effects on the results, the outlook and the Group’s economic and financial position, as well as its ability to fulfil its obligations in relation to the issuance of the Notes.

In addition, the Group may need to adjust to potential amendments in the applicable regulation in order to ensure the correct operation of the Wind Farms; the breach of the requirements by the Group companies may therefore produce negative effects on the results, the outlook and the Group’s economic and financial position.

It is also noted that any authorisation, licence and permit issued by national or local authorities, which is required for the construction and management of the Group’s Wind Farms, may be challenged (within the applicable terms provided by the law) by any person showing an actual and current interest, or revoked by the same authority should the latter deem it necessary in the public interest. Finally, it should be noted that the Wind Farms’ development was and still may be subject to local political opposition in some areas where the Group intends to construct and operate, which may result in (i) a significant reduction of the land available, (ii) an unexpected limitation in the number, extent and placement of the wind turbines, and/or (iii) the suspension or revocation of

permits or licences in force or projects that are currently under development or construction. Should any of such events occur, it may have negative effects on the results, the outlook and the Group's economic and financial position, as well as its ability to fulfil its obligations pursuant to the Notes.

#### ***Risks linked to pending litigations***

The Group is a party in civil, tax and administrative proceedings and lawsuits connected with the ordinary course of its business. For more information about the pending litigations, please refer to the Annual Report 2018 and to the Interim Report as at 30 June 2019.

In addition, the Group is a party in litigation in relation to which it deems there is a remote chance that it may be the losing party, on the basis of the assessment made by the Group, and, therefore, it has not established any reserve fund to cover the potential costs arising therefrom, pursuant to the applicable accounting standards.

Should the Group be the losing party in such judicial proceedings, it is exposed to the risk that the litigation reserve fund may be insufficient, or the Group may incur reputational damage. Should any of such events occur, it may have negative effects on the Group's economic and financial position, as well as its ability to fulfil its obligations pursuant to the Notes.

#### ***Risks linked to the insurance coverage***

The Group is exposed to the risk that the executed insurance policies will be insufficient or, upon expiration, will be renewed on less favourable terms.

The Group's business faces risks in the context of the construction and operation of the Wind Farms, such as malfunctions, accidents, manufacturing defects that may cause an accident involving property or people, natural disasters, damages, terrorist attacks and sabotages; in addition, the Group faces environmental risks. The Group executed certain insurance policies in relation to (i) material and direct damages (an all risks policy, which also covers the event of loss of profits arising from any business interruption), (ii) general tort liability, (iii) employer's liability and (iv) product liability. More specifically, the SPV entered into ad hoc all risks insurance policies to cover installation risks, protecting it from all risks of installation, and to cover the advanced loss of profit in connection with the installation risk policy, as indirect damages.

An increase in the insurance premium may have a negative impact on the Group's economic and financial position.

Although the policies entered into by the Group are revised on a periodic basis, there is the risk that such policies may not be renewed on the same terms or may not be renewed at all and that certain damages not covered by the policy may be incurred or the quantification of the damages occurred may exceed the maximum coverage set by the policy. Should any of such circumstances occur, it may have consequential negative effects on the results, the outlook, as well as the economic and financial situation of the Group, and its ability to fulfil its obligations in relation to the issuance of the Notes.

#### ***Risks relating to the limits provided by tax laws on deductibility of interest expenses, including those relating to the Notes***

Article 96 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented, contains the general provisions regulating deductibility of interest expenses for IRES purposes.

For IRAP purposes, no company other than holdings and financial intermediaries can deduct interest expenses, while industrial holdings can deduct interest expenses up to 96% of the same.

On the basis of the tax laws currently in force the Issuer may not be able to deduct all of its interest expenses, including interest expenses under the Notes, incurred in a tax year, even though any interest expenses not deductible in a year will be carried over to the subsequent tax years for IRES purposes.

#### ***Risk relating to changes of tax and other laws affecting the Issuer, external tax audits and additional tax payments***

Changes to taxation or the interpretation or application of tax laws could have an adverse effect on the Issuer's business, financial condition and operations result.

The Issuer is subject to Italian tax laws. Any changes to Italian tax legislation and/or case law or to its interpretation or application by the Italian tax authorities, including through the application of anti-avoidance or anti abuse principles, a different tax treatment or a different interpretation or classification from a legal or substantive point of view in relation to any transaction and/or operation, including extraordinary transactions, or a different classification of the components recorded in the financial statements (including those previously recorded by the Issuer and/or the Issuer's agents during the course of our merger transactions or other reorganisations), may cause the Issuer to incur higher taxes or be subject to applicable penalties and late payment interest, to the reduction of previous tax losses, or to other events that could have a material adverse effect on its business, results of operations and financial condition.

The current group structure is the product of numerous extraordinary transactions, including various mergers. Adverse development in these laws or regulations, or any change in position by the relevant Italian tax authority regarding the application, administration or interpretation of these laws or regulations, could have a material adverse effect on its business, results of operations and financial condition.

## **Internal control risks**

### ***Risks linked to members of the Board of Directors' conflicts of interest***

The Group faces the risk that conflicts of interests between the members of the Board of Directors and the Issuer may arise, given the shareholdings directly or indirectly held by the same in the Issuer's share capital.

Currently, certain members of the Issuer's Board of Directors are stakeholders, directly or on behalf of third parties who hold, directly or indirectly, shareholdings in the Issuer's share capital.

More specifically, the Chairman of the Board of Directors and Managing Director of Alerion is a shareholder of FGP, which holds, directly or indirectly, through the fully owned subsidiary FGPA, approximately 85% of Alerion's share capital. In addition, it must be noted that the Chairman of the Board of Directors and Managing Director of Alerion, Josef Gostner, is also Managing Director of FGP, and the Vice-Chairman and Managing Director of Alerion, Georg Vaja, and the Director and Managing Director Patrick Pircher, are FGP's executives

### ***Risks linked to FGP's direction and coordination activities***

Alerion is controlled, pursuant to Article 93 of Legislative Decree no. 58 dated 24 February 1998 (as amended and integrated from time to time and in force at the date of this Prospectus, the **TUF**), by FGP which holds directly and indirectly, through the fully controlled company FGPA, approximately 85.5% of the Issuer's share capital and exercises on it direction and coordination activities pursuant to Article 2497 of the Italian Civil Code. For more information, see "*Description of the Issuer*"- sections "*Organisational structure*" and "*Major Shareholders*".

Furthermore, some members of the Issuer's management hold relevant interests (as defined by Article 2391 of the Italian Civil Code) due to the offices they hold and/or the interests they hold in both the Issuer and companies that can be qualified as related parties of the Issuer and that might operate in competition with the Issuer.

The Issuer is therefore exposed to the risk that the process underlying the managing decisions that the Issuer takes/will take in its business will be influenced by (a) acts of interference in the management carried out in the context of the direction and coordination activities to which the Issuer is subject, and by (b) the conflicts of interests characterizing the aforesaid managers which may lead to acquisitions/divestments of assets that are inconsistent with the Issuer's investment strategies and/or with the Issuer's corporate interest which may result in potentially significant negative consequences on the economic, capital and financial situation of the Issuer and of the Group as well as on the Issuer's ability to achieve its objectives, as set out in the Plan.

Furthermore, as FGP controls and exercises management and coordination activities upon both Alerion and certain other companies operating in the same business sector as Alerion but not belonging to the Group, the related party transactions performed with such companies present certain risks. In particular, the strategic choices of FGP may not be aimed at maximising Alerion's exclusive interest, but that of the other companies controlled by FGP not belonging to the Group. Should such event occurs, this could have a material adverse effect on the business, results of operations and financial condition for the Issuer.

### ***Risks linked to related party transactions***

The Group is exposed to the risk that the transactions carried out/to be carried out with its related parties were/will be completed under less favourable terms and conditions for the Group itself as compared to the scenario where the same transactions were/will be completed with third parties.

The Group had, has and may have in the execution of the investments provided by the Plan, commercial and financial relationships with certain companies of the FGP group, with other companies belonging to the Group as well as other related parties as identified under IAS 24.

In addition, in the context of its activity as holding company, the Issuer is the coordinator of administrative, management, commercial and financial maximisation activities of the Group companies. Within such activities, certain services agreements are performed with the subsidiaries and affiliates.

There is no guarantee that such transactions would have been negotiated and/or completed under the same terms and conditions, should the same be executed with third parties. Should such event occurs, this could have a material adverse effect on the business, results of operations and financial condition fo the Issuer.

### ***Risks linked to the organisational and management model pursuant to Legislative Decree No. 231/2001***

The Issuer faces the risk of criminal liability pursuant to Legislative Decree No. 231/2001.

In its implementation of the provisions of Legislative Decree No. 231/2001, as subsequently supplemented and amended, Alerion's Board of Directors adopted an organisational and management model (**Organisational Model**) in order to: (i) identify specific vulnerable areas with reference to the different kind of offences set out in the Legislative Decree No. 231/2001, identify the risks and the adequate control measures for pre-emptive purposes; (ii) set the rules and standards of conduct for the addressees of the Organisational Model; (iii) provide the Supervisory Body and the other supervisory offices with the power to exercise their monitoring, control and audit activities; and (iv) define the conditions for the timely update of the Organisational Model, should the applicable law change to include further relevant criminal offences in relation to the business. In addition, each company directly or indirectly controlled by Alerion, and the joint venture partners in which the Issuer holds a shareholding, adopted their own organisational, management and control model and appointed their supervisory body, with one or more members.

In addition, the Issuer's Board of Directors adopted a code of ethics in line with the best international practices and appointed the Issuer's Supervisory Body for the purpose of monitoring the operation and the execution of the Organisational Model. Each company directly or indirectly controlled by Alerion shall comply with the Group's code of ethics. Notwithstanding the adoption of the abovementioned measures, it is possible that the Organisational Model and the code of ethics adopted by the Issuer could be considered insufficient by the judicial authority which has the potential jurisdiction on criminal cases brought forward under the abovementioned laws. Therefore, it is possible that civil or administrative sanctions, including those provided under Legislative Decree No. 231/2001, could be imposed on the Group and, as a consequence, the Group's approvals, authorisations, licences and permits may be suspended or revoked.

Should any of such circumstances occur, it would cause a block on each relevant Wind Farms' production and thus the company holding the relevant Wind Farm could not contribute to the generation of the Group's profits, which would potentially have negative effects on the economic and financial position and the reputation of the Issuer and the Group.

## **Environmental, social and governance risks**

### ***Risks linked to health, safety and the environment***

The Group is exposed to the risk of being sanctioned as a result of a breach of any regulation relating to health, safety and the environment.

More specifically, the Group must comply with laws and regulations on health and safety in the workplace. There is a possibility that in the course of the Group's business, potential accidents affecting the employees and/or the environment may occur.

In the event of contamination and/or pollution in the areas where the facilities are situated, there is an obligation to notify the competent authority, and, in some cases, commence remediation and/or safety interventions on the



same areas, bearing the relevant costs. It is possible that such procedures may further result in the imposition of sanctions, (which may include criminal sanctions), and impact the regular operation of the facilities.

Should any of such events occur or in case of breach of any regulation concerning health and safety in the workplace, as a result there may be negative effects on the results, the outlooks and the economic and financial position of the Group, notwithstanding the insurance policies in force.

#### **Risks related to the nature of the Notes**

***The Notes will be effectively subordinated to the Issuer's and its subsidiaries' existing and future secured obligations that are secured by property and assets that do not secure the Notes to the extent of the value of the property or assets securing such debt.***

The Notes will constitute direct, unconditional and unsecured obligations of the Issuer and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights. The Notes will not be secured and, therefore, will be effectively subordinated to the liabilities of the Issuer and the Group's companies that are secured by property and assets that do not secure the Notes to the extent of the value of the property or assets securing such debt.

Therefore, our subsidiaries will not provide any security in respect of the Notes and will not have any obligation to pay any amounts due under the Notes or to make funds available for that purpose.

Morover, the Group has historically resorted to project financing loans for its Wind Farms. Under these agreements the cash flows generated by the project financed are tied to service the repayment of the loans and generally include additional security (aimed at guaranteeing the repayment of the sums covered by the loan) on the share capital or on the movable and immovable properties of the relevant SPV or on the project agreements. In addition, some of the project financing loans are secured by personal guarantees provided by the Issuer or by the companies of the Group.

The holders of indebtedness of, and trade creditors of our subsidiaries, including lenders under bank financing agreements, are, generally, entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Issuer, as a direct or indirect shareholder and the creditors of the Issuer will have no right to proceed against the assets of such subsidiary.

As such, the Notes will be effectively subordinated to creditors (including trade creditors) and any preferred stockholders of our subsidiaries which will not provide any guarantee with respect to the Notes.

#### ***Independent review and advice***

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

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

#### ***The Notes may not be a suitable investment for all investors***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should: (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (b) 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 (see also "*Risks relating to the market generally – If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes*");

(c) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets.

***The Notes are not rated***

Neither the Notes nor the long term debt of the Issuer are rated. To the extent that any credit rating agencies assign credit ratings to the Notes and/or the Issuer or any other senior unsecured indebtedness of the Issuer at any future date, such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating or the absence of a credit rating is not a recommendation to buy, sell or hold securities and, if assigned, it may be revised or withdrawn by the rating agency at any time.

***The Conditions of the Notes contain provisions which may permit their modification without the consent of all investors***

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

***The value of the Notes could be adversely affected by a change in English or Italian law or administrative practice***

The Conditions of the Notes are based on English law in effect as at the date of this Prospectus. In addition, Condition 14 (*Meetings of Noteholders and Modification*) and Schedule 3 of the Trust Deed (*Provisions for Meetings of Noteholders*) which sets forth the provisions concerning the meetings of Noteholders and the appointment of a Noteholders' Representative in respect of the Notes are subject to compliance with Italian law. No assurance can be given as to the impact of any possible judicial decision or change to English or Italian law or administrative practice after the date of this Prospectus and any such change could materially adversely impact the value of any Notes affected by it. See also "*Noteholders' meeting provisions may change by operation of law or because of changes in the Issuer's circumstances*" below.

***Decisions at Noteholders' meetings bind all Noteholders***

The Terms and Conditions of the Notes (at Condition 14 (*Meetings of Noteholders and Modification*)) and the Trust Deed (at Schedule 3 (*Provisions for Meetings of Noteholders*)) contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally, including modifications to the terms and conditions relating to the Notes and the waiver of rights that might otherwise be exercisable against the Issuer. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend or were not represented at the relevant meeting and Noteholders who voted in a manner contrary to the majority. Any such modifications to the Notes may have an adverse impact on Noteholders' rights and on the market value of the Notes. See also "*Noteholders' meeting provisions may change by operation of law or because of changes in the Issuer's circumstances*" below.

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

As mentioned in "*The value of the Notes could be adversely affected by a change in English or Italian law or administrative practice*" above, the provisions relating to Noteholders' meetings (including quorums and voting majorities) are subject to compliance with certain mandatory provisions of Italian law, which may change during the life of the Notes. In addition, as currently drafted, the rules concerning Noteholders' meetings are intended to follow mandatory provisions of Italian law that apply to Noteholders' meetings where the issuer is an Italian listed company. As at the date of this Prospectus, the Issuer's ordinary shares are admitted to trading on the *Mercato Telematico Azionario* of Borsa Italiana S.p.A. but, if its shares are delisted while the Notes are still outstanding, then the mandatory provisions of Italian law that apply to Noteholders' meetings will be different (particularly in relation to the rules relating to the calling of meetings, participation by Noteholders at meetings, quorums and voting majorities). In addition, certain Noteholders' meeting provisions could change as a result of amendments to the Issuer's By-laws. Accordingly, Noteholders should not assume that the provisions relating to Noteholders' meetings contained in the Trust Deed and summarised in the Conditions will correctly reflect mandatory provisions of Italian law applicable to Noteholders' meetings at any future date during the life of the Notes.

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

Prospective investors should have regard to the information set out in “Use of Proceeds” of this Prospectus and must determine for themselves the relevance of such information for the purpose of any investment in the Notes together with any other investigation such investor deems necessary and must assess the suitability of that investment in light of their own circumstances.

In particular no assurance is given by the Issuer or the Placement Agent that the use of such proceeds for any Eligible Green Projects (as defined under section “Use of Proceeds”) will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Projects.

Furthermore, it should be noted that there is currently no clearly definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a “green” or “sustainable” or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “green” or “sustainable” or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any Eligible Green Projects will meet any or all investor expectations regarding such “green”, “sustainable” or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any Eligible Green Projects.

While it is the intention of the Issuer to apply the proceeds of the Notes in, or substantially in, the manner described in section “Use of Proceeds”, there can be no assurance that the Eligible Green Projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for the Eligible Green Projects.

Any such event or failure to apply the proceeds of the issue of the Notes for any Eligible Green Projects as aforesaid may have a material adverse effect on the value of the Notes and and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

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

The Placement Agent makes any representation as to the suitability of the Notes to fulfil environmental and sustainability criteria required by prospective investors. The Placement Agent has not undertaken, nor is responsible for, any assessment of the eligibility criteria, any verification of whether the Eligible Green Projects meet the eligibility criteria, or the monitoring of the use of proceeds. Investors should refer to the Issuer’s website [www.alerion.it](http://www.alerion.it), the Annual Report 2018, the Interim Report as at 30 June 2019, the Green Bond Framework and the Second Party Opinion for information. None of the Green Bond Framework and the Second Party Opinion is incorporated into, or form part of, this Prospectus.

***The Notes are subject to optional redemption***

The Notes contain an optional redemption feature, as set out in Conditions 6.2, 6.3 and 6.4 which is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Change of Control***

Upon the occurrence of certain change of control events relating to the Issuer, as set out in Condition 6.4, under certain circumstances the Noteholders will have the right to require the Issuer to redeem all outstanding Notes at 100 per cent. of their principal amount together with interest accrued up to but excluding the Change of Control Redemption Date (as defined in the —*Terms and Conditions of the Notes*). However, it is possible that the Issuer

will not have sufficient funds at the time of the Change of Control to make the required redemption of Notes. If there are not sufficient funds for the redemption, Noteholders may receive less than the principal amount of the Notes should they elect to exercise such right. Furthermore, if such provisions were exercised by the Noteholders, this might adversely affect the Issuer's financial position.

***The Noteholder generally will not be entitled to a gross-up for any Italian withholding taxes or for any withholding or deduction for FATCA, unless the Italian withholding tax is caused by a failure of the Issuer to comply with certain procedures***

The Issuer is organized under the laws of Italy and is Italian resident for tax purposes and therefore payments of principal and interest on the Notes and, in certain circumstances, any gain on the Notes, will be subject to Italian tax laws and regulations. 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, subject to a number of exceptions, the Issuer will pay such additional amounts as will result in the holders of the Notes receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required. The Issuer is not liable to pay any additional amounts to holders of Notes under certain circumstances set out under Condition 7 (Taxation), including if any withholding or deduction is required pursuant to Decree 239 (as defined in the section "*Taxation*"), except, where the procedures required under Decree 239 in order to benefit from an exemption have not been complied with due to the actions or omissions of the Issuer or its agents. In such circumstances where no additional amounts are due by the Issuer, investors subject to Italian withholding or deduction required under Decree 239 will only receive the net proceeds of their investment in the Notes.

Holders of Notes will bear the risk of any change in Decree 239 after the date hereof, including any change in the White List as defined in the Section (Taxation). The regime provided by Decree 239 and in particular the exemption from *imposta sostitutiva*, which is in principle granted to holders of the Notes resident in White List countries, is also subject to certain procedural requirements being met. Should the procedural requirements not be met, Italian *imposta sostitutiva* may apply on the payments made on the Notes to foreign investors resident in White List countries.

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

#### ***Interest rate risks***

Investment in the Notes, which bear a fixed rate of interest, involves the risk that if market interest rates subsequently increase above the rate paid on the Notes, this will adversely affect the value of the Notes. While the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, market interest rates typically change on a daily basis. As market interest rates change, the price of such security changes in the opposite direction. If market interest rates increase, the price of such security typically falls, until the yield of such security is approximately equal to the prevailing market interest rate. Conversely, if market interest rates fall, the price of a security with a fixed interest rate typically increases, until the yield of such security is approximately equal to the prevailing market interest rate. Investors should be aware that the market price of the Notes may fall as a result of movements in market interest rates.

#### **Risks related to the offer to the public and/or admission of the securities to trading on a regulated market**

***Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer***

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by the Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

***Holder of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Investors who hold less than the minimum specified denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued***

The Notes have denominations consisting of a minimum specified denomination plus one or more higher integral multiples of another smaller amount and as such it is possible that such Notes may be traded in amounts in excess of the minimum specified denomination that are not integral multiples of such minimum specified denomination. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum specified denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum specified denomination such that its holding amounts to a specified denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum specified denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum specified denomination such that its holding amounts to a specified denomination.

***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes***

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its Regulated Market and to Borsa Italiana S.p.A. for the listing and trading of the Notes on the MOT, there is no assurance that an active trading market will develop, and if a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors (also as a result of the possibility that affiliates of the Issuer (including its shareholders) may end up subscribing or purchasing a material amount of Notes).

***If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes***

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 the euro. These include the risk that exchange rates may significantly change (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 (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency-equivalent value of the principal payable on the Notes and (c) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

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

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

of the Group and their business activities. See “*Sale and Offer of the Notes—Offering of the Notes—Offering Period, Early Closure, Extension and Withdrawal*”.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Prospectus, in each case to the extent specified in the table below, together with the accompanying notes and the convenience translation into English of the audit reports thereto:

- 1) the unaudited interim condensed consolidated interim financial statements of the Issuer as at and for the six months ended 30 June 2019 (the **Interim Report as at 30 June 2019**), previously published on the Issuer's Website (see the following hyperlink: [http://www.alerion.it/fileadmin/Dateien/pdf/Relazioni\\_Infrannuali/Alerion\\_Half\\_year\\_Financial\\_Report\\_2019.pdf](http://www.alerion.it/fileadmin/Dateien/pdf/Relazioni_Infrannuali/Alerion_Half_year_Financial_Report_2019.pdf));
- 2) the unaudited interim condensed consolidated interim financial statements of the Issuer as at and for the six months ended 30 June 2018 (the **Interim Report as at 30 June 2018**), previously published on the Issuer's Website (see the following hyperlink: [http://www.alerion.it/fileadmin/Dateien/pdf/Relazioni\\_Infrannuali/Alerion\\_Half\\_year\\_Financial\\_Report\\_2018.pdf](http://www.alerion.it/fileadmin/Dateien/pdf/Relazioni_Infrannuali/Alerion_Half_year_Financial_Report_2018.pdf));
- 3) the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2018 (the **Annual Report 2018**), previously published on the Issuer's Website (see the following hyperlink: [http://www.alerion.it/fileadmin/Dateien/pdf/Bilanci-Annuali/Alerion\\_Annual\\_Report\\_2018.pdf](http://www.alerion.it/fileadmin/Dateien/pdf/Bilanci-Annuali/Alerion_Annual_Report_2018.pdf));
- 4) the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2017 (the **Annual Report 2017**), previously published on the Issuer's Website (see the following hyperlink: [http://www.alerion.it/fileadmin/Dateien/pdf/Bilanci-Annuali/Alerion\\_Annual\\_Report\\_2017.pdf](http://www.alerion.it/fileadmin/Dateien/pdf/Bilanci-Annuali/Alerion_Annual_Report_2017.pdf));
- 5) the audited financial statements of Comiolica as at and for the year ended 31 December 2018 (the **Comiolica Report as at 31 December 2018**), previously published on the Issuer's Website (see the following hyperlink: [http://www.alerion.it/fileadmin/Dateien/pdf/Bilanci-Annuali/Comiolica\\_FS\\_31.12.2018\\_en.pdf](http://www.alerion.it/fileadmin/Dateien/pdf/Bilanci-Annuali/Comiolica_FS_31.12.2018_en.pdf));
- 6) the audited financial statements of Fri-el Ichnusa as at and for the year ended 31 December 2018 (the **Fri-el Ichnusa Report as at 31 December 2018**), previously published on the Issuer's Website (see the following hyperlink: [http://www.alerion.it/fileadmin/Dateien/pdf/Bilanci-Annuali/ENG\\_RE\\_Ichnusa\\_civ\\_FS\\_311218.pdf](http://www.alerion.it/fileadmin/Dateien/pdf/Bilanci-Annuali/ENG_RE_Ichnusa_civ_FS_311218.pdf));
- 7) the audited financial statements of Fri-el Campidano as at and for the year ended 31 December 2018 (the **Fri-el Campidano Report as at 31 December 2018**), previously published on the Issuer's Website (see the following hyperlink: [http://www.alerion.it/fileadmin/Dateien/pdf/Bilanci-Annuali/ENG\\_RE\\_Campidano\\_civ\\_FS\\_311218.pdf](http://www.alerion.it/fileadmin/Dateien/pdf/Bilanci-Annuali/ENG_RE_Campidano_civ_FS_311218.pdf)).

### Cross-reference list

The following table shows where the information incorporated by reference in this Prospectus can be found in the above-mentioned documents.

Document	Information incorporated by reference	Page numbers
Interim Report as at 30 June 2019	Consolidated half-year Income Statement	26
	Consolidated half-year statement of comprehensive income	27
	Consolidated half-year statement of financial position	24-25
	Consolidated half-year statement of cash flows	28
	Consolidated half-year statement of changes in shareholder's equity	29
	Basis of preparation and notes to the financial statement	30
	Independent auditor's report	85

<b>Document</b>	<b>Information incorporated by reference</b>	<b>Page numbers</b>
Interim Report as at 30 June 2018	Consolidated half-year Income Statement	24
	Consolidated half-year statement of comprehensive income	25
	Consolidated half-year statement of financial position	22-23
	Consolidated half-year statement of cash flows	26
	Consolidated half-year statement of changes in shareholder's equity	27
	Basis of preparation and notes to the financial statement	28
	Independent auditor's report	76
Annual Report 2018	Consolidated Income Statement	40
	Consolidated statement of comprehensive income	41
	Consolidated statement of financial position	38-39
	Consolidated statement of cash flows	42
	Consolidated statement of changes in shareholder's equity	43
	Basis of preparation and notes to the financial statement	44
	Independent auditor's report	134
Annual Report 2017	Consolidated Income Statement	35
	Consolidated statement of comprehensive income	36
	Consolidated statement of financial position	33-34
	Consolidated statement of cash flows	37
	Consolidated statement of changes in shareholder's equity	38
	Basis of preparation and notes to the financial statement	39
	Independent auditor's report	115
Comiolica Report as at 31 December 2018	Income Statement	7
	Balance Sheet	6
	Statement of cash flows	10
	Statement of changes in shareholder's equity	9
	Basis of preparation and notes to the financial statement	13
	Independent auditor's report	1
	Fri-el Ichnusa Report as at 31 December 2018	Income Statement
Balance Sheet		2
Basis of preparation and notes to the financial statement		5
Fri-el Campidano Report as at 31 December 2018	Income Statement	9



<b>Document</b>	<b>Information incorporated by reference</b>	<b>Page numbers</b>
	Balance Sheet	7
	Statement of cash flows	10
	Consolidated statement of changes in shareholder's equity	20
	Basis of preparation and notes to the financial statement	11

The documents set out above are translated into English from the original Italian. The Issuer has accepted responsibility for the accuracy of such translations. All the documents incorporated by reference in this Prospectus have been filed with the Central Bank of Ireland. As long as any applicable laws so require, copies of the documents incorporated by reference in this Prospectus can be obtained free of charge from the registered office of the Issuer, from the specified office of the Principal Paying Agent for the time being in London, from the website of the Issuer, *www.alerion.it*.

The information on the website of the Issuer (*www.alerion.it*), as well as any information on any other website mentioned in this Prospectus does not form part of this Prospectus and has not been scrutinized or approved by the CBI unless specific information is expressly incorporated by reference herein.

Any information incorporated by reference that is not included in the above cross-reference list is considered as additional information and is not required by the relevant schedules of the Commission Delegated Regulation (EU) 2019/980.

## UNAUDITED PROFORMA CONSOLIDATED FINANCIAL INFORMATION

### Unaudited Pro Forma Consolidated Financial Information as at 30 June 2019

#### Introduction

The unaudited pro-forma consolidated income statement and the unaudited pro-forma consolidated statement of financial position of the Alerion Group as at 30 June 2019 (together, the **Unaudited Pro-forma Consolidated Financial Information**), accompanied by the related explanatory notes are prepared to present the main effects of the acquisitions described below:

- (i) The acquisition through the subsidiaries Alerion Spain SL (**Alerion Spain**) and Alerion Teruel SL (**Alerion Teruel**) of the 100% of the share capital of Comiolica SL (together with Alerion Spain and Alerion Teruel, **Comiolica**), a company that owns a wind farm operating in Spain with an installed power of 36 MW (12 turbines of 3 MW) (the **Comiolica Acquisition**), that took place on 26 June 2019. The total consideration for the Comiolica Acquisition is approximately Euro 41 million (which includes reimbursement to the sellers of the shareholders' loan for Euro 25.4 million), financed both with own resources and both through a project financing loan agreement, for an amount equal to Euro 23.5 million, signed with a pool of Spanish banks composed of Banco Sabadell and Abanca. Moreover, on 5 July 2019 Alerion Clean Power and SIMEST, a company that together with SACE is the exports and internationalization division of the CDP Group, signed an agreement providing for an investment in support of the Alerion's development. In particular, the investment of SIMEST, made in the mixed form of a share capital increase and a shareholder loan, totalling Euro 10 million, is intended to support Alerion, through its local subsidiary Alerion Spain. Following a capital increase of the holding company that owns the Spanish assets, SIMEST has 49% of the share capital in Alerion Spain, over which Alerion Clean Power will retain control with 51% of the share capital. Considering the substance of the SIMEST investment agreement, SIMEST has been treated as lender for Alerion consolidation purposes, and consequently there are no minority interests considered in the consolidation of Comiolica.
- (ii) The acquisition from the related party Fri-El (a) of 100% of the share capital of Fri-el Ichnusa S.r.l. (**Fri-el Ichnusa**) and (b) of the totality of the financial receivables deriving from the shareholders' loan of which Fri-el Ichnusa is a beneficiary; it should be noted that Fri-el Ichnusa holds 100% of the share capital of Fri-el Campidano S.r.l. (**Fri-el Campidano** and, together with Fri-el Ichnusa, **Campidano**), which owns a 70 MW wind farm, located in Sardinia, consisting of 35 Vestas 2 MW wind turbines and in operation since September 2008 (the **Campidano Acquisition**). The value of the transaction in terms of Enterprise Value is equal to Euro 81 million. Taking into account the net financial debt of the acquired companies of Euro 21.3 million (including the shareholder's loan of Euro 4.4 million), the total consideration of the transaction is equal to Euro 64.1 million, of which Euro 59.7 million related to the price for the purchase of 100% of the share capital of Fri-el Ichnusa and Euro 4.4 million as the price for the purchase of the shareholder's loan. The total consideration has been paid - entirely with own resources - for Euro 15 million at the Execution Date of the acquisition (2 August 2019), as an advance for the purchase of the share, and the remaining part, equal to Euro 49.1 million, will be paid no later than 1 August 2022 increased by interests at a rate of 3% per annum.

The Unaudited Pro Forma Consolidated Financial Information as at 30 June 2019 has been examined by our independent auditors as reported in their reports appearing herein.

#### Basis of Preparation

The Unaudited Pro-forma Consolidated Financial Information has been prepared for illustrative purposes only, for the purpose of their inclusion in this Prospectus and does not represent what Alerion Group actual results would have been if the acquisitions and related financing transactions occurred on 30 June 2019 and 1 January 2019 nor is it meant to be indicative of any future results of operations of the Alerion Group.

The purpose of presenting the Unaudited Pro-Forma Consolidated Financial Information, the assumptions underlying its preparation, the attribution of the balance sheet and income statement items to our Group and the pro-forma adjustments are described in the following paragraphs.

The Unaudited Pro-Forma Consolidated Financial Information has been compiled on the basis stated and this is consistent with the accounting policies of the Issuer. Despite its compliance with generally accepted accounting standards and the use of reasonable assumptions, is not by its nature able to offer a representation of our Group's outlook results, balance sheet and/or financial position, considering that it was created to retroactively reflect the effects of subsequent transactions and, therefore, not relating to the dates to which pro-forma financial information is referred to.

Therefore, to properly interpret the information provided in the Unaudited Pro-Forma Consolidated Financial Information, it is necessary to consider the following:

- i. as these are representations built on assumptions, if the transactions considered had actually taken place at the pro-forma data reference dates, it is not necessarily true that the same results as those presented in the Unaudited Pro-Forma Consolidated Financial Information would have been obtained;
- ii. the pro-forma data do not reflect outlook data as it was prepared in order to represent only the effects of the execution of the transactions which can be isolated and objectively measured, without taking into account the potential effects of changes in our policies and operating decisions resulting from the execution of the transactions;
- iii. certain assumptions, used for the preparation of the Unaudited Pro-Forma Consolidated Financial Information have been made on the basis of the information available at the date of preparation. These assumption will therefore be updated after the definitive analysis that will be carried out during the following interim or annual financial statements prepared by us. Therefore, it cannot be excluded that this will show differences with respect to the data reflected in the Unaudited Pro-Forma Consolidated Financial Information.

The effects of the aforementioned acquisitions were reflected retroactively in the pro-forma consolidated balance sheet as if they had taken place in the Unaudited Pro-forma Consolidated Financial Information as if they happened on 30 June 2019 for the unaudited pro-forma consolidated statement of financial position and as if they happened on 1 January 2019 for the unaudited pro-forma consolidated income statement.

The unaudited pro-forma adjustments and the Unaudited Pro-forma Consolidated Financial Information set forth in this Prospectus are based on available information and certain assumptions and estimates that we believe are reasonable and may differ from the actual amounts. Also, given that different methods were used to calculate the effects of the two acquisitions on the unaudited pro-forma consolidated statement of financial position and on the unaudited pro-forma consolidated income statement, the Unaudited Pro-forma Consolidated Financial Information should be read and interpreted separately, without looking for any accounting links between them.

#### **Hypothesis, accounting principles and assumptions for the preparation of the Unaudited Pro-forma Consolidated Financial Information**

The Unaudited Pro-forma Consolidated Financial Information has been prepared starting from the unaudited interim condensed consolidated financial statements for the six-month period ended as at 30 June 2019 of the Alerion Group, aggregating with the consolidated financial statements for the six-month period ended as at 30 June 2019 of Comiolica and Campidano, adjusted to comply with the accounting principles used for the preparation of the consolidated financial statements of the Alerion Group, and adjusting these data with the entries necessary to reflect the pro-forma effects subsequently reported.

The Interim Report as at 30 June 2019 was approved by the Board of Directors of the Issuer on 26 July 2019. The half-yearly condensed consolidated financial statements of the Issuer as at 30 June 2019 included in the Interim Report as at 30 June 2019 have been subject to review by Deloitte & Touche S.p.A. that issued its report on 27 July 2019, with no remarks.

The unaudited consolidated financial statements of Comiolica at 30 June 2019 were prepared only for the purpose of their inclusion in the Alerion Interim Report as at 30 June 2019.

The unaudited consolidated financial statements of Campidano at 30 June 2019 were prepared only for the purpose of their inclusion in the Unaudited Pro-Forma Consolidated financial Information as at 30 June 2019.

The accounting principles adopted for the preparation of the Unaudited Pro-forma Consolidated Financial Information, where not specifically indicated, are the same as those used for the preparation of the consolidated

financial statements of the Alerion Group and therefore the International Financial Reporting Standards adopted by the European Union. These accounting standards are illustrated in the explanatory notes to the Consolidated financial statements of the Alerion Group.

The Unaudited Pro-forma Consolidated Financial Information is expressed in Euro, the functional currency of Alerion. Unless otherwise indicated, all amounts expressed in Euro have been rounded to thousands.

### Unaudited Pro-forma Consolidated Financial Information

The tables here below report the unaudited pro-forma consolidated statement of financial position as at 30 June 2019 and the unaudited pro-forma consolidated income statement for the six-month period ended 30 June 2019, accompanied by summarized explanatory notes.

Table 1: Unaudited pro-forma consolidated statement of financial position as at 30 June 2019

(in thousands of euro)	Alerion Consolidated Financial Statements	Comiolicia Consolidated Financial Information	Campidano Consolidated Financial Information	Alerion Historical Aggregated Data = (A + B + C)	# ADJ	Comiolicia Pro-forma adjustments	Campidano Accounting policy adjustments	# ADJ	Campidano Pro-forma adjustments	Alerion Group Pro-forma = (A + B + C + D)
	A	B	C			D1	D2a		D2b	
<b>NON-CURRENT ASSETS:</b>										
<b>Intangible assets</b>										
Intangible assets with a finite useful life	108,976	-	63	109,039		-		D2b.1	39,127	148,166
<b>Total intangible assets</b>	<b>108,976</b>	<b>-</b>	<b>63</b>	<b>109,039</b>		<b>-</b>			<b>39,127</b>	<b>148,166</b>
<b>Property, plant and equipment</b>	<b>326,157</b>	<b>-</b>	<b>52,536</b>	<b>378,693</b>			<b>1,252</b>			<b>379,945</b>
Equity investments in joint ventures measured using the equity method	17,765	-	-	17,765						17,765
Equity investments in associates measured using the equity method	-	-	-	-						-
Financial receivables and other non-current financial assets	3,788	-	-	3,788					-	3,788
Deferred tax assets	17,057	-	2,062	19,119		-				19,119
<b>TOTAL NON-CURRENT ASSETS</b>	<b>473,743</b>	<b>-</b>	<b>54,661</b>	<b>528,404</b>		<b>-</b>	<b>1,252</b>		<b>39,127</b>	<b>568,783</b>
<b>CURRENT ASSETS:</b>										
Trade receivables	3,470	-	194	3,664						3,664
Tax receivables	1,048	-	65	1,113						1,113
Sundry receivables and other current assets	39,371	-	8,070	47,441						47,441
Financial receivables and other current financial assets	850	-	3	853						853
Cash and cash equivalents	34,290	-	14,958	49,248	D1.1	9,900		D2b.2	(21,000)	38,148
<b>TOTAL CURRENT ASSETS</b>	<b>79,029</b>	<b>-</b>	<b>23,290</b>	<b>102,319</b>		<b>9,900</b>	<b>-</b>		<b>(21,000)</b>	<b>91,219</b>
<b>TOTAL ASSETS</b>	<b>552,772</b>	<b>-</b>	<b>77,951</b>	<b>630,723</b>		<b>9,900</b>	<b>1,252</b>		<b>18,127</b>	<b>660,002</b>
<b>SHAREHOLDERS' EQUITY</b>										
<b>ATTRIBUTABLE TO THE GROUP</b>	<b>140,552</b>	<b>-</b>	<b>31,031</b>	<b>171,583</b>		<b>-</b>	<b>-</b>	D2b.1	<b>(31,031)</b>	<b>140,552</b>
<b>ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	<b>2,625</b>	<b>-</b>	<b>-</b>	<b>2,625</b>						<b>2,625</b>
<b>NON-CURRENT LIABILITIES:</b>										
Non-current financial liabilities	294,402	-	27,366	321,768	D1.1	9,900		D2b.3	38,719	370,387
Non-current payables for derivatives	9,635	-	1,517	11,152		-				11,152
Post-employment benefits and other staff-related provisions	1,013	-	-	1,013						1,013
Deferred tax provision	16,484	-	2,231	18,715		-		D2b.1	10,439	29,154
Provisions for future risks and charges	11,168	-	-	11,168			1,252			12,420
Sundry payables and other non-current liabilities	3,084	-	5,639	8,723						8,723
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>335,786</b>	<b>-</b>	<b>36,753</b>	<b>372,539</b>		<b>9,900</b>	<b>1,252</b>		<b>49,158</b>	<b>432,849</b>
<b>CURRENT LIABILITIES:</b>										
Current financial liabilities	53,595	-	7,506	61,101		-				61,101
Current payables for derivatives	3,293	-	-	3,293		-				3,293
Current trade payables	8,781	-	838	9,619						9,619

Tax payables	3,143	-	979	4,122				4,122
Sundry payables and other current liabilities	4,997	-	844	5,841				5,841
<b>TOTAL CURRENT LIABILITIES</b>	<b>73,809</b>	<b>-</b>	<b>10,167</b>	<b>83,976</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,976</b>
<b>TOTAL LIABILITIES</b>	<b>409,595</b>	<b>-</b>	<b>46,920</b>	<b>456,515</b>	<b>9,900</b>	<b>1,252</b>	<b>49,158</b>	<b>516,825</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>552,772</b>	<b>-</b>	<b>77,951</b>	<b>630,723</b>	<b>9,900</b>	<b>1,252</b>	<b>18,127</b>	<b>660,002</b>

## Explanatory notes to the unaudited pro-forma consolidated statement of financial position

Details of the pro-forma adjustments relating to the unaudited pro-forma consolidated statement of financial position:

### (A) “Alerion Consolidated Financial Statements”

Column “A” includes the consolidated statement of financial position of the Alerion Group as at 30 June 2019, derived without material adjustments from the Interim Report as of and for the six-month period ended 30 June 2019.

### (B) “Comiolica Consolidated Financial Information”

Column “B” - Comiolica Consolidated Financial Information - since the Comiolica Acquisition occurred before 30 June 2019, the sub-consolidated statement of financial position of Comiolica as at 30 June 2019 has been already included in the Interim Report as at 30 June 2019 of the Alerion Group thus the Column “B” does not include this sub-consolidated statement of financial position

### (C) “Campidano Consolidated Financial Information”

Column “C” - Campidano Consolidated Financial Information - includes the sub-consolidated statement of financial position of Campidano as at 30 June 2019, adjusted to comply with the accounting principles used for the preparation of the consolidated financial statements of the Alerion Group.

The tables here below report the unaudited Campidano Consolidated Financial Information as of 30 June 2019.

(in thousands of euro)	Fri-el Ichnusa	Fri-el Campidano	Consolidation & Accounting Entries	Campidano Consolidated Financial Information
	C1	C2	C3	C4
<b>NON-CURRENT ASSETS:</b>				
<b>Intangible assets</b>				
Intangible assets with a finite useful life	-	63	-	63
<b>Total intangible assets</b>	-	<b>63</b>	-	<b>63</b>
<b>Property, plant and equipment</b>	-	<b>52,391</b>	<b>145</b>	<b>52,536</b>
Equity investments in joint ventures measured using the equity method	28,168	-	(28,168)	-
Equity investments in associates measured using the equity method	-	-	-	-
Financial receivables and other non-current financial assets	1,163	-	(1,163)	-
Deferred tax assets	-	2,062	-	2,062
<b>TOTAL NON-CURRENT ASSETS</b>	<b>29,331</b>	<b>54,516</b>	<b>(29,186)</b>	<b>54,661</b>
<b>CURRENT ASSETS:</b>				
Trade receivables	-	194	-	194
Tax receivables	1,512	65	(1,512)	65
Sundry receivables and other current assets	213	7,857	-	8,070
Financial receivables and other current financial assets	113	3	(113)	3
Cash and cash equivalents	6,056	8,902	-	14,958
<b>TOTAL CURRENT ASSETS</b>	<b>7,894</b>	<b>17,021</b>	<b>(1,625)</b>	<b>23,290</b>
<b>TOTAL ASSETS</b>	<b>37,225</b>	<b>71,537</b>	<b>(30,811)</b>	<b>77,951</b>

(in thousands of euro)	Fri-el Ichnusa	Fri-el Campidano	Consolidation & Accounting Entries	Campidano Consolidated Financial Information
	C1	C2	C3	C4
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP</b>	<b>25,953</b>	<b>28,168</b>	<b>(23,090)</b>	<b>31,031</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	-	-	-	-
<b>NON-CURRENT LIABILITIES:</b>				
Non-current financial liabilities	10,410	17,989	(1,033)	27,366
Non-current payables for derivatives	-	1,517	-	1,517

Post-employment benefits and other staff-related provisions	-	-	-	-
Deferred tax provision	-	383	1,848	2,231
Provisions for future risks and charges	-	-	-	-
Sundry payables and other non-current liabilities	-	13,241	(7,602)	5,639
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>10,410</b>	<b>33,130</b>	<b>(6,787)</b>	<b>36,753</b>
<b>CURRENT LIABILITIES:</b>				
Current financial liabilities	-	7,604	(98)	7,506
Current payables for derivatives	-	-	-	-
Current trade payables	19	819	-	838
Tax payables	840	1,651	(1,512)	979
Sundry payables and other current liabilities	3	165	676	844
<b>TOTAL CURRENT LIABILITIES</b>	<b>862</b>	<b>10,239</b>	<b>(934)</b>	<b>10,167</b>
<b>TOTAL LIABILITIES</b>	<b>11,272</b>	<b>43,369</b>	<b>(7,721)</b>	<b>46,920</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>37,225</b>	<b>71,537</b>	<b>(30,811)</b>	<b>77,951</b>

Columns “C1” and “C2” of the Campidano Consolidated Financial Information include the unaudited interim financial information of Fri-el Ichnusa and Fri-el Campidano reclassified to be aligned with the Issuer financial statement format.

Column “C3” of the Campidano Consolidated Financial Information includes the consolidation and accounting entries considered in order to prepare the Campidano Consolidated Financial Information consistently with the accounting policies of the Issuer. The breakdown of the consolidation and accounting entries are presented in the table below:

(in thousands of euro)	Intercompany Balances Elimination	Contribution Law 488/92	Reclassification of Contribution Law 488/92 – short term	IFRS 16 Adoption	Consolidation & Accounting Entries
	#ADJ C3.1	#ADJ C3.2	#ADJ C3.3	#ADJ C3.4	C3
<b>Property, plant and equipment</b>				<b>145</b>	<b>145</b>
Equity investments in joint ventures measured using the equity method	(28,168)				(28,168)
Financial receivables and other non-current financial assets	(1,163)				(1,163)
Tax receivables	(1,512)				(1,512)
Financial receivables and other current financial assets	(113)				(113)
<b>TOTAL ASSETS</b>	<b>(30,956)</b>	<b>-</b>	<b>-</b>	<b>145</b>	<b>(30,811)</b>
Non-current financial liabilities	1,163			(130)	1,033
Deferred tax provision		(1,848)			(1,848)
Sundry payables and other non-current liabilities		6,926	676		7,602
Current financial liabilities	113			(15)	98
Tax payables	1,512				1,512
Sundry payables and other current liabilities			(676)		(676)
<b>TOTAL LIABILITIES</b>	<b>2,688</b>	<b>5,078</b>	<b>-</b>	<b>(145)</b>	<b>7,721</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP</b>	<b>(28,168)</b>	<b>5,078</b>	<b>-</b>	<b>-</b>	<b>(23,090)</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>(30,956)</b>				<b>(30,811)</b>

#### #ADJ C3.1 Intercompany Balances Elimination

#ADJ C3.1 Intercompany Balances Elimination	Fri-el Ichnusa Intercompany Balances		Fri-el Campidano Intercompany Balances
(in thousands of euro)	C3.1		
Equity investments in joint ventures measured using the equity method	(28,168)	against Shareholder's equity	
Financial receivables and other non-current financial assets	(1,163)	Non-current financial liabilities	1,163
Financial receivables and other current financial assets	(113)	Current financial liabilities	113

Tax receivables	( 1,512 )	Tax payables	1,512
<b>TOTAL ASSETS</b>	<b>( 30,956 )</b>	<b>TOTAL LIABILITIES</b>	<b>2,688</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP</b>			<b>( 28,168 )</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>			<b>( 30,956 )</b>

This pro-forma adjustment is posted in order to eliminate the intercompany balances between Fri-el Ichnusa and Fri-el Campidano sourced from respective unaudited interim financial information as of and for the sixth-month period ended 30 June 2019. The total intercompany assets hold by Fri-el Ichnusa equal to Euro 30,956 and related to the “**Equity investments**” in Fri-el Campidano, the “**Financial receivables and other non-current financial assets**”, the “**Financial receivables and other current financial assets**” and the “**Tax receivables**” are eliminated versus the total intercompany liabilities of Fri-el Campidano equal to Euro 2,688 thousand, and related to the “**Non-current financial liabilities**”, “**Current financial liabilities**” and “**Tax payables**”, versus the value of the “**Shareholders' equity**” equal to Euro 28,168 thousand.

The intercompany tax receivables hold by Fri-el Ichnusa eliminated against the intercompany tax payables by Fri-el Campidano, are due to the adoption of the group Italian tax filing system by which the controlled company transfers its tax profit or loss to the parent company and the parent company recognises an intercompany receivable corresponding to the amount of tax it pays for the controlled company.

#### #ADJ C3.2 Contribution Law 488/92

(in thousands of euro)	#ADJ C3.2	Contribution Law 488/92	Explanation of Adjustment # C3.2
Total contribution received by Fri-el Campidano as provided by the Italian Law 488/92	(A)	13,241	This pro-forma adjustment is posted in order to align the recognition of the contribution provided by the Italian Law 488/92 on the wind farm construction costs to the wind farm depreciation period and useful life. The total amount of the prepaid contribution and the useful life of the Campidano wind farm on which this adjustment is based have been sourced from the unaudited interim financial information as of and for the sixth-month period ended 30 June 2019.
Campidano “Plant and machinery” cost as at 30 June 2019	(B)	106,835	
Campidano “Plant and machinery” total depreciation as at 30 June 2019	(C)	55,770	
<b>Depreciation incidence as at 30 June 2019</b>	<b>D = (C / B)</b>	<b>52,3%</b>	
<b>Contribution already realized as at 30 June 2019</b>	<b>E = (A * D)</b>	<b>6,926</b>	
Tax Effect IRES (24%) + IRAP (2,68%)	<b>F = E * (24% + 2,68%)</b>	1,848	
<b>Shareholder's equity effects</b>	<b>= E - F</b>	<b>5,078</b>	

#### #ADJ C3.3 Reclassification of Contribution Law 488/92 – short term

This pro-forma adjustment is posted in order to record as a short term liability the part of the prepaid contribution provided by the Italian Law 488/92 equal to Euro 676 thousand that will be realized within 12 months. The reclassification is made from the caption “**Sundry payables and other non-current liabilities**” to the caption “**Sundry payables and other current liabilities**”.

#### #ADJ C3.4 IFRS 16 Adoption

(in thousands of euro)	#ADJ C3.4	IFRS 16 Adoption	Explanation of Adjustment # C3.2
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Right of Use calculated as provided by IFRS 16 on future lease payments and recorded in the caption “ <b>Property, plant and equipment</b> ”	(A)	145	
Lease Liabilities due after 12 months calculated as provided by IFRS 16 on future lease payments Campidano and recorded in the caption “ <b>Non-current financial liabilities</b> ”	(B)	130	This pro-forma adjustment is posted in according to the adoption of the accounting principle IFRS 16
Lease Liabilities due within 12 months calculated as provided by IFRS 16 on future lease payments Campidano and recorded in the caption “ <b>Non-current financial liabilities</b> ”	(C)	15	
<b>Shareholder’s equity effects</b>	<b>= A - B - C</b>	<b>-</b>	

Column “C4” of the Campidano Consolidated Financial Information includes the Campidano Consolidated Financial Information.

(D1) Pro-forma adjustments: “Comiolica Pro-forma Adjustments”

The “D1” column reflects the pro-forma effects related to the financing of the Comiolica acquisition (**Comiolica financing**).

Considering the Comiolica Acquisition was executed within the last 12 months, the accounting of such acquisition is only provisional as the purchase price allocation process (Purchase Price Allocation or “PPA”) has not yet been completed. Therefore, any economic effect, which may arise as a result of the allocation of the fair value price of the net assets acquired, is not shown in the consolidated income statement and the pro-forma consolidated income statement.

Therefore, in the unaudited pro-forma consolidated financial information the acquisition value was provisionally recognized as goodwill and any adjustment deriving from the completion of the PPA will be included within 12 months from the date of the acquisition as provided by IFRS 3.

Comiolica financing - The consideration for the acquisition of the participation amounted to Euro 41,131 thousand of which Euro 25,400 thousand was used to purchase the shares and the remainder to repay the shareholder loan, financed partly with cash for euro 17,629 million and partly through the proceeds of a project finance facilities agreement, for an amount equal to euro 23,502 million, executed with a pool of Spanish banks composed by Banco Sabadell and Abanca. The effects of acquisition are already included in the interim condensed consolidated financial statement for the six-month period ended 30 June 2019 of Alerion Group.

# **ADJ D1.1** The pro-forma adjustment related to “**Cash and cash equivalents**” amounting to Euro 9,900 thousand reflects the effects of the financing for the acquisition of Comiolica and is related to the proceeds of financing agreement with SIMEST amounting to Euro 9,900 thousand.

(in thousands of euro)	#ADJ D1.1	Comiolica Pro-forma adjustments	Explanation of Adjustments
Proceeds of financing agreement with SIMEST		9,900	Increase of the Cash and cash equivalents for the amounting of the proceeds derived from the financing agreement with SIMEST
<b>Cash and cash equivalents</b>		<b>9,900</b>	

# **ADJ D1.1** The pro-forma adjustments related to “**Non-Current financial liabilities**” amounting to Euro 9,900 thousand at the acquisition date (June 30, 2019) is due to the financing agreement with SIMEST amounting to



Euro 9,900 thousand. The financing agreement will be paid no later than 30 June 2027 increased by interests at a rate of 4.5% per annum. The liability includes the fair value, equal to Euro 49 thousand, of a put option own by SIMEST to sell the share capital of Alerion Spain to Alerion.

(in thousands of euro)	#ADJ D1.1	Comiolica Pro-forma adjustments	Explanation of Adjustments
Financing agreement with SIMEST		9,900	Increase of the Cash and cash equivalents for the amounting of the proceeds derived from the financing agreement with SIMEST
<b>Cash and cash equivalents</b>		<b>9,900</b>	

(D2a) Pro-forma adjustments: “Campidano Accounting policy adjustments”

The “D2a” column reflects the pro-forma effects related to the accounting policy adjustment on the estimation of restoration costs for the dismantling and the removing of the Campidano wind farm at the end of the concession, equal to Euro 1,252 thousand, as explained in the table below:

(in thousands of euro)	#ADJ D2a	Campidano Pro-forma adjustments	Explanation of Adjustment # D2a
Property, plant and equipment		1,252	Increase both of the "Property, plant and equipment" and of "Provisions for future risks and charges" for an amounting of Euro 1,252 thousand in order to be compliant with the Group accounting policy related to the dismantling cost. The adjustment reflects the estimation of restoration costs for the dismantling and the removing of the Campidano wind farm at the end of the concession.
Provisions for future risks and charges		1,252	

(D2b) Pro-forma adjustments: “Campidano Pro-forma Adjustments”

The “D2b” column reflects the pro-forma effects related both to the accounting of the Campidano acquisition (**Campidano Acquisition**) and to its financing (**Campidano financing**).

# ADJ D2b.1 Campidano Business Acquisition - The acquisition has been accounted for by applying the “acquisition method” of accounting, in accordance with the International accounting principle “IFRS 3 - Business combinations” as adopted by the European Union. The main effects related to the business combination are the following:

(in thousands of euro)	#ADJ D2b.1	Campidano Pro-forma adjustments	Explanation of Adjustments
Consideration paid for the Comiolica Acquisition	(A)	59,719	Allocation of Euro 44,439 thousand as <b>Intangible assets with a finite life due to</b> the difference arising between the consideration paid for the Campidano Acquisition, equal to Euro 59,719 thousand, and the net assets acquired at the acquisition date;
Campidano net assets acquired at the acquisition date	(B)	( 31,031 )	Campidano Net Assets sourced from the statutory financial statements for the period ended 30 June 2019
<b>Difference between the Consideration paid for the Campidano Acquisition and the Net Assets at the Acquisition Date</b>	<b>(C) = (A + B)</b>	<b>28,688</b>	

Tax effect calculated on the difference between the Consideration paid for the Campidano Acquisition and the Net Assets Adjusted at the Acquisition Date

10,439

The deferred tax liabilities arisen from applying the "acquisition method" of accounting, in accordance with the International accounting principle "IFRS 3 - Business combinations" as adopted by the European Union

<b>Intangible assets with a finite life</b>	<b>(E) = (C + D)</b>	<b>39,127</b>
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Considering the Campidano Acquisition was executed within the last 12 months, the accounting of such acquisition is only provisional as the purchase price allocation process (Purchase Price Allocation or "PPA") has not yet been completed. Therefore, any economic effect, which may arise as a result of the allocation of the fair value price of the net assets acquired, is not shown in the consolidated income statement and the pro-forma consolidated income statement.

Therefore, in the unaudited pro-forma consolidated financial information the acquisition value was provisionally recognized as goodwill and any adjustment deriving from the completion of the PPA will be included within 12 months from the date of the acquisition as provided by IFRS 3.

Campidano Financing - the total consideration of the transaction is equal to Euro 64,129 thousand, of which Euro 59,719 thousand related to the price for the purchase of 100% of the share capital of Fri-el Ichnusa and Euro 4,410 thousand as the price for the purchase of the shareholder's loan. The total consideration will be paid - entirely with own resources - for Euro 15,000 thousand, at the Execution Date of the acquisition, as an advance for the purchase of the share, and the remaining part, equal to Euro 49,129 thousand, will be paid no later than 1 August 2022 increased by interests at a rate of 3% per annum. It should be noted that the shareholder's loan versus Fri-El included in the Campidano financial information as at 30 June 2019 amounted to euro 10,410 thousand. On 2 July 2019, before the Campidano Acquisition, Fri-el Ichnusa made a partial repayment of that shareholder's loan for an amount of Euro 6,000 thousand. In order to align the shareholder's loan as at June 30, 2019 to the amount purchased by Alerion, sourced from the share purchase agreement (Euro 4,410 thousand), the partial repayment was considered as a pro-forma adjustment as at 30 June 2019 (#ADJ D2b.2 and # ADJ D2b.3).

The pro-forma adjustment # ADJ D2b.2 related to "Cash and cash equivalents" amounting to Euro 21,000 thousand reflects:

(in thousands of euro)	#ADJ D2b.2	Campidano Pro-forma adjustments	Explanation of Adjustments
Consideration paid according to the share purchase agreement with Fri-el	(A)	( 15,000 )	Decrease of the "Cash and cash equivalents" due to the payment for the purchase of 100% of the share capital of Fri-el Ichnusa at the Acquisition date for an amount of Euro 15,000 thousand, sourced share purchase agreement with Fri-el;
Partial repayment of the shareholders' loan	(B)	( 6,000 )	Decrease of the "Cash and cash equivalents" due to the anticipated partial repayment of the shareholder's loan made by Fri-el Ichnusa on 2 July 2019, for an amount of Euro 6,000 thousand, included in the unaudited pro-forma consolidated financial information in order to align the shareholder's loan as at June 30, 2019 to the amount purchased by Alerion, sourced share purchase agreement with Fri-el;
<b>Cash and cash equivalents</b>		<b>( 21,000 )</b>	

The pro-forma adjustments # ADJ D2b.3 related to "Non-Current financial liabilities" amounting to Euro 38,719 thousand reflects:

(in thousands of euro)	#ADJ D2b.3	Campidano Pro-forma adjustments	Explanation of Adjustments
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Non-Current portion of the financial debt with Fri-el for the purchase of the shares of Ichnusa	(A)	49,129	The increase in financial debt with Fri-el for the remaining part of the purchase price of 100% of the share capital of Friel Ichnusa for an amount of Euro 49,129 thousand; Sourced the share purchase agreement
Non Current portion of the Shareholders' loan between Ichnusa and Fri-el pre-exiting the acquisition of the company	(B)	( 6,000 )	The decrease in financial debt for the anticipated partial repayment of the shareholder's loan made by Friel Ichnusa, for an amount of Euro 5,919 thousand. Sourced the Ichnusa financial statement
Elimination of the financial debt with Fri-el for the purchase of the shares of Ichnusa	(C)	( 4,410 )	The decrease in financial debt for the purchase of the residual shareholder's loan for Euro 4,410 thousand, eliminated in the Alerion Group pro-forma statement. Sourced the share purchase agreement
<b>Non-current financial liabilities</b>		<b>= (A+B+C) 38,719</b>	

Table 2: Unaudited pro-forma consolidated income statement for the period ended 30 June 2019

(in thousands of euro)	Alerion Consolidated Financial Statements	Comiolica Consolidated Financial Information	Campidano Consolidated Financial Information	Alerion Historical Aggregated Data = ( A + B + C )	# ADJ	Comiolica Pro-forma adjustments	Campidano Accounting policy adjustments	# ADJ	Campidano Pro-forma adjustments	Alerion Group Pro-forma = (A + B+ C + D)
	A	B	C			D1	D2a		D2b	
Electricity sales	13,610	4,727	3,573	21,910						21,910
Revenues from incentive tariff	16,525		6,384	22,909						22,909
<b>Operating revenues</b>	<b>30,135</b>	<b>4,727</b>	<b>9,957</b>	<b>44,819</b>		-			-	<b>44,819</b>
<b>Other sundry revenues and income</b>	<b>775</b>		<b>373</b>	<b>1,148</b>						<b>1,148</b>
<b>Total revenues</b>	<b>30,910</b>	<b>4,727</b>	<b>10,330</b>	<b>45,967</b>		-			-	<b>45,967</b>
<b>Operating costs</b>										
Staff costs	1,118	189		1,307						1,307
Other operating costs	6,638	1,136	1,878	9,652						9,652
Provisions for risks	39			39						39
<b>Total operating costs</b>	<b>7,795</b>	<b>1,325</b>	<b>1,878</b>	<b>10,998</b>		-			-	<b>10,998</b>
<b>Change in joint ventures measured using the equity method</b>	<b>2,089</b>			<b>2,089</b>						<b>2,089</b>
Depreciation and amortisation	11,583	907	2,752	15,242	D1.1	609	58	D2b.1	1,058	16,967
Write-downs and value adjustments	-			-						-
<b>Total depreciation, amortisation and write-downs</b>	<b>11,583</b>	<b>907</b>	<b>2,752</b>	<b>15,242</b>		<b>609</b>	<b>58</b>		<b>1,058</b>	<b>16,967</b>
<b>OPERATING RESULT</b>	<b>13,621</b>	<b>2,495</b>	<b>5,700</b>	<b>21,816</b>		<b>( 609 )</b>	<b>( 58 )</b>		<b>( 1,058 )</b>	<b>20,091</b>
Financial income	125		5	130						130
Financial expenses	( 5,430 )	( 385 )	( 784 )	( 6,599 )	D1.2	( 277 )	( 8 )	D2b.2	( 656 )	( 7,540 )
<b>Financial income (expenses)</b>	<b>( 5,305 )</b>	<b>( 385 )</b>	<b>( 779 )</b>	<b>( 6,469 )</b>		<b>( 277 )</b>	<b>( 8 )</b>		<b>( 656 )</b>	<b>( 7,410 )</b>
Income (expenses) from equity investments and other financial assets	18			18						18
<b>PROFIT BEFORE TAX</b>	<b>8,334</b>	<b>2,110</b>	<b>4,921</b>	<b>15,365</b>		<b>( 886 )</b>	<b>( 66 )</b>		<b>( 1,714 )</b>	<b>12,699</b>
Current	( 2,275 )	( 447 )	( 904 )	( 3,626 )						( 3,626 )
Deferred	227	( 81 )	( 445 )	( 299 )	D1.1 D1.2	( 87 )	18	D2b.1 D2b.2	440	72
<b>Taxes for the year</b>	<b>( 2,048 )</b>	<b>( 528 )</b>	<b>( 1,349 )</b>	<b>( 3,925 )</b>		<b>( 87 )</b>	<b>18</b>		<b>440</b>	<b>( 3,554 )</b>
<b>NET RESULT FOR THE YEAR</b>	<b>6,286</b>	<b>1,582</b>	<b>3,572</b>	<b>11,440</b>		<b>( 973 )</b>	<b>( 48 )</b>		<b>( 1,274 )</b>	<b>9,145</b>
Attributable to:										
Parent Company shareholders	6,116	1,582	3,572	11,270		( 973 )	( 48 )		( 1,274 )	8,975
Non-controlling interests	170									170

## Explanatory notes to the unaudited pro-forma consolidated income statement

Details of the pro-forma adjustments relating to the unaudited pro-forma consolidated income statement:

(A) "Alerion Consolidated Financial Statements"

Column "A" includes the Consolidated income statement as at 30 June 2019 of the Alerion Group, derived without material adjustments from the Interim Report 2019.

(B) "Comiolica Consolidated Financial Information"

Column "B" - Comiolica Consolidated Financial Information - includes the sub-consolidated income statements of Alerion Spain, Alerion Teruel and Comiolica SL for the six-month period ended 30 June 2019, adjusted to

comply with the accounting principles used for the preparation of the consolidated financial statements of the Alerion Group.

The table here below reports the unaudited Comiolica Consolidated Financial Information for the six-month period ended 30 June 2019.

(in thousands of euro)	Alerion Spain	Alerion Teruel	Comiolica	Consolidation & Accounting Entries	Comiolica Consolidated Financial Information
	B1	B2	B3	B4	B5
Electricity sales	-	-	4,727	-	4,727
Revenues from incentive tariff	-	-	-	-	-
<b>Operating revenues</b>	-	-	<b>4,727</b>	-	<b>4,727</b>
<b>Other sundry revenues and income</b>	-	-	-	-	-
<b>Total revenues</b>	-	-	<b>4,727</b>	-	<b>4,727</b>
<b>Operating costs</b>	-	-	-	-	-
Staff costs	-	-	189	-	189
Other operating costs	-	-	1,195	(59)	1,136
Provisions for risks	-	-	-	-	-
<b>Total operating costs</b>	-	-	<b>1,384</b>	<b>(59)</b>	<b>1,325</b>
<b>Change in joint ventures measured using the equity method</b>	-	-	-	-	-
Depreciation and amortisation	-	-	1,172	(265)	907
Write-downs and value adjustments	-	-	-	-	-
<b>Total depreciation, amortisation and write-downs</b>	-	-	<b>1,172</b>	<b>(265)</b>	<b>907</b>
<b>OPERATING RESULT</b>	-	-	<b>2,171</b>	<b>324</b>	<b>2,495</b>
Financial income	-	-	-	-	-
Financial expenses	-	-	(383)	(2)	(385)
<b>Financial income (expenses)</b>	-	-	<b>(383)</b>	<b>(2)</b>	<b>(385)</b>
<b>Income (expenses) from equity investments and other financial assets</b>	-	-	-	-	-
<b>PROFIT BEFORE TAX</b>	-	-	<b>1,788</b>	<b>322</b>	<b>2,110</b>
Current	-	-	(447)	-	(447)
Deferred	-	-	-	(81)	(81)
<b>Taxes for the year</b>	-	-	<b>(447)</b>	<b>(81)</b>	<b>(528)</b>
<b>NET RESULT FOR THE YEAR</b>	-	-	<b>1,341</b>	<b>241</b>	<b>1,582</b>
Attributable to:					
<b>Parent Company shareholders</b>	-	-	<b>1,341</b>	<b>241</b>	<b>1,582</b>
<b>Non-controlling interests</b>	-	-	-	-	-

Columns “B1”, “B2”, “B3” of the Comiolica Consolidated Financial Information include the unaudited interim financial information of Alerion Spain, Alerion Teruel and Comiolica reclassified to be aligned with the Issuer financial statement format. Alerion Spain and Alerion Teruel are Alerion Group sub-holdings companies incorporated during the first half of 2019 to hold the 100% of Comiolica share capital thus their stand-alone income statements do not include any revenue, cost, income or expenses other than the one already included in the Comiolica pro-forma adjustment and in particular related to the Comiolica Financing.

Column “B4” of the Comiolica Consolidated Financial Information includes the consolidation and accounting entries considered in order to prepare the Comiolica Consolidated Financial Information consistently with the accounting policies of the Issuer. The breakdown of the consolidation and accounting entries are as below:

(in thousands of euro)	Wind farm depreciation adjustment	IFRS 16 Adoption	Consolidation & Accounting Entries
	B4.1	B4.2	B4
Other operating costs	-	59	59
Depreciation and amortisation	306	(41)	265
Financial expenses	-	(2)	(2)
<b>Taxes for the year</b>	<b>(77)</b>	<b>(4)</b>	<b>(81)</b>
<b>NET RESULT FOR THE YEAR</b>	<b>229</b>	<b>12</b>	<b>241</b>

#ADJ B4.1 Wind farm depreciation adjustment

(in thousands of euro)	#ADJ B4.1	Wind farm depreciation adjustment	Explanation of Adjustment # B4.1

Fixed assets depreciation recorded in Comiolica Interim Financial Information (source Comiolica Interim Financial Information as of and for the six-month ending 30 June 2019)	(A)	1.167	This pro-forma adjustment is posted in order to align the useful life of the Comiolica wind power plant to the Alerion Group's depreciation policy.
Fixed asset depreciation aligned to Alerion Group's depreciation policy	(B)	861	
<b>Adjustment in Comiolica Depreciation</b>	<b>(C) = (A) – (B)</b>	<b>306</b>	
Tax Effect (25%)	D = C * (25%)	77	
<b>Net result for the year effect</b>	<b>= C - D</b>	<b>229</b>	

#### #ADJ B4.2 IFRS 16 Adoption

(in thousands of euro)	#ADJ B4.2	IFRS 16 Adoption	Explanation of Adjustment # B4.2
Elimination of costs related to lease payment of the six-month period ended 30 June 2019 as provided by IFRS 16 and recorded in the caption “Other operating costs”	(A)	59	This pro-forma adjustment is posted in order to record the economical effects of the IFRS 16 adoption for the sixth-month period ended 30 June 2019.
Depreciation of the Right of Use assets calculated as provided by IFRS 16 on future lease payments and recorded in the caption “Depreciation and amortisation”	(B)	(41)	
Financial expenses on the Lease Liabilities calculated as provided by IFRS 16 on future lease payments and recorded in the caption “Financial expenses”	(C)	(2)	
Tax Effect (25%)	(D) = ((A) – (B) – (C)) * (25%)	(4)	
<b>Net result for the year effect</b>	<b>= (A) + (B) + (C) + (D)</b>	<b>12</b>	

Column “B5” of the Comiolica Consolidated Financial Information includes the Comiolica Consolidated Financial Information.

(C) “Campidano Consolidated Financial Information”

Column “C” - Campidano Consolidated Financial Information - includes the sub-consolidated income statements of Fri-el Ichnusa and Fri-el Campidano for the six-month period ended 30 June 2019, adjusted to comply with the accounting principles used for the preparation of the consolidated financial statements of the Alerion Group.

The tables here below report the unaudited Campidano Consolidated Financial Information for the six-month period ended 30 June 2019.

(in thousands of euro)	Fri-el Ichnusa	Fri-el Campidano	Consolidation & Accounting Entries	Campidano Consolidated Financial Information
	C1	C2	C3	C4
Electricity sales	-	3,573	-	3,573
Revenues from incentive tariff	-	6,384	-	6,384
<b>Operating revenues</b>	-	<b>9,957</b>	-	<b>9,957</b>
<b>Other sundry revenues and income</b>	-	<b>34</b>	<b>339</b>	<b>373</b>

<b>Total revenues</b>	-	<b>9,991</b>	<b>339</b>	<b>10,330</b>
<b>Operating costs</b>				
Staff costs	-	-	-	-
Other operating costs	43	1,841	(6)	1,878
Provisions for risks	-	-	-	-
<b>Total operating costs</b>	<b>43</b>	<b>1,841</b>	<b>(6)</b>	<b>1,878</b>
<b>Change in joint ventures measured using the equity method</b>	<b>3,501</b>	-	<b>(3,501)</b>	-
Depreciation and amortisation	-	2,748	4	2,752
Write-downs and value adjustments	-	-	-	-
<b>Total depreciation, amortisation and write-downs</b>	-	<b>2,748</b>	<b>4</b>	<b>2,752</b>
<b>OPERATING RESULT</b>	<b>3,458</b>	<b>5,402</b>	<b>(3,160)</b>	<b>5,700</b>
Financial income	19	5	(19)	5
Financial expenses	(81)	(718)	15	(784)
<b>Financial income (expenses)</b>	<b>(62)</b>	<b>(713)</b>	<b>(4)</b>	<b>(779)</b>
<b>Income (expenses) from equity investments and other financial assets</b>	-	-	-	-
<b>PROFIT BEFORE TAX</b>	<b>3,396</b>	<b>4,689</b>	<b>(3,164)</b>	<b>4,921</b>
Current	242	(1,146)	-	(904)
Deferred	(221)	(43)	(181)	(445)
<b>Taxes for the year</b>	<b>21</b>	<b>(1,189)</b>	<b>(181)</b>	<b>(1,349)</b>
<b>NET RESULT FOR THE YEAR</b>	<b>3,417</b>	<b>3,500</b>	<b>(3,345)</b>	<b>3,572</b>
Attributable to:				
<b>Parent Company shareholders</b>	<b>3,417</b>	<b>3,500</b>	<b>(3,345)</b>	<b>3,572</b>
<b>Non-controlling interests</b>				

Columns “C1” and “C2” of the Campidano Consolidated Financial Information include the unaudited interim financial information of Fri-el Ichnusa and Fri-el Campidano reclassified to be aligned with the Issuer financial statement format.

Column “C3” of the Campidano Consolidated Financial Information includes the consolidation and accounting entries considered in order to prepare the Campidano Consolidated Financial Information consistently with the accounting policies of the Issuer. The breakdown of the consolidation and accounting entries are as below:

(in thousands of euro)	Intercompany Balances Elimination	Contribution Law 488/92	IFRS 16 Adoption	Consolidation & Accounting Entries
	C3.1	C3.2	C3.3	C3
<b>Other sundry revenues and income</b>		<b>339</b>		<b>339</b>
Other operating costs			6	6
<b>Change in joint ventures measured using the equity method</b>	<b>(3,501)</b>			<b>(3,501)</b>
Depreciation and amortisation			(4)	(4)
Financial income	(19)			(19)
Financial expenses	19		(4)	15
<b>Taxes for the year</b>	<b>(92)</b>	<b>(90)</b>	<b>1</b>	<b>(181)</b>
<b>NET RESULT FOR THE YEAR</b>	<b>(3,593)</b>	<b>249</b>	<b>(1)</b>	<b>(3,345)</b>

#### #ADJ C3.1 Intercompany Balances Elimination

#ADJ C3.1 Intercompany Balances Elimination (in thousands of euro)	Fri-el Ichnusa Intercompany Balances	Fri-el Campidano Intercompany Balances	
Change in joint ventures measured using the equity method	(3,501)		Elimination of the income related to the remeasurement of the Fri-el Campidano investment measured using the equity method in the Fri-el Ichnusa financial information.
Financial income	(19)	19	Elimination of the financial income recorded by Fri-el

		Ichnusa on the intercompany loan hold to Fri-el Campidano
Taxes for the year	(92) <i>against Net result for the year</i>	Elimination of the release of the intercompany provision on an deferred tax asset recorded by Fri-el Ichnusa
<b>NET RESULT FOR THE YEAR</b>		<b>(3,593)</b>

This pro-forma adjustment is posted for the elimination of the intercompany balances between Fri-el Ichnusa and Fri-el Campidano sourced from respective unaudited interim financial information as of and for the sixth-month period ended 30 June 2019.

#### #ADJ C3.2 Contribution Law 488/92

(in thousands of euro)	#ADJ C3.2	Contribution Law 488/92	Explanation of Adjustment # C3.2
Total contribution received by Fri-el Campidano as provided by the Italian Law 488/92	(A)	13,241	
Campidano "Plant and machinery" cost as at 30 June 2019	(B)	106,835	
Campidano "Plant and machinery" total depreciation as at 30 June 2019	(C)	55,770	This pro-forma adjustment is posted in order to align the recognition of the contribution provided by the Italian Law 488/92 on the wind farm construction costs to the wind farm depreciation period and useful life. The total amount of the prepaid contribution and the useful life of the Campidano wind farm on which this adjustment is based have been sourced from the unaudited interim financial information as of and for the sixth-month period ended 30 June 2019.
<b>Depreciation incidence as at 30 June 2019</b>	<b>(D) = (C / B)</b>	<b>52,3%</b>	
<b>Contribution already realized as at 30 June 2019</b>	<b>(E) = (A * D)</b>	<b>6,926</b>	
Campidano "Plant and machinery" cost as at 31 December 2018	(F)	106,483	
Campidano "Plant and machinery" total depreciation as at 31 December 2018	(G)	52,872	
<b>Depreciation incidence as at 31 December 2018</b>	<b>(H) = (F / G)</b>	<b>49,8%</b>	
<b>Contribution already realized as at 31 December 2018</b>	<b>(I) = (A * H)</b>	<b>6,587</b>	
<b>Contribution released in the sixth-month period ended 30 June 2019</b>	<b>(J) = (E) - (I)</b>	<b>339</b>	
Tax Effect IRES (24%) + IRAP (2,68%)	K = J * (26,68%)	90	
<b>Net result for the year effect</b>	<b>= J - K</b>	<b>249</b>	

#### #ADJ C3.3 IFRS 16 Adoption

(in thousands of euro)	#ADJ C3.3	IFRS 16 Adoption	Explanation of Adjustment # C3.3
Elimination of costs related to lease payment of the six-month period ended 30 June 2019 as provided by IFRS 16 and recorded in the caption " <b>Other operating costs</b> "	(A)	6	
Depreciation of the Right of Use assets calculated as provided by IFRS 16 on future lease payments and recorded in the caption " <b>Depreciation and amortisation</b> "	(B)	(4)	This pro-forma adjustment is posted in order to record the economical effects of the IFRS 16 adoption for the sixth-month period ended 30 June 2019.
Financial expenses on the Lease Liabilities calculated as provided by IFRS 16 on future lease payments and recorded in the caption " <b>Financial expenses</b> "	(C)	(4)	
Tax Effect IRES (24%) + IRAP (2,68%)	(D) = ((A) - (B) - (C)) * (26,68%)	1	

**Net result for the year effect** = (A) + (B) + (C) + (D) (1)

Column “C4” of the Campidano Consolidated Financial Information includes the Campidano Consolidated Financial Information.

(D1) Pro-forma adjustments: “Comiolica Pro-forma Adjustments”

The “D1” column reflects the economic pro-forma effects related both to the accounting of the Comiolica Acquisition (**Comiolica Business Acquisition**) and to its financing (**Comiolica Financing**).

The pro-forma adjustment # **ADJ D1.1** amounting to Euro 609 thousand on the “Depreciation and amortization” line is due to the recognition of the depreciation, of “**Intangible assets with a finite life**” recognized after the purchase price allocation in the interim condensed consolidate financial statement of Alerion Group.

(in thousands of euro)	#ADJ D1.1	Comiolica Pro-forma adjustments	Explanation of Adjustment # D1.1
Consideration paid for the Comiolica Acquisition	(A)	25,400	Consideration paid for the Comiolica Acquisition
Campidano net assets acquired at the acquisition date	(B)	(4,405)	Comiolica Net Assets sourced from the statutory financial statements for the period ended 30 June 2019
Difference between the Consideration paid for the Campidano Acquisition and the Net Assets at the Acquisition Date	(C) = (A + B)	<b>20,995</b>	
Tax effect calculated on the difference between the Consideration paid for the Campidano Acquisition and the Net Assets Adjusted at the Acquisition Date	(D)	6,998	
<b>Intangible assets with a finite life</b>	(E) = (C + D)	<b>27,993</b>	The pro-forma adjustment is due to the recording of the depreciation, of “Intangible assets with a finite life” recognized after the purchase price allocation in the interim condensed consolidate financial statement of Alerion Group.
The useful life is estimated into 23 years	(F)	23	
<b>Depreciation and amortisation</b>	= (E / F) <b>6 month period</b>	<b>(609)</b>	
Deferred Tax Effect related to the depreciation of the Intangible asset identified with Purchase price allocation method		152	
<b>Net profit effect</b>		<b>(457)</b>	

The pro-forma adjustment # **ADJ D1.2** amounting to Euro 277 thousand on the “**Financial income (expenses)**” line derives from the difference between:

(in thousands of euro)	#ADJ D1.2	Comiolica Pro-forma adjustments	Explanation of Adjustment # D1.2
The pro-forma adjustment derives from the difference between:			
Financial charges related to the new Project Financing with the pool of banks	(A)	(710)	The higher financial charges for Euro 710 thousand as result of the new project finance facilities agreement executed with a pool of Spanish banks composed by Banco Sabadell and Abanca and the financing agreement with SIMEST both accounted as for the amortized cost method;



The pro forma adjustment consists of the elimination of the interest expenses related to the shareholder loan	(B)	433	The pro forma adjustment to the financial expenses consists of the elimination of the interest expenses of Euro 433 thousand for the period ended 30 June 2019 relating to the Euro 14,250 thousand Shareholder loan and the Euro 5,991 thousand previous project financing. Sourced from the Comiolica audited consolidated accounts as at, and for the period ended, 30 June 2019.
Financial expenses	= (A + B)	( 277 )	
Deferred Tax Effect related to the financial expenses		65	The adjustment has been made to the Pro Forma Financial Information to recognise the related tax impacts
<b>Net profit effect</b>		<b>( 212 )</b>	

The pro-forma adjustment amounting to Euro 87 thousand on the “**Taxes for the year**” line reflects the tax effect calculated on the higher financial charges and the higher depreciation referred to in the previous adjustments, recognizing the deferred tax assets, as envisaged by the relevant tax legislation.

(D2a) Pro-forma adjustments: “Campidano Accounting policy adjustments”

The “D2a” column reflects the economic pro-forma effects related to the accounting policy adjustment on the estimation of the half year accrual, recorded in the caption “**Depreciation and amortization**”, of the restoration costs for the dismantling and the removing of the Campidano wind farm at the end of the concession.

(in thousands of euro)	#ADJ D2a	Campidano Pro-forma adjustments	Explanation of Adjustment # D2a
Depreciation and amortisation	(A)	( 58 )	Depreciation and amortization increase for an amounting of Euro 58 thousand due to the accounting of the dismantling provision in order to be compliant with the Group accounting policy.
Financial expenses	(B)	( 8 )	Financial charges due to the discounting of the value of the decommissioning provision recorded in the financial statements in accordance with the group policy
Deferred Tax Effect related to the financial expenses	(C)	18	The adjustment has been made to the Pro Forma Financial Information to recognise the related tax impacts
<b>Net profit effect</b>		<b>( 48 )</b>	

(D2b) Pro-forma adjustments: “Campidano Pro-forma Adjustments”

The “D2b” column reflects the economic pro-forma effects related both to the accounting of the Campidano Acquisition – Campidano Business Combination - both to the financing of the Campidano Acquisition – Campidano financing.

The pro-forma adjustment # ADJ D2b.1 amounting to Euro 1,058 thousand on the “**Depreciation and amortization**” line is due to the recognition of the depreciation of “**Intangible assets with a finite life**” recognized after the purchase price allocation in the interim condensed consolidate financial statement of Alerion Group.

(in thousands of euro)	#ADJ D2b.1	Campidano Pro-forma adjustments	Explanation of Adjustment # D2b.1
------------------------	---------------	---------------------------------------	-----------------------------------

Difference between the Consideration paid for the Comiolica Acquisition and the Comiolica Net Assets Adjusted as of 1 January 2018	(A)	44,439	
The useful life is estimated into 21 years	(B)	21	The pro-forma adjustment is due to the recording of the depreciation, of “Intangible assets with a finite life” recognized after the purchase price allocation in the consolidated financial statement of Alerion Group.
<b>Depreciation and amortisation</b>	<b>= (A / B) 6 month period</b>	<b>( 1,058 )</b>	
Deferred Tax Effect related to the depreciation of the Intangible asset identified with Purchase price allocation method		282	
<b>Net profit effect</b>		<b>( 776 )</b>	

The pro-forma adjustment # ADJ D2a.1 amounting to Euro 656 thousand on the “**Financial income (expenses)**” line derives from:

(in thousands of euro)	#ADJ D2b.2	Campidano Pro-forma adjustments	Explanation of Adjustment # D2b.2
The pro-forma adjustment derives from the difference between:			
Financial charges related to the Shareholder loan agreement with Fri-el	(A)	( 737 )	Higher financial charges for Euro 737 thousand as result of the financing agreement with Fri-el for the repayment of the remaining part of the purchase price of 100% of the share capital of Friel Ichnusa equal to Euro 49,129 million with an interest at a rate of 3% per annum calculated starting from the Acquisition Date; Sourced share purchase agreement
The pro forma adjustment consists of the elimination of the interest expenses related to the shareholder loan	(B)	81	The pro forma adjustment to the financial expenses consists of the elimination of the interest expenses of Euro 81 thousand for the period ended 31 December 2018 relating to the Euro 10,244 thousand Shareholder loan. Sourced from the Ichnusa statutory financial statements as at, and for the year ended, 31 December 2018. Sourced Ichnusa statutory financial statements
<b>Financial expenses</b>	<b>= (A + B)</b>	<b>( 656 )</b>	
Deferred Tax Effect related to the financial expenses		157	The adjustment has been made to the Pro Forma Financial Information to recognise the related tax impacts
<b>Net profit effect</b>		<b>( 499 )</b>	

The pro-forma adjustment amounting to Euro 440 thousand on the “**Taxes for the year**” line reflects the tax effect calculated on the higher financial charges and the higher depreciation referred to in the previous notes.

## Breakdown of the financial indebtedness

In addition, please find below a table including the breakdown of the proforma financial indebtedness of the Group net of derivatives as at 30 June 2019:

<b>Breakdown of the financial indebtedness</b>	<b>Alerion Group</b>
<b>(in thousands of euro)</b>	<b>Pro-forma at 30.06.2019</b>
Project financing - Callari	21,177
Project financing - Ordonà	27,630
Payables to bondholders 2018-2024	147,565
Project financing - Albareto	16,106
Project financing - Alerion Teruel	5,470
Bankinter loan	3,840
Simest loan	9,900
Project financing - Comiolica	17,495
Project financing - Campidano	24,315
Project financing - Eolica PM	45,306
Project financing - Green Energy Sardegna	32,237
Project financing - W.Energy Eood	841
Project financing - W.Power Eood	841
Project financing - W.Stream Eood	841
Project financing - W.System Eood	841
Financial payables for leases	15,251
Payables to banks	10,554
Shareholder loan	51,278
<b>Total financial liabilities</b>	<b>431,488</b>

## Unaudited Pro Forma Consolidated Financial Information as at 31 December 2018

### Introduction

The unaudited pro-forma consolidated income statement and the unaudited pro-forma consolidated statement of financial position of the Alerion Group as at 31 December 2018 (together, the **Unaudited Pro-forma Consolidated Financial Information**), accompanied by the related explanatory notes are prepared to present the main effects of the acquisitions described below:

- i. The acquisition through the subsidiaries Alerion Spain SL (**Alerion Spain**) and Alerion Teruel SL (**Alerion Teruel**) of the 100% of the share capital of Comiolica SL (**Comiolica**), a company that owns a wind farm operating in Spain with an installed power of 36 MW (12 turbines of 3 MW) (the **Comiolica Acquisition**), that took place on 26 June 2019. The total consideration for the Comiolica Acquisition is approximately Euro 41 million (which includes reimbursement to the sellers of the shareholders' loan for Euro 25.4 million), financed both with own resources and both through a project financing loan agreement, for an amount equal to Euro 23.5 million, signed with a pool of Spanish banks composed of Banco Sabadell and Abanca. Moreover, on 5 July 2019 Alerion Clean Power and SIMEST, a company that together with SACE is the exports and internationalization division of the CDP Group, signed an agreement providing for an investment in support of the Alerion's development. In particular, the investment of SIMEST, made in the mixed form of a share capital increase and a shareholder loan, totalling Euro 10 million, is intended to support Alerion, through its local subsidiary Alerion Spain. Following a capital increase of the holding company that owns the Spanish assets, SIMEST has a 49% interest in Alerion Spain, over which Alerion Clean Power will retain control with 51% of the share capital. Considering the substance of the SIMEST investment agreement, SIMEST has been treated as lender for Alerion consolidation purposes, and consequently there are no minority interests considered in the consolidation of Comiolica.
- ii. The acquisition from the related party Fri-El (a) of 100% of the share capital of Fri-el Ichnusa S.r.l. (**Fri-el Ichnusa**) and (b) of the totality of the financial receivables deriving from the shareholders' loan of which Fri-el Ichnusa is a beneficiary; It should be noted that Fri-el Ichnusa holds 100% of the share capital of Fri-el Campidano S.r.l. (**Fri-el Campidano**), which owns a 70 MW wind farm, located in Sardinia, consisting of 35 Vestas 2 MW wind turbines and in operation since September 2008 (the **Campidano Acquisition**). The value of the transaction in terms of Enterprise Value is equal to Euro 81 million. Taking into account the net financial debt of the acquired companies of Euro 21.3 million

(including the shareholder's loan of Euro 4.4 million), the total consideration of the transaction is equal to Euro 64.1 million, of which Euro 59.7 million related to the price for the purchase of 100% of the share capital of Friel Ichnusa and Euro 4.4 million as the price for the purchase of the shareholder's loan. The total consideration has been paid - entirely with own resources - for Euro 15 million at the Execution Date of the acquisition (2 August 2019), as an advance for the purchase of the share, and the remaining part, equal to Euro 49.1 million, will be paid no later than 1 August 2022 increased by interests at a rate of 3% per annum.

The Unaudited Pro Forma Consolidated Financial Information as at 31 December 2019 has been examined by our independent auditors as reported in their reports appearing herein

### **Basis of Preparation**

The Unaudited Pro-forma Consolidated Financial Information has been prepared for illustrative purposes only, for the purpose of their inclusion in the "listing particular" and do not represents what Alerion Group actual results would have been if the acquisitions and related financing transactions occurred on 31 December 2018 and 1 January 2018 nor is it meant to be indicative of any future results of operations of the Alerion Group.

The purpose of presenting the Unaudited Pro-Forma Consolidated Financial Information, the assumptions underlying its preparation, the attribution of the balance sheet and income statement items to our Group and the pro-forma adjustments are described in the following paragraphs.

The Unaudited Pro-Forma Consolidated Financial Information, despite its compliance with generally accepted accounting standards and the use of reasonable assumptions, is not by its nature able to offer a representation of our Group's outlook results, balance sheet and/or financial position, considering that it was created to retroactively reflect the effects of subsequent transactions and, therefore, not relating to the dates to which pro-forma financial information is referred to.

Therefore, to properly interpret the information provided in the Unaudited Pro-Forma Consolidated Financial Information, it is necessary to consider the following:

- i. as these are representations built on assumptions, if the transactions considered had actually taken place at the pro-forma data reference dates, it is not necessarily true that the same results as those presented in the Unaudited Pro-Forma Consolidated Financial Information would have been obtained;
- ii. the pro-forma data do not reflect outlook data as it was prepared in order to represent only the effects of the execution of the transactions which can be isolated and objectively measured, without taking into account the potential effects of changes in our policies and operating decisions resulting from the execution of the transactions;
- iii. certain assumptions, used for the preparation of the Unaudited Pro-Forma Consolidated Financial Information have been made on the basis of the information available at the date of preparation. These assumption will therefore be updated after the definitive analysis that will be carried out during the following interim or annual financial statements prepared by us. Therefore, it cannot be excluded that this will show differences with respect to the data reflected in the Unaudited Pro-Forma Consolidated Financial Information.

The effects of the aforementioned acquisitions were reflected retroactively in the pro-forma consolidated balance sheet as if they had taken place in the Unaudited Pro-forma Consolidated Financial Information as if they happened on 31 December 2018 for the unaudited pro-forma consolidated statement of financial position and as if they happened on 1 December 2018 for the unaudited pro-forma consolidated income statement.

The unaudited pro-forma adjustments and the Unaudited Pro-forma Consolidated Financial Information set forth in this Prospectus are based on available information and certain assumptions and estimates that we believe are reasonable and may differ from the actual amounts. Also, given that different methods were used to calculate the effects of the two acquisitions on the unaudited pro-forma consolidated statement of financial position and on the unaudited pro-forma consolidated income statement, the Unaudited Pro-forma Consolidated Financial Information should be read and interpreted separately, without looking for any accounting links between them.

## Hypothesis, accounting principles and assumptions for the preparation of the Unaudited Pro-forma Consolidated Financial Information

The Unaudited Pro-forma Consolidated Information has been prepared starting from the consolidated financial statements at 31 December 2018 of the Alerion Group, aggregating with the financial statements for the year as at 31 December 2018 of Comiolica and Campidano, adjusted to comply with the accounting principles used for the preparation of the consolidated financial statements of the Alerion Group, and adjusting these data with the entries necessary to reflect the pro-forma effects subsequently reported.

The Annual Report 2018 was approved by the Board of Directors of the Issuer on 22 March 2019 and was audited by Deloitte & Touche S.p.A. that issued its report on 2 April 2019, with no remarks.

The financial statements of Comiolica as of 31 December 2018 were approved by the Shareholders' Meeting and audited by Ortín Salvador y Asociados S.L.P. that issued its report on 15 March 2019, with no remarks.

The financial statements of Fri-el Ichnusa as of 31 December 2018 were approved by the Shareholders' Meeting on 27 February 2019 and were audited by KPMG S.p.A. that issued its report on 18 February 2019, with no remarks.

The financial statements of Fri-el Campidano as of 31 December 2018 were approved by the Shareholders' Meeting on 27 February 2019 and were audited by KPMG S.p.A. that issued its report on 18 February 2019, with no remarks.

The accounting principles adopted for the preparation of the Unaudited Pro-forma Consolidated Financial Information, where not specifically indicated, are the same as those used for the preparation of the consolidated financial statements of the Alerion Group and therefore the International Financial Reporting Standards adopted by the European Union. These accounting standards are illustrated in the explanatory notes to the Consolidated financial statements of the Alerion Group.

The Unaudited Pro-forma Consolidated Financial Information is expressed in Euro, the functional currency of Alerion. Unless otherwise indicated, all amounts expressed in Euro have been rounded to thousands.

## Unaudited Pro-forma Consolidated Financial Information

The tables here below report the unaudited pro-forma consolidated statement of Financial Position as at 31 December 2018 and the unaudited pro-forma consolidated income statement for the year ended 31 December 2018, accompanied by summarized explanatory notes.

**Table 1: Unaudited pro-forma consolidated statement of financial position as at 31 December 2018**

(in thousands of euro)	Alerion Consolidated Financial Statements	Comiolica Consolidated Financial Information	Campidano Consolidated Financial Information	Alerion Historical Aggregated Data = (A + B + C)	# ADJ	Comiolica Pro-forma adjustments	Campidano Accounting policy adjustments	# ADJ	Campidano Pro-forma adjustments	Alerion Group Pro-forma = (A + B + C + D)
	A	B	C			D1	D2a		D2b	
<b>NON-CURRENT ASSETS:</b>										
<b>Intangible assets</b>										
Intangible assets with a finite useful life	83,176	174	64	83,414	D1.1	28,169	-	D2b.1	44,439	156,022
<b>Total intangible assets</b>	<b>83,176</b>	<b>174</b>	<b>64</b>	<b>83,414</b>		<b>28,169</b>	<b>-</b>		<b>44,439</b>	<b>156,022</b>
<b>Property, plant and equipment</b>	<b>276,584</b>	<b>24,413</b>	<b>55,137</b>	<b>356,134</b>			<b>1,252</b>			<b>357,386</b>
Equity investments in joint ventures measured using the equity method	17,828	-	-	17,828						17,828
Equity investments in associates measured using the equity method	-	-	-	-						-
Financial receivables and other non-current financial assets	3,789	-	-	3,789						3,789
Deferred tax assets	16,143	-	2,489	18,632	D1.2	44				18,676
<b>TOTAL NON-CURRENT ASSETS</b>	<b>397,520</b>	<b>24,587</b>	<b>57,690</b>	<b>479,797</b>		<b>28,213</b>	<b>1,252</b>		<b>44,439</b>	<b>553,701</b>
<b>CURRENT ASSETS:</b>										
Trade receivables	3,282	2,029	1,034	6,345						6,345
Tax receivables	657	-	51	708						708
Sundry receivables and other current assets	32,148	150	5,378	37,676						37,676

Financial receivables and other current financial assets	546	316	-	862						862
Cash and cash equivalents	63,933	4,723	12,645	81,301	D1.3	5,103	-	D2b.2	(20,919)	65,485
<b>TOTAL CURRENT ASSETS</b>	<b>100,566</b>	<b>7,218</b>	<b>19,108</b>	<b>126,892</b>		<b>5,103</b>	-		<b>(20,919)</b>	<b>111,076</b>
<b>TOTAL ASSETS</b>	<b>498,086</b>	<b>31,805</b>	<b>76,798</b>	<b>606,689</b>		<b>33,316</b>	<b>1,252</b>		<b>23,520</b>	<b>664,777</b>
(in thousands of euro)	A	B	C	Alerion Historical Aggregated Data = (A + B + C)	# ADJ	Comiolica Pro-forma adjustments	Campidano Accounting policy adjustments	# ADJ	Campidano Pro-forma adjustments	Alerion Group Pro-forma = (A + B + C + D)
						D1	D2a		D2b	
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP</b>	<b>138,758</b>	<b>4,405</b>	<b>27,228</b>	<b>170,391</b>	D1.1	<b>(4,405)</b>	-	D2b.1	<b>(27,136)</b>	<b>138,850</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	<b>2,453</b>	-	-	<b>2,453</b>						<b>2,453</b>
<b>NON-CURRENT LIABILITIES:</b>										
Non-current financial liabilities	221,394	21,958	31,083	274,435	D1.3	10,858	-	D2b.3	38,885	324,178
Non-current payables for derivatives	6,336	-	1,820	8,156	D1.2	106				8,262
Post-employment benefits and other staff-related provisions	982	-	-	982						982
Deferred tax provision	8,206	1,890	2,087	12,183	D1.1	7,042	-	D2b.1	11,856	31,081
Provisions for future risks and charges	10,199	497	-	10,696			1,252			11,948
Sundry payables and other non-current liabilities	3,242	-	5,976	9,218						9,218
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>250,359</b>	<b>24,345</b>	<b>40,966</b>	<b>315,670</b>		<b>18,006</b>	<b>1,252</b>		<b>50,741</b>	<b>385,669</b>
<b>CURRENT LIABILITIES:</b>										
Current financial liabilities	60,380	1,300	7,045	68,725	D1.3	19,645		D2b.3	(85)	88,285
Current payables for derivatives	3,299	-	-	3,299	D1.2	70				3,369
Current trade payables	38,734	34	437	39,205						39,205
Tax payables	582	-	77	659						659
Sundry payables and other current liabilities	3,521	1,721	1,045	6,287						6,287
<b>TOTAL CURRENT LIABILITIES</b>	<b>106,516</b>	<b>3,055</b>	<b>8,604</b>	<b>118,175</b>		<b>19,715</b>	-		<b>(85)</b>	<b>137,805</b>
<b>TOTAL LIABILITIES</b>	<b>356,875</b>	<b>27,400</b>	<b>49,570</b>	<b>433,845</b>		<b>37,721</b>	<b>1,252</b>		<b>50,656</b>	<b>523,474</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>498,086</b>	<b>31,805</b>	<b>76,798</b>	<b>606,689</b>		<b>33,316</b>	<b>1,252</b>		<b>23,520</b>	<b>664,777</b>

## Explanatory notes to the unaudited pro-forma consolidated statement of financial position

Details of the pro-forma adjustments relating to the unaudited pro-forma consolidated statement of financial position:

(A) “Alerion Consolidated Financial Statements”

Column “A” includes the consolidated statement of financial position of the Alerion Group as at 31 December 2018, derived without material adjustment from the Annual Report 2018.

(B) “Comiolica Consolidated Financial Information”

Column “B” – Comiolica Consolidated Financial Information – includes the sub-consolidated statement of financial position of Alerion Spain, Alerion Teruel and Comiolica as at 31 December 2018, adjusted to comply with the accounting principles used for the preparation of the consolidated financial statements of the Alerion Group.

The tables here below report the unaudited Comiolica Consolidated Financial Information as of 31 December 2018.

(in thousands of euro)	Alerion Spain	Alerion Teruel	Comiolica	Consolidation & Accounting Entries	Comiolica Consolidated Financial Information

	B1	B2	B4	B3	B5
<b>NON-CURRENT ASSETS:</b>					
<b>Intangible assets</b>					
Intangible assets with a finite useful life			174		174
<b>Total intangible assets</b>			<b>174</b>		<b>174</b>
<b>Property, plant and equipment</b>					
			<b>24,413</b>		<b>24,413</b>
Equity investments in joint ventures measured using the equity method	10			(10)	-
Equity investments in associates measured using the equity method					-
Financial receivables and other non-current financial assets					-
Deferred tax assets					-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>10</b>	<b>-</b>	<b>24,587</b>	<b>(10)</b>	<b>24,587</b>
<b>CURRENT ASSETS:</b>					
Trade receivables			2,029		2,029
Tax receivables			-		-
Sundry receivables and other current assets			150		150
Financial receivables and other current financial assets			316		316
Cash and cash equivalents	40	10	4,723	(50)	4,723
<b>TOTAL CURRENT ASSETS</b>	<b>40</b>	<b>10</b>	<b>7,218</b>	<b>(50)</b>	<b>7,218</b>
<b>TOTAL ASSETS</b>	<b>50</b>	<b>10</b>	<b>31,805</b>	<b>(60)</b>	<b>31,805</b>

(in thousands of euro)	Alerion Spain	Alerion Teruel	Comiolic a	Consolidation & Accounting Entries	Comiolica Consolidated Financial Information
	B1	B2	B4	B3	B5
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP</b>	<b>50</b>	<b>10</b>	<b>4,405</b>	<b>(60)</b>	<b>4,405</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>					
<b>NON-CURRENT LIABILITIES:</b>					
Non-current financial liabilities			21,958		21,958
Non-current payables for derivatives			-		-
Post-employment benefits and other staff-related provisions					-
Deferred tax provision			1,890		1,890
Provisions for future risks and charges			497		497
Sundry payables and other non-current liabilities					-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>24,345</b>	<b>-</b>	<b>24,345</b>
<b>CURRENT LIABILITIES:</b>					
Current financial liabilities			1,300		1,300
Current payables for derivatives			-		-
Current trade payables			34		34
Tax payables					-
Sundry payables and other current liabilities			1,721		1,721
<b>TOTAL CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>3,055</b>	<b>-</b>	<b>3,055</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>27,400</b>	<b>-</b>	<b>27,400</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>50</b>	<b>10</b>	<b>31,805</b>	<b>(60)</b>	<b>31,805</b>

Columns "B1", "B2", "B3" of the Comiolica Consolidated Financial Information include the unaudited financial information of Alerion Spain and Alerion Teruel and the audited financial statements Comiolica reclassified to be aligned with the Issuer financial statement format. Alerion Spain and Alerion Teruel are Alerion Group sub-holdings companies incorporated during the first half of 2019 to hold the 100% of Comiolica share capital thus their stand-alone financial information include only the equity investments hold by Alerion Spain to Alerion Teruel and the endowment fund eliminated in the consolidation process as the Comiolica acquisition pro-forma adjustments are included in the Comiolica pro-forma adjustment.

Column "B4" of the Comiolica Consolidated Financial Information includes the consolidation and accounting entries considered in order to prepare the Comiolica Consolidated Financial Information consistently with the accounting policies of the Issuer. The consolidation and accounting entries are related to the elimination of equity investments hold by Alerion Spain to Alerion Teruel for Euro 10 thousand and the endowment fund granted by Alerion Clean Power to Alerion Spain and Alerion Teruel for a total amount of Euro 50 thousand against Alerion Spain and Alerion Teruel equity for a total amount of Euro 60 thousand.

The reconciliation between the financial information of the entities as included in the Consolidated Financial Information, consistently with the Alerion Group Scheme, and the statutory financial statement incorporated by

reference is included in the further section “Section Related to the Reconciliation between the statutory financial statements and the Alerion Group Scheme”

(in thousands of euro)	Alerion Spain	(in thousands of euro)	Alerion Teruel
	<b>B4</b>		
Equity investments in joint ventures measured using the equity method	( 10 )	<i>against Shareholder's equity</i>	
Cash and cash equivalents	( 40 )	<i>against Shareholder's equity</i>	
<i>against Shareholder's equity</i>		Cash and cash equivalents	( 10 )
<b>TOTAL Alerion Spain</b>	<b>( 50 )</b>	<b>TOTAL Alerion Teruel</b>	<b>( 10 )</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP</b>			<b>( 60 )</b>

Column “B5” of the Comiolica Consolidated Financial Information includes the Comiolica Consolidated Financial Information.

(C) “Campidano Consolidated Financial Information”

Column “C” - Campidano Consolidated Financial Information - includes the sub-consolidated statement of financial position of Fri-el Ichnusa and Fri-el Campidano as at 31 December 2018, adjusted to comply with the accounting principles used for the preparation of the consolidated financial statements of the Alerion Group.

The tables here below report the audited Campidano Consolidated Financial Information as of 31 December 2018.

(in thousands of euro)	Fri-el Ichnusa	Fri-el Campidano	Consolidation & Accounting Entries	Campidano Consolidated Financial Information
	C1	C2	C3	C4
<b>NON-CURRENT ASSETS:</b>				
<b>Intangible assets</b>				
Intangible assets with a finite useful life	-	64	-	64
<b>Total intangible assets</b>	-	<b>64</b>	-	<b>64</b>
<b>Property, plant and equipment</b>				
Equity investments in joint ventures measured using the equity method	30,437	-	( 30,437 )	-
Equity investments in associates measured using the equity method	-	-	-	-
Financial receivables and other non-current financial assets	1,163	-	( 1,163 )	-
Deferred tax assets	221	2,176	92	2,489
<b>TOTAL NON-CURRENT ASSETS</b>	<b>31,821</b>	<b>57,377</b>	<b>( 31,508 )</b>	<b>57,690</b>
<b>CURRENT ASSETS:</b>				
Trade receivables	-	1,034	-	1,034
Tax receivables	711	51	( 711 )	51
Sundry receivables and other current assets	9	5,369	-	5,378
Financial receivables and other current financial assets	94	-	( 94 )	-
Cash and cash equivalents	110	12,535	-	12,645
<b>TOTAL CURRENT ASSETS</b>	<b>924</b>	<b>18,989</b>	<b>( 805 )</b>	<b>19,108</b>
<b>TOTAL ASSETS</b>	<b>32,745</b>	<b>76,366</b>	<b>( 32,313 )</b>	<b>76,798</b>

(in thousands of euro)	Fri-el Ichnusa	Fri-el Campidano	Consolidation & Accounting Entries	Campidano Consolidated Financial Information
	C1	C2	C3	C4
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP</b>	<b>22,307</b>	<b>30,437</b>	<b>( 25,516 )</b>	<b>27,228</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	-	-	-	-
<b>NON-CURRENT LIABILITIES:</b>				
Non-current financial liabilities	10,244	22,002	( 1,163 )	31,083
Non-current payables for derivatives	-	1,820	-	1,820
Post-employment benefits and other staff-related provisions	-	-	-	-
Deferred tax provision	-	329	1,758	2,087
Provisions for future risks and charges	-	-	-	-
Sundry payables and other non-current liabilities	-	13,241	( 7,265 )	5,976
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>10,244</b>	<b>37,392</b>	<b>( 6,670 )</b>	<b>40,966</b>
<b>CURRENT LIABILITIES:</b>				



Current financial liabilities	85	7,054	( 94 )	7,045
Current payables for derivatives	-	-	-	-
Current trade payables	32	405	-	437
Tax payables	77	711	( 711 )	77
Sundry payables and other current liabilities	-	367	678	1,045
<b>TOTAL CURRENT LIABILITIES</b>	<b>194</b>	<b>8,537</b>	<b>( 127 )</b>	<b>8,604</b>
<b>TOTAL LIABILITIES</b>	<b>10,438</b>	<b>45,929</b>	<b>( 6,797 )</b>	<b>49,570</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>32,745</b>	<b>76,366</b>	<b>( 32,313 )</b>	<b>76,798</b>

Columns “C1” and “C2” of the Campidano Consolidated Financial Information include the audited financial statements of Fri-el Ichnusa and Fri-el Campidano reclassified to be aligned with the Issuer financial statement format.

Column “C3” of the Campidano Consolidated Financial Information includes the consolidation and accounting entries considered in order to prepare the Campidano Consolidated Financial Information consistently with the accounting policies of the Issuer. The breakdown of the consolidation and accounting entries are as below:

(in thousands of euro)	Intercompany Balances Elimination	Contribution Law 488/92	Reclassification of Contribution Law 488/92 – short term	Consolidation & Accounting Entries
	#ADJ C3.1	#ADJ C3.2	#ADJ C3.3	C3
Equity investments in joint ventures measured using the equity method	( 30,437 )			( 30,437 )
Financial receivables and other non-current financial assets	( 1,163 )			( 1,163 )
Deferred tax assets	92			92
Tax receivables	( 711 )			( 711 )
Financial receivables and other current financial assets	( 94 )			( 94 )
<b>TOTAL ASSETS</b>	<b>( 32,313 )</b>	-	-	<b>( 32,313 )</b>
Non-current financial liabilities	1,163			1,163
Deferred tax provision		( 1,758 )		( 1,758 )
Sundry payables and other non-current liabilities		6,587	678	7,265
Current financial liabilities	94			94
Tax payables	711			711
Sundry payables and other current liabilities			( 678 )	( 678 )
<b>TOTAL LIABILITIES</b>	<b>1,968</b>	<b>4,829</b>	-	<b>6,797</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP</b>	<b>( 30,345 )</b>	<b>4,829</b>	-	<b>( 25,516 )</b>

#### #ADJ C3.1 Intercompany Balances Elimination

#ADJ C3.1 Intercompany Balances Elimination (in thousands of euro)	Fri-el Ichnusa Intercompany Balances	(in thousands of euro)	Fri-el Campidano Intercompany Balances
	C3.1		
Equity investments in joint ventures measured using the equity method	( 30,437 )	<i>against Shareholder's equity</i>	
Financial receivables and other non-current financial assets	( 1,163 )	Non-current financial liabilities	1,163
Deferred tax assets	92	<i>against Shareholder's equity</i>	
Financial receivables and other current financial assets	( 94 )	Current financial liabilities	94
Tax receivables	( 711 )	Tax payables	711
<b>TOTAL ASSETS</b>	<b>( 32,313 )</b>	<b>TOTAL LIABILITIES</b>	<b>1,968</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP</b>			<b>( 30,345 )</b>

This pro-forma adjustment is posted for the elimination of the intercompany balances between Fri-el Ichnusa and Fri-el Campidano sourced from respective unaudited interim financial information as of and for the year ended 31 December 2018. The total intercompany assets hold by Fri-el Ichnusa equal to Euro 32,313 and related to the “**Equity investments**” in Fri-el Campidano, the “**Financial receivables and other non-current financial assets**”, the “**Financial receivables and other current financial assets**”, the “**Tax receivables**” and a provision on the “**Deferred tax assets**” are eliminated with the total intercompany liabilities of Fri-el Campidano equal to Euro 1,968 thousand, and related to the “**Non-current financial liabilities**”, “**Current financial liabilities**” and “**Tax payables**”, and with the value of the “**Shareholders’ equity**” equal to Euro 30,345 thousand.

The intercompany tax receivables hold by Fri-el Ichnusa, eliminated against the intercompany tax payables by Fri-el Campidano, are due to the adoption of the group Italian tax filling system by which the controlled company transfers its tax profit or loss to the parent company and the parent company recognises an intercompany receivable corresponding to the amount of tax it pays for the controlled company.

#### #ADJ C3.2 Contribution Law 488/92

(in thousands of euro)	#ADJ C3.2	Contribution Law 488/92	Explanation of Adjustment # C3.2
Total contribution received by Fri-el Campidano as provided by the Italian Law 488/92	(A)	13,241	
Campidano “Plant and machinery” cost as at 31 December 2018	(B)	106,483	This pro-forma adjustment is posted in order to correlate the economical effect of the prepaid contribution provided by the Italian Law 488/92 on the wind farm construction costs to the wind farm depreciation of the year. The total amount of the prepaid contribution and the usefull life of the Campidano wind farm on which this adjustment is based have been sourced from the unaudited interim financial information as of and for the year ended 31 December 2018.
Campidano “Plant and machinery” total depreciation as at 31 December 2018	(C)	52,872	
<b>Depreciation incidence as at 31 December 2018</b>	<b>D = (C / B)</b>	<b>49,8%</b>	
<b>Contribution already realized as at 31 December 2018</b>	<b>E = (A * D)</b>	<b>6,587</b>	
Tax Effect IRES (24%) + IRAP (2,68%)	F = E * (26,68%)	1,758	
<b>Shareholder’s equity effects</b>	<b>= E - F</b>	<b>4,829</b>	

#### #ADJ C3.3 Reclassification of Contribution Law 488/92 – short term

This pro-forma adjustment is posted in order to record as a short term liability the part of the prepaid contribution provided by the Italian Law 488/92 equal to Euro 678 thousand that will be realized within 12 months. The reclassification is made from the caption “**Sundry payables and other non-current liabilities**” to the caption “**Sundry payables and other current liabilities**”. Column “C4” of the Campidano Consolidated Financial Information includes the Campidano Consolidated Financial Information.

(D1) Pro-forma adjustments: “Comiolica Pro-forma Adjustments”

The “D1” column reflects the pro-forma effects related both to the accounting of the Comiolica acquisition (**Comiolica Acquisition**) and to its financing (**Comiolica financing**).

# ADJ D1.2 The **Comiolica Acquisition** has been accounted for by applying the “acquisition method” of accounting, in accordance with the International accounting principle “IFRS-3 - Business combinations” as adopted by the European Union. The main effects related to the business combination are the following:

(in thousands of euro)	ADJ D1.2	Comiolica Pro-forma adjustments	Explanation of Adjustments
------------------------	-------------	---------------------------------------	----------------------------

Consideration paid for the Comiolica Acquisition	(A)	25,400	The allocation of Euro 28,169 thousand in the caption “ <b>Intangible assets with a finite life</b> ” of the difference arising between the consideration paid for the Comiolica Acquisition, equal to Euro 25,400 thousand, and the net assets acquired at the acquisition date;
Comiolica net assets acquired at the acquisition date	(b1)	(4,405)	Comiolica Net Assets sourced from Comiolica audited financial statements for the year ended 31 December 2018
Cash flow reserve	(b2)	132	The Cash flow reserve is due to the signing of interest rate swap agreements on the acquisition date, the adjustment reflect the accounting required by the IFRS 9
<b>Comiolica net assets adjusted</b>	<b>(B) = (b1 + b2)</b>	<b>(4,273)</b>	
Difference between the Consideration paid for the Comiolica Acquisition and the Comiolica Net Assets Adjusted at the Acquisition	<b>(C) = (A + B)</b>	<b>21,127</b>	
Tax effect calculated on the Difference between the Consideration paid for the Comiolica Acquisition and the Comiolica Net Assets Adjusted at the Acquisition Date		7,042	The deferred tax liabilities arised from applying the “acquisition method” of accounting, in accordance with the International accounting principle “IFRS 3 - Business combinations” as adopted by the European Union
<b>Intangible assets with a finite life</b>	<b>(E) = (C + D)</b>	<b>28,169</b>	

Considering the Comiolica Acquisition was executed within the last 12 months, the accounting of such acquisition is only provisional as the purchase price allocation process (Purchase Price Allocation or “PPA”) has not yet been completed. Therefore, any economic effect, which may arise as a result of the allocation of the fair value price of the net assets acquired, is not shown in the consolidated income statement and the pro-forma consolidated income statement.

Therefore, in the unaudited pro-forma consolidated statement the acquisition value was provisionally recognized as goodwill and any adjustment deriving from the completion of the PPA will be included when preparing the consolidated financial statements for the year ending 31 December 2019.

**#ADJ D1.2** As a result of the refinancing operation the company signed an interest rate swap agreement together with the project financing agreements with the pool of banks in order to reduce the risk of exposure to the variation of interest rates. The accounting required by IFRS 9 is shown in the table below:

(in thousands of euro)	#ADJ D1.2	Comiolica Pro-forma adjustments	Explanation of Adjustments
Non-current payables for derivatives	(A)	106	The amounting of derivatives instruments is due to the fair value of the interest rate swap singning on the acquisition date, the related tax effect is booked in the caption deferred tax assets. Sourced Derivatives Agreement
Current payables for derivatives	(B)	70	
Deferred tax assets	(C)	44	
Cash Flow Reserve	<b>(D) = (A + B - C)</b>	132	

Comiolica financing - The consideration for the acquisition of the participation amounted to Euro 41,131 thousand of which Euro 25,400 thousand was used to purchase the shares and the residual amount to repay the shareholder loan, financed partly with cash for euro 17,629 milion and partly thorough the proceeds of a project finance

facilities agreement, for an amount equal to euro 23,502 million, executed with a pool of Spanish banks composed by Banco Sabadell and Abanca.

The pro-forma adjustment #ADJ D1.3 related to “Cash and cash equivalents” amounting to Euro 5,103 thousand reflects the effects of the financing for the acquisition of Comiolica as explained in the table below:

(in thousands of euro)	#ADJ D1.3	Comiolica Pro-forma adjustments	Explanation of Adjustments
the reimbursement of the project financing	(A)	( 5,991 )	
the repayment of the shareholders’ loan and other minor financing	(B)	( 17,267 )	
the proceeds of a project finance facilities agreement executed with a pool of Spanish banks composed by Banco Sabadell and Abanca	(C)	22,915	The pro-forma adjustment reflects the effects of the financing for the acquisition of Comiolica
the proceeds of financing agreement with SIMEST	(D)	9,900	
the proceeds financed with cash	(E)	20,946	
the consideration paid for the purchase of the Comiolica’s shares	(F)	( 25,400 )	
<b>Cash and cash equivalents</b>	<b>= (A+B+C+D+E+F)</b>	<b>5,103</b>	

The pro-forma adjustments #ADJ D1.3 related to “Non-Current financial liabilities” amounting to Euro 10,858 thousand and to “Current financial liabilities” amounting to Euro 19,645 thousand at the acquisition date (31 December 2018) as explained in the tables below:

(in thousands of euro)	#ADJ D1.3	Comiolica Pro-forma adjustments	Explanation of Adjustments
Reimbursement of the pre-exiting project financing	(A)	( 4,690 )	Decrease in the financial debt due to the repayment of the pre-exiting project financing
Repayment of the shareholders’ loan and other minor financing	(B)	( 17,267 )	Decrease in the financial debt due to the repayment of the shareholders’ loan and other minor financing
Proceeds of a project finance facilities agreement executed with a pool of Spanish banks composed by Banco Sabadell and Abanca	(C)	22,915	Increase in the financial debt due to the new project finance facilities agreement executed with a pool of Spanish banks composed by Banco Sabadell and Abanca
Proceeds of financing agreement with SIMEST	(D)	9,900	Increase in the financial debt due to the financing agreement with SIMEST
<b>Non-current financial liabilities</b>	<b>= (A+B+C+D)</b>	<b>10,858</b>	

(in thousands of euro)	#ADJ D1.3	Comiolica Pro-forma adjustments	Explanation of Adjustments
reimbursement of the project financing	(A)	( 1,301 )	Decrease in the financial debt due to the repayment of the pre-exiting project financing
proceeds financed with bank debts	(B)	20,946	Increase in the current financial debt due to higher bank debts
<b>Current financial liabilities</b>	<b>= (A+B)</b>	<b>19,645</b>	

The financing agreement with SIMEST will be paid no later than 30 June 2027 increased by interests at a rate of 4.5% per annum. The liability includes the fair value, equal to Euro 49 thousand, of a put option own by SIMEST to sell the share capital of Alerion Spain to Alerion.

(D2a) Pro-forma adjustments: “Campidano Accounting policy adjustments”

The “D2a” column reflects the pro-forma effects related to the accounting policy adjustment on the estimation of restoration costs for the dismantling and the removing of the Campidano wind farm at the end of the concession, equal to Euro 1,252 thousand.

(in thousands of euro)	#ADJ D2a	Campidano Pro-forma adjustments	Explanation of Adjustment # D2a
Property, plant and equipment		1,252	Increase both of the "Property, plant and equipment" and of "Provisions for future risks and charges" for an amounting of Euro 1,252 thousand in order to be compliant with the Group accounting policy related to the dismantling cost. The adjustment reflects the estimation of restoration costs for the dismantling and the removing of the Campidano wind farm at the end of the concession.
Provisions for future risks and charges		1,252	

(D2b) Pro-forma adjustments: “Campidano Pro-forma Adjustments”

The “D2b” column reflects the pro-forma effects related both to the accounting of the Campidano acquisition (Campidano Acquisition) and to its financing (Campidano financing).

Campidano Acquisition #ADJ D2b.1- The acquisition has been accounted for by applying the “acquisition method” of accounting, in accordance with the International accounting principle “IFRS 3 - Business combinations” as adopted by the European Union. The main effects related to the business combination are the following:

(in thousands of euro)	#ADJ D2b.1	Campidano Pro-forma adjustments	Explanation of Adjustments
Consideration paid for the Comiolica Acquisition	(A)	59,719	The allocation of Euro 44,439 thousand in the caption “Intangible assets with a finite life” of the difference arising between the consideration paid for the Campidano Acquisition, equal to Euro 59,719 thousand, and the net assets acquired at the acquisition date;
Campidano net assets acquired at the acquisition date	(B)	( 27,136 )	Campidano Net Assets sourced from the statutory financial statements for the year ended 31 December 2018
<b>Difference between the Consideration paid for the Campidano Acquisition and the Net Assets Adjusted at the Acquisition Date</b>	<b>(C) = (A + B)</b>	<b>32,583</b>	
Tax effect calculated on the difference between the Consideration paid for the Campidano Acquisition and the Net Assets Adjusted at the Acquisition Date		11,856	The deferred tax liabilities arising from applying the “acquisition method” of accounting, in accordance with the International accounting principle “IFRS 3 - Business combinations” as adopted by the European Union
<b>Intangible assets with a finite life</b>	<b>(E) = (C + D)</b>	<b>44,439</b>	

Considering the Campidano Acquisition was executed within the last 12 months, the accounting of such acquisition is only provisional as the purchase price allocation process (Purchase Price Allocation or “PPA”) has not yet been completed. Therefore, any economic effect, which may arise as a result of the allocation of the fair value price of the net assets acquired, is not shown in the consolidated income statement and the pro-forma consolidated income statement.

Therefore, in the unaudited pro-forma consolidated financial information the acquisition value was provisionally recognized as goodwill and any adjustment deriving from the completion of the PPA will be included when preparing the consolidated financial statements for the year ending December 31, 2019.

Campidano Financing - the total consideration of the transaction is equal to Euro 64,129 thousand, of which Euro 59.719 thousand related to the price for the purchase of 100% of the share capital of Friel Ichnusa and Euro 4,410 thousand as the price for the purchase of the shareholder’s loan. The total consideration will be paid - entirely

with own resources - for Euro 15,000 thousand, at the Execution Date of the acquisition, as an advance for the purchase of the share, and the remaining part, equal to Euro 49,129 thousand, will be paid no later than 1 August 2022 increased by interests at a rate of 3% per annum. It should be noted that the shareholder's loan versus Fri-El included in the Campidano financial information as at 31 December 2018 amounted to euro 10,329 thousand. On 2 July 2019, before the Campidano Acquisition, Fri-el Ichnusa made a partial repayment of that shareholder's loan for an amount of Euro 5,919 thousand. In order to align the shareholder's loan as at December 31, 2018 to the amount purchased by Alerion, sourced from the share purchase agreement (Euro 4,410 thousand), the partial repayment was considered as a pro-forma adjustment as at 31 December 2018 (#ADJ D2b.2 and # ADJ D2b.3).

The pro-forma adjustment #ADJ D2b.2 related to "Cash and cash equivalents" amounting to Euro 20,919 thousand reflects:

(in thousands of euro)	#ADJ D2b.2	Campidano Pro-forma adjustments	Explanation of Adjustments
Consideration paid		( 15,000 )	the payment for the purchase of 100% of the share capital of Friel Ichnusa at the Acquisition date for an amount of Euro 15,000 thousand. Sourced the Share purchase agreement
Partial repayment of the shareholders' loan		( 5,919 )	the anticipated partial repayment of the shareholder's loan made by Friel Ichnusa on 2 July 2019, for an amount of Euro 5,919 thousand, included in the pro-forma to align the shareholder's loan as at 31 December 2018 to the amount purchased by Alerion
<b>Cash and cash equivalents</b>		<b>( 20,919 )</b>	

The pro-forma adjustments #ADJ D2b.3 related to "Non-Current financial liabilities" amounting to Euro 38,885 thousand reflects:

(in thousands of euro)	#ADJ D2b.3	Campidano Pro-forma adjustments	Explanation of Adjustments
Non-Current portion of the financial debt with Fri-el for the purchase of the shares of Ichnusa	(A)	49,919	The increase in financial debt with Fri-el for the remaining part of the purchase price of 100% of the share capital of Friel Ichnusa for an amount of Euro 49,129 thousand; Sourced the share purchase agreement
Non Current portion of the Shareholders' loan between Ichnusa and Fri-el pre-exiting the acquisition of the company	(B)	( 5,834 )	The decrease in financial debt for the anticipated partial repayment of the shareholder's loan made by Friel Ichnusa, for an amount of Euro 5,919 thousand. Sourced the Ichnusa financial statement
Elimination of the financial debt with Fri-el for the purchase of the shares of Ichnusa	(C)	( 4,410 )	The decrease in financial debt for the purchase of the residual shareholder's loan for Euro 4,410 thousand, eliminated in the Alerion Group pro-forma statement. Sourced the share purchase agreement
<b>Non-current financial liabilities</b>	<b>= ( A+B+C)</b>	<b>39,675</b>	

(in thousands of euro)	#ADJ D2b.3	Campidano Pro-forma adjustments	Explanation of Adjustments
Current portion of the Shareholders' loan between Ichnusa and Fri-el pre-exiting the acquisition of the company		( 85 )	The decrease in financial debt for the anticipated partial repayment of the shareholder's loan made by Friel Ichnusa, for an amount of Euro 5,919 thousand. Sourced the Ichnusa financial statement
<b>Current financial liabilities</b>		<b>( 85 )</b>	

Table 2: Unaudited pro-forma consolidated income statement for the year ended 31 December 2018

6	Alerion Consolidated Financial Statements	Comiolic Consolidated Financial Information	Campidano Consolidated Financial Information	Alerion Historical Aggregated Data =(A + B + C)	# ADJ	Comiolic Pro-forma adjustments	Campidano Accounting policy adjustments	# ADJ	Campidan o Pro-forma adjustments	Alerion Group Pro-forma =(A + B+ C + D)

	A	B	C		D1	D2a		D2b	
Electricity sales	22,557	8,842	6,495	37,894					37,894
Revenues from incentive tariff	33,297		10,930	44,227					44,227
<b>Operating revenues</b>	<b>55,854</b>	<b>8,842</b>	<b>17,425</b>	<b>82,121</b>	-	-	-	-	<b>82,121</b>
<b>Other sundry revenues and income</b>	<b>3,155</b>		<b>792</b>	<b>3,947</b>					<b>3,947</b>
<b>Total revenues</b>	<b>59,009</b>	<b>8,842</b>	<b>18,217</b>	<b>86,068</b>	-	-	-	-	<b>86,068</b>
<b>Operating costs</b>									
Staff costs	2,431	458	-	2,889					2,889
Other operating costs	13,162	2,724	4,129	20,015					20,015
Provisions for risks	142		-	142					142
<b>Total operating costs</b>	<b>15,735</b>	<b>3,182</b>	<b>4,129</b>	<b>23,046</b>	-	-	-	-	<b>23,046</b>
<b>Change in joint ventures measured using the equity method</b>	<b>2,115</b>	-	-	<b>2,115</b>					<b>2,115</b>
Depreciation and amortisation	20,303	1,615	5,498	27,416	D1.1	1,194	116	D2b.1	2,365
Write-downs and value adjustments	-		-	-					-
<b>Total depreciation, amortisation and write-downs</b>	<b>20,303</b>	<b>1,615</b>	<b>5,498</b>	<b>27,416</b>	<b>1,194</b>	<b>116</b>		<b>2,365</b>	<b>31,091</b>
<b>OPERATING RESULT</b>	<b>25,086</b>	<b>4,045</b>	<b>8,590</b>	<b>37,721</b>	<b>(1,194)</b>	<b>(116)</b>		<b>(2,365)</b>	<b>34,046</b>
Financial income	118		9	127					127
Financial expenses	(18,647)	(766)	(1,873)	(21,286)	D1.2	(676)	(15)	D2b.2	(1,279)
<b>Financial income (expenses)</b>	<b>(18,529)</b>	<b>(766)</b>	<b>(1,864)</b>	<b>(21,159)</b>	<b>(676)</b>	<b>(15)</b>		<b>(1,279)</b>	<b>(23,129)</b>
<b>Income (expenses) from equity investments and other financial assets</b>	<b>47</b>		-	<b>47</b>					<b>47</b>
<b>PROFIT BEFORE TAX</b>	<b>6,604</b>	<b>3,279</b>	<b>6,726</b>	<b>16,609</b>	<b>(1,870)</b>	<b>(131)</b>		<b>(3,644)</b>	<b>10,964</b>
Current	(4,121)	(651)	(1,076)	(5,848)					(5,848)
Deferred	882	(172)	(740)	(30)	D1.1 D1.2	460	36	D2b.1 D2b.2	938
<b>Taxes for the year</b>	<b>(3,239)</b>	<b>(823)</b>	<b>(1,816)</b>	<b>(5,878)</b>	<b>460</b>	<b>36</b>		<b>938</b>	<b>(4,444)</b>
<b>NET RESULT FOR THE YEAR</b>	<b>3,365</b>	<b>2,456</b>	<b>4,910</b>	<b>10,731</b>	<b>(1,410)</b>	<b>(95)</b>		<b>(2,706)</b>	<b>6,520</b>
Attributable to:									
Parent Company shareholders	3,451	2,456	4,910	10,817	(1,410)	(95)		(2,706)	6,606
Non-controlling interests	(86)								(86)

## Explanatory notes to the unaudited pro-forma consolidated income statement

Details of the pro-forma adjustments relating to the unaudited pro-forma consolidated income statement:

### (A) “Alerion Consolidated Financial Statements”

Column “A” includes the Consolidated income statement for the year ended 31 December 2018 of the Alerion Group, derived without material adjustment from the Annual Report 2018.

### (B) “Comiolica Consolidated Financial Information”

Column “B” - Comiolica Consolidated Financial Information - includes the sub-consolidated income statements of Alerion Spain, Alerion Teruel and Comiolica SL for the year ended 31 December 2018, adjusted to comply with the accounting principles used for the preparation of the consolidated financial statements of the Alerion Group.

The tables here below report the audited Comiolica Consolidated Financial Information for the year ended 31 December 2018.

(in thousands of euro)	Alerion Spain	Alerion Teruel	Comiolica	Consolidation & Accounting Entries	Comiolica Consolidated Financial Information
	B1	B2	B3	B4	B5
Electricity sales	-	-	8,842	-	8,842
Revenues from incentive tariff	-	-	-	-	-
<b>Operating revenues</b>	<b>-</b>	<b>-</b>	<b>8,842</b>	<b>-</b>	<b>8,842</b>
<b>Other sundry revenues and income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>8,842</b>	<b>-</b>	<b>8,842</b>

<b>Operating costs</b>					
Staff costs	-	-	458	-	458
Other operating costs	-	-	2,724	-	2,724
Provisions for risks	-	-	-	-	-
<b>Total operating costs</b>	-	-	<b>3,182</b>	-	<b>3,182</b>
<b>Change in joint ventures measured using the equity method</b>	-	-	-	-	-
Depreciation and amortisation	-	-	2,304	( 689 )	1,615
Write-downs and value adjustments	-	-	-	-	-
<b>Total depreciation, amortisation and write-downs</b>	-	-	<b>2,304</b>	<b>( 689 )</b>	<b>1,615</b>
<b>OPERATING RESULT</b>	-	-	<b>3,356</b>	<b>689</b>	<b>4,045</b>
Financial income	-	-	-	-	-
Financial expenses	-	-	( 766 )	-	( 766 )
<b>Financial income (expenses)</b>	-	-	<b>( 766 )</b>	-	<b>( 766 )</b>
<b>Income (expenses) from equity investments and other financial assets</b>	-	-	-	-	-
<b>PROFIT BEFORE TAX</b>	-	-	<b>2,590</b>	<b>689</b>	<b>3,279</b>
Current	-	-	( 651 )	-	( 651 )
Deferred	-	-	-	( 172 )	( 172 )
<b>Taxes for the year</b>	-	-	<b>( 651 )</b>	<b>( 172 )</b>	<b>( 823 )</b>
<b>NET RESULT FOR THE YEAR</b>	-	-	<b>1,939</b>	<b>517</b>	<b>2,456</b>
Attributable to:					
<b>Parent Company shareholders</b>	-	-	<b>1,939</b>	<b>517</b>	<b>2,456</b>
Non-controlling interests	-	-	-	-	-

Columns “B1”, “B2”, “B3” of the Comiolica Consolidated Financial Information include the unaudited financial information of Alerion Spain and Alerion Teruel and the audited financial statements Comiolica reclassified to be aligned with the Issuer financial statement format. Alerion Spain and Alerion Teruel are Alerion Group sub-holdings companies incorporated during the first half of 2019 to hold the 100% of Comiolica share capital thus their stand-alone income statements do not include any revenue, cost, income or expenses other than the one already included in the Comiolica pro-forma adjustment and in particular related to the Comiolica Financing.

Column “B4” of the Comiolica Consolidated Financial Information includes the consolidation and accounting entries considered in order to prepare the Comiolica Consolidated Financial Information consistently with the accounting policies of the Issuer. This proforma adjustment is related to the the income statements effects of the alignment of the usefull life of the Comiolica wind power plant to the Alerion Group’s depreciation policy, which cause lower depreciation for Euro 689 thousand recorded in the caption “**Depreciation and amortization**”, and the related tax effects recorded in the caption “**Taxes for the year**” for Euro 172 thousand;.

(in thousands of euro)	#ADJ B4	Wind farm depreciation adjustment	Explanation of Adjustment # B4
Fixed assets depreciation recorded in Comiolica Interim Financial Information (source Comiolica Financial Statements as of and for year ended 31 December 2018)	(A)	2.286	
Fixed asset depreciation aligned to Alerion Group’s depreciation policy	(B)	1.597	This pro-forma adjustment is posted in order to align the usefull life of the Comiolica wind power plant to the Alerion Group’s depreciation policy.
<b>Adjustment in Comiolica Depreciation</b>	<b>(C) = (A) – (B)</b>	<b>689</b>	
Tax Effect (25%)	D = C * (25%)	172	
<b>Net result for the year effect</b>	<b>= C - D</b>	<b>517</b>	

Column “B5” of the Comiolica Consolidated Financial Information includes the Comiolica Consolidated Financial Information.

(C) “Campidano Consolidated Financial Information”



Column “C” - Campidano Consolidated Financial Information - includes the sub-consolidated income statements of Fri-el Ichnusa and Fri-el Campidano for the year ended 31 December 2018, adjusted to comply with the accounting principles used for the preparation of the consolidated financial statements of the Alerion Group.

The table here below report the audited Campidano Consolidated Financial Information for the year ended 31 December 2018.

(in thousands of euro)	Fri-el Ichnusa	Fri-el Campidano	Consolidation & Accounting Entries	Campidano Consolidated Financial Information
	C1	C2	C3	C4
Electricity sales	-	6,495	-	6,495
Revenues from incentive tariff	-	10,930	-	10,930
<b>Operating revenues</b>	-	<b>17,425</b>	-	<b>17,425</b>
<b>Other sundry revenues and income</b>	-	<b>115</b>	<b>677</b>	<b>792</b>
<b>Total revenues</b>	-	<b>17,540</b>	<b>677</b>	<b>18,217</b>
<b>Operating costs</b>				
Staff costs	-	-	-	-
Other operating costs	62	4,067	-	4,129
Provisions for risks	-	-	-	-
<b>Total operating costs</b>	<b>62</b>	<b>4,067</b>	-	<b>4,129</b>
<b>Change in joint ventures measured using the equity method</b>	<b>4,757</b>	-	<b>( 4,757 )</b>	-
Depreciation and amortisation	-	5,498	-	5,498
Write-downs and value adjustments	-	-	-	-
<b>Total depreciation, amortisation and write-downs</b>	-	<b>5,498</b>	-	<b>5,498</b>
<b>OPERATING RESULT</b>	<b>4,695</b>	<b>7,975</b>	<b>( 4,080 )</b>	<b>8,590</b>
Financial income	38	8	( 37 )	9
Financial expenses	( 195 )	( 1,715 )	37	( 1,873 )
<b>Financial income (expenses)</b>	<b>( 157 )</b>	<b>( 1,707 )</b>	-	<b>( 1,864 )</b>
<b>Income (expenses) from equity investments and other financial assets</b>	-	-	-	-
<b>PROFIT BEFORE TAX</b>	<b>4,538</b>	<b>6,268</b>	<b>( 4,080 )</b>	<b>6,726</b>
Current	362	( 1,438 )	-	( 1,076 )
Deferred	( 340 )	( 73 )	( 327 )	( 740 )
<b>Taxes for the year</b>	<b>22</b>	<b>( 1,511 )</b>	<b>( 327 )</b>	<b>( 1,816 )</b>
<b>NET RESULT FOR THE YEAR</b>	<b>4,560</b>	<b>4,757</b>	<b>( 4,407 )</b>	<b>4,910</b>
Attributable to:				
<b>Parent Company shareholders</b>	<b>4,560</b>	<b>4,757</b>	<b>( 4,407 )</b>	<b>4,910</b>
<b>Non-controlling interests</b>				

Columns “C1” and “C2” of the Campidano Consolidated Financial Information include the audited financial statements of Fri-el Ichnusa and Fri-el Campidano reclassified to be aligned with the Issuer financial statement format.

Column “C3” of the Campidano Consolidated Financial Information includes the consolidation and accounting entries considered in order to prepare the Campidano Consolidated Financial Information consistently with the accounting policies of the Issuer. The breakdown of the consolidation and accounting entries are as below:

(in thousands of euro)	Intercompany Balances Elimination	Contribution Law 488/92	Consolidation & Accounting Entries
	C3.1	C3.2	C3
<b>Other sundry revenues and income</b>			<b>677</b>
<b>Change in joint ventures measured using the equity method</b>	<b>( 4,757 )</b>		<b>( 4,757 )</b>
Financial income	( 37 )		( 37 )
Financial expenses	37		37
<b>Taxes for the year</b>	<b>( 147 )</b>	<b>( 180 )</b>	<b>( 327 )</b>
<b>NET RESULT FOR THE YEAR</b>	<b>( 3,910 )</b>	<b>497</b>	<b>( 4,407 )</b>

#ADJ C3.1 Intercompany Balances Elimination

#ADJ C3.1 Intercompany Balances Elimination (in thousands of euro)	Fri-el Ichnusa Intercompany Balances		Fri-el Campidano Intercompany Balances	
Change in joint ventures measured using the equity method	( 4,757 )	<i>against Net result for the year</i>		Elimination of the income related to the remeasurement of the Fri-el Campidano investment measured using the equity method in the Fri-el Ichnusa financial information.
Financial income	( 37 )	Financial expenses	37	Elimination of the financial income recorded by Fri-el Ichnusa on the intercompany loan hold to Fri-el Campidano
Taxes for the year	( 147 )	<i>against Net result for the year</i>		Elimination of the release of the intercompany provision on an deferred tax asset recorded by Fri-el Ichnusa
<b>NET RESULT FOR THE YEAR</b>			<b>( 3,910 )</b>	

This pro-forma adjustment is posted for the elimination of the intercompany balances between Fri-el Ichnusa and Fri-el Campidano sourced from respective audited financial statements as of and for the year ended 31 December 2018.

#### #ADJ C3.2 Contribution Law 488/92

(in thousands of euro)	#ADJ C3.2	Contribution Law 488/92	Explanation of Adjustment # C3.2
Total contribution received by Fri-el Campidano as provided by the Italian Law 488/92	(A)	13,241	
Campidano "Plant and machinery" cost as at 31 December 2018	(B)	106,483	
Campidano "Plant and machinery" total depreciation as at 31 December 2018	(C)	52,872	
<b>Depreciation incidence as at 31 December 2018</b>	<b>(D) = (C / B)</b>	<b>49,8%</b>	This pro-forma adjustment is posted in order to correlate the economical effect of the prepaid contribution provided by the Italian Law 488/92 on the wind farm construction costs to the wind farm depreciation period. The total amount of the prepaid contribution and the usefull life of the Campidano wind farm on which this adjustment is based have been sourced from the audited financial statements as of and for the year ended 31 December 2018.
<b>Contribution already realized as at 31 December 2018</b>	<b>(E) = (A * D)</b>	<b>6,587</b>	
Campidano "Plant and machinery" cost as at 31 December 2017	(F)	106,483	
Campidano "Plant and machinery" total depreciation as at 31 December 2017	(G)	47,404	
<b>Depreciation incidence as at 31 December 2018</b>	<b>(H) = (F / G)</b>	<b>44,6%</b>	
<b>Contribution already realized as at 31 December 2018</b>	<b>(I) = (A * H)</b>	<b>5,911</b>	
<b>Contribution released in the year ended 31 December 2018</b>	<b>(J) = (E) - (I)</b>	<b>677</b>	
Tax Effect IRES (24%) + IRAP (2,68%)	K = J * (26,68%)	180	
<b>Net result for the year effect</b>	<b>= J - K</b>	<b>497</b>	

Column "C4" of the Campidano Consolidated Financial Information includes the Campidano Consolidated Financial Information.

(D1) Pro-forma adjustments: “Comiolica Pro-forma Adjustments”

The “D1” column reflects the economic pro-forma effects related both to the accounting of the Comiolica Acquisition (**Comiolica Acquisition**) and to its financing (**Comiolica financing**).

The pro-forma adjustment #ADJ D1.1 amounting to Euro 1,194 thousand on the “**Depreciation and amortization**” line is due to the recording of the depreciation, of “Intangible assets with a finite life” recognized after the purchase price allocation in the interim condensed consolidate financial statement of Alerion Group as explained in the table below:

(in thousands of euro)	#ADJ D1.1	Comiolica Pro-forma adjustments	Explanation of Adjustment # D1.1
Difference between the Consideration paid for the Comiolica Acquisition and the Comiolica Net Assets Adjusted as of 1 January 2018	(A)	28,653	The pro-forma adjustment is due to the recording of the depreciation, of “Intangible assets with a finite life” recognized after the purchase price allocation in the interim condensed consolidate financial statement of Alerion Group.
The useful life is estimated into 24 years	(B)	24	
<b>Depreciation and amortisation</b>	= (A / B)	<b>( 1,194 )</b>	
Deferred Tax Effect related to the depreciation of the Intangible asset identified with Purchase price allocation method		299	
<b>Net profit effect</b>		<b>( 895 )</b>	

The pro-forma adjustment #ADJ D1.2 amounting to Euro 676 thousand on the “**Financial income (expenses)**” line derives from the difference between:

(in thousands of euro)	#ADJ D1.2	Comiolica Pro-forma adjustments	Explanation of Adjustment # D1.2
The pro-forma adjustment derives from the difference between:			
Financial charges related to the new Project Financing with the pool of banks	(A)	( 1,441 )	The higher financial charges for Euro 1,441 thousand as result of the new project finance facilities agreement executed with a pool of Spanish banks composed by Banco Sabadell and Abanca and the financing agreement with SIMEST both accounted as for the amortized cost method; and
The pro forma adjustment consists of the elimination of the interest expenses related to the shareholder loan	(B)	765	The pro forma adjustment to the financial expenses consists of the elimination of the interest expenses of Euro 765 thousand for the period ended 31 December 2018 relating to the Euro 14,250 thousand Shareholder loan and the Euro 5,991 thousand previous project financing. Sourced from the Comiolica audited consolidated accounts as at, and for the year ended, 31 December 2018.
<b>Financial expenses</b>	= (A + B)	<b>( 676 )</b>	
Deferred Tax Effect related to the financial expenses		161	The adjustment has been made to the Pro Forma Financial Information to recognise the related tax impacts
<b>Net profit effect</b>		<b>( 515 )</b>	

The pro-forma adjustment amounting to Euro 460 thousand on the “**Taxes for the year**” line reflects the tax effect calculated on the higher financial charges and the higher depreciation referred to in the previous notes.

(D2a) Pro-forma adjustments: “Campidano Accounting policy adjustments”

The “D2a” column reflects the economic pro-forma effects related to the accounting policy adjustment on the estimation of the annual accrual, recorded in the caption “**Depreciation and amortization**” for an amounting of Euro 116 thousand, of the restoration costs for the dismantling and the removing of the Campidano wind farm at the end of the concession.

(in thousands of euro)	#ADJ D2a	Campidano Pro-forma adjustments	Explanation of Adjustment # D2a
Depreciation and amortisation	(A)	( 116 )	The “D2a” column reflects the economic pro-forma effects related to the accounting policy adjustment on the estimation of the half year annual accrual, recorded in the caption “Depreciation and amortization” for an amounting of Euro 116 thousand, of the restoration costs for the dismantling and the removing of the Campidano wind farm at the end of the concession.
Depreciation and amortisation		(116)	
Deferred Tax Effect related to the financial expenses		28	The adjustment has been made to the Pro Forma Financial Information to recognise the related tax impacts
<b>Net profit effect</b>		<b>(88)</b>	

(D2b) Pro-forma adjustments: “Campidano Pro-forma Adjustments”

The “D2b” column reflects the economic pro-forma effects related both to the accounting of the Campidano Acquisition – Campidano Business Combination - both to the financing of the Campidano Acquisition – Campidano financing.

The pro-forma adjustment #ADJ D2b.1 amounting to Euro 2,365 thousand on the “**Depreciation and amortization**” line is explained in the table below:.

(in thousands of euro)	#ADJ D2b.1	Campidano Pro-forma adjustments	Explanation of Adjustment # D2b.1
Difference between the Consideration paid for the Comiolica Acquisition and the Comiolica Net Assets Adjusted as of 1 January 2018	(A)	52,032	
The useful life is estimated into 24 years	(B)	22	
<b>Depreciation and amortisation</b>	= (A / B)	<b>( 2,365 )</b>	The pro-forma adjustment is due to the recording of the depreciation, of “Intangible assets with a finite life” recognized after the purchase price allocation in the consolidated financial statement of Alerion Group.
Deferred Tax Effect related to the depreciation of the Intangible asset identified with Purchase price allocation method		631	
<b>Net profit effect</b>		<b>( 1,734 )</b>	

The pro-forma adjustment #ADJ D2b.2 amounting to Euro 1,279 thousand on the “**Financial income (expenses)**” line derives from the:

(in thousands of euro)	#ADJ D2b.2	Campidano Pro-forma adjustments	Explanation of Adjustment # D2b.2
The pro-forma adjustment derives from the difference between:			
Financial charges related to the Shareholder loan agreement with Fri-el	(A)	( 1,474 )	Higher financial charges for Euro 1.474 thousand as result of the financing agreement with Fri-el for the repayment of the remaining part of the purchase price of 100% of the share capital of Friel Ichnusa equal to Euro 49,129 million with an interest at a rate of 3% per annum calculated starting from the Acquisition Date.

The pro forma adjustment consists of the elimination of the interest expenses related to the shareholder loan	(B)	195	The pro forma adjustment to the financial expenses consists of the elimination of the interest expenses of Euro 195 thousand for the period ended 31 December 2018 relating to the Euro 10,244 thousand Shareholder loan. Sourced from the Ichnusa statutory financial statements as at, and for the year ended, 31 December 2018.
Financial expenses	= (A + B)	( 1,279 )	
Deferred Tax Effect related to the financial expenses		307	The adjustment has been made to the Pro Forma Financial Information to recognise the related tax impacts
<b>Net profit effect</b>		<b>( 972 )</b>	

The pro-forma adjustment amounting to Euro 938 thousand on the “**Taxes for the year**” line reflects the tax effect calculated on the higher financial charges and the higher depreciation referred to in the previous notes.

### Section Related to the Reconciliation between the statutory financial statements and the Alerion Group Scheme

Here below the reconciliation table between the statutory financial statements of Comiolica and the Alerion Group Scheme:

(in thousands of euro) Alerion Group Scheme	Comiolica	Comiolica statutory financial statements	Comiolica
	<b>B4</b>		<b>B4</b>
<b>NON-CURRENT ASSETS:</b>			
<b>Intangible assets</b>			
Intangible assets with a finite useful life	174	5. Computer applications.	174
<b>Total intangible assets</b>	<b>174</b>	<b>I. Intangible fixed assets.</b>	<b>174</b>
<b>Property, plant and equipment</b>	<b>24,413</b>	<b>II. Tangible fixed assets.</b>	<b>23,791</b>
<b>Property, plant and equipment</b>	-	<b>2. Raw materials and other supplies</b>	<b>622</b>
Equity investments in joint ventures measured using the equity method			
Equity investments in associates measured using the equity method			
Financial receivables and other non-current financial assets			
Deferred tax assets	-		-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>24,587</b>		<b>24,587</b>
<b>CURRENT ASSETS:</b>			
Trade receivables	2,029	1. Customer receivables for sales and services.	2,029
Tax receivables	-		-
Sundry receivables and other current assets	150	4. Staff	23
Sundry receivables and other current assets		VI. Short-term accruals	127
Financial receivables and other current financial assets	316	V. Short-term financial investments.	316
Cash and cash equivalents	4,723	VII. Cash and cash equivalents.	4,723
<b>TOTAL CURRENT ASSETS</b>	<b>7,218</b>		<b>7,218</b>
<b>TOTAL ASSETS</b>	<b>31,805</b>		<b>31,805</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP</b>			
Alerion Group Scheme	<b>B4</b>	A) SHAREHOLDERS' EQUITY	<b>B4</b>
	<b>4,405</b>		<b>4,405</b>

**SHAREHOLDERS' EQUITY ATTRIBUTABLE TO  
NON-CONTROLLING INTERESTS**

<b>NON-CURRENT LIABILITIES:</b>			
Non-current financial liabilities	21,958	2. Debts with credit institutions.	4,691
Non-current financial liabilities		5. Other financial liabilities.	521
Non-current financial liabilities		III. Long-term debts with group and associated companies.	16,746
Non-current payables for derivatives	-		-
Post-employment benefits and other staff-related provisions			
Deferred tax provision	1,890	IV. Deferred tax liabilities.	1,890
Provisions for future risks and charges	497	I. Long-term provisions.	497
Sundry payables and other non-current liabilities			
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>24,345</b>		<b>24,345</b>
<b>CURRENT LIABILITIES:</b>			
Current financial liabilities	1,300	2. Debts with credit institutions.	1,300
Current payables for derivatives	-		-
Current trade payables	34	1. Suppliers.	( 7 )
Current trade payables		3. Sundry creditors.	41
Tax payables			
Sundry payables and other current liabilities		5. Other financial liabilities.	1,081
Sundry payables and other current liabilities	1,721	6. Other debts with Public Authorities.	640
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,055</b>		<b>3,055</b>
<b>TOTAL LIABILITIES</b>	<b>27,400</b>		<b>27,400</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>31,805</b>		<b>31,805</b>

(in thousands of euro)  
Alerion Group Scheme

**Comiolica**  
**B3**

(in thousands of euro)  
Comiolica statutory financial statements

**Comiolica**  
**B3**

Electricity sales	8,842	a) Sales.	8,842
Revenues from incentive tariff			
<b>Operating revenues</b>	<b>8,842</b>		<b>8,842</b>
<b>Other sundry revenues and income</b>			
<b>Total revenues</b>	<b>8,842</b>		<b>8,842</b>
<b>Operating costs</b>			
Staff costs	458	6. Staff costs.	458
Other operating costs	2,724	b) Consumption of raw materials and other consumables.	208
Other operating costs		7. Other operating expenses.	1,920
Other operating costs		13. Other results	577
Other operating costs		c) Restatement of provisions.	19
Provisions for risks			
<b>Total operating costs</b>	<b>3,182</b>		<b>3,182</b>
<b>Change in joint ventures measured using the equity method</b>	<b>-</b>		<b>-</b>
Depreciation and amortisation	2,304	8. Depreciation of fixed assets.	2,304
Write-downs and value adjustments			

<b>Total depreciation, amortisation and write-downs</b>	<b>2,304</b>	<b>8. Depreciation of fixed assets.</b>	<b>2,304</b>
<b>OPERATING RESULT</b>	<b>3,356</b>		<b>3,356</b>
Financial income			
Financial expenses	( 766 )	b) Debts with third parties.	( 766 )
<b>Financial income (expenses)</b>	<b>( 766 )</b>		<b>( 766 )</b>
<b>Income (expenses) from equity investments and other financial assets</b>			
<b>PROFIT BEFORE TAX</b>	<b>2,590</b>		<b>2,590</b>
Current	( 651 )		( 651 )
Deferred	-		-
<b>Taxes for the year</b>	<b>( 651 )</b>	<b>20. Taxes on profits.</b>	<b>( 651 )</b>
<b>NET RESULT FOR THE YEAR</b>	<b>1,939</b>		<b>1,939</b>
Attributable to:			
<b>Parent Company shareholders</b>	<b>1,939</b>	<b>A.5 RESULT FOR THE FINANCIAL YEAR (A.4+21)</b>	<b>1,939</b>
<b>Non-controlling interests</b>			

Here below the reconciliation table between the statutory financial statements of Fri-el Ichnusa and the Alerion Group Scheme

(in thousands of euro) Alerion Group Scheme	<b>Fri-el Ichnusa</b> C1	(in thousands of euro) Ichnusa Statutory Financial Statement	<b>Fri-el Ichnusa</b> C1
<b>NON-CURRENT ASSETS:</b>			
<b>Intangible assets</b>			
Intangible assets with a finite useful life	-		-
<b>Total intangible assets</b>	-		-
<b>Property, plant and equipment</b>			
Equity investments in joint ventures measured using the equity method	30,437	III - Financial fixed assets	30,437
Equity investments in associates measured using the equity method	-		-
Financial receivables and other non-current financial assets	1,163	III - Financial fixed assets	1,163
Deferred tax assets	221	Deferred tax assets	221
<b>TOTAL NON-CURRENT ASSETS</b>	<b>31,821</b>		<b>31,821</b>
<b>CURRENT ASSETS:</b>			
Trade receivables	-		-
Tax receivables	711	C) Current assets	711
Sundry receivables and other current assets	9	C) Current assets	9
Financial receivables and other current financial assets	94	III - Financial fixed assets	94
Cash and cash equivalents	110	IV - Liquid funds	110
<b>TOTAL CURRENT ASSETS</b>	<b>924</b>		<b>924</b>
<b>TOTAL ASSETS</b>	<b>32,745</b>		<b>32,745</b>
<b>Reconciliation table between the statutory financial statements of Fri-el Ichnusa and the Alerion Group Scheme</b>			
(in thousands of euro) Alerion Group Scheme	<b>Fri-el Ichnusa</b> C1	(in thousands of euro) Ichnusa Statutory Financial Statement	<b>Fri-el Ichnusa</b> C1

<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP</b>	<b>22,307</b>	<b>A) Net equity</b>	<b>22,307</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	<b>-</b>		<b>-</b>
<b>NON-CURRENT LIABILITIES:</b>			
Non-current financial liabilities	10,244	D) Payables due after one year	10,244
Non-current payables for derivatives	-		-
Post-employment benefits and other staff-related provisions	-		-
Deferred tax provision	-		-
Provisions for future risks and charges	-		-
Sundry payables and other non-current liabilities	-		-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>10,244</b>		<b>10,244</b>
<b>CURRENT LIABILITIES:</b>			
Current financial liabilities	85	D) Payables due within one year	85
Current payables for derivatives	-		-
Current trade payables	32	D) Payables due within one year	32
Tax payables	77	D) Payables due within one year	77
Sundry payables and other current liabilities	-		-
<b>TOTAL CURRENT LIABILITIES</b>	<b>194</b>		<b>194</b>
<b>TOTAL LIABILITIES</b>	<b>10,438</b>		<b>10,438</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>32,745</b>		<b>32,745</b>

(in thousands of euro)	<b>Fri-el Ichnusa</b>		<b>Fri-el Ichnusa</b>
Alerion Group Scheme		Ichnusa Statutory Financial Statement	
	<b>C1</b>		<b>C1</b>
Electricity sales	-		-
Revenues from incentive tariff	-		-
<b>Operating revenues</b>	<b>-</b>		<b>-</b>
<b>Other sundry revenues and income</b>	<b>-</b>		<b>-</b>
<b>Total revenues</b>	<b>-</b>		<b>-</b>
<b>Operating costs</b>			
Staff costs	-		-
Other operating costs	62	7) services	56
Other operating costs		14) other operating costs	6
Provisions for risks	-		-
<b>Total operating costs</b>	<b>62</b>		<b>62</b>
<b>Change in joint ventures measured using the equity method</b>	<b>4,757</b>	<b>a) equity investments</b>	<b>4,757</b>
Depreciation and amortisation	-		-
Write-downs and value adjustments	-		-
<b>Total depreciation, amortisation and write-downs</b>	<b>-</b>		<b>-</b>
<b>OPERATING RESULT</b>	<b>4,695</b>		<b>4,695</b>
Financial income	38	Total other financial income	38
Financial expenses	( 195 )	Total interest and other financial charges	( 195 )
<b>Financial income (expenses)</b>	<b>( 157 )</b>		<b>( 157 )</b>
<b>Income (expenses) from equity investments and other financial assets</b>	<b>-</b>		<b>-</b>
<b>PROFIT BEFORE TAX</b>	<b>4,538</b>		<b>4,538</b>
Current	362	current taxes	( 6 )



Current		income (expense) from participation in tax consolidation/tax transparency scheme	368
Deferred	( 340 )	deferred taxes	( 340 )
<b>Taxes for the year</b>	<b>22</b>		<b>22</b>
<b>NET RESULT FOR THE YEAR</b>			
	<b>4,560</b>		<b>4,560</b>
Attributable to:			
<b>Parent Company shareholders</b>	<b>4,560</b>		<b>4,560</b>
<b>Non-controlling interests</b>			

Here below the reconciliation table between the statutory financial statements of Fri-el Campidano and the Alerion Group Scheme

(in thousands of euro)	Fri-el Campidano	Campidano Statutory Financial Statement	Fri-el Campidano
Alerion Group Scheme			
	<b>C2</b>		<b>C2</b>
<b>NON-CURRENT ASSETS:</b>			
<b>Intangible assets</b>			
Intangible assets with a finite useful life	64	4) concessions, licences, trademarks and similar rights	64
<b>Total intangible assets</b>	<b>64</b>	<b>Total intangible fixed assets</b>	<b>64</b>
<b>Property, plant and equipment</b>	<b>55,137</b>	<b>Total tangible fixed assets</b>	<b>55,137</b>
Equity investments in joint ventures measured using the equity method	-		-
Equity investments in associates measured using the equity method	-		-
Financial receivables and other non-current financial assets	-		-
Deferred tax assets	2,176	5-ter) deferred tax assets	2,176
<b>TOTAL NON-CURRENT ASSETS</b>	<b>57,377</b>		<b>57,377</b>
<b>CURRENT ASSETS:</b>			
Trade receivables	1,034	Total trade receivables	1,034
Tax receivables	51	Total tax receivables (A)	51
Sundry receivables and other current assets	5,369	Total receivables from subsidiaries of parents	52
Sundry receivables and other current assets		Total receivables from others	4,406
Sundry receivables and other current assets		Total tax receivables (B)	392
Sundry receivables and other current assets		D) Prepayments and accrued income	519
Financial receivables and other current financial assets	-		-
Cash and cash equivalents	12,535	Total liquid funds	12,535
<b>TOTAL CURRENT ASSETS</b>	<b>18,989</b>		<b>18,989</b>
<b>TOTAL ASSETS</b>	<b>76,366</b>		<b>76,366</b>

(in thousands of euro)	Fri-el Campidano	Campidano Statutory Financial Statement	Fri-el Campidano
Alerion Group Scheme			
	<b>C2</b>		<b>C2</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP</b>	<b>30,437</b>	<b>A) Net equity</b>	<b>30,437</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	<b>-</b>		<b>-</b>

**NON-CURRENT LIABILITIES:**

Non-current financial liabilities	22,002	4) Bank loans and borrowings due after one year	20,839
Non-current financial liabilities		11) Payables to the parent Due after one year	1,163
Non-current payables for derivatives	1,820	3) derivatives	1,820
Post-employment benefits and other staff-related provisions	-		-
Deferred tax provision	329	2) Tax provision, including deferred tax liabilities	329
Provisions for future risks and charges	-		-
Sundry payables and other non-current liabilities	13,241	6) Payments on account	13,241
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>37,392</b>		<b>37,392</b>
<b>CURRENT LIABILITIES:</b>			
Current financial liabilities	7,054	4) Bank loans and borrowings due within one year	6,960
Current financial liabilities		11) Payables to the parent due within one year	94
Current payables for derivatives	-		-
Current trade payables	405	7) Trade payables	405
Tax payables	711	11) Payables to the parent due within one year	711
Sundry payables and other current liabilities		10) Payables to associates Due within one year	357
Sundry payables and other current liabilities		12) Tax payables	1
Sundry payables and other current liabilities	367	14) Other payables	9
<b>TOTAL CURRENT LIABILITIES</b>	<b>8,537</b>		<b>8,537</b>
<b>TOTAL LIABILITIES</b>	<b>45,929</b>		<b>45,929</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>76,366</b>		<b>76,366</b>

(in thousands of euro)

Alerion Group Scheme	Fri-el Campidano	Campidano Statutory Financial Statement	Fri-el Campidano
	C2		C2
Electricity sales	6,495		
Revenues from incentive tariff	10,930		
<b>Operating revenues</b>	<b>17,425</b>	<b>1) Revenue from sales and services</b>	<b>17,425</b>
<b>Other sundry revenues and income</b>	<b>115</b>	<b>Total other revenues and income</b>	<b>115</b>
<b>Total revenues</b>	<b>17,540</b>	<b>Total production revenues</b>	<b>17,540</b>
<b>Operating costs</b>			
Staff costs	-		-
Other operating costs	4,067		-
Other operating costs		6) Raw materials, consumables, supplies and goods	4
Other operating costs		7) Services	3,489
Other operating costs		8) Use of third party assets	328
Other operating costs		13) Other provisions	110
Other operating costs		14) Other operating costs	136
Provisions for risks	-		-
<b>Total operating costs</b>	<b>4,067</b>		<b>4,067</b>
<b>Change in joint ventures measured using the equity method</b>	<b>-</b>		<b>-</b>
Depreciation and amortisation	5,498	Total depreciation, amortisation and write-downs	5,498
Write-downs and value adjustments	-		-
<b>Total depreciation, amortisation and write-downs</b>	<b>5,498</b>		<b>5,498</b>
<b>OPERATING RESULT</b>	<b>7,975</b>		<b>7,975</b>

Financial income	8	Total other income	8
Financial expenses	( 1,715 )	Total interest and other financial charges	( 1,715 )
<b>Financial income (expenses)</b>	<b>( 1,707 )</b>		<b>( 1,707 )</b>
<b>Income (expenses) from equity investments and other financial assets</b>	<b>-</b>		<b>-</b>
<b>PROFIT BEFORE TAX</b>	<b>6,268</b>		<b>6,268</b>
Current	( 1,438 )	current taxes	( 1,596 )
Current		income (expense) from participation in tax consolidation/tax transparency scheme	158
Deferred	( 73 )	deferred taxes	( 73 )
<b>Taxes for the year</b>	<b>( 1,511 )</b>		<b>( 1,511 )</b>
<b>NET RESULT FOR THE YEAR</b>	<b>4,757</b>		<b>4,757</b>
Attributable to:			
<b>Parent Company shareholders</b>	<b>4,757</b>		<b>4,757</b>
<b>Non-controlling interests</b>			

**Independent Auditor's report on the compilation of the Unaudited Pro Forma Consolidated Financial Information as at 30 June 2019**



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**INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION  
OF PRO FORMA CONSOLIDATED FINANCIAL INFORMATION  
OF ALERION CLEAN POWER S.p.A. INCLUDED IN THE PROSPECTUS**

**To the Board of Directors of  
Alerion Clean Power S.p.A.**

We have completed our assurance engagement to report on the compilation of *pro forma* consolidated financial information which comprises the consolidated pro-forma statement of financial position, the consolidated pro-forma income statement and related explanatory notes (the "Pro Forma Consolidated Financial Information"), for Alerion Clean Power S.p.A. (the "Issuer") and its subsidiaries (the "Alerion Group") as of and for the half year period ended June 30, 2019 as set out in paragraph "Unaudited Proforma Consolidated Financial Information" of the prospectus (the "Prospectus") prepared within the offering of senior unsecured notes to be admitted to the official list and trading on regulated market of Irish Stock Exchange plc trading as Euronext Dublin and on the Mercato Telematico delle Obbligazioni of Borsa Italiana S.p.A. in order to present the main effects of (i) the acquisition through the subsidiaries Alerion Spain SL and Alerion Teruel SL of the 100% of the share capital of Comiolica SL, a company that owns a wind farm operating in Spain (the "Comiolica Acquisition") and (ii) the acquisition from the related party Fri-el of 100% of the share capital of Fri-el Ichnusa S.r.l. which includes the investment in the 100% of the share capital of Fri-el Campidano S.r.l. (Fri-el Campidano), a company that owns a wind farm, located in Sardinia (the "Campidano Acquisition", and together with the Comiolica Acquisition, the "Transaction").

As part of this process, the Pro Forma Consolidated Financial Information has been compiled by Issuer's Directors by combining the following financial elements:

- the unaudited interim condensed consolidated financial statements of the Issuer as of June 30, 2019. These consolidated financial statements have been reviewed by us and we have issued our review report on July 27, 2019;
- the unaudited consolidated financial information of Alerion Spain S.L., Alerion Teruel S.L. and Comiolica S.L. ("Comiolica Consolidated Financial Information") as of June 30, 2019. This consolidated financial information has been reviewed by us for the purpose of its inclusion in the Pro Forma Consolidated Financial Information;
- the unaudited consolidated financial information of Fri-el Ichnusa S.r.l. and Campidano S.r.l. ("Campidano Consolidated Financial Information") as of June 30, 2019. This consolidated financial information has been reviewed by an other auditor that issued its review report on November 11, 2019;
- the accounting policy adjustments;
- the *pro-forma* adjustments.

The Pro Forma Consolidated Financial Information for the half year period ended June 30, 2019 has been prepared pursuant to Regulation (EU) 2017/1129 and Commission Delegated Regulation (EU) 2019/980 with reference to the Prospectus.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Verona

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Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720229 | Partita IVA: IT 03049560166

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## Directors' Responsibility

The Directors of the Issuer are responsible for the preparation of Pro Forma Consolidated Financial Information in accordance with the basis stated in the explanatory notes. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of Pro Forma Consolidated Financial Information that is free from material misstatement, whether due to fraud or error.

## Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Auditor's Responsibilities

Our responsibility is to express an opinion about whether the Pro Forma Consolidated Financial Information has been compiled, in all material respects, by the Directors on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the auditor comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether Directors have compiled, in all material respects, the Pro Forma Consolidated Financial Information on the basis of the applicable criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Financial Information.

The purpose of Pro Forma Consolidated Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual or proposed outcome of the event or transaction at June 30, 2019 and at January 1, 2019 as regards income effects would have been as presented in the Pro Forma Consolidated Financial Information.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Issuer's Directors in the compilation of the Pro Forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the company, the event or transaction in respect of which the Pro Forma Consolidated Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Opinion

In our opinion the Pro Forma Consolidated Financial Information has been properly compiled on the basis stated.

DELOITTE & TOUCHE S.p.A.

  
**Lorenzo Rossi**  
Partner

Milan, Italy  
November 22, 2019

# Independent Auditor's report on the compilation of the Unaudited Pro Forma Consolidated Financial Information as at 31 December 2018



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## INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF ALERION CLEAN POWER S.p.A. INCLUDED IN THE PROSPECTUS

To the Board of Directors of  
Alerion Clean Power S.p.A.

We have completed our assurance engagement to report on the compilation of *pro forma* consolidated financial information which comprises the consolidated pro-forma statement of financial position, the consolidated pro-forma income statement and related explanatory notes (the "Pro Forma Consolidated Financial Information"), for Alerion Clean Power S.p.A. (the "Issuer") and its subsidiaries (the "Alerion Group") as of and for the year ended December 31, 2018 as set out in paragraph "Unaudited Proforma Consolidated Financial Information" of the prospectus (the "Prospectus") prepared within the offering of senior unsecured notes to be admitted to the official list and trading on regulated market of Irish Stock Exchange plc trading as Euronext Dublin and on the Mercato Telematico delle Obbligazioni of Borsa Italiana S.p.A. in order to present the main effects of (i) the acquisition through the subsidiaries Alerion Spain SL and Alerion Teruel SL of the 100% of the share capital of Comiolica SL, a company that owns a wind farm operating in Spain (the "Comiolica Acquisition") and (ii) the acquisition from the related party Fri-El of 100% of the share capital of Fri-el Ichnusa S.r.l. which includes the investment in the 100% of the share capital of Fri-el Campidano S.r.l. (Fri-el Campidano), a company that owns a wind farm, located in Sardinia (the "Campidano Acquisition", and together with the Comiolica Acquisition, the "Transaction").

As part of this process, the Pro Forma Consolidated Financial Information has been compiled by Issuer's Directors by combining the following financial elements:

- the consolidated financial statements of the Issuer as of December 31, 2018. These consolidated financial statements have been audited by us and we have issued our auditors' report on April 2, 2019;
- the unaudited consolidated financial information of Alerion Spain S.L., Alerion Teruel S.L. and Comiolica S.L. ("Comiolica Consolidated Financial Information") as of December 31, 2018. This consolidated financial information has been reviewed by us for the purpose of its inclusion in the Pro Forma Consolidated Financial Information;
- the audited consolidated financial information of Fri-el Ichnusa S.r.l. and Campidano S.r.l. ("Campidano Consolidated Financial Information") as of December 31, 2018. This consolidated financial information has been audited by an other auditor that issued its audit report on November 11, 2019;
- the accounting policy adjustments;
- the *pro-forma* adjustments.

The Pro Forma Consolidated Financial Information for the year ended December 31, 2018 has been prepared pursuant to Regulation (EU) 2017/1129 and Commission Delegated Regulation (EU) 2019/980 with reference to the Prospectus.

### Directors' Responsibility

The Directors of the Issuer are responsible for the preparation of Pro Forma Consolidated Financial Information in accordance with the basis stated in the explanatory notes. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of Pro Forma Consolidated Financial Information that is free from material misstatement, whether due to fraud or error.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.  
Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239 | Partita IVA: IT 03049560166

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## **Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Auditor's Responsibilities**

Our responsibility is to express an opinion about whether the Pro Forma Consolidated Financial Information has been compiled, in all material respects, by the Directors on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the auditor comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether Directors have compiled, in all material respects, the Pro Forma Consolidated Financial Information on the basis of the applicable criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Financial Information.

The purpose of Pro Forma Consolidated Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual or proposed outcome of the event or transaction at December 31, 2018 and at January 1, 2018 as regards income effects would have been as presented in the Pro Forma Consolidated Financial Information.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Issuer's Directors in the compilation of the Pro Forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the company, the event or transaction in respect of which the Pro Forma Consolidated Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Financial Information.



We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Opinion

In our opinion the Pro Forma Consolidated Financial Information has been properly compiled on the basis stated.

DELOITTE & TOUCHE S.p.A.



Lorenzo Rossi  
Partner

Milan, Italy  
November 22, 2019

## CONDITIONS OF THE NOTES

*The following is the text of the Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):*

The €[●] [●] per cent. Notes due 2025 (the **Notes**), which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 16 (*Further Issues*) and forming a single series with the Notes of Alerion Clean Power S.p.A. (the **Issuer**) are constituted by a Trust Deed dated 19 December 2019 (the **Trust Deed**) made between the Issuer and The Law Debenture Trust Corporation p.l.c. (the **Trustee**, which expression shall include its successor(s)) as trustee for the holders of the Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Notes (the **Couponholders** and the **Coupons** respectively).

The statements in these terms and conditions (the **Conditions**) include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed, which includes the forms of the Notes and the Coupons. Copies of the Trust Deed and of the agency agreement dated 19 December 2019 (the **Agency Agreement**) relating to the Notes between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent (the **Principal Paying Agent**) and the other paying agents named therein (each a **Paying Agent**) are available for inspection during normal business hours by Noteholders and Couponholders at the specified offices of each of the Paying Agents, and, on the website of the Issuer (the **Issuer's Website**). The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

### 1 FORM, DENOMINATION AND TITLE

#### 1.1 Form and Denomination

The Notes are in bearer form, serially numbered, in the denomination of €1,000 each with Coupons attached on issue.

#### 1.2 Title

Title to the Notes and to the Coupons will pass by delivery.

#### 1.3 Holder Absolute Owner

The Issuer, any Paying Agent and the Trustee will (except as otherwise required by law) deem and treat the holder of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon) and shall not be required to obtain any proof thereof or as to the identity of such holder.

### 2 STATUS

The Notes and the Coupons are direct, unconditional and (subject to the provisions of Condition 3 (*Covenants*)) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

### 3 COVENANTS

#### 3.1 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Trust Deed) the Issuer will not, and the Issuer will procure that none of its Subsidiaries (as defined below) will, create or permit to subsist, any Security Interest upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer and/or any of its Subsidiaries to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Notes, the Coupons and the Trust Deed are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or
- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

#### 3.2 Financial Covenants

So long as any of the Notes remains outstanding, the Issuer shall not incur any Net Financial Indebtedness (Excluding Derivatives) if, on the most recent Calculation Date, the ratio of Net Financial Indebtedness (Excluding Derivatives) to Shareholders' Equity Net of Derivatives exceeds 2.5:1 (and, for the avoidance of doubt, the Issuer shall not incur any Accounting Financial Indebtedness Net of Derivatives unless on the immediately subsequent Calculation Date such ratio would be equal to or lower than 2.5:1).

On each Reporting Date, the Issuer shall deliver a certificate (the **Compliance Certificate**) to the Trustee, substantially in the form set out at Schedule 5 (*Form of Compliance Certificate*) to the Trust Deed, signed by two Directors of the Issuer, certifying (i) whether the Issuer is in compliance with the covenants set out in this Condition 3.2 (*Financial Covenants*) as at the most recent Calculation Date, and (ii) the ratio of Accounting Financial Indebtedness Net of Derivatives to Shareholders' Equity Net of Derivatives (calculated as described above) as at the most recent Calculation Date, together with a certification delivered by the external auditors of the Issuer (being such auditors that audited the consolidated financial statements of the Issuer in respect of the recent financial year that ended on the most recent Calculation Date) confirming that the calculations made pursuant to paragraphs (i) and (ii) of this Condition 3.2 (*Financial Covenants*) were calculated in accordance with generally accepted accounting principles.

#### 3.3 Limits on distributions

- (a) So long as any of the Notes remains outstanding, in any financial year commencing with the financial year ending on 31 December 2019, the Issuer undertakes not to pay any dividend or make any other payment or distribution on account of the Issuer's ordinary share capital unless such payment(s) amount(s) to or less than 50% of Consolidated Net Income for such financial year (the **Yearly Cap**).
- (b) In addition to the Yearly Cap, the Issuer shall have a right to distribute further dividends or reserves of profits up to a maximum aggregate amount of Euro 14 million, provided that

- (i) in relation to the financial year immediately preceding the financial year in relation to which the Issuer intends to distribute the profits or the reserves of profits, a reduction of at least Euro 2 million in Accounting Financial Indebtedness Net of Derivatives (provided that the net consolidated indebtedness deriving from and for the purposes of the purchase of shareholdings will be excluded from the calculation) has been found and (ii) without prejudice to paragraph (c) below, any distribution by the Issuer of such further dividends or reserves of profits shall not exceed Euro 2 million in any financial year (the **Additional Cap**).
- (c) The Issuer reserves the right to distribute any profits and reserves which were not distributed in any prior financial year (the **relevant prior financial year**) but which could have been distributed in accordance with the provisions of this Condition 3.3 in that such distribution would not have exceeded the Yearly Cap or the Additional Cap, in each case calculated with reference to relevant prior financial year, provided that, with reference to the Yearly Cap only, such cap will be adjusted to account for any losses which may have occurred in financial years following the relevant prior financial year.

### 3.4 Interpretation

For the purposes of these Conditions:

- (a) **Board of Directors** means the board of directors of the Issuer from time to time;
- (b) **Calculation Date** means 31 December in each year, starting on 31 December 2019;
- (c) **Consolidated Net Income** means, with respect to the Group for any period, the aggregate of the net income (loss) of the Group for such period, on a consolidated basis, determined in accordance with IFRS;
- (d) **Group** means the Issuer and its Subsidiaries from time to time;
- (e) **IFRS** means the International Financial Reporting Standards promulgated by the International Accounting Standards Board or any successor board or agency and in effect on the date hereof;
- (f) **Net Financial Indebtedness (Excluding Derivatives)** means, as of any Calculation Date, the sum of cash and cash equivalents, the financial receivables and other non-current financial assets, financial receivables and other current financial assets, the current and non-current financial liabilities, excluding from the calculation (i) non-current payables for derivatives and current payables for derivatives; and (ii) the net financial indebtedness attributable to the assets destined to be transferred, calculated by reference to the audited annual consolidated financial statements of the Issuer (as approved by the Board of Directors) as of and for the period ended on such Calculation Date (and, for the avoidance of doubt, it will be calculated based on the accounting items listed above without considering any change to the applicable accounting principles);
- (g) **Net Proceeds** means the aggregate cash proceeds received by the Issuer in respect of any Asset Sale net of duly documented costs, expenses and taxes incurred as a result of the Asset Sale;
- (h) **Permitted Security Interest** means:
- (A) any Security Interest existing as at the Issue Date; and/or

- (B) any Security Interest arising by operation of law; and/or
  - (C) any Security Interest created to secure a Project Financing Indebtedness.
- (i) **Person** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;
  - (j) **Project Financing Indebtedness** means any present or future Relevant Indebtedness or Indebtedness for Borrowed Money (as defined in Condition 9.2) incurred in financing or refinancing the ownership, acquisition, construction, development, leasing, maintenance and/or operation of an asset or assets (the **Project**), whether or not an asset of a member of the Group in respect of which the Person or Persons to whom any such Relevant Indebtedness or Indebtedness for Borrowed Money is or may be owed by the relevant borrower (whether or not a member of the Group) has or have no recourse whatsoever to any member of the Group for the repayment thereof other than:
    - (i) recourse for amounts limited to the cash flow or the net cash flow or the income or other proceeds deriving from the Project; and/or
    - (ii) recourse for the purpose only of enabling amounts to be claimed in respect of such Relevant Indebtedness or Indebtedness for Borrowed Money in an enforcement of any mortgage, charge, lien, pledge or other security interest given by such borrower over such asset or assets or the income, cash flow or other proceeds, deriving therefrom (or given by any shareholder or the like in the borrower over (a) its shares or the like in the capital of, or (b) the shareholder loans to, the borrower) to secure such Relevant Indebtedness or Indebtedness for Borrowed Money,

*provided that:*

    - (a) the extent of such recourse is limited solely to the amount of any recoveries made on any such enforcement, and
    - (b) such Person or Persons is or are not entitled, by virtue of any right or claim arising out of or in connection with such Relevant Indebtedness, to commence any proceedings of whatever nature against any member of the Group;

*and, provided further,* notwithstanding the above, any equity contributions to and/or contingent contractual equity obligations in, or shareholder loans to, the borrower by any member of the Group, in each case financing or otherwise directly involved in the Project, according to the then Project finance market standard, shall not be deemed as a “recourse” to the relevant member of the Group;
  - (k) **Reference Date** means 31 December of each year provided that the first Reference Date shall be 31 December 2019;
  - (l) **Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being or are capable of being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness;

- (m) **Reporting Date** means a date falling no later than 15 calendar days after the approval by the Board of Directors of the Issuer's consolidated financial statements in respect of any financial year and in any case, not later than 120 calendar days following the most recent Reference Date;
- (n) **Security Interest** means any mortgage, charge, lien, pledge or other security interest other than a Permitted Security Interest;
- (o) **Shareholders' Equity Net of Derivatives** means, as of any Calculation Date, consolidated shareholders' equity (including both shareholders' equity attributable to the Group and shareholders' equity attributable to non-controlling interests) less any Cashflow hedge reserve, calculated by reference to the audited annual consolidated financial statements of the Issuer (as approved by the Board of Directors) as of and for the period ended on such Calculation Date (and, for the avoidance of doubt, it will be calculated based on the accounting items listed above without considering any change to the applicable accounting principles); and
- (p) **Subsidiary** means, in respect of the Issuer at any particular time, any *società controllata*, as defined in Article 2359 of the Italian Civil Code.

## 4 INTEREST

### 4.1 Interest Rate and Interest Payment Dates

The Notes bear interest from and including 19 December 2019 (the **Issue Date**) at the rate of [●] per cent. per annum, payable annually in arrear on 19 December in each year (each an **Interest Payment Date**).

### 4.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event interest will continue to accrue as provided in the Trust Deed.

### 4.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated by applying the rate of [●] per cent. per annum to each €1,000 principal amount of Notes (the **Calculation Amount**) and on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the **Accrual Date**) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date. The resultant figure shall be rounded to the nearest cent, half a cent being rounded upwards. The interest payable in respect of a Note shall be the product of such rounded figure and the amount by which the Calculation Amount is multiplied to reach the denomination of the relevant Note, without any further rounding.

## 5 PAYMENTS

### 5.1 Payments in respect of Notes

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that

payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

Any reference in these Conditions to “**principal**” in respect of the Notes shall be deemed to include any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*) and any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to “**interest**” in respect of the Notes shall be deemed to include any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*).

## **5.2 Method of Payment**

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque.

## **5.3 Missing Unmatured Coupons**

Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 8 (*Prescription*)) or, if later, five years after the date on which the Coupon would have become due, but not thereafter.

## **5.4 Payments subject to applicable laws**

Payments in respect of principal and interest on the Notes are subject in all cases to (i) any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto.

## **5.5 Payment only on a Presentation Date**

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 4 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

**Presentation Date** means a day which (subject to Condition 8 (*Prescription*)):

- (a) is or falls after the relevant due date;

- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
- (c) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET2 Settlement Day.

In this Condition, **Business Day** means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place and **TARGET2 Settlement Day** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

## 5.6 Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Principal Paying Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having a specified office in the place required by the rules and regulations of the relevant Stock Exchange or any other relevant authority; and;
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.
- (d) Notice of any variation, termination, appointment and/or of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 12 (*Notices*).

## 6 REDEMPTION AND PURCHASE

### 6.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 19 December 2025.

### 6.2 Redemption for Taxation Reasons

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 7 (*Taxation*)), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 19 December 2019, on the next Interest Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 7 (*Taxation*); and
- (b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it, or



- (c) a substitution has occurred in accordance with Condition 13 (*Substitution*) and Clause 22 of the Trust Deed and the tax jurisdiction of the substitute is a jurisdiction other than the Republic of Italy, on or after the date on which any substitution has occurred, and additional amounts become due by the New Company (as defined in Clause 22 of the Trust Deed) to the Noteholders and/or the Couponholders notwithstanding the fulfilment of the undertakings or covenants given by the New Company pursuant subclause 22.1.(a)(ii) of the Trust Deed.

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts, were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change or amendment, and the Trustee shall be entitled to accept the certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

### 6.3 Redemption at the Option of the Issuer

Unless a Put Notice has been given pursuant to Condition 6.4, the Issuer may at any time on or after 20 December 2022 to but excluding the Maturity Date, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (which notice shall be irrevocable and shall specify the date fixed for redemption, the principal amount of the Notes to be redeemed and the aggregate principal amount of the Notes which will be outstanding after the partial redemption, if any) redeem the Notes, in whole or in part and from time to time, at the following redemption prices (expressed as the sum of the principal amount redeemed plus a portion of the yearly interest due on such an amount determined on the redemption date), plus accrued and unpaid interest and additional amounts, if any, to the relevant redemption date:

REDEMPTION PERIOD	PRICE
From 20 December 2022 to 19 December 2023	100% of the principal amount redeemed + amount equal to $\frac{1}{2}$ of the yearly interest due on such a principal amount
From 20 December 2023 to 19 December 2024	100% of the principal amount redeemed + amount equal to $\frac{1}{4}$ of the yearly interest due on such a principal amount
From 20 December 2024 and thereafter	100% of the principal amount redeemed

In the case of a partial redemption of Notes in accordance with this Condition 6.3, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream,

Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the redemption date (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 12 not less than 15 days prior to the redemption Date. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the redemption date pursuant to this Condition 12 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 12 at least five days prior to the Selection Date.

#### **6.4 Redemption at the Option of the Noteholders (Change of Control)**

If a Change of Control occurs, then the Noteholders shall have the option (a **Change of Control Put Option**), within 30 days of a Put Event Notice being given to the Noteholders in accordance with Condition 12 (the **Exercise Period**), by giving a Put Notice (as defined below) as described below to require the Issuer to redeem Notes held by such Noteholder on the Change of Control Redemption Date. The Issuer will, on the Change of Control Redemption Date, redeem in whole (but not in part) the Notes which are the subject of the Put Notice. Such Notes will be redeemed at a redemption price equal to 100 per cent. of their principal amount, together with interest accrued and unpaid to but excluding the Change of Control Redemption Date.

Promptly upon the Issuer becoming aware that a Change of Control has occurred, the Issuer shall, and at any time upon the Trustee becoming aware that a Change of Control has occurred the Trustee may, and if so requested by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 12 specifying (i) that Noteholders are entitled to exercise the Change of Control Put Option; (ii) the procedure for exercising the Change of Control Put Option including the Change of Control Redemption Date; and (iii) such other information relating to the Change of Control Put Option as the Trustee may reasonably require.

To exercise the Change of Control Put Option, the holder of the Notes must if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent during the Exercise Period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. The Notes should be delivered together with all Coupons appertaining thereto maturing after the Change of Control Redemption Date, failing which the Paying Agent will require payment of an amount equal to the face value of any such missing Coupon(s). Any amount so paid will be reimbursed by the Paying Agent in the manner provided in Condition 5 against presentation and surrender (or, in case of part payment only, endorsement) of the relevant missing Coupon(s) at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of the relevant Note (whether or not the Coupon(s) would otherwise have become void pursuant to Condition 8) or, if later, five years after the date on which the Coupon(s) would have become due, but not thereafter. A Put Notice given by a holder of any Note shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes due and payable pursuant to Condition 9.1, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Put Notice.

For the purposes of these Conditions:

A **Change of Control** shall be deemed to occur if any Person or group of Persons acting in concert (other than a Qualifying Shareholder) acquires Control of the Issuer;

A **Change of Control Redemption Date** means the date specified in the Put Event Notice, being a date not less than 15 nor more than 20 days after the expiry of the Exercise Period;

**Acting in concert** means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of the Issuer;

**Control** shall be construed in accordance with the first and second paragraphs of Article 2359 of the Italian Civil Code and Article 93 of Legislative Decree No. 58, paragraph 1 of 24 February 1998 (as subsequently amended or supplemented); and

**Qualifying Shareholder** means FRI-EL Green Power S.p.A.

## 6.5 Asset Sale Offers

So long as any of the Notes remains outstanding, within 60 Business Days of the expiry of the 12-month period following the completion of an Asset Sale, the Issuer will give notice (an **Asset Sale Offer**) in accordance with Condition 12 to the Noteholders (a **Asset Sale Event Put Notice**) specifying (i) that an Asset Sale has occurred; (ii) that Noteholders are entitled to require the Issuer to redeem their Notes, subject to the pro ration described below, at a price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest to the date of redemption; (iii) the procedure for tendering their Notes pursuant to an Asset Sale Offer, the Asset Sale Offer Period and the Asset Sale Redemption Date.

If any proceeds of such Asset Sale remain after the consummation of an Asset Sale Offer, the Issuer may use those proceeds for any purpose not otherwise prohibited by the Conditions or the Trust Deed. If the aggregate principal amount of Notes tendered in such Asset Sale Offer exceeds the amount of the proceeds of such Asset Sale, the Notes will be redeemed on a *pro rata* basis, based on the amounts tendered (with such adjustments as may be deemed appropriate by the Issuer so that only Notes in denominations of €1,000 will be purchased).

For the purposes of these Conditions:

**Assets** means equity interests owned directly or indirectly by the Issuer and receivables owned directly by the Issuer which are fixed assets under the applicable accounting principles;

**Asset Sale** means any sale, transfer, conveyance or other disposition (for the avoidance of doubt, excluding any rentals of business (*affitto di azienda*) or rentals of business units (*affitto di ramo d'azienda*) and loans for use (*comodato*)) of any Assets other than an Excluded Asset Sale;

**Asset Sale Offer Period** means the period specified in the Asset Sale Event Put Notice during which the Noteholders can exercise their right to require the Issuer to redeem their Notes in accordance with this Condition 6.5, being a period of up to 30 days from the date of the Asset Sale Event Put Notice;

**Asset Sale Redemption Date** means the date specified in the Asset Sale Event Put Notice, being a date not less than 15 nor more than 30 days after the expiry of the Asset Sale Offer Period;

**Excluded Asset Sales** means any Asset Sales having an aggregate accounting value net of duly documented costs, expenses and taxes incurred as a result of the Asset Sales lower than Euro 10,000,000 for each financial year and, for any amount exceeding Euro 10,000,000, provided that such amount in excess of Euro 10,000,000 is reinvested by the Issuer in the ordinary course of its business within 12 months following the completion of the relevant Asset Sale.

## **6.6 Purchases**

The Issuer or any of its Subsidiaries (as defined above) may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price.

## **6.7 Cancellations**

All Notes which are (a) redeemed or (b) purchased by or on behalf of the Issuer or any of its Subsidiaries will forthwith be cancelled, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes, and accordingly may not be reissued or resold.

## **6.8 Notices Final**

Upon the expiry of any notice as is referred to in paragraph 6.2, 6.3 or 6.4 above the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

# **7 TAXATION**

## **7.1 Payment without Withholding**

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of Alerion (acting as the Issuer) shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction, shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (a) the holder of which is liable for Taxes in respect of such Note or Coupon by reason of having some connection with the Relevant Jurisdiction other than a mere holding of the Notes; or
- (b) presented for payment in the Republic of Italy or in any Relevant Jurisdiction; or
- (c) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so upon presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or

- (d) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Presentation Date (as defined in Condition 5 (*Payments*)); or
- (e) for or on account of “*imposta sostitutiva*” pursuant to Decree No. 239, as amended and/or supplemented or, for the avoidance of doubt, Italian Legislative Decree 21 November 1997, No. 461 as amended and supplemented and in all circumstances in which the procedures set forth in Decree 239, in order to benefit from an exemption from “*imposta sostitutiva*” have not been met or complied with; or
- (f) where such withholding or deduction is required to be made pursuant to Italian Law Decree 30 September 1983, No. 512 converted into law with amendments by Law 25 November 1983, No. 649; or
- (g) in the event of payment by Alerion to a non-Italian resident Noteholder or Couponholder, to the extent that the Noteholder or Couponholder is not resident in a Country that allows a satisfactory exchange of information with Italian tax authorities enumerated in Decree 4 September 1996 as amended and supplemented from time to time; or
- (h) for any Taxes that are imposed or withheld pursuant to Sections 1471 through 1474 of the Code, as of the Relevant Date (or any amended or successor version of such sections that is substantively comparable and not materially more onerous to comply with), any regulations promulgated thereunder, any official interpretations thereof, any similar law or regulation adopted pursuant to an intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any agreements entered into pursuant to Section 1471(b)(1) of the Code.

## 7.2 Interpretation

In these Conditions:

- (a) **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 12 (*Notices*); and
- (b) **Relevant Jurisdiction** means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons.

## 7.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition or under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed.

## 8 PRESCRIPTION

Notes and Coupons will become void unless presented for payment within periods of ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 5 (*Payments*).

## 9 EVENTS OF DEFAULT

### 9.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, subject in any case to mandatory provisions of Italian law, shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) (but, in the case of the happening of any of the events described in subparagraphs (b) (other than in connection with the obligations under Condition 3 (Covenants)), (d) (other than the winding up or dissolution of the Issuer), and (e) to (h) inclusive below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, in any of the following events (such events, together where applicable with such certification by the Trustee as aforesaid, the **Events of Default**):

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal or 14 days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under these Conditions (including, without limitation, the obligations under Condition 3 (Covenants)) or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy, when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 45 days next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any of its Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any applicable grace period; (iii) any Security Interest given by the Issuer or any of its Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or any of its Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person unless contested by the Issuer or the relevant Subsidiary in good faith by all appropriate means, including, where applicable, in a competent court or before a competent arbitration panel, provided that, in the case of (i), (ii), (iii) and (iv) above, such Indebtedness for Borrowed Money is, either individually or in the aggregate with other Indebtedness for Borrowed Money in respect of which an event specified in such paragraph (i), (ii), (iii) or (iv), respectively, above has occurred and is continuing, in a principal amount of €5,000,000 or more, or its equivalent in any other currency; or

- (d) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer or any of its Subsidiaries, save for the purposes of a Permitted Transaction; or
  - (e) if the Issuer or any of its Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of a Permitted Transaction, or the Issuer or any of its Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due (as extended by any applicable grace period) or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
  - (f) if (i) proceedings are initiated against the Issuer or any of its Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator, liquidator or other similar official, or an administrative or other receiver, manager, administrator, liquidator or other similar official is appointed, in relation to the Issuer or any of its Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator) is not discharged within 90 days (such period commencing on the date of presentation of the relevant petition or application); or
  - (g) if the Issuer or any of its Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to approve a proposal for an arrangement or composition with its creditors generally (or any class of its creditors);
- or
- (h) if any event occurs which, under the laws of any Relevant Jurisdiction, has, in the Trustee's opinion, an analogous effect to any of the events referred to in subparagraphs (d) to (g) above.

## 9.2 Interpretation

For the purposes of this Condition:

**Indebtedness for Borrowed Money** means any indebtedness, other than a Project Financing Indebtedness, (whether being principal, premium, interest or other amounts) for or in respect of any borrowed money or any liability under or in respect of any acceptance or acceptance credit or any notes, bonds, debentures, debenture stock, loan stock or other securities.

**Permitted Transaction** means (i) in the case of a Subsidiary any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind or restructuring or other similar transaction, in each case whilst solvent and whereby the whole or substantially the whole of the assets and undertakings of such Subsidiary are transferred, sold, contributed,

assigned or otherwise vested in the Issuer and/or another Subsidiary of the Issuer (as the case may be) as well as any solvent liquidation of any Subsidiary or (ii) any reorganisation on the terms previously approved by an Extraordinary Resolution.

## **10 ENFORCEMENT**

### **10.1 Enforcement by the Trustee**

The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons or otherwise, but it shall not be bound to take any such proceedings or other steps or action unless (a) it has been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding, subject to, in any case, the mandatory provisions of Italian law, and (b) it has been indemnified and/or secured and/or pre-funded to its satisfaction.

### **10.2 Limitation on Trustee actions**

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

### **10.3 Enforcement by the Noteholders**

No Noteholder or Couponholder shall be entitled to (i) take any steps or action against the Issuer to enforce the performance of any of the provisions of the Trust Deed, the Notes or the Coupons or (ii) take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer, in each case unless the Trustee, having become bound so to take any such action, steps or proceedings, fails or is unable so to do within 60 days and the failure or inability shall be continuing, subject to, in any case, the mandatory provisions of Italian law.

## **11 REPLACEMENT OF NOTES AND COUPONS**

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## **12 NOTICES**

### **12.1 Notices to the Noteholders**

All notices to the Noteholders will be valid if duly published on the Issuer's Website and in a manner which complies with the rules and regulations of any stock exchange on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this paragraph.



## **13 SUBSTITUTION**

The Trust Deed contains provisions permitting the Trustee to agree, without the consent of the Noteholders or Couponholders, to the substitution of certain other entities in place of the Issuer (or of any previous company substituted under this Condition) as principal debtor under the Notes, the Coupons and the Trust Deed, if requested in writing to do so by the Issuer (or any previous substituted company), subject to the detailed provisions set out in the Trust Deed and to the mandatory provisions of Italian law, and provided that the Trustee has certified to the Issuer that such substitution is not materially prejudicial to the interests of the Noteholders.

Any such substitution shall be binding on the Noteholders and Couponholders.

## **14 MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION**

### **14.1 Meetings of Noteholders**

The Trust Deed contains provisions for convening meetings of the Noteholders in accordance with the rules of the Italian Civil Code, to consider any matter affecting their interests, including, *inter alia*, the modification or abrogation by resolution of any of these Conditions or the provisions of the Trust Deed. The constitution of meetings and the validity of resolutions thereof shall be governed pursuant to the relevant provisions of the Italian Civil Code and, as long as the Issuer has its shares listed on a regulated market in Italy or another EU member country, also pursuant to Legislative Decree no. 58 of 24 February 1998 (as amended from time to time) and the By-laws of the Issuer in force from time to time. Accordingly, the provisions for meetings of the Noteholders contained in the Trust Deed shall be deemed to be amended, replaced and supplemented to the extent that any Italian laws, legislation, rules and regulations dealing with the meetings of the Noteholders or the relevant provisions in the By-laws of the Issuer are amended at any time while the Notes remain outstanding. Any such meeting may be convened by the Directors of the Issuer or the Noteholders' Representative (as defined below) at their discretion and, in any event, shall be convened by the Directors of the Issuer or the Noteholders' Representative upon the request of Noteholders holding not less than one-twentieth of the aggregate principal amount of the outstanding Notes. If the Directors of the Issuer or the Noteholders' Representative default in convening such a meeting following such request or requisition by the Noteholders representing not less than one-twentieth in aggregate principal amount of the Notes outstanding, the same may be convened by decision of the competent Court upon request by such Noteholders. Every such meeting shall be held at such time and place as provided pursuant to Article 2363 of the Italian Civil Code. The quorum required at any such meeting for the valid constitution of the meeting will be (subject to compliance with mandatory laws, legislation, rules and regulations of Italy in force from time to time): (i) if Italian law and the Issuer's by-laws provide for multiple calls (a) in the case of a first meeting, there are one or more persons present being or representing Noteholders holding not less than one half of the aggregate principal amount of the outstanding Notes; (b) in the case of any adjourned meeting, there are one or more persons present being or representing Noteholders holding more than one third of the aggregate principal amount of the outstanding Notes; or (c) in the case of any adjourned meeting in third call or in case the meeting is called in single call, there are one or more persons present being or representing Noteholders holding not less than one fifth of the aggregate principal amount of the outstanding Notes; and (ii) if Italian law and the Issuer's by-laws provides for a single call, the quorum under (c) above shall apply, provided however that that the Issuer's By-laws may in each case (to the extent permitted under the applicable Italian law) provide for a higher quorum.

The majority required to pass a resolution at any meeting (including any adjourned meeting or meeting called in single call) convened to vote on any resolution will be (subject to compliance

with mandatory laws, legislation, rules and regulations of Italy in force from time to time) one or more persons holding or representing not less than two thirds of the aggregate principal amount of the Notes represented at the meeting; provided, however, that (A) certain proposals, as set out in Article 2415 of the Italian Civil Code concerning amendments to the terms and conditions of the Notes (including, *inter alia*, any proposal to modify the maturity of the Notes or the dates on which interest is payable on them; to reduce the principal amount of, or interest on, the Notes; or to change the currency of payment of the Notes and excluding, for the avoidance of doubt, amendments of formal, minor or technical nature or made to correct a manifest error) may only be sanctioned by a resolution passed at a meeting of Noteholders (including any adjourned meeting) by one or more persons holding or representing the higher of (a) not less than two thirds of the aggregate principal amount of the Notes represented at the meeting and (b) not less than one half of the aggregate principal amount of the outstanding Notes, provided however that a different majority (higher or lower depending on the circumstances and the amount of Notes represented at the meeting) may be required pursuant to Article 2369 paragraph 7, of the Italian Civil Code and (B) the Issuer's By-laws may in each case (to the extent permitted under applicable Italian law) provide for higher majorities. Any resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In accordance with the Italian Civil Code, a *rappresentante comune*, being a joint representative of Noteholders (the **Noteholders' Representative**), subject to applicable provisions of Italian law, may be appointed in certain circumstances pursuant to Article 2417 of the Italian Civil Code in order to represent the Noteholders' interest hereunder and to give effect to the resolutions passed at a meeting of the Noteholders. If the Noteholders' Representative is not appointed by a meeting of such Noteholders, it shall be appointed by decree of the competent Court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the Directors of the Issuer. The Noteholders' Representative shall remain appointed for a maximum period of three fiscal years but may be reappointed again thereafter and shall have the powers and duties set out in Article 2418 of the Italian Civil Code.

A resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

## **14.2 Modification and Waiver**

The Trustee may agree, without the consent of the Noteholders or Couponholders to (i) any modification of any of the provisions of the Trust Deed or the Agency Agreement that is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement or the Notes that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable in accordance with Condition 12 (*Notices*).

## **14.3 Entitlement of the Trustee**

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders (or Couponholders whatever their number) and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Trustee any

indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

## **15 INDEMNIFICATION AND PROTECTION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER**

### **15.1 Indemnification and protection of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer, the Noteholders and the Couponholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

### **15.2 Trustee Contracting with the Issuer**

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

## **16 FURTHER ISSUES**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest, which shall be consolidated and form a single series with the outstanding Notes. Any further notes which are to form a single series with the outstanding Notes shall be constituted by a deed supplemental to the Trust Deed.

## **17 GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **17.1 Governing Law**

The Trust Deed, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law. Condition 14 and the provisions of the Trust Deed concerning the meetings of Noteholders and the appointment of a Noteholders' Representative in respect of the Notes are subject to compliance with Italian law.

## **17.2 Submission to Jurisdiction**

- (a) The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes or the Coupons), including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes or the Coupons (a **Dispute**) and each of the Issuer, the Trustee and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition, each of the Issuer, the Trustee, the Noteholders and the Couponholders waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

## **17.3 Appointment of Process Agent**

The Issuer irrevocably appoints The Law Debenture Corporate Services Limited at fifth floor, 100 Wood Street, London, EC2V 7EX as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of The Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this Condition shall affect the right to serve process in any other manner permitted by law.

## **18 RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES**

*The following is a summary of the provisions to be contained in the Trust Deed to constitute the Notes and in the Global Notes which will apply to, and in some cases modify, the Conditions of the Notes while the Notes are represented by the Global Notes.*

### **1. Accountholders**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notice to the Issuer pursuant to Condition 6.4 (*Redemption at the Option of the Noteholders (Change of Control)*)) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

### **2. Payments**

On and after 40 days after the date of issue of the Notes, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made to the bearer of such Global Note and, if no further payment falls to be made in respect of the Notes, against surrender of such Global Note to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes, by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with a bank in a city in which banks have access to the TARGET System. Payments of principal or interest due in respect of any Note other than on presentation and surrender of matured Receipts or Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Note. The Issuer shall procure that the amount so paid shall be entered pro rata in the records of Euroclear and Clearstream, Luxembourg and the nominal amount of the Notes recorded in the records of Euroclear and Clearstream, Luxembourg and represented by such Global Note will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of Euroclear and Clearstream, Luxembourg shall not affect such discharge. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

### **3. Notices**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant Accountholders rather than by publication as required by Condition 12 (*Notices*), provided that, so long as the Notes are listed on any stock exchange or admitted to listing or trading by any other relevant authority and such stock exchange or relevant authority so requires, the Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any such stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the Noteholders on the day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through the applicable clearing system's operational procedures approved for this purpose and otherwise in such manner as the Principal Paying Agent and the applicable clearing system may approve for this purpose.

#### **4. Interest Calculation**

For so long as Notes are represented by one or both of the Global Notes, interest payable to the bearer of a Global Note will be calculated by applying [●] per cent. per annum to the principal amount of the Global Note and (a) the actual number of days in the period from and including the Accrual Date to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date. The resultant figure is rounded to the nearest cent (half a cent being rounded upwards).

#### **5. Exchange**

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only:

- (a) upon the happening of any of the events defined in the Trust Deed as “Events of Default”;
- (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee.

Thereupon (in the case of (a) and (b) above) the holder of the Permanent Global Note (acting on the instructions of one or more of the Accountholders (as defined below)) or the Trustee may give notice to the Issuer and the Principal Paying Agent and (in the case of (c)) the Issuer may give notice to the Trustee, the Principal Paying Agent and the Noteholders, of its intention to exchange the Permanent Global Note for definitive Notes. Any exchange shall occur no later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

Exchanges will be made upon presentation of the Permanent Global Note to or to the order of the Principal Paying Agent on any day on which banks are open for general business in the place in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Trust Deed. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

#### **6. Prescription**

Claims against the Issuer in respect of principal and interest on the Notes represented by a Global Note will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 7 (*Taxation*)).

#### **7. Cancellation**

Cancellation of any Note represented by a Global Note and required by the Conditions of the Notes to be cancelled following its redemption or purchase will be effected by instruction to Euroclear and Clearstream, Luxembourg to make appropriate entries in their records in respect of all Notes which are cancelled.

#### **8. Put Option**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, the option of the Noteholders provided for in Condition 6.4 (*Redemption at the Option of the Noteholders (Change of Control)*) and Condition 6.5 (*Asset Sale Offer*) may be exercised by an Accountholder giving notice to the Principal Paying Agent in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his

instructions by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent by electronic means) of the principal amount of the Notes in respect of which such option is exercised and the Issuer shall procure that the portion of the principal amount of the relevant Global Note so redeemed shall be entered in the records of Euroclear and/or Clearstream, Luxembourg.

**9. Redemption at the Option of the Issuer**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, no selection of Notes to be redeemed will be required in the event that the Issuer exercises its call option pursuant to Conditions 6.3 (*Redemption at the Option of the Issuer*) in respect of less than the aggregate principal amount of the Notes outstanding at such time. In such event, the partial redemption will be effected in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

**10. Euroclear and Clearstream, Luxembourg**

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate.

## USE OF PROCEEDS

We expect the gross proceeds of the Offering will be between Euro 150,000,000 million and Euro 200,000,000 million.

The net proceeds of the issue of the Notes will be applied by the Issuer to (i) finance and/or refinance, in whole or in part, existing green projects which meet the criteria set out below (see “*Use for Eligible Green Projects*”) and as described in the Green Bond Framework (the **Eligible Green Projects**) and (ii) finance the capital and operational expenditures related to design, construction, development, installation, maintenance or acquisition of new wind power projects that will increase the Issuer’s actual power generation plants portfolio.

The table below illustrates the estimated sources and uses of proceeds of the issue of the Notes.

The split of the net proceeds of the issue of the Notes between (i) and (ii) above are expressed as a percentage of the expected net proceeds of the Offering, while the expenses relating to the Offering are expressed in millions of Euro.

Sources of funds	(in millions of Euro)	Use of funds	(as a % of the expected net proceeds of the Offering and in million of Euro)
Notes offered hereby	Between Euro 150,000,000 million and Euro 200,000,000 million	Existing green projects	25%
		New wind power projects <sup>(1)</sup>	75%
		Estimated fees and expenses <sup>(2)</sup>	3

<sup>(1)</sup> These projects are expected to be constructed or acquired during the 24 months following the issuance of the Notes, with associated disbursements relating to the procurement process incurred starting from the year 2018. The acquisition of new wind power projects includes both the acquisition of operating assets as well as the acquisition of companies owning authorized and/or operating assets. New wind power projects will be located in Europe, in particular in Italy and Spain.

<sup>(2)</sup> Represents an estimate of the costs, fees and expenses incurred in connection with the Offering. Actual costs, fees and expenses may vary and additional costs, fees and expenses may be payable after the Issue Date.

### Use for Eligible Green Projects

The Issuer has established the Green Bond Framework which has been developed in compliance with the ICMA's Green Bond Principles 2018 edition (**GBP**), and as such follows the GBP core components.

According to the Green Bond Framework, Eligible Green Projects include:

- New wind power project design, development, manufacture and construction;
- Acquisition of operating wind farms;
- Refinancing of existing wind farms.

The acquisition of operating wind farms includes both the acquisition of operating assets as well as the acquisition of companies owning authorized and/or operating assets.

DNV GL as a second party consultant appointed by the Issuer has reviewed the Green Bond Framework and has issued a Second Party Opinion on 23 October 2019.

Upon receipt, the net proceeds from the issuance of the Notes will be managed by the Issuer's treasury department and invested in cash or cash equivalents until allocation to Eligible Green Projects. The Issuer will aim at achieving



complete allocation of the proceeds from the Notes within 24 months from the issuance date, and in any case no later than the Maturity Date of the Notes.

The Issuer will establish a Green Bond Committee (the **Committee**) to oversee the implementation of the GBP and the allocation process.

The Committee will be in charge of monitoring the selection and allocation of funds to Eligible Green Projects and will be responsible for, *inter alia*, the following activities:

- Identifying potential Eligible Green Projects,
- Reviewing and approving the selection against the eligibility criteria stated above; and
- Reviewing and approving allocations of the proceeds of the Notes to Eligible Green Projects on a regular basis.

Details of the disbursements and the outstanding value will be tracked by using the Issuer's internal financial reporting system.

In case of divestment, or if a project becomes ineligible, the Issuer will strive to replace it by another Eligible Green Project on a best effort basis.

An annual report will be prepared and made available on the Issuer's website [www.alerion.it](http://www.alerion.it) with the status of the Notes' proceeds allocation, overview of the projects financed and/or refinanced, and the environmental impact, until full allocation of the proceeds.

The Placement Agent makes no representation as to the suitability of the Notes to fulfil environmental and sustainability criteria required by prospective investors. The Placement Agent has not undertaken, nor is responsible for, any assessment of the eligibility criteria, any verification of whether the Eligible Green Projects meet the eligibility criteria, or the monitoring of the use of proceeds.

## DESCRIPTION OF THE ISSUER

Alerion Clean Power S.p.A. (the **Issuer**, or **Alerion** and, together with the companies directly or indirectly controlled by Alerion, pursuant to Article 2359 of the Italian Civil Code, the **Group**) is a joint stock company incorporated and established in Italy and operating under Italian law. Alerion has its registered office at Viale L. Majno No. 17, Milan, is registered with the Milan Companies Register under No. 02996890584 (telephone number +39 02 77 88 901) and has its ordinary shares listed on the *Mercato Telematico Azionario* segment (**MTA**) of the Milan Stock Exchange. The Issuer's subscribed and paid-up share capital is equal to Euro 186,042,314.05 divided into 51,209,773 shares without nominal value.

In accordance with Article 3 of the articles of association of the Issuer on the date of this Prospectus (the **Articles of Association**), the Issuer's term is until 31 December 2050. Such term can be extended or terminated in advance by a resolution passed at a shareholders' meeting.

In accordance with Article 4 of the Articles of Association, the Issuer's financial year ends on 31 December of each year.

The Total Revenues and the Shareholders' Equity of Alerion, for the financial year ended 31 December 2018, amounted respectively to Euro 59 million and about Euro 141.2 million and for the first six months ended on 30 June 2019, amounted respectively to Euro 30.9 million and about Euro 143.2 million.

### History

Alerion was established on 28 February 2003 as the result of the contribution of IBI International Business Advisors Investment NV into Fincasa 44 S.p.A. (a financial, tax and commercial consultancy firm specifically operating in the real estate sector) in order to subscribe an increase in the share capital with the exclusion of option rights resolved by Fincasa 44 S.p.A. Fincasa 44 S.p.A. was established on 5 December 1977 as a limited liability company and had subsequently become a joint stock company, whose shares had been listed on the Italian Stock Exchange from 1992 onwards. In the context of the share capital increase, the Fincasa 44 S.p.A. shareholders' meeting also resolved to change the company name from Fincasa 44 S.p.A. to Alerion Industries S.p.A. and transferred its registered office to Via Durini 16/18, Milan. In the context of such capital increase, the Issuer issued new shares, which were attributed to the new contributing shareholders, as specifically listed below, in proportion to the stakes held by them in the share capital of IBI International Business Advisors Investment NV (i.e. the contributed company).

In February 2003, the Issuer approved a further increase in its share capital in accordance with Article 2441 of the Italian Civil Code, to be offered as an option to its shareholders.

Following the completion of the abovementioned transactions, all the contributing shareholders (Fintad International S.A., AABAAC Beheer B.V., Caporale Vittorio, Ambrosi Alessandra, Colleoni Gastone, Garretpark N.V., Financière Phone 1690 S.A., Astrim S.p.A., Naggi Giancamillo, Mattei Silvana, Rossini Ambrogio, Rossini Emanuele, Aladar S.A., Muisca S.A.), IBI HOLDING B.V. and the Issuer's other existing shareholders at such date (Banca Monte dei Paschi di Siena S.p.A., Lloyd Adriatico S.p.A., Commerfin S.p.A., SIAS S.p.A., ATAHOTELS S.p.A., Finmatica S.p.A., Camomille Ltd) executed on 19 March 2003 a shareholders' agreement relevant for the purposes of Article 122 of TUF, for all the shares held in the Issuer (excluding certain shares held by the contributing shareholder AABAAC Beheer B.V., which were excluded for the purposes of the shareholders' agreement). As a result, the conditions were met for submitting a public tender offer on the Issuer's ordinary shares. The joint obligation of the parties to the shareholders' agreement to submit a public tender offer was fulfilled by IBI HOLDING B.V. in April 2003. The public tender offer did not aim to revoke the listing of the Issuer's shares, whose shares continued to be listed on the MTA.

In 2004 the Issuer started investing in the renewable energy sector and in 2005 set up Alerion Energie Rinnovabili S.p.A. (**AER**). From 2006 to 2008, the Group sold its shareholdings in companies other than the ones involved in the renewable energy sector so as to focus exclusively on this sector.

As a result of the resolution passed by the extraordinary shareholders' meeting on 29 April 2009, the Issuer changed its company name to Alerion Clean Power S.p.A.

In 2011, Alerion further focused its investment activities on the wind energy industry by expanding into international markets and acquiring a 51% stake in the Krupen Wind Farm in Bulgaria.

Between 2011 and 2013, the Group progressively sold all of its investments in plants (i.e. photovoltaic and biomass plants) other than Wind Farms becoming a pure renewable player in wind.

On 28 August 2016, the FRI-EL Green Power S.p.A. (**FGP**) board of directors unanimously resolved to launch, through the internally controlled company FGPA S.r.l. (**FGPA**), a partial voluntary public tender offer, in accordance with Article 102 of the TUF, for no more than 13,030,123 Alerion ordinary shares amounting to 29.90% of the Issuer's subscribed and paid-in share capital, at a price of Euro 1.90 per share (the **FGPA Offer**).

On 8 December 2016, FGPA announced the final results of the FGPA Offer according to which 1,899,753 Alerion shares were acquired following the adhesion to such FGPA Offer, amounting to 4.36% of the share capital thereof, for a total value of Euro 4,939,357.80. As a result of the FGPA Offer, the purchases made outside the FGPA Offer and the apportionment criterion which was applied, FGP, through its subsidiary FGPA was the owner of a 29.36% stake in the Alerion share capital.

On 26 September 2017, FGP notified the market of its intention to launch a comprehensive voluntary public tender in accordance with Article 102 of the TUF for 30,782,275 Alerion shares amounting to 70.64% of the Issuer's subscribed and paid-up share capital (the **Public Tender Offer**).

Therefore, as a result of the Public Tender Offer, FGP was the owner of a total of 36,605,292 Alerion shares, amounting to approximately 84% of the Issuer's share capital. In December 2017, Alerion acknowledged the start of the management and coordination activity of FGP.

On 23 February 2018, Alerion's Board of Directors (as defined below) proposed to the shareholders' meeting of Alerion held on 6 April 2018 to approve, among other things, an inseverable share capital increase, with the exclusion of option rights, in accordance with Article 2441, paragraph 4, first sentence of the Italian Civil Code. Following the approval by the shareholders' meeting held on 6 April 2018, the Issuer issued 7,630,769 new ordinary shares at the unit price of Euro 3.25 that conferred the usual rights and had the same characteristics as those shares that were outstanding at the issue date. They were released on 30 June 2018 by means of a contribution in kind by FGP and Pro-Inves S.r.l. for the entire registered share capital of Eolica PM S.r.l., Fri-El Albareto S.r.l. and Green Energy Sardegna S.r.l. (the **Transferred SPVs**), each of which were authorised to build Wind Farms which are under construction and are located in Sardinia, Emilia Romagna and Campania for a total aggregate capacity of 102.4 MW.

Following the approval by the shareholders' meeting on 6 April 2018, FGP, in compliance with the commitments signed on 21 February 2018, on 11 April 2018, contributed all of the stake held by it in both Eolica PM S.r.l. (which owns the Wind Farm located in Morcone and Pontelandolfo (Benevento)) and Fri-El Albareto S.r.l., (which owns the Wind Farm located in Albareto and Tornolo (Parma)) as well as the 75% stake FGP had in Green Energy Sardegna S.r.l., (which owns the Wind Farm located in Villacidro and S. Gavino Monreale (Villacidro and Sanluri)). Pro-Invest S.r.l. has, in turn, contributed its 25% stake in Green Energy Sardegna S.r.l.

On 26 June 2019 the Issuer announced the completion of its first acquisition of an operational wind farm in Spain carried out through its controlled companies, Alerion Spain SL and Alerion Teruel SL. In particular, the Issuer, through its controlled companies, Alerion Spain SL and Alerion Teruel SL, acquired 100% of Comiolica SL, a company owing an operational wind farm in Spain (located in the municipality of Aliaga, Teruel province) with an installed capacity equal to 36 MW (12 turbines of 3 MW) (the **Comiolica Acquisition**). The consideration for the acquisition of the participation is equal to about Euro 41 million (including repayment to the sellers of the existing shareholders loan), financed partly with equity and partly through the proceeds of a project finance facilities agreement, for an amount equal to Euro 23.5 million, executed with a pool of Spanish banks composed by Banco Sabadell and Abanca. Furthermore, the consideration for the Comiolica Acquisition has been partly funded by Società Italiana per le Imprese all'Estero – SIMEST S.p.A., a company belonging to the group of Cassa Depositi e Prestiti S.p.A. (**SIMEST**). To this extent, on 5 July 2019 Alerion entered into an investment agreement with SIMEST whereby SIMEST undertook, inter alia, to acquire a participation equal to 49% of the share capital of Alerion Spain SL for an interim period and to grant Alerion Spain SL with a shareholder loan of an amount equal to Euro 9,951,000 to be used for the Comiolica Acquisition. The above participation interest of SIMEST in Alerion Spain SL shall be in any case acquired back by the Issuer no later than 30 June 2027. In the context of the Comiolica Acquisition, Alerion acquired also an option right to purchase a further wind farm in Spain for 50 MW.

On 1 August 2019, the Issuer acquired from FGP 100% of the corporate capital of Fri-el Ichnusa S.r.l. (**Friel Ichnusa**) together with the receivables arising from the shareholder loan granted to Friel Ichnusa by FGP (the **Friel Ichnusa Acquisition**). Friel Ichnusa owns 100% of the corporate capital of Fri-el Campidano S.r.l. (**Friel Campidano**) a company holding an operational wind farm in Italy (in the Sardinia region) with an installed

capacity equal to 70MW (35 turbines of 2MW each) in operation from September 2008. The enterprise value of the Friel Ichnusa Acquisition is equal to 81 million. The consideration for the Friel Ichnusa Acquisition is equal to Euro 64.1 million (Euro 59.7 million for the acquisition of 100% of the corporate capital of Friel Ichnusa and Euro 4.4 million for the acquisition of the receivables arising from the shareholder loan). As at the date of this Prospectus the Issuer has already paid a portion of the purchase price (equal to Euro 15 million) and the remainder will be paid by 1 August 2022 entirely with equity.

On 5 September 2019, by resolution of the extraordinary meeting, the shareholders of the Issuer approved the merger by incorporation of AER into the Issuer (the **AER Incorporation**) subordinated to the perfection of a reduction by an amount of Euro 46,042,314.05 of the share capital of the Issuer (the **Corporate Capital Reduction**). In particular, as a consequence of the AER Incorporation the accounting values of the consolidated financial statements of the Issuer will be aligned to the accounting values of the Issuer's financial statements and such alignment will result in a merger deficit due to the difference between: (i) the value of the participation held by the Issuer in AER, equal to Euro 151,194,803.05 – to be reduced to zero following the merger – and (ii) the net equity of the Issuer, equal to Euro 106,395,374. Therefore, the shareholder's meeting of the Issuer also approved the Corporate Capital Reduction pursuant to which the value of the share capital of the Issuer will be decreased from Euro 186,042,314.05 to Euro 140,000,000.0 in order to set up a merger net equity reserve that will cover the merger deficit resulting from the AER Incorporation. The AER Incorporation will be effective after the expiry of both (i) the 60-day term, and (ii) the 90-day term, available under Italian law to the company creditors to file an opposition against a resolution approving a merger and a reduction of capital, respectively. The AER Incorporation intends to shorten the group control chain and optimise the corporate structure of the Group, also allowing cost efficiencies and an optimisation of the financial flows between the Issuer and the SPVs (as defined below). With reference to the Group organisational and administrative rationalisation pursued through the AER Incorporation, the simplification of the intra-group decision-making process will make also more efficient the implementation of the investment opportunities that will be identified from time to time by the Issuer. After the implementation and effectiveness of the AER Incorporation, any reference in this this Prospectus to AER shall be read as to a reference to the Issuer.

On 6 September 2019, the Issuer was awarded the competitive procedure for the acquisition of a participation equal to 100% of the corporate capital of Anemos Wind S.r.l. (**Anemos**), a company operating a wind farm located in Regalbuto (Province of Enna, Sicily) with an installed capacity of 50 MW (20 turbines of 2.5 MW) (the **Regalbuto Wind Farm**), organised in the context of the insolvency proceedings regarding Cover Energy Holding S.r.l. and Italian Natural Energy S.r.l. (the **Anemos Shareholders**) which are the indirect shareholders of Anemos through Oxara Energy Italia S.r.l. *in liquidazione* (the **Regalbuto Acquisition**). For the financing of the Regalbuto Wind Farm, Anemos entered into, with Banco BPM S.p.A. and Mediocredito Italiano S.p.A. (the **Anemos Financing Institutions**), respectively, certain sale and lease back agreements for an aggregate nominal value of the outstanding debt as at 31 May 2019 equal to Euro 34,930,984.00. The consideration to be paid by the Issuer on the date of closing of the Regalbuto Acquisition is equal to Euro 3,500,000.00 that the Issuer intends to pay with available cash. The perfection of the Regalbuto Acquisition was subject to certain conditions precedent including in particular the following: (i) the acquisition by Oxara Energy Italia S.r.l. *in liquidazione* of all receivables arising from the intercompany loans held by the Anemos Shareholders *vis-à-vis* Anemos for an aggregate amount equal to Euro 4,832,069; (ii) the write off by Oxara Energy Italia S.r.l. *in liquidazione* of such receivables without arising of contingent assets pursuant to art. 88, paragraph 4-*bis* of Presidential Decree no. 917 of 1986; (iii) the consent of the Anemos Financing Institutions to the change of ownership and to the keeping in force of the sale and lease back agreements according to the debt restructuring agreement pursuant to art. 182-*bis* of Royal Decree no. 267 of 1942, approved by the Milan Court with Decree dated 13 July 2017; (iv) the net financial position of Anemos as at the date of the Regalbuto Acquisition is not different from its net financial position as at 31 May 2019 (*i.e.* a debt arising from the sale and lease back agreements equal to Euro 34,930,984.00, and cash and bank deposits equal to Euro 5,541,790.00); and (v) the Italian Revenue Agency does not deny the facilitated settlement pursuant to art. 6 of Legislative Decree no. 119 of 2018. The completion of the Regalbuto Acquisition occurred on 14 November 2019. The following are the selected historic financial information of Anemos (company owning Regalbuto wind farm) available from public financial statements, prepared in accordance with Italian GAAP, that are significantly different from IFRS. For the avoidance of doubt, the Unaudited Pro Forma Consolidated Financial Information does not give pro forma effect to the Regalbuto Acquisition, see also “Risks related to the use of pro forma financial information”.

<b>Regalbuto</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
(Euro/000)		
Revenues	11.714	10.297
EBIT	1.475	991
Net Result	575	231
Total Assets	17.647	15.823
Shareholders' Equity	7.843	7.268

As of the date of this Prospectus, FGP, the current controlling shareholder of the Issuer, has under management a total gross installed capacity of 1,023 MW.

For a list of the persons who held shareholdings in the Issuer higher than 5% of the Issuer's corporate capital as at the date of this Prospectus, please see section "Major Shareholders".

#### **Significant investments**

The recent investments of the Group refer to the completion of the construction of the Albareto and Morcone Pontelandolfo Wind Farms.

More specifically, the total investments made for completing the Wind Farms owned by the Transferred SPVs have been in 2019 at around Euro 50 million.

These investments have been financed through the resources provided as a result of project financing agreements executed by each of the Transferred SPVs.

In addition, the Issuer in 2019:

(a) completed (i) the Comiolica Acquisition financed partly with equity and partly through the proceeds of a project finance facilities agreement, for an amount equal to Euro 23.5 million, executed with a pool of Spanish banks composed by Banco Sabadell and Abanca, and (ii) the Friel Ichnusa Acquisition to be financed with equity of the Issuer and with respect to which as at the date of this Prospectus the Issuer has already paid a portion of the purchase price (equal to Euro 15 million) and the remainder will be paid by 1 August 2022 entirely with equity; and (b) has been awarded the bid process in relation to the Regalbuto Acquisition, in this respect please see "Description of the Issuer – History" above.

#### **Issuer's purpose**

Under Article 4 of the Articles of Association, the Issuer's purpose consists in "acquiring equity and non-equity investments in Italian and foreign companies and managing the said investments; making investments in movable and immovable goods, providing technical assistance and coordinating the companies in which it holds equity; providing the said companies with the appropriate financial assistance; entering into financial transactions of any kind whatsoever in the medium and long-term, including loans, personal guarantees and, in any event, bill of exchange guarantee transactions executed in the exclusive interest of the Issuer and of any other company in which it has a direct or indirect stake excluding, in any event, collecting savings from the public. The Issuer can also carry out all banking, industrial, commercial, movable and real estate transactions needed to achieve its corporate purpose".

#### **Business of the Group**

The Group generates electricity from wind. Its activities consist mainly in managing a portfolio of Wind Farms and in selling electricity generated by these Wind Farms. The Group operates mainly in Italy, where it benefits from an incentive system for the production of energy from renewable sources and, specifically, the Group

manages 16 fully operational Wind Farms (of which 14 in Italy, 1 in Bulgaria and 1 in Spain) which, at the date of this Prospectus, had a total gross installed capacity of 514.3 MW and a net capacity of 467.5 MW. It sells electricity on the free market or through private bilateral transactions.

The Group was one of the first companies in Italy to produce and sell electricity generated from wind and other renewable energy sources. In 2013, it completed the sale of its photovoltaic and biomass plants with the strategic objective of focusing its main activities in the wind sector.

The Group organises and manages its activities in the following areas:

- (i) operational activities, which include the sale of electricity generated by Wind Farms and the construction of Wind Farms on behalf of third parties; and
- (ii) holding activities in respect to the other companies of the Group and the related consulting activities.

The Group employed 29 employees as of 30 June 2019.

The Group had generated as of 31 December 2018 consolidated revenues amounting to Euro 59.0 million, recording an EBITDA of Euro 45.4 million and as of 30 June 2019 consolidated revenues amounting to Euro 30.9 million, recording an EBITDA of Euro 25.2 million.

The following table shows the Group's revenues for the years up until 31 December 2018 and 31 December 2017 and the six months ended on 30 June 2019, broken down by business segments.

#### Income statement

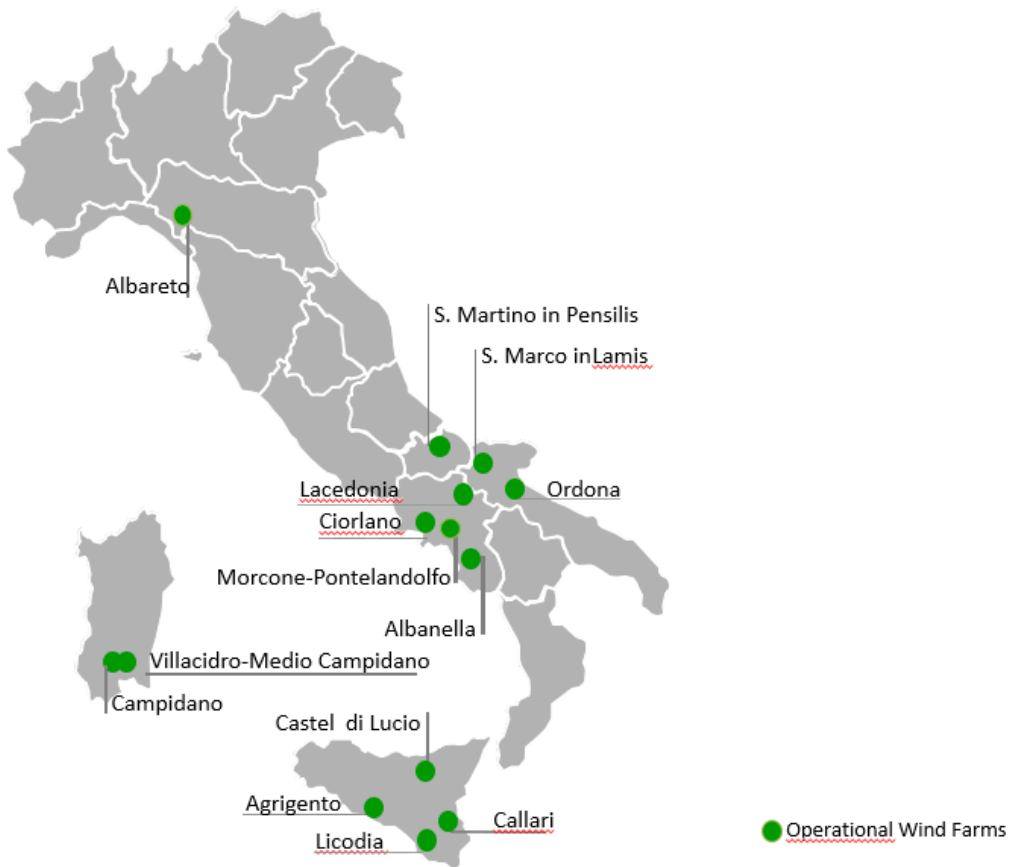
(€/000)	Operating activities			Holding company activities			Consolidated		
	I <sup>o</sup> Half 2019	2018	2017	I <sup>o</sup> Half 2019	2018	2017	I <sup>o</sup> Half 2019	2018	2017
Operating revenues	30,135	55,854	52,185	0	0	0	30,135	55,854	52,185
Other sundry revenues and income	382	1,929	1,571	393	1,226	1,172	775	3,155	2,743
<b>REVENUES</b>	<b>30,517</b>	<b>57,783</b>	<b>53,756</b>	<b>393</b>	<b>1,226</b>	<b>1,172</b>	<b>30,910</b>	<b>59,009</b>	<b>54,928</b>

#### Wind Power Plants of the Group

The following table describes the locations of the Group's Wind Farms indicating, for each of them, the stake held by the Group in the company in question, the gross installed capacity of the plant, the number of turbines, the actual or expected date of commencement of production, and the duration of the incentives from the entry into operation of the Wind Farm.

Wind Farm Location	Owner	Technology	Gross Installed Capacity	Net Installed Capacity	Stake held by the Group	Number of turbines	Date on which production commenced	Date of expiry of incentives	Outstanding term of incentives (years)	Status
<b>Italy</b>										
Morcone e Pontelandolfo	Eolica PM S.r.l.	Vestas V117	51.8 MW	51.8 MW	100%	15	July 2019	July 2039	20	Operational
Albareto	Fri-El Albareto S.r.l.	Vestas V117	19.8 MW	19.8 MW	100%	6	July 2019	July 2039	20	Operational
Villacidro	Green Energy Sardegna S.r.l.	Vestas V110	30.8 MW	30.8 MW	100%	14	February 2019	January 2039	20	Operational
Campidano	Fri-El Campidano S.r.l.	Vestas V90	70 MW	70 MW	100%	35	September 2008	October 2023	5	Operational
San Marco in Lamis	Renergy San Marco S.r.l.	REpower 3XM	44.2 MW	44.2 MW	100%	13	November 2011	December 2026	8	Operational
San Martino in Pensilis	New Green Molise S.r.l.	Vestas V90	58.0 MW	29.0 MW	50%	29	October 2010	October 2025	7	Operational
Licodia	Parco Eolico Licodia Eubea S.r.l.	Gamesa G58 – G52	22.1 MW	17.7 MW	80%	26	September 2010	September 2025	7	Operational
Castel di Lucio	Minerva S.r.l.	Vestas V52	23.0 MW	23.0 MW	100%	27	April 2010	April 2025	7	Operational
Ortona	Ortona Energia S.r.l.	REpower MM92	34.0 MW	34.0 MW	100%	17	March 2009	March 2024	6	Operational
Callari	Callari S.r.l.	Vestas V90	36.0 MW	36.0 MW	100%	18	January 2009	December 2023	5	Operational
Lacedonia	Ecoenergia Campania S.r.l.	Vestas V90	15.0 MW	7.5 MW	50%	5	October 2008	October 2023	5	Operational
Ciorlano	Dotto S.r.l.	Vestas V80	20.0 MW	20.0 MW	100%	10	February 2008	March 2023	5	Operational
Agrigento	Wind Power Sud S.r.l.	Gamesa G58	33.2 MW	33.2 MW	100%	39	February 2007	January 2019	-	Operational
Albanella	Eolo S.r.l.	Vestas V52	8.5 MW	8.5 MW	100%	10	January 2004	February 2016	-	Operational
<b>Bulgaria</b>										
Krupen	Wind Energy EOOD. Wind Stream EOOD. Wind Systems EOOD. Wind Power 2	Vestas V90	12.0 MW	6.1 MW	51%	4	October 2010	October 2025	7	Operational
<b>Spain</b>										
Comiõlica	Comiõlica SL	Sinovel SL3000	36.0 MW	36.0 MW	100%	12	December 2012	December 2032	14	Operational
<b>MW TOTALS</b>			<b>514,3 MW</b>	<b>467.5 MW</b>		<b>280</b>				
<b>Outstanding Average duration</b>									<b>10</b>	

The following figure illustrates how the Group’s Wind Farms are distributed throughout Italy, Spain and Bulgaria. It must be pointed out that a Wind Farm is considered *operational* from when (i) it enters into operation and starts commercial operations and (ii) the Issuer finalises the investments needed for building it (including the collateral investments needed for completing such Wind Farm, including, for example, restoring the areas in which the Wind Farm is located).





### Operational Wind Farms

The production of electricity generated from Wind Farms is the Group's main activity. The Group produces electricity in 15 fully constructed and operational Wind Farms (13 in Italy, 1 in Bulgaria and 1 in Spain) and its installations have 444.3 MW of gross production capacity.

The following table shows the total amount of electricity generated by the Group's Wind Farms for the financial years up until 30 June 2019.

Site	Gross capacity (MW)	Consolidated production (MWh)
<b>Controlled companies Wind Farms (fully consolidated)</b>		30 June 2019
<b>Operating Wind Farms</b>		
Albanella (SA)	8,5	5.750
Ciorlano (CE)	20,0	11.801
Callari (CT)	36,0	31.988
Ordonà (FG)	34,0	39.007
Castel di Lucio (ME)	23,0	20.615
Licodia (CT)	22,1	19.140
San Marco in Lamis (FG)	44,2	38.641
Agrigento (AG)	33,2	27.309
Villacidro (SU)	30,8	39.273
Krupen (1, 2, 3, 4) (Bulgaria)	12,0	13.308
Comiolica (Spain)	36,0	
<b>Total</b>	<b>299,8</b>	<b>246.830</b>
<b>Non Operating Wind Farms</b>		
Morccone-Pontelandolfo (BN)	51,8	820
Albareto (PR)	19,8	1.065
<b>Total</b>	<b>71,6</b>	<b>1.885</b>
<b>Joint Venture Wind Farms</b>		
<b>Operating Wind Farms</b>		
Lacedonia (AV)	15,0	7.848
San Martino in Pensilis (CB)	58,0	34.168
<b>Total</b>	<b>73,0</b>	<b>42.016</b>
<b>Total</b>	<b>444,3</b>	<b>290.731</b>

### Non-operational Wind Farms

As at the date of this Prospectus, all Wind Farms of the Group are in operation.

### ***Business model and portfolio management***

In the past, the Group developed its activities through: (i) the acquisition of plants that had been completed, were under construction or were ready to be built (either directly or through the acquisition of the companies owning the relevant plants); or (ii) the direct development of new sites, including sites developed through joint ventures or joint development agreements with international or local partners.

When the Group decides to make an acquisition, it purchases, from third parties, plants (or the companies owning the relevant plants) that have already been built or projects that are in an advanced stage of development, which it subsequently completes and runs independently.

As far as projects on new construction sites are concerned, the site is identified and the plant is developed and built without converting existing facilities. Generally, the Group adopts this method when it has a well-established local presence and a thorough knowledge of the local market and can make use of its on-site personnel's skill and experience.

The Group manages its Wind Farms directly or by contracting out services to third parties. Furthermore, the Group has carried out in the past all the activities connected with the development and construction of projects for renewable energy plants and intends to continue to do so.

#### *Services provided directly*

The Group has a control centre that monitors all its Wind Farms. The operators (all directly hired by the Group) are in charge of general control tasks and the managing and running of the Wind Farms. Furthermore, the Group prepares production forecasts in order to optimise maintenance activities and meet the energy grid operator requests.

The Group also hires various site managers, who are responsible for controlling the site, its premises and the surrounding areas.

#### *Services provided by third parties*

Turbine maintenance is carried out by the original supplier, in accordance with a long-term contract that generally envisages the latter providing all the spare parts and consumables. The supplier is, under this contract, normally bound to a fixed price scheme and guarantees the Group coverage in the event of damage and downtime except for the Wind Farms Albanella, Montepetrasi, Ciorlano, Callari, Castel di Lucio and San Martino in Pensilis for an aggregate total capacity of 178.7 MW where the above maintenance is carried out by Fri-El.

Electrical substation and wiring maintenance is carried out by the original supplier or by a highly reputable European electrical maintenance engineer, in accordance with contracts that generally last on average 3 to 5 years and often cover general maintenance but not damage to the main parts, which the Group handles through its own insurance policies.

The maintenance of civil engineering works is carried out by local suppliers with proven experience, which the Group usually engages through short-term agreements (lasting less than 3 years) covering only general maintenance. Maintenance is mostly carried out by contractors who have been awarded specific contracts.

Furthermore, the Group covers all the risks not handled in-house or outsourced, through its insurance policies, so as to protect itself from any potential loss of profits caused by downtime and the potential loss of activity caused by the occurrence of material events.

For more information on the maintenance activities carried out under the existing O&M agreements please see section "*Description of the Issuer – Operating and Maintenance (O&M) and availability of turbines*".

#### *Project Development*

The development of projects relating to wind plants consists of a series of activities (each of which has a specific schedule and envisages procedures involving various third parties) which culminate in a building permit issued by the competent authorities for the Wind Farm in question (these activities are jointly referred to as the development phase). At this point the development phase of the project ends and the construction phase envisaged by the Group's business model, which is defined as the ready for construction phase, starts.

The Group's project development model includes the following key phases:

- Site identification and analysis (siting);
- Evaluation and monitoring of wind resource and plant planning;
- Micrositing and acquisition of land rights;
- Obtaining authorisations from regulatory authorities;
- Procurement of turbines; and
- Design, procurement and construction supervision, commissioning.

#### ***Operating and Maintenance (O&M) and availability of turbines***

The majority of O&M agreements envisage service providers giving warranties about the availability of individual Wind Farms, which is generally calculated on the basis of the average availability of wind turbines in a given Wind Farm to produce electricity for a given period. The following table shows the availability of turbines warranted under O&M agreements with regard to the Wind Farms owned by the Group as at 30 June 2019.

<b>Turbines' guaranteed availability</b>	<b>%</b>
Callari(*)	-
Albanella(*)	-
Ciorlano(*)	-
Villacidro	97%
Morcone-Pontelandolfo	97%
Albareto	96%
Lacedonia	95%
Krupen	95%
Castel di Lucio	97%
San Martino	97%
Ordon	96%
Licodia	95%
San Marco	96%
Monte Petrasi	97%

(\*)The executed O&M agreements concerning such Wind Farms do not provide warranties quantified on the basis of the facility's availability to produce electricity, but contain specific obligations on the subject responsible for the maintenance's part in relation to the timing of the intervention and restoration of the relevant Wind Farm, thus reducing the risk that a delay in the O&M activities could damage the relevant Wind Farm's operation.

The turbine manufacturers employed by the Group duly discharged all their reimbursement obligations incurred by the latter during financial years 2017 and 2018 as well as during the first six months ended on 30 June 2019 and the Group did not suffer losses exceeding the liability caps applicable to the relevant turbine manufacturer. For more information about the effects of these warranties see also "*Risks linked to the non-renewal of the agreements with the Wind Turbines' manufacturers in relation to the management and maintenance of the Group's Wind Farms and the related securities*". In order to ensure the plants and turbines' operational efficiency, the Group enters into O&M agreements lasting between 4 and 15 years. More specifically, the Group has entered into the following O&M agreements for each of its Wind Farms: (a) an agreement with the wind turbine manufacturer when purchasing turbines for the Lacedonia, Krupen, Ordon, Licodia, Campidano and San Marco Wind Farms and (b) an agreement with the service company Fri-El Service for Albanella, Callari, Ciorlano, Castel di Lucio, San Martino and Monte Petrasi Wind Farms, without prejudice to its right to subcontract in whole or in part the O&M activities to the wind turbine manufacturer.

The contracts signed with the suppliers of the turbines that make up the Wind Farms generally envisage numerous essential services being provided, which include: (i) ordinary and extraordinary maintenance services; (ii) remote control services; (iii) customer care services; (iv) reporting services; (v) supply of spare parts and consumables, tools and equipment; and (vi) data monitoring and reporting services.

The O&M agreements executed with Fri-El Service having been executed in compliance with the Related Parties' Procedure, have, on the other hand, a more limited scope and envisage, depending on the size of the plants, the said company providing:

- with regard to the Monte Petrasi, Castel di Lucio, Albanella and San Martino in Pensilis Wind Farms, the ordinary maintenance of all turbine components and the extraordinary maintenance of components other than the main components, with the exception of the repair and replacement of the said main components; and
- with regard to the Ciorlano and Callari Wind Farms, the ordinary maintenance of all the turbine components and the extraordinary maintenance of components other than the main components, with a maximum Euro 5,600 per year per turbine limit on the consumption of materials, excluding the repair and replacement of the main components.

Should the Group need the services excluded from such O&M agreements entered into with Fri-El Service, it will obtain the necessary services and components through the primary suppliers on the market, without any delay, inefficiency or higher cost of realization relating to the O&M services, in the Issuer's opinion.

Further, the Group can rely on Fri-El Service group longstanding relationship with major turbine producers (e.g. Vestas, Gemesa and Senvion) and on the services provided by the Fri-El group itself, including supply of WTGs and provision of BOP electrical and BOP civil services.

### ***Development strategy***

The Issuer aims to become an important European operator in the wind sector in terms of installed capacity, since it believes that the dimensional factor is vital for being successful when generating renewable energy from wind.

The Group will pursue the achievement of this objective by: (i) directly developing new projects and plants that are not yet operational; and (ii) pursuing targeted growth opportunities, which are to be achieved by acquiring plants that are already operational or projects that are not yet operational in Italy and Spain, which will also involve acquisitions from related parties. With regard to point (i), Alerion intends to create a well-developed local organisational structure capable of guaranteeing a sustainable long-term growth in greenfield development. At the same time, the Group is currently pursuing additional investment opportunities in Spain by studying possible acquisitions, both in relation to projects that are under development and plants that are already operational.

On 15 November 2018, Alerion's the Board of Directors approved the 2019-2021 business plan (hereinafter also the **Plan**), which contained the Alerion Group's strategic guidelines and its economic, financial and capital objectives for the next three years.

The Plan and the forecast data connected therewith have been based on given assumptions about the market scenario and have been influenced by exogenous variables that are outside of the Board of Directors' control, as well as on the main operational instruments that the Board of Directors has at its disposal.

The Group intends to achieve this goal pursuing the objectives set out in the paragraph above (*Development strategy*).

In line with the Plan's forecasts, the Issuer's main strategic growth objectives are:

- an increase in its wind generation portfolio by pursuing two lines of development:
  - in Italy: through growth that is mainly oriented towards the internal and direct development of existing projects, the creation of new plants that have already been authorised and the possible acquisition of existing production plants; and
  - abroad: by a geographic diversification strategy that identifies Spain as a country of interest, based on the great potential that the Board of Directors estimates the Spanish wind energy industry has also in light of its relative regulatory stability, on the basis of the information on Spain's wind energy industry that is generally available. In this line of development, the Board of Directors intends to leverage the experience acquired by the Group in the industry in Italy;

- an improvement in operating efficiency through cost optimisation, which is to be achieved as a result of assigning part of the O&M activities to Fri-El Service. This activity was implemented in 2018 on certain Group plants in Italy. For more information on the maintenance costs, please refer to the section “*Risks linked to the non-renewal of the agreements with the Wind Turbines’ manufacturers in relation to the management and maintenance of the Group’s Wind Farms and the related securities*” above.

### Holding business

The Issuer, in its capacity as holding company, provides consulting services and other services such as administrative, management, commercial and financial resource optimisation services to Group companies (i) directly with regard to administrative and corporate services and (ii) indirectly, through Alerion Servizi Tecnici e Sviluppo S.r.l. (**ASTS**), with regard to technical services provided to companies involved in Wind Farms projects.

### **Principal markets and competition**

The liberalisation directives creating the European electricity and gas markets and the directives regulating the exchange of greenhouse gas emission quotas have profoundly changed the energy sector, both in institutional terms and in terms of the manner in which it functions.

More specifically, the Third Energy Package and the 2020 Climate & Energy Package, which were approved in 2008 by the European Union, have emphasised the need for developing renewable energies and leveraged integrated climate-energy policies so as to achieve the Kyoto targets on a European scale. As to the business of the Issuer, as an example of its capability to meet such goals, the Callari Wind Farm, with a total 36 MW of installed capacity, provides energy to approx. 22,000 families and avoided emissions of CO<sub>2</sub> for approx. 35K/tons.

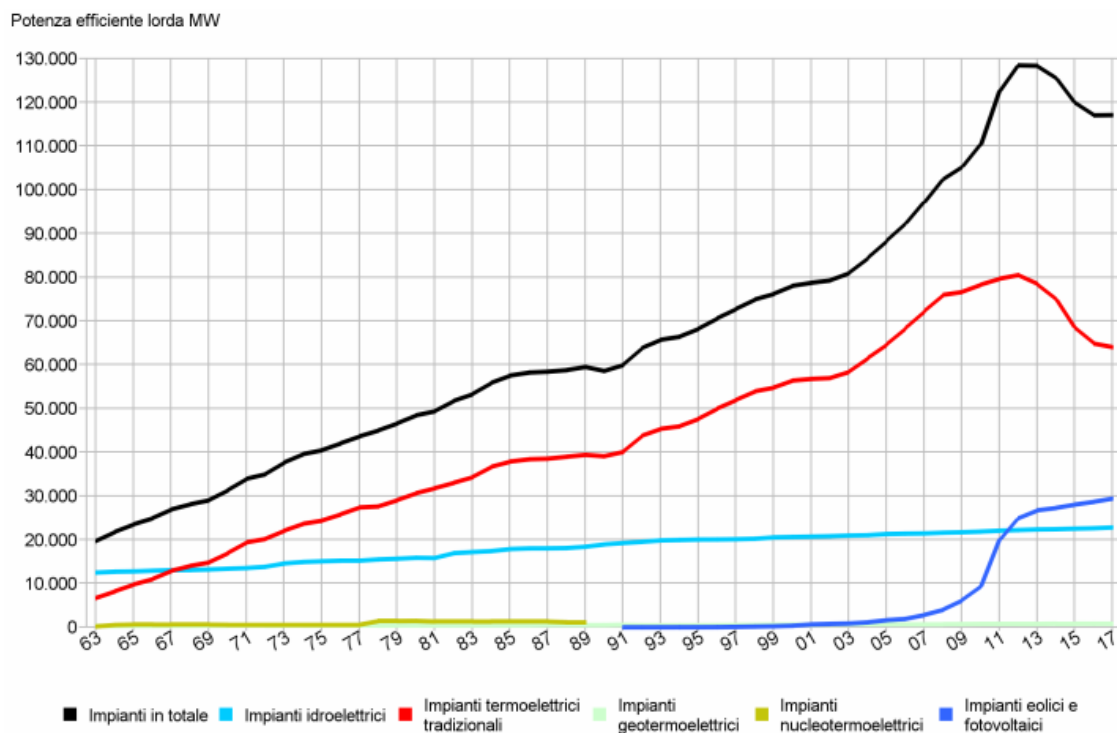
Directive 2009/28/EC on the promotion of the use of energy from renewable sources requires that, by 2020, the 27 EU Member States must reach a share of renewable energy that is 20% of gross final consumption. The Directive assigns two binding targets that Italy must reach by 2020 in terms of the share of final gross energy consumption that has to be covered by renewable energy sources (**RES**), namely:

- an overall target, according to which the share of final gross energy consumption to be covered by 2020 through the use of renewable energy sources in the electricity, thermal (heating and cooling) and transport sectors must be at least 17%; and
- a transport sector objective, according to which the renewable energy sources’ share of consumption must be at least 10% of the transport sector’s overall energy consumption.

During 2018, the new European renewable sources and energy efficiency targets were defined for 2030. These principles, incorporated into Directive EU 2018/2001 of the European Parliament and of the Council of 11 December 2018, set for renewable energy sources a target of 32% of overall consumption, which is to be achieved by 2030 (compared to the 27% target originally proposed by the European Commission).

Based on the analysis carried out by Terna for the year 2016, the share that Italy had to achieve in 2020 in accordance with Directive 2009/28/EC had already been reached in 2012, when electricity production from renewable sources reached 27.1% of gross domestic consumption, hitting the 26.4% target for the use of electricity from renewable energy sources eight years in advance. Despite their dependence on climatic events, renewable energy sources show a clear development: wind power, photovoltaic power and, close behind, geothermal power (*Source: Terna S.p.A.*).

The following graph shows the increasing use of renewable sources, which are broken down by energy source.



Source: Terna S.p.A.

Legend:

“Potenza efficiente lorda MW” means: gross electricity production MW;

“Impianti in totale” means: total plants;

“Impianti idroelettrici” means: hydro power plants;

“Impianti termoelettrici tradizionali” means: traditional thermoelectric plants;

“Impianti geotermoelettrici” means: geothermal plants;

“Impianti nucleotermoelettrici” means: nuclear power plants; and

“Impianti eolici e fotovoltaici” means: wind and photovoltaic power plants.

Compared to 2016, electricity generated from renewable (bioenergy, water, wind, photovoltaic and geothermal) energy sources has decreased overall by 3.8%, reaching a value of 103.9 billion kWh<sup>1</sup>. 17.7 billion kWh of wind energy was generated in 2017, registering a 0.3% increase on the 2016 figure. This was a significant increase (19.2%) on the production levels recorded in 2015, which stood at 14.8 billion kWh (Source Terna S.p.A.).

<sup>1</sup> Kilowatt hour (kWh)

Gross production of electricity from RES in Italy (TWh)				
Source	2015	2016	2017	A 17-16
Hydropower	45.5	42.4	36.1	-6.3
Wind	14.8	17.7	17.7	0.0
Solar	22.9	22.1	24.4	2.3
Geothermal	5.2	6.3	6.2	-0.1
Bioenergy	19.4	19.5	19.3	-0.3
<b>Total RES-E</b>	<b>108.9</b>	<b>108.0</b>	<b>103.7</b>	<b>-4.4</b>
GDC - Gross Domestic Consumption	327.9	325.0	330.3	5.3
RES / GDC (actual production)	33.2%	33.2%	31.4%	-1.9%
RES/GDC (normalised production)	33.5%	34.0%	34.2%	0.2%

Source: GSE S.p.A.

The overall consumption of electricity in Italy, which was up by 2.2% on the figure recorded in 2016, was 301,9T Wh<sup>2</sup>.

In terms of the maximum power that can be supplied by Wind Farms (i.e. the installed capacity), the net efficient generated power recorded in 2017 was 114,241 MW<sup>3</sup>, which was 79 MW (i.e. + 0.1%) more than the figure recorded for 2016, was due specifically, to the +353 MW generated by Wind Farms (+ 3.8%) (Source: Terna S.p.A.).

With regard to the wind sector alone, there has been a significant increase over the last 25 years, both in Europe and worldwide, in the overall installed energy production capacity. (Source GSE S.p.A.)

The installed capacity of 117.1 GW recorded in Italy at the end of 2017 was in line with 2016. However, there was an increase in the number of installed plants in the renewable sources sectors. More specifically, the installed capacity in the wind sector stood at 9,410 MW, which was up by 3.8% on the figure recorded in 2016. A regional analysis revealed that there was a clear prevalence of installations in the southern and island regions of Italy.

<sup>2</sup> Terawatt-hour (TWh)

<sup>3</sup> Megawatt (MW)

### Distribuzione regionale della potenza eolica



Source: GSE S.p.A.

The progressive development of wind energy production that has involved Italy in recent years has placed it fifth in the European rankings for installed power.

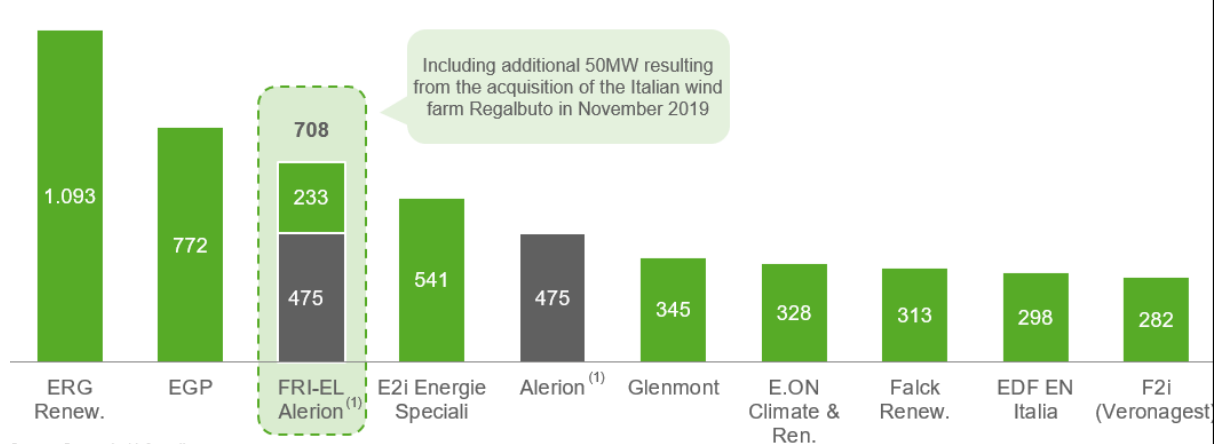
Even though 94%<sup>4</sup> of the total installed power in Italy comes from large-scale plants (i.e. plants with an installed capacity of more than 5 MW), there has been in recent years a drastic increase in small-scale plants (installed power below 0.2 MW) (Source: GSE S.p.A.).

In 2018, the Group positioned itself, in terms of installed capacity, in fourth place in the Italian market.

In 2018, the total net production (185,841 GWh) satisfied 86% of the domestic electricity demand (215,164 GWh) (Source: Terna S.p.A.).

The chart below shows the list of the major Italian operators, indicating the installed capacity for each operator.

ITALIAN WIND NET INSTALLED CAPACITY – MW <sup>(2)</sup>



Source: Companies' Information

1. Including 70MW Italian wind farm Campidano and 50MW Italian wind farm Regalbuto; Fri-EI as of October 2019  
 2. Latest available data, as of June 2019

<sup>4</sup> Data referring to installed capacity as of 30 June 2017. Source: GSE S.p.A.



The following table shows the Group's revenues for the financial years up until 30 June 2019, broken down by business segments.

Income statement									
(€/000)	Operating activities			Holding company activities			Consolidated		
	I° Half 2019	2018	2017	I° Half 2019	2018	2017	I° Half 2019	2018	2017
	Operating revenues	30,135	55,854	52,185	0	0	0	30,135	55,854
Other sundry revenues and income	382	1,929	1,571	393	1,226	1,172	775	3,155	2,743
<b>REVENUES</b>	<b>30,517</b>	<b>57,783</b>	<b>53,756</b>	<b>393</b>	<b>1,226</b>	<b>1,172</b>	<b>30,910</b>	<b>59,009</b>	<b>54,928</b>

The fully consolidated plants during the first six months ended on 30 June 2019 generated 248.7 GWh of electricity (214.4 GWh for the same period of the previous year) up by 15.6% mainly due the contribution of new plants. The operating performance for the 2018 financial year was characterised by the fact that the fully consolidated plants generated 369.5 GWh of electricity, up by 8.0% on the 342.1 GWh production level recorded in the previous year, which was due, specifically, to the environmental conditions relating to each site and the availability of plants in 2018.

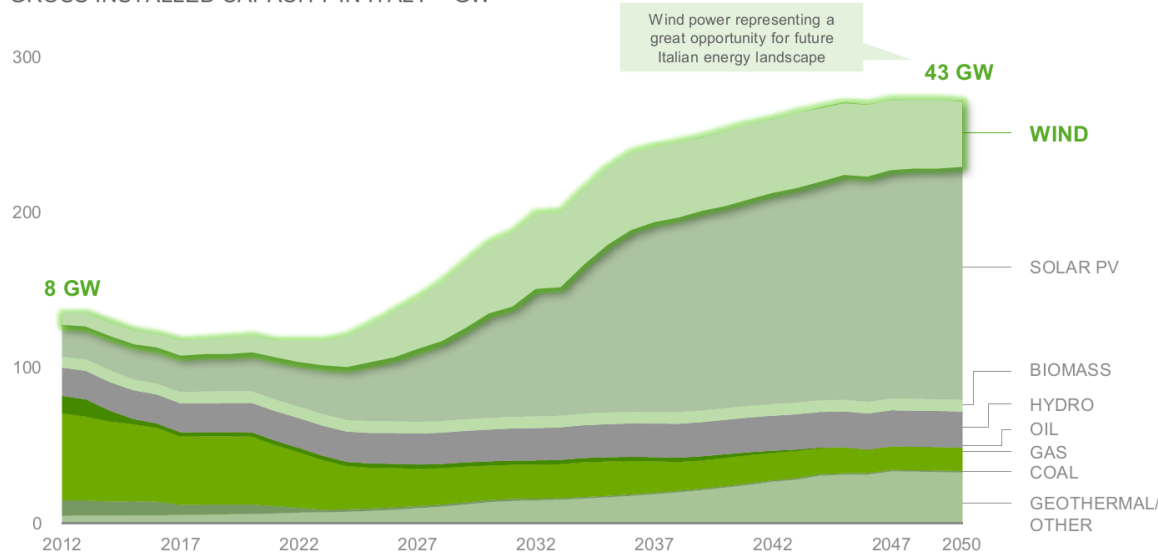
During the first six months ended on 30 June 2019, the average price of electricity sales and incentives for Italian Wind Farms amounted to Euro 143.6 per MWh, compared to Euro 152.8 per MWh in the first semester of 2018. In particular:

- the average sale price of electricity generated by Wind Farms located in Italy during the first semester 2019 was Euro 51.5 per MWh, compared to 53.8 Euro per MWh in the same period of 2018; and
- the average price of incentives in Italy during the first semester 2019 was Euro 92.1 per MWh (Euro 98.95 per MWh in the same period of 2018).

In 2018, the average price of electricity sales and incentives for Italian Wind Farms amounted to Euro 157.65 per MWh, compared to Euro 160.6 per MWh in the previous year. In particular:

- the average sale price of electricity generated by Wind Farms located in Italy in 2018 was Euro 58.7 per MWh, compared to 53.3 Euro per MWh in 2017; and
- the average price of incentives in Italy in 2018 was Euro 98.95 per MWh (Euro 107.34 per MWh in 2017).
- The following graph shows also the expected trend in the use of renewable sources until 2050, broken down by energy source.

## GROSS INSTALLED CAPACITY IN ITALY – GW



Source: BloombergNew Energy Finance

## Legislative Framework

### General

The Group operates in a highly regulated legislative and regulatory context. The regulations of Italy, and the EU in which the Group operates establish regulatory frameworks aimed at promoting the development of renewable energy based on formulas which may include premiums, green certificates, tax deductions or regulated tariffs, which allow investors to obtain sufficient and reasonable return.

The following overview is not an exhaustive account of all applicable laws and regulations. Prospective investors and/or their advisers should make their own analysis of the legislation and regulations applicable to the Group and of the impact they may have on the Group and any investment in the Notes and should not rely on this overview only which is in any case limited to the applicable Italian legislative framework as the main country of operation of the Group. For more information please see “*Risk Factors*” – “*Risks linked to the legal and regulatory framework in the Group’s business sectors*”.

### Italian legislative framework

The Italian legislative framework on RES is highly fragmented due to the fact that environmental governance and energy production are subject to both the Italian Central Government’s and Regional Governments’ concurrent legislation, in respect of which the Regions have the power to legislate in compliance with the fundamental principles which are determined at a national level. In particular, some national legislative pieces of legislation are:

- (i) Legislative Decree No. 79/1999 (**Bersani Decree**);
- (ii) Legislative Decree No. 387/2003 (**Legislative Decree 387**); and
- (iii) Legislative Decree No. 28/2011 (**Romani Decree**).

Furthermore, there are various legislative provisions, both at national and regional level, that aim to specify and adapt the authorisation process for RES-powered plants and the incentive systems applicable to RES production to the developments in European legislation and the market.

### *Authorisations granted in connection with building and operating RES-powered plants that are not photovoltaic plants*

Legislative Decree 387 has introduced, as a fundamental prerequisite for building and operating RES power generation plants, the single authorisation (**AU**) issued by the competent Region or Province (following a local authorities service conference, in which all of the concerned public authorities take part). The AU encompasses

and replaces any and every permit, authorisation, clearance, concession, agreement, consultation and consent needed for building and running a plant. The AU establishes the public utility and urgency of the authorised work, and sets out the fundamental conditions at which a plant can be built and operated (e.g. the personal guarantees to be provided, obligations of divestment and restoration at the end of the plant's life, etc.). The AU is requested by the applicant even without the location on which the plant is to be built being available.

Any appraisals of the environmental impact of the plant that is to be built must be conducted before the AU is granted. In accordance with Italian Legislative Decree no. 152 of 3 April 2006 (as amended and integrated from time to time, the **Italian Environmental Code**) and the regional implementation legislation, the procedure for assessing the project's environmental impact is divided into a preliminary phase (the screening procedure) and a possible subsequent phase, in which the plant's environmental impact is assessed (**EIA**). With regard to Wind Farms, Annex II to Part Two of the Italian Environmental Code includes among the projects to be subject to central government authorities for the purpose of being granted an EIA those wind plants that are located on the mainland and that generate more than 30 MW of electricity, whereas Annex IV to Part Two of the Italian Environmental Code includes among the projects to be screened by the Regions and the Autonomous Provinces of Trento and Bolzano those Wind Farms on the mainland that generate more than 1 MW of electricity. In this regard, the Ministerial Decree of 30 March 2015 approved the "*Guidelines for the screening the environmental impact of projects for which the regions and autonomous provinces are responsible*". These guidelines are applicable to all projects for which the screening procedure or the authorisation procedure was ongoing when the Ministerial Decree came into force (i.e. 26 April 2015) and the Regions are required to incorporate the criteria thereof into their respective legal systems.

The procedure for granting the AU must be carried out in compliance with the criteria laid down in the Ministerial Decree issued by the Ministry for Economic Development on 10 September 2010, which contains the guidelines for authorising RES-powered plants. The same criteria also had to be complied with by the Regions, which were required to adapt their rules on RES authorisation procedures by January 2011.

The Romani Decree then introduced new simplified authorisation procedures that are an alternative to the AU, providing, in particular, that the RES plants can also be completed:

- (i) by simply giving notice (in the case of projects for small RES-powered plants having specific characteristics, such as, for example, individual wind generators that were less than 1.5m in height and had a diameter of less than 1m). In these cases, the activity can be started by giving the competent Municipality notice thereof, provided that the applicant has a title to the areas or assets affected by the works and, in any case, without prejudice to the legislation on EIAs and the protection of water resources; or
- (ii) through the simplified **PAS** authorisation procedure - which replaces the Communication of Activities Notice filed in accordance with Articles 22 and 23 of Presidential Decree No. 380/2001 - for the construction of RES-generated electrical power production plants below predetermined power thresholds (above which the AU must be obtained). The PAS must be filed with the competent Municipality at least 30 days before the date on which the construction of the RES-powered plant begins. It must be accompanied by a detailed report signed by a qualified designer and by the appropriate design documents that certify the project's compatibility with the applicable urban planning and building regulations, as well as its compliance with safety and hygienic-sanitary regulations. The Municipality is required, in the event that it finds the PAS to be inadequate, to serve on the concerned person a reasoned injunction not to carry out the planned work. In case of silence on the Municipality's part, the building activity is to be construed as having been approved (silent assent) once the aforementioned term of 30 days has expired. An applicant that does not have title to the areas or assets affected by the works and by the connected infrastructure does not have any recourse to the PAS (in which case the AU request procedure must be followed). As far as the nominal power limit indicated by the applicable legislation is concerned, the Regions have sometimes extended the PAS application threshold to plants having a nominal power of up to 1 MW.

The Romani Decree has also established that the procedure for granting the AU cannot last more than 90 days, regardless of the EIA procedure (and subject to any suspensions granted for the purpose of adding documents).

## ***Incentive regime applicable to the production of energy from RES***

### *a) The system of Green Certificates*

The Bersani Decree envisaged a system of green certificates (*certificati verdi*, the **Green Certificates**) that were supposed to provide incentives for producing energy from RES. This regime was based on the obligation of producers and importers of electricity generated from non-renewable energy sources to: (i) feed, starting from 2002, into the national grid a minimum amount of electricity produced by RES-powered plants; or (ii) purchase on the market Green Certificates corresponding to the quota that was due from them (this mechanism was abandoned on 1 January 2016 in favour of an incentive system based on an all-inclusive tariff, as explained in detail below). The Green Certificates were negotiable notes that certified the production of renewable energy and were issued (at the request of owners of plants classified as plants powered by renewable sources that had been commissioned before 31 December 2012) in a variable number of certificates, depending on the type of RES and the activity carried out in relation to the plants in question (for example new plants that were being built, or existing ones that were being reactivated, upgraded or refurbished).

Subsequently, in view of the replacement of the Green Certificates mechanism with feed-in tariffs paid by the Energy Services Manager, GSE S.p.A. (the **GSE**), the Romani Decree and the Ministerial Decree of 6 July 2012 (**MD 2012**) provided for the GSE's withdrawal of the Green Certificates issued for the purpose of RES energy production in the years 2012 to 2015. The Green Certificates in excess of those required for observing the mandatory quota were withdrawn by the GSE at a price that was 78% of the balance between Euro 180 /MWh and the average annual electricity sale price recorded in the previous year, as defined by the Italian Authority for Electricity and Gas (the **Authority**, which since 1 January 2018 has been the Regulatory Authority for Energy Networks and the Environment - **ARERA**).

### *b) The incentive system provided for under Article 24 of the Romani Decree and MD 2012 for producing electricity from RES other than photovoltaic power*

The Romani Decree (Article 24) and MD 2012 (which implemented Article 24) have introduced new incentives for producing electricity from plants powered by RES (other than photovoltaic plants) entered into operation from 1 January 2013 onwards following the construction, full reconstruction, reactivation, upgrading or refurbishment of the said plants.

In accordance with MD 2012, the cumulative indicative cost of all the types of incentives awarded to RES plants cannot exceed a total of Euro 5.8 billion per year, which is allocated on the basis of the annual contingent incentive energy quotas (divided by type of source and facility for each year from 2013 to 2015) and the methods adopted for providing the said incentives. More specifically, all the plants powered by renewable sources entered into operation after 31 December 2012 can benefit from the new feed-in tariffs for a period of time equal to the average conventional useful life of the plant in question (from 15 to 30 years, depending on the energy source, which is 20 years for on-shore Wind Farms).

MD 2012 envisages three ways of incentives being granted:

- (i) direct access, in the event that the said plants are being built, fully rebuilt, reactivated, upgraded or refurbished, with a power capacity not exceeding a certain limit;
- (ii) online registration, in records kept by the GSE, in the event that the plant is in such a position as to come within the annual contingent incentive energy quotas for plants that are being built, fully rebuilt, totally or partially refurbished, reactivated or upgraded and that have a capacity that is higher than the maximum allowed for direct access, but does not exceed the value beyond which the bidder must take part in a competitive bidding procedure in which the lowest bidder wins;
- (iii) competitive bidding procedure in which the lowest bidder wins (compared to the value of the auction base, which corresponds to the basic feed-in tariff applied to the last level of generating capacity on the date of entry into operation of the plant). The bidding procedures are managed by the GSE and may be participated in by operators who show they have been granted the necessary authorisations and have fulfilled certain economic and financial requirements (and also filing a security deposit), in the case of plants that are being built, fully rebuilt, totally or partially refurbished, reactivated or upgraded and have a power capacity that exceeds a given threshold (5MW for Wind Farms). The plants included in the rankings must enter into operation within specific deadlines, starting from the date on which the successful outcome of the procedure is notified (28 months for on-shore wind plants), under penalty of an automatic 0.5% reduction of the tariff awarded in case of delay of up to 24 months (after such a date

the Issuer who has been awarded the tariff loses the incentive and the GSE proceeds to collect the deposit that has been paid).

The MD 2012, which applies only to plants already admitted to the incentive mechanism defined by the latter, identifies, for each energy source, type of plant and class of power capacity, and the value of the basic feed-in tariffs (i.e. those in force on the date of entry into operation of the plant) applied to plants commissioned from 1 January 2013 onwards. The tariffs are reduced by 2% for each of the following years up until 2015.

Plants entered into operation after 31 December 2012 that are accorded feed-in tariffs cannot take advantage of the *ritiro dedicato* mechanism, a simplified method by which electricity producers, as an alternative to bilateral contracts or to direct sales on the power exchange, can sell fed-in electricity to the GSE which will then remunerate the relevant producer by paying it a price for each kWh that has been withdrawn (the **Dedicated Withdrawal**) or the *scambio sul posto* which allows the producer to achieve a form of self-consumption by feeding into the grid the electricity that has been produced and has not been directly consumed by it, and then withdraw it at a time other than the time at which the electricity is generated (the **Exchange on the Spot**).

Wind Farms that do not benefit of the feed-in tariff can still operate at grid parity.

c) *Article 1 of Law-Decree No. 145/2013 (as amended by Law No. 9 of 21 February 2014 converting it)*

Article 1, paragraph 3 of Legislative Decree No. 145/2013 envisaged that, in order to contain the annual cost of electricity prices and feed-in tariffs for RES and maximise the production capacity of existing plants in the medium-long term, the producers of electricity generated from RES that owned plants benefiting from incentives in the form of Green Certificates, all-inclusive tariffs or premium tariffs could choose the following options:

- (a) continue to benefit from the incentives scheme for the residual term of the right to which they were entitled. In this case, work of any kind whatsoever carried out on the same site within 10 years of the end of the entitlement to the incentive scheme did not give rise to any further entitlement to additional incentives, including the Dedicated Withdrawal and Exchange on the Spot mechanisms; or
- (b) reshape the incentive due, which aimed at enhancing the entire useful life of the plant. In this case, the producer had access to an incentive reduced by a specific percentage for each type of plant, as defined by ministerial decree, from the month following the one in which it exercised the option, which was to be applied for a renewed incentive period amounting to the remaining period of the incentive due on the same date increased by 7 years.

The provision set forth in Article 1 of Law Decree No. 145/2013 did not apply to:

- (a) plants to which incentives were being provided in accordance with the provision set forth in the Inter-Ministerial Price Committee Order No. 6 of 29 April 1992; and
- (b) plants to which incentives were being provided in accordance with MD 2012, except for those plants falling within the scope of the transitional provisions referred to in Article 30 of the said decree.

The option should have been exercised by producers of renewable energy within 90 days of the date of entry into force of the implementing decree issued by the Ministry of Economic Development (i.e. by 17 February 2015).

d) *Ministerial Decree of 23 June 2016*

The Ministerial Decree of 23 June 2016 issued by the Ministry of Economic Development (**MD 2016**) updated the incentive mechanisms for the production of electricity from RES plants other than photovoltaic plants.

The incentives are, in accordance with MD 2016, intended for new, completely rebuilt, reactivated, upgraded or refurbished plants that started operating from 1 January 2013 onwards.

As foreseen by the MD 2012, the manner in which the incentives envisaged by the MD 2016 can be granted, depending on the type of energy source and the power of (new, completely rebuilt, reactivated, upgraded or refurbished) plant are: direct access, registration in the register or the refurbishment register, participation in feed-in tariff auction procedures in which the lowest bidder wins.

MD 2016 provides for two incentive mechanisms:

- (a) an all-inclusive tariff for plants having a capacity of up to 0.5 MW, calculated by adding to the basic incentive tariff (Tb) any bonuses to which the plant is entitled. The amount paid also includes the remuneration of the energy that is withdrawn by the GSE; and
- (b) an incentive for plants having a capacity exceeding 0.5 MW, calculated as the difference between the basic feed-in tariff - to be added any premiums to which the plant is entitled - and the zonal hourly energy price for the day-ahead market managed by Gestore Mercati Energetici S.p.A. (**GME**). The energy produced remains at the producer's disposal.

Plants that are granted feed-in tariffs in accordance with MD 2016 cannot take advantage of either the Dedicated Withdrawal or Exchange on the Spot mechanisms.

The GSE issued on 20 August 2016 invitations to tender for the registers and the auction procedures awarding the incentive mechanisms provided for under MD 2016. The registers have been closed on 28 October 2016 (and the relative rankings were published on 25 November 2016). Requests for taking part in the competitive bidding procedures had to be submitted by 27 November 2016 (and the rankings were published on 22 December 2016). The auction procedure was awarded at a minimum price equal to 66 €/MWh.

MD 2016 provides that the incentives are paid starting from the date on which the plant entered into operation, for a period amounting to the conventional average useful life of the specific type of plant in question.

*e) Ministerial Decree of 9 August 2019*

On 9 August 2019, a new RES decree has been approved which provides for incentive mechanisms for the three-year period from 2019-2021 through auctions and registers similar to those provided for under the previous RES decree (the **MD 2019**).

The MD 2019 entered into force on 10 August 2019.

The following are the main provisions of the MD 2019:

- (a) coverage of most of the renewable energy sources including photovoltaic plants, which is a new feature because previously photovoltaic plants were subject to a separate incentive scheme;
- (b) application to construction, revamping and repowering (except for photovoltaic plants which are not eligible for repowering/revamping);
- (c) granting of incentives in the form of a premium on top of the power market price;
- (d) caps to the incentive plan once the incentives have reached an overall indicative yearly cost equal to Euro 5.8 billion per year;
- (e) two ways to benefit from the incentives are provided:
  - i. via an enrolment in special registers (for plants with a power capacity lower than 1 MW);and
  - ii. via auctions (for plants with a power capacity equal to or higher than 1 MW, including aggregates of plants that have an overall capacity equal to or exceeding 1 MW and individual capacities of between 20 kW and 500 kW);
- (f) incentives shall be granted for plants based on rankings according to the power quotas set for each renewable source and provided that the relevant construction works start after their inclusion in the rankings;
- (g) the procedures to obtain incentives differentiate plants and quotas;
- (h) seven tender procedures to obtain the incentives will be launched over a three-year period, each with different (and increasing) power quotas for each group of plants;
- (i) in order to benefit from the incentive, the plant must already have been authorised at the time of the subsidy application;

- (j) incentives will be available to plants where construction works will start after the plant has been included in the rankings (except for plants that were not successfully included in the rankings of the previous MD 2016 or having direct access to the incentive pursuant to the same decree, *i.e.* without enrolment in a register or auction);
- (k) incentivised plants cannot benefit from the Dedicated Withdrawal nor from the Exchange on the Spot;
- (l) the energy produced by the incentivised plant remains available to the producer who can sell it to third parties (except in the case of an all-inclusive tariff for plants up to 250 KW);
- (m) the incentive is granted for the working life of the plant which is set by the decree depending on the type of source (for most plants it is 20 years from the commercial operation date); and
- (n) the incentive is equal to the tariff offered by the bidder minus the hourly zonal price (*prezzo zonale orario*) of the area where the energy produced by the plant is fed into the grid. In the case where the zonal price is higher than the tariff, the negative difference is adjusted by the GSE through a clawback mechanism.

In order to be awarded incentives, plants must meet certain eligibility requirements. Once such requirements are met, bidders are ranked based on certain priority criteria.

### ***Electricity sales in Italy***

Wholesale electricity is sold in Italy in one of two ways:

- it is placed on the power exchange (*Borsa Elettrica*), which is run by GME through dedicated operators in accordance with the technical operating provisions issued by GME; or
- bilateral contracts are executed.

In accordance with Article 13, paragraph 2 of Legislative Decree 387, producers that generate electricity through plants that use intermittent RES (e.g. wind) or plants powered by RES having less than 10 MW of generating capacity can opt for a Dedicated Withdrawal and ask the GSE to withdraw the energy produced according to the methods defined by the Authority and be remunerated therefor. The Dedicated Withdrawal, as stated above, is a method of selling energy that is not compatible with the Exchange on the Spot mechanism, with an all-inclusive tariff and, lastly, with incentives provided for under MD 2012, MD 2016 and MD 2019.

Further, plants not benefiting from incentives will be eligible for long-term power purchase agreements negotiated on a market trading platform, which will be implemented by a decree to be issued by the GME (Gestore Mercati Energetici - the Italian public authority in charge of energy markets), following a public consultation to begin in February 2020. Such long-term power purchase agreements may be entered into in relation to the following plants:

- (a) for plants already built and in operation since 2017; and
- (b) for plants authorised but not built and for which the connection proposal has been accepted by the grid operator (*preventivo di connessione*), starting from their entry into operation.

The above is without prejudice to the right of producers to enter into power purchase agreements outside this platform.

### **Spanish regulatory framework**

Spain's renewable electricity regulations are governed by the common framework for the generation and promotion of renewable energy established by the European Union, mainly by Directive 2009/28/EC, of the European Parliament and of the Council of 23 April 2009, on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC. As per the Spanish regulation, the basic legal regime is set out in Law 24/2013 of 26 December, on the Electric Sector (the **ESL**), being implemented through: (i) Royal Decree 413/2014 of 6 June, regulating electricity production from renewable sources, cogeneration and waste; (ii) Royal Decree 1955/2000 of 1 December, which regulates the production, transmission, distribution, marketing and supply of electricity and the authorisation procedures for electricity facilities; and (iii) Royal Decree 2019/1997 of 26 September, which organises and governs the electricity production market.

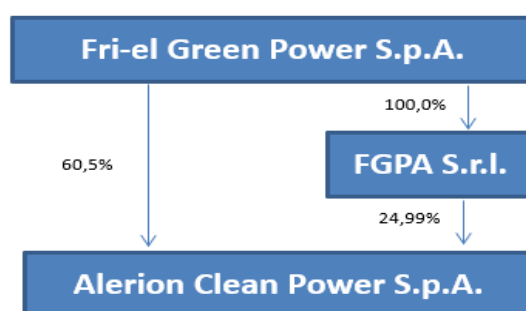
Along with the state level regulations: (i) most Autonomous Communities (*Comunidades Autónomas*) have also passed regulations in this regard (i.e. Aragón: Order 25 June 2004); (ii) the municipalities also have their own regulations regarding the issuance of works and activity licences; and (iii) environmental and town planning regulations (which are mainly developed at autonomous community and municipality levels) also have to be taken into consideration when developing a renewable energy project.

Although, according to ESL, the electricity generation is classified as a non-regulated activity (in contrast to transmission and distribution of energy), and therefore it does not require a licence per se, certain construction and operation authorisations must be obtained prior to the beginning of electricity generation activity.

The renewable power generators' remuneration within a liberalised market mainly consists of the revenues they receive from their sales in the wholesale market. In addition, the Spanish Government promotes the development of renewable projects by launching, from time to time, auctions in order to grant the so-called specific remuneration system (*régimen de retribución específico*) to bidders offering renewable energy capacity at the lowest price (i.e. by requiring a lower subsidy). Notwithstanding this, any entity may develop a renewable facility independently from such auction processes (i.e. with no subsidy), that is, being fully exposed to the fluctuating market price of electricity.

### Organisational structure

The Issuer is controlled, in accordance with Article 2359 of the Italian Civil Code, by FGP, which directs and coordinates the Issuer in accordance with Article 2497 et seq. of the Italian Civil Code. FGP holds – directly and indirectly (as indicated below) - around 85.5% stake in Alerion.



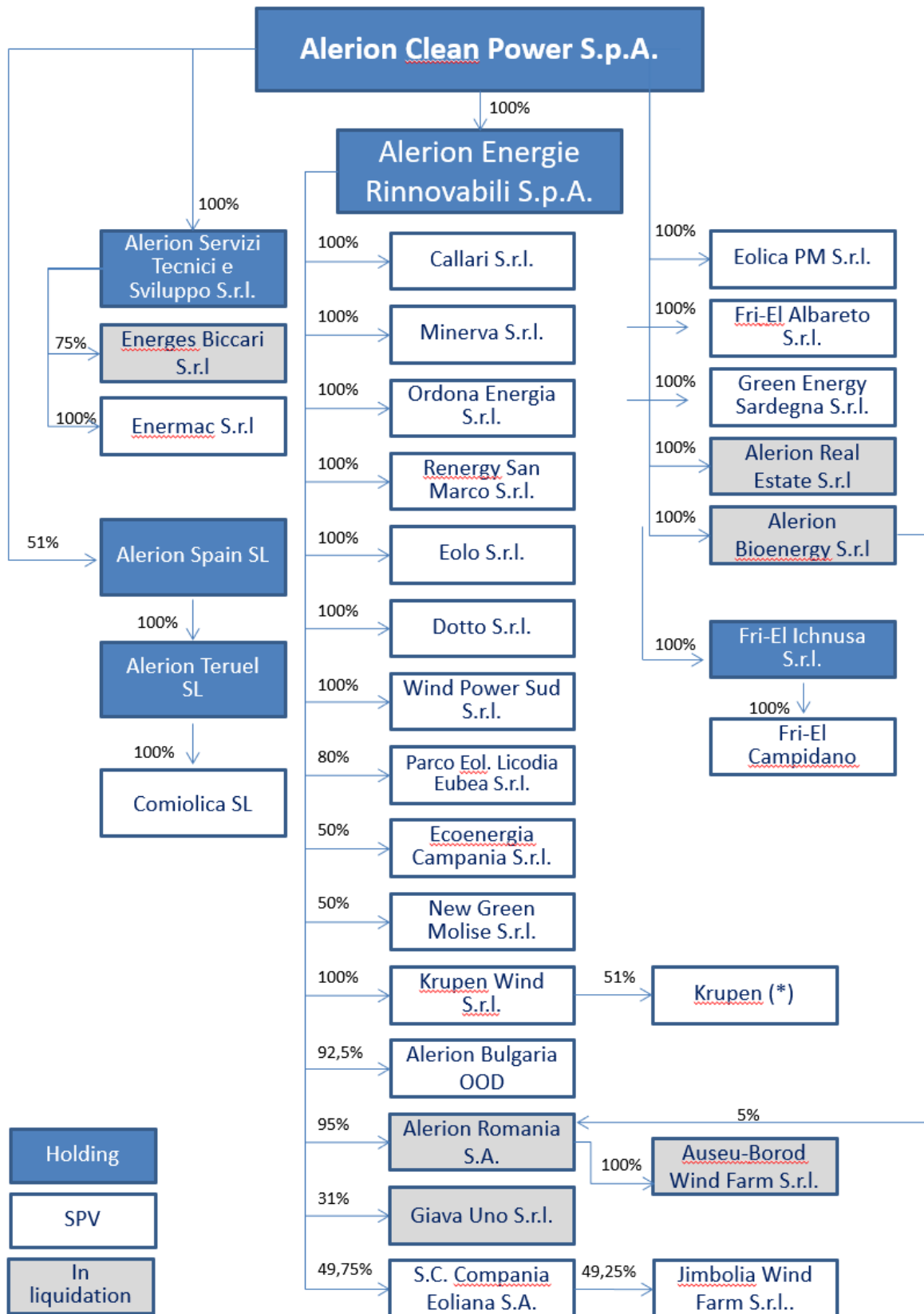
The rights of FGP in the Issuer are contained in the articles of association of the Issuer and Alerion is and will be managed in accordance with those articles, and with the applicable provisions under the Italian Civil Code.

The Issuer, insofar as it is the parent company of the Group, is of the view that it does not depend on any other company within the Group.

Alerion is the Group's parent company.

The following diagram illustrates the Group's organisational structure, highlighting the main companies that are a part thereof as of the date of this Prospectus.





(\*) The Krupen Wind Farm is run by four companies: Wind Energy EOOD, Wind Stream EOOD, Wind System EOOD and Wind Power EOOD.

The Issuer is a holding company that has been incorporated in Italy as a joint-stock company. AER is the sub-holding of the Group in respect of which Alerion holds the entire share capital and has been incorporated as a

joint stock company under the laws of Italy. Following the perfection of the AER Incorporation, AER will be incorporated into Alerion.

ASTS is the company that develops, plans, builds and runs the Group's plants, in respect of which Alerion holds the entire share capital.

The Group companies that manage Wind Farms and in which the Group owns, through AER, a 100% stake (as per the diagram set out above), are as follows: Eolo S.r.l. (which runs the Albanella Wind Farm), Dotto S.r.l. (which runs the Ciorlano Wind Farm), Callari S.r.l. (which runs the Callari Wind Farm), Ordonà Energia S.r.l. (which runs the Ordonà Wind Farm), Minerva S.r.l. (which runs the Castel di Lucio Wind Farm), Renergy San Marco S.r.l. (which runs the San Marco Wind Farm), Wind Power Sud S.r.l. (which runs the Monte Petrasi Wind Farm) and Krupen Wind S.r.l..

Alerion also holds a 100% stake in Alerion Real Estate S.r.l. and Alerion Bioenergy S.r.l., which are both in liquidation and not in operation. It should be noted that Alerion Bioenergy S.r.l. holds a 5% stake in Alerion Romania S.A. (in which Alerion, through AER, holds a 95% stake, as indicated below).

Furthermore, following the share capital increase in kind, Alerion holds a 100% stake in Eolica PM S.r.l. (which owns the Wind Farm of Morcone and Pontelandolfo), Fri-El Albareto S.r.l. (which owns the Wind Farm of Albareto and Tornolo) and Green Energy Sardegna S.r.l. (which owns the Wind Farm under construction in Villacidro and S. Gavino Monreale).

Through AER, the Group also has stakes in the following companies: (i) an 80% stake in Parco Eolico Licodia Eubea S.r.l., which runs the Licodia Wind Farm, (ii) a 50% stake in Ecoenergia Campania S.r.l., which runs the Lacedonia Wind Farm, and (iii) a 50% stake in New Green Molise S.r.l., which runs the San Martino in Pensilis Wind Farm and (iv) a 92.50% stake in Alerion Bulgaria OOD. New Green Molise S.r.l. and Ecoenergia Campania S.r.l. have both been consolidated in accordance with IFRS 11.

AER also holds minority stakes in: (i) Giava Uno S.r.l. in liquidation, which runs a biomass project for which the license has expired; (ii) Compagnia Eoliana S.A., which holds a 49.25% stake in Jimbolia Wind Farm S.r.l.. AER also holds a 95% stake in Alerion Romania SA in liquidation, which holds the entire capital of Auseu Borod Wind Farm S.r.l. in liquidation, Romanian companies that are inactive.

Through ASTS, the Group holds: (i) a 100% stake in the company Enermac S.r.l., which runs a wind project consisting of two neighbouring sub-projects, both located in the Municipality of Orta Nova (Foggia) in the *Tre Confini* and *La Ficora* area; and (ii) a 75% stake in Energes Biccari S.r.l., which is a company in liquidation located in the Municipality of Massafra (Taranto).

Alerion also holds a 51% stake in Alerion Spain SL which holds a 100% stake in Alerion Teruel SA which holds the entire capital of Comiolica SL (which runs the Comiolica Wind farm). Alerion Spain SL and Alerion Teruel SA have been incorporated in 2019 in order to complete the acquisition of Comiolica SL.

On 1 August 2019, Alerion bought the 100% stake of Fri-El Ichnusa S.r.l., which holds a 100% stake in Fri-El Campidano S.r.l. (which runs the Campidano Wind farm).

### **Liability under Article 2497 et seq. of the Italian Civil Code**

FGP directs and coordinates the Issuer and the other companies of the Group in accordance with Article 2497 et seq. of the Italian Civil Code.

Pursuant to Article 2497 the Italian Civil Code FGP can be held liable *vis à vis* the shareholders and creditors of the companies directed and coordinated by it, if its direction and coordination activity is carried out in its or others' interest in violation of the principles of fair corporate and business management of the directed companies – and as a consequence either: (i) with regard to the shareholders of the directed companies, adversely affects the profitability and the value of the controlled company; or (ii) adversely affects, with regard to the directed company's creditors, the company's assets. This liability does not arise when: (i) no loss has been suffered in light of the overall result of the parent company's management and coordination of the subsidiary; or (ii) it has been fully remedied as a result of transactions conducted for such purpose.

FGP, which directs and coordinates the Issuer, has a subsidiary liability. It can, therefore, be sued only if the shareholder and the subsidiary's creditor have not been satisfied by the assets of the company directed and coordinated by the parent company. Anyone who has, in any event, taken part in the relevant event which has

caused damage can be held jointly and severally liable, as can, within the limits of the advantage obtained, those who have knowingly benefited therefrom.

## Joint Ventures

Some of the Group's Wind Farms are run as joint ventures with third parties with which the Group has signed shareholders' agreements aimed at defining the corporate governance and financing parameters for each plant. In this regard, it should be noted that neither the Issuer nor the Group companies have taken on personal guarantees with regard to the loans granted to the SPVs responsible for managing the Wind Farms.

More specifically:

- (i) New Green Molise S.r.l., which runs the San Martino in Pensilis Wind Farm, is owned in equal parts by the Group and by New Green Energy S.r.l. (**New Green Energy**). On 4 August 2014, AER signed a shareholders' agreement with New Green Energy, for a five-year term, subject to it being renewed with the consent of both the parties;
- (ii) the Group's partner in the Lacedonia Wind Farm is Ecoenergia S.r.l. (**Ecoenergia**), which holds a 50% stake. On 20 July 2007, AER signed a shareholders' agreement (the **Lacedonia Shareholders Agreement**) with Ecoenergia with reference to the Lacedonia Wind Farm run by Ecoenergia Campania S.r.l. The Lacedonia Shareholders Agreement lasts for 5-year term and is tacitly renewed.

## *Administrative, management and supervisory bodies*

### *Board of Directors*

In accordance with the Articles of Association, the Issuer is managed by a board of directors composed of seven to nineteen board members, including non-shareholders, who hold office for the period established in the deed of appointment, but no more than three financial years (the **Board of Directors**). They resign and are re-elected or replaced according to the law and the Articles of Association and their office expires on the date of the meeting called to approve the financial statements for the last year of their office and can be re-elected.

In accordance with Article 18 of the Articles of Association, the Board of Directors is entitled to the widest powers for running the Issuer, with the sole exclusion of what the law expressly reserves to the shareholders' meeting.

The Board of Directors is also assigned, in compliance with the provisions of Article 2436 of the Italian Civil Code, the resolutions concerning: (i) any merger in the cases provided for under Article 2505 and 2505-*bis* also referred to, for the purpose of demerger, under Article 2506-*ter* of the Italian Civil Code; (ii) the establishment or closure of secondary offices; (iii) the indication of which the directors can represent the company; (iv) the reduction in the share capital in the event of withdrawal of a shareholder; (v) adjustments of the Articles of Association to regulatory provisions; and (v) the transfer of the registered office within Italy.

The shareholders' meeting held on 30 January 2017, convened at the request of the shareholder FGPA, appointed the Board of Directors of the Issuer. The Board of Directors of the Issuer as of the date of this Prospectus consists of 8 directors who will remain in office until the approval of the financial statements of the year ending on 31 December 2019.

Following the resignation of the board member Giovanni Brianza on 24 November 2017, the Issuer's shareholders' meeting held on 6 April 2018 appointed Elmar Zwick, who will remain in office until the approval of financial statements as of 31 December 2019.

The composition of the Alerion Board of Directors is set out below.

<b>Name and surname</b>	<b>Office</b>	<b>Place and date of birth</b>
Josef Gostner	Chairman and Managing Director	Bolzano, 20 August 1960
Georg Vaja	Deputy Chairman and Managing Director (*)	Bolzano, 2 June 1957
Patrick Pircher	Director and Managing Director (*)	Bolzano, 14 January 1974
Paolo Signoretti	Board Member	Rovereto (Trento), 8 August 1979
Nadia Dapoz	Independent Board Member	Brunico (Bolzano), 13 November 1980

Name and surname	Office	Place and date of birth
Vittoria Giustiniani	Independent Board Member	Ferrara, 8 October 1964
Paola Bruno	Independent Board Member	Rome, 23 February 1967
Elmar Zwick	Independent Board Member	Silandro (Bolzano), 26 April 1981

(\*) Director with operational powers.

The business address of the members of the Board of Directors of the Issuer is Viale Majno 17, 20122 Milan (Italy).

The Chairman of the Board of Directors and managing director Josef Gostner, the deputy chairman and managing director Georg Vaja and the director and managing director Patrick Pircher have been conferred certain powers with respect to, among others (i) legal representation of the Issuer, (ii) ordinary management, administrative and financial functions, (iii) agreements, (iv) HR powers, (v) relationships with Public Authorities, (vi) relationships with Subsidiaries, (vii) disputes and (viii) transactions with related parties.

Below is a brief description of the curriculum vitae of the members of the Board of Directors.

**Josef Gostner:** experience in the management of companies in diversified fields including the commercial, real estate and trading industries, Josef has gained in-depth knowledge of finance and economics. He founded and operates, together with his siblings, FGP, one of the first companies in Italy in the field of renewable energy. He holds numerous positions in companies operating in different areas. Furthermore, as part of the group headed by FGP, he holds the position of chairman of the board of directors of FRI-EL International Holding S.A., FRI-EL Servignano S.r.l., New Green Molise S.r.l., FRI-EL Basento S.r.l., FRI-EL Biomass Liquid S.p.A., of chairman of the board of directors and managing director of FRI-EL Nulvi Holding S.r.l., FRI-EL Anglona S.r.l., FRI-EL Trading S.r.l., FRI-EL S.p.A., deputy-chairman of the board of directors of FRI-EL Anzi Holding S.r.l., FRI-EL Anzi S.r.l., FRI-EL Guardionara S.r.l., FRI-EL Guardionara Holding S.r.l., FRI-EL Hydro Power S.r.l., SPER S.p.A. and board member of FRI-EL S. Agata S.r.l., Nodessi S.r.l., FRI-EL San Canio S.r.l., Nuova Energia S.r.l., FRI-EL Biogas Holding S.r.l., FRI-EL Control System S.r.l.

**Georg Vaja:** with a degree from the University of Innsbruck, School of Business Administration, he is a qualified chartered accountant and is a member of the Order of Chartered Accountants and Auditors. After several years in auditing firms, he has acquired experience through management positions in industrially oriented companies that include Alupress, Technicon, Seeber (currently known as Röchling Automotive); from 2002 to 2006 he was Managing Director of Röchling Automotive Leifers and also held the position of statutory auditor in certain industrial companies. He is currently chief financial officer of FGP. Furthermore, as part of the group headed by FGP, he holds the offices of deputy-chairman of the board of directors of Green Power Insurance Broker S.r.l., of managing director of FRI-EL Liquid Biomass S.p.A. and FRI-EL and is proxy for FRI-EL Basilicata S.r.l., FRI-EL Anzi Holding S.r.l., FRI-EL Grottole S.r.l., FRI-EL Guardionara Holding S.r.l. and SPER S.p.A.

**Patrick Pircher:** has a degree in business administration from the Università Commerciale Luigi Bocconi with a specialisation in corporate finance (CLEA). He has gained experience abroad, working as an analyst in the corporate finance department of Enskilda Securities (SEB AB) in Frankfurt, as an executive in the acquisition finance department of SEB Merchant Banking in London, as an associate director of GE Capital's leveraged finance department in Frankfurt. He is currently head of finance of FGP. Furthermore, as part of the group headed by FGP, he holds the position of board member of FRI-EL S. Agata S.r.l.

**Paolo Signoretti:** With a degree in civil engineering from the University of Trento, he has promoted several business ventures in the areas of engineering, renewable energy and environmental sustainability, real estate, tourism services and in the financial sector as a promoter of the fund ReEnergy Capital. He has held the positions of managing director and chairman of the board of directors of Ata Engineering S.p.A. and was a member of the executive committee of Unimpresa Romania (from 2006 to 2009). He founded and leads Gruppo Heliopolis Energia and holds the positions of chairman of the board of directors and managing director of Heliopolis Energia S.p.A. and chairman of the board of directors of Consolida S.r.l.

**Nadia Dapoz:** Chartered Accountant - Statutory Auditor, she is a graduate of Bolzano's Libera Università specialising in Business Administration and Management. After working for the audit firm KPMG, she joined the firm of Hager & Partners. She provides tax and corporate advice to national and international clients, especially for groups from German-speaking regions; she specialises in extraordinary corporate transactions, domestic and international tax planning and corporate restructuring.

**Vittoria Giustiniani:** Attorney, she graduated in law at the University of Milan and has extensive experience in the judicial sector and in corporate disputes. She is a partner of the law firm Bonelli Erede since 2000. She mainly provides advice on a continuous basis for many listed companies, with particular regard to the aspects of corporate governance and compliance with legislation and with best practices of public companies as well as financial restructuring transactions, securities placements, initial public offerings and takeover bids and/or exchange tender offerings.

**Paola Bruno:** she graduated from the University of La Sapienza of Rome with a degree in Political Science and Economics specialising in International Economics. She holds an executive master's degree in Real Estate Finance and Real Estate from Bocconi University, a Chartered Diploma in Securities and Investments, a master's degree in finance and she is a Chartered Director. She gained years of international experience as an investment banker and strategic consultant for mid-sized companies at UBS Ltd (from 1993 to 1997), Merrill Lynch International Ltd (from 1997 to 2002), and ABM S.p.A. (from 2002 to 2003) and as CFO or director of listed companies and family businesses such as Banca Italease S.p.A. (from 2004 to 2009), PMS S.p.A. (from 2010 to 2011) and Geneva Equities Europe LLC (from 2010 to 2013). She currently provides financial advice on investments, mergers and acquisitions and capital markets to private equity funds, financial institutions and industrial and technological companies both in Italy and abroad at Augmented Finance Ltd. She also collaborates with the Luiss Business School as a professor in executive-oriented courses.

**Elmar Zwick:** Attorney, as of 2007, he graduated with a law degree from Università Luigi Bocconi in 2004. He gained his experience in law firms such as Clifford Chance and Grimaldi e Associati; he is a senior associate of the firm La Torre Morgese Cesàro Rio since 2011 where he provides assistance to banks, private equity funds, insurance companies and Italian and foreign companies in their day-to-day activities and in the context of extraordinary finance transactions. He is a native German speaker with particular expertise in assisting German companies active in Italy and in the internationalisation of Italian firms. He was also chairman of the supervisory board of Greenvision Ambiente S.p.A. from 2010 to 2013.

The table below shows the corporations or persons in which the members of the Board of Directors are or have been members of the governing, management or supervision bodies, or shareholders over the past five years.

Name and Surname	Company	Office or participation held	Status of office or of the participation held
Josef Gostner	Alerion Energie Rinnovabili S.p.A.	Chairman of the Board of Directors	Ongoing
	Alerion Servizi Tecnici e Sviluppo S.r.l.	Chairman of the Board of Directors	Ongoing
	New Green Molise S.r.l.	Chairman of the Board of Directors	Ongoing
	FRI-EL International Holding S.A.	Chairman of the Board of Directors	Ongoing
	FRI-EL Servignano S.r.l.	Chairman of the Board of Directors	Ongoing
	FRI-EL Basento S.r.l.	Chairman of the Board of Directors	Ongoing
	FW Holding S.r.l.	Chairman of the Board of Directors	Ongoing
	FRI-EL Biomass Liquid S.p.A.	Chairman of the Board of Directors	Ongoing
	Brema 3 S.r.l.	Chairman of the Board of Directors	Ongoing
	Golf Club Eppan Società Sportiva Dilettantistica a r.l.	Chairman of the Board of Directors	Ongoing
	FGPA S.r.l.	Chairman of the Board of Directors	Ongoing
	FRI-EL Nulvi Holding S.r.l.	Chairman of the Board of Directors and Managing Director	Ongoing

Name and Surname	Company	Office or participation held	Status of office or of the participation held
	FRI-EL Anglona S.r.l.	Chairman of the Board of Directors and Managing Director	Ongoing
	FRI-EL Trading S.r.l.	Chairman of the Board of Directors and Managing Director	Ongoing
	FRI-EL Euganea S.r.l.	Chairman of the Board of Directors and Managing Director	Ongoing
	FRI-EL S.p.A.	Chairman of the Board of Directors and Managing Director	Ongoing
	FRI-EL Anzi Holding S.r.l.	Deputy-Chairman of the Board of Directors	Ongoing
	FRI-EL Anzi S.r.l.	Deputy-Chairman of the Board of Directors	Ongoing
	FRI-EL Guardionara S.r.l.	Deputy-Chairman of the Board of Directors	Ongoing
	FRI-EL Guardionara Holding S.r.l.	Deputy-Chairman of the Board of Directors	Ongoing
	FRI-EL Hydro Power S.r.l.	Deputy-Chairman of the Board of Directors and Managing Director	Ongoing
	SPER S.p.A.	Deputy-Chairman of the Board of Directors and Managing Director	Ongoing
	FRI-EL Green Power S.p.A.	Deputy-Chairman of the Board of Directors and Managing Director	Ongoing
	Ecoenergia Campania S.r.l.	Board Member	Ongoing
	FRI-EL S. Agata S.r.l.	Board Member	Ongoing
	Nodessi S.r.l.	Board Member	Ongoing
	FRI-EL San Canio S.r.l.	Board Member	Ongoing
	Nuova Energia S.r.l.	Board Member	Ongoing
	FRI-EL Biogas Holding S.r.l.	Board Member	Ongoing
	FRI-EL Control System S.r.l.	Deputy-Chairman of the Board of Directors	Ongoing
	Estoril Bau S.r.l.	Board Member	Ongoing
	Karessa Golf S.r.l.	Sole Director	Ongoing
	FRI-EL Gorgoglione S.r.l.	Sole Director	Ongoing
	Gardenabau S.r.l.	Sole Director	Ongoing
	Medita Bau S.r.l.	Sole Director	Ongoing
	FRI-EL Energy Investments S.r.l.	Sole Director	Ongoing
	Windservice S.r.l.	Sole Director	Ongoing
	Idroelettrica Umbra S.r.l.	Sole Director	Ongoing
	FRI-EL Ruffano S.r.l.	Sole Director	Ongoing
	Alerion Bioenergy S.r.l. in liquidazione	Liquidator	Ongoing
	Energes Biccari S.r.l. in liquidazione	Liquidator	Ongoing
	FRI-EL Germany GMBH	Liquidator	Ongoing
	Air Plan S.r.l.	Liquidator	Ongoing
	Eurobau S.r.l.	Representative	Ongoing
	Biomasse Sicilia S.p.A.	Representative	Ongoing

Name and Surname	Company	Office or participation held	Status of office or of the participation held
	Prima S.r.l.	Supervisor of the branch	Ongoing
	Johanneum s.s. of FRI-EL Energy Investments S.r.l., FRI-EL Capital S.r.l. And ENER.FIN S.r.l.	Legal representative	Ongoing
	Residence Tova S.a.s. di Gostner Tobias & C.	Limited partner	Ongoing
	Golf Country Restaurants S.a.s. di Tanja Kofler & C. società agricola	Limited partner	Ongoing
	Joma S.a.s. di Gostner Josef	General partner	Ongoing
	Schallbauerhof S.a.s. di Josef Gostner & C. società agricola	General partner	Ongoing
	Fox di Josef Gostner & C. S.a.s.	General partner	Ongoing
	Living Brema s.s. di Josef Gostner & C.	Managing partner	Ongoing
	Karo s.n.c di Gostner Josef & C.	Managing partner	Ongoing
	Rahmhuett s.s. agricola	Legal representative	Ongoing
Georg Vaja	Green Power Insurance Broker S.r.l.	Deputy-Chairman of the Board of Directors	Ongoing
	FRI-EL Liquid Biomass S.p.A.	Managing Director	Ongoing
	FRI-EL S.p.A.	Managing Director	Ongoing
	FRI-EL Basilicata S.r.l.	Representative	Ongoing
	FRI-EL Anzi Holding S.r.l.	Representative	Ongoing
	FRI-EL Grottole S.r.l.	Representative	Ongoing
	FRI-EL Guardionara Holding S.r.l.	Representative	Ongoing
	SPER S.p.A.	Representative	Ongoing
FRI-EL Green Power S.p.A.	Representative	Ongoing	
Patrick Pircher	FRI-EL S. Agata S.r.l.	Board Member	Ongoing
Paolo Signoretti	Heliopolis S.p.A.	Chairman of the Board of Directors	Ongoing
	GM S.r.l.	Managing Director	Ongoing
	LF Immo S.r.l.	Board Member	Ongoing
	VR. RE S.r.l.	Board Member	Ongoing
	PV. RE S.r.l.	Board Member	Ongoing
	Heliopolis Urban Regeneration S.r.l.	Board Member	Ongoing
	Innova15 S.r.l.	Board Member	Ongoing
	UR. Management S.r.l.	Board Member	Ongoing
	E. Management S.r.l.	Board Member	Ongoing
	HEPV07 S.r.l.	Sole Director	Ongoing
	V.R.101214 S.r.l.	Board Member	Ongoing
	Rovim S.r.l.	Board Member	Ongoing
	Innova15 S.r.l.	Quotaholder (77%)	Ongoing
Ata Engineering S.p.A.	Chairman of the Board of Directors and Managing Director	Ceased	
Consolida S.r.l.	Quotaholder (85%)	Ceased	
Nadia Dapoz	-	-	-
	Maire Tecnimont S.p.A.	Board Member	Ongoing

Name and Surname	Company	Office or participation held	Status of office or of the participation held
Vittoria Giustiniani	Italiaonline S.p.A.	Board Member	Ongoing
	Nike S.S.	Shareholder (100%)	Ongoing
	Vittoria S.A.S.	Partner (33%)	Ongoing
Paola Bruno	Retelit S.p.A.	Board Member	Ongoing
	Creval S.p.A.	Board Member	Ongoing
	SEC S.p.A.	Board Member	Ongoing
	Augmented Finance Ltd	Shareholder (50%) and Sole director	Ongoing
	PBruno LLC	Sole shareholder	Ongoing
Elmar Zwick	Greenvision Ambiente S.p.A.	Chairman of the Supervisory Body under Legislative Decree No. 231/2001	Ceased

### **Board of Statutory Auditors**

Under Article 21 of the Articles of Association, the board of statutory auditors consists of 3 standing auditors and two alternates, in possession of the qualifications required by the laws and regulations in force and appointed in compliance with the legislation in force for the time being concerning the balance between genders (the **Board of Statutory Auditors**).

The members of the Board of Statutory Auditors, who remain in office for three financial years and who are re-elected, attend the shareholders' meetings and the meetings of the Board of Directors. The statutory auditors are appointed on the basis of lists submitted by the shareholders in order to ensure that the minorities appoint one standing auditor and one alternate auditor.

Under the Articles of Association, the Board of Statutory Auditors of Alerion consists of 3 standing auditors and 2 alternate auditors appointed by the shareholders' meeting in accordance with applicable legal provisions. The Board of Statutory Auditors in office as of the date of this Prospectus was appointed during the general shareholders' meeting held on 6 April 2018 and will remain in office until approval of the financial statements ended on 31 December 2020. It should be noted that, at the time of appointment, the statutory auditors stated that they were in possession of the requirements of integrity, independence and professionalism.

The following shows the composition of the Board of Statutory Auditors.

Name and Surname	Office	Place and date of birth
Francesco Schiavone Panni	Chairman of the Board of Statutory Auditors	Rome, 16 October 1954
Loredana Conidi	Standing Auditor	Milan, 6 March 1971
Michele Aprile	Standing Auditor	Tricase (LE), 14 August 1976
Stefano Tellarini	Alternate Statutory Auditor	Alfonsine (RA), 12 September 1975
Mariassunta Pica	Alternate Statutory Auditor	Polla (SA), 25 December 1986

Below is a brief description of the curriculum vitae of the members of the Board of Statutory Auditors.

**Francesco Schiavone Panni:** a graduate of the University LUISS Guido Carli of Rome in 1978 with a degree in Business Administration, he worked up to 1983 on large-scale organisation and auditing in the insurance, public works, metal and mechanical engineering, publishing, financial, chemical and textile industries. Since 1983, he is the owner of a firm that provides management consulting, administrative and tax consulting, in addition to auditing services and consulting on business organisation. Furthermore, he has held various positions as a member of the board of directors, board of statutory auditors and the supervisory board in companies belonging to the following groups: Banca d'Italia, IMA S.p.A., BNL S.p.A., EDF EN Italia S.p.A., Edison S.p.A., ENI S.p.A., Condotte S.p.A., IM Intermetro S.p.A., Iritecna S.p.A. and Fri-El Green Power S.p.A.

**Loredana Conidi:** a graduate of Università Cattolica del Sacro Cuore in 1995 with a degree in Business Administration and Law, she began her career as a tax consultant at the firm of Araldi e Associati and later at the firm of Pirola Pennuto Zei e Associati. From 2000 to 2014 she worked at the tax firm of Maisto e Associati and since 2014 she is a partner at the tax firm of Ludovici Piccone & Partners in Milan.



**Michele Aprile:** a graduate of Università Commerciale Luigi Bocconi in 2000 with a degree in Business Administration and Law, he began his career at the tax firm of Deiure from where he subsequently joined, from 2002 to 2011, the firm of Chiomenti at their offices in Milan and New York. He worked at the tax firm of Maisto e Associati from 2011 to 2014 and, since 2014, is a partner at the tax firm of Ludovici Piccone & Partners in Milan.

**Stefano Tellarini:** a graduate of Università Commerciale Luigi Bocconi in 1999 with a degree in Business Administration and Law, he began his career at the law firm of Coudert-Schürmann in Milan to later work as an intern at J.P. Morgan in the London and Milan offices in their mergers and acquisitions division. He subsequently worked at the correspondent associated law-tax firm of Ernst & Young in Italy in their banks and financial institutions division. From 2003 to 2014, he worked at the firm of Maisto e Associati, coordinating their London office, and providing advice on international fiscal and tax matters. He is a partner, since 2014, at the tax law firm of Ludovici Piccone & Partners.

**Mariassunta Pica:** a graduate of the University of Perugia in 2010 with a degree in Business and Legal Advisory, she began her career at the correspondent associated law-tax firm of Ernst & Young in Italy providing advice on the tax implications in the context of day-to-day business operations as well as during extraordinary transactions. Since 2015 she has worked at the tax firm of Ludovici Piccone & Partners providing advice on the tax implications in the context of day-to-day business operations, on managing relations with the tax authorities as well as on the extraordinary management of tax aspects within corporate transactions.

The table below shows the corporations or persons in which the members of the Board of Statutory Auditors are or have been members of the governing, management or supervision bodies, or shareholders over the past five years.

Name and Surname	Company	Office or participation held	Status of office or of the participation held
Francesco Schiavone Panni	Condotte Immobiliare S.p.A.	Chairman of the Board of Statutory Auditors	Ongoing
	Fri-El Ichnusa S.r.l.	Chairman of the Board of Statutory Auditors	Ongoing
	Fri-El Campidano S.r.l.	Chairman of the Board of Statutory Auditors	Ongoing
	IFITALIA S.p.A.	Chairman of the Board of Statutory Auditors and Chairman of the Supervisory Board	Ongoing
	IMA S.p.A.	Chairman of the Board of Statutory Auditors	Ongoing
	I.M. Intermetro in liquidazione S.p.A.	Chairman of the Board of Statutory Auditors	Ongoing
	Inso S.p.A.	Chairman of the Board of Statutory Auditors	Ongoing
	RC-Scilla S.c.p.a.	Chairman of the Board of Statutory Auditors	Ongoing
	SA-RC S.c.p.a.	Chairman of the Board of Statutory Auditors	Ongoing
	EDF EN Italia S.p.A.	Standing auditor and Chairman of the Supervisory Board	Ongoing
	Findomestic Banca S.p.A.	Standing Auditor	Ongoing
	TIM S.p.A.	Standing Auditor	Ongoing
	Green tech Monte Grighine S.r.l.	Sole statutory auditor	Ongoing
	EPER S.p.A.	Standing Auditor	Ongoing
	Fotosolare S.r.l.	Sole statutory auditor	Ongoing
Green Energy S.r.l.	Sole statutory auditor	Ongoing	
Edilabor S.r.l.	Sole Director	Ongoing	

Name and Surname	Company	Office or participation held	Status of office or of the participation held
	Tifast S.r.l.	Chairman of the Board of Statutory Auditors	Ceased
	Snam S.p.A.	Standing Auditor	Ceased
	Bonifiche Ferraresi S.p.A.	Standing Auditor	Ceased
	Bonorva Wind Energy	Sole statutory auditor	Ceased
Loredana Conidi	Sit S.p.A.	Standing Auditor	Ongoing
	Cerved Master Services S.p.A.	Standing Auditor	Ongoing
	Archimede S.p.A.	Standing Auditor	Ongoing
	Axa MPS Assicurazioni Danni S.p.A.	Standing Auditor	Ongoing
	Flos S.p.A.	Alternate Statutory Auditor	Ongoing
	Decalia Asset Management Sim S.p.A.	Alternate Statutory Auditor	Ongoing
	Elle52 Investimenti S.r.l.	Alternate Statutory Auditor	Ongoing
	Ethica Investment Club S.p.A.	Alternate Statutory Auditor	Ongoing
	Innova Italy 1 S.p.A.	Standing Auditor	Ceased
	Beta Utensili S.p.A.	Chairman of the Board of Statutory Auditors	Ceased
	Finutensil S.r.l.	Chairman of the Board of Statutory Auditors	Ceased
	Evoca S.p.A.	Alternate Statutory Auditor	Ceased
	SGL Italia S.r.l.	Alternate Statutory Auditor	Ceased
	Michele Aprile	La Fabbrica S.p.A.	Chairman of the Board of Statutory Auditors
Axa MPS Assicurazioni Danni S.p.A.		Standing Auditor	Ongoing
Bagheera S.p.A.		Standing Auditor	Ongoing
Noel International S.p.A.		Standing Auditor	Ongoing
Bauer S.p.A.		Alternate Statutory Auditor	Ongoing
Decalia Asset Management Sim S.p.A.		Alternate Statutory Auditor	Ongoing
Elle52 Investimenti S.r.l.		Alternate Statutory Auditor	Ongoing
Ethica Investment Club S.p.A.		Alternate Statutory Auditor	Ongoing
White Bridge Investments S.p.A.		Alternate Statutory Auditor	Ongoing
RealStep S.p.A.		Alternate Statutory Auditor	Ongoing
Seri Jakala S.p.A.		Alternate Statutory Auditor	Ongoing
Cerved Master Services S.p.A.		Alternate Statutory Auditor	Ongoing
Share the City S.r.l.		Quotaholder (0.47%)	Ongoing
Irca S.r.l.		Chairman of the Board of Statutory Auditors	Ceased
Italcima S.r.l.		Chairman of the Board of Statutory Auditors	Ceased

Name and Surname	Company	Office or participation held	Status of office or of the participation held
	Essenze Italiane S.r.l.	Chairman of the Board of Statutory Auditors	Ceased
	Blumedia S.r.l.	Chairman of the Board of Statutory Auditors	Ceased
	D&D Service S.r.l.	Chairman of the Board of Statutory Auditors	Ceased
	O.L.C.	Chairman of the Board of Statutory Auditors	Ceased
	Fiordaliso S.p.A.	Standing Auditor	Ceased
	Innovative Ingredients S.p.A.	Standing Auditor	Ceased
	Galleria Verde S.r.l.	Standing Auditor	Ceased
	Giorgione Investimenti S.p.A.	Standing Auditor	Ceased
	Beta Utensili S.p.A.	Alternate Statutory Auditor	Ceased
	Finutensil S.r.l.	Alternate Statutory Auditor	Ceased
	Berenix S.r.l.	Alternate Statutory Auditor	Ceased
	Brunelleschi Investimenti S.p.A.	Alternate Statutory Auditor	Ceased
	Osar S.r.l.	Standing Auditor	Ongoing
	Hot Forging 2 S.r.l.	Standing Auditor	Ongoing
Stefano Tellarini	Safe S.p.A.	Chairman of the Board of Statutory Auditors	Ongoing
	Safe&CEC S.r.l.	Chairman of the Board of Statutory Auditors	Ongoing
	Real Step Sicaf S.p.A.	Standing Auditor	Ongoing
	Fiumaranuova S.r.l.	Alternate Statutory Auditor	Ongoing
	FT S.p.A.	Alternate Statutory Auditor	Ceased
Mariassunta Pica	Archimede S.p.A.	Alternate Statutory Auditor	Ceased

#### Managers with strategic responsibilities

Below is the list of Alerion's managers with strategic responsibilities.

Name and Surname	Office	Place and date of birth
Stefano Francavilla	Chief Financial Officer	Avellino, 14 September 1969

Below is a brief description of the curriculum vitae of the managers with strategic responsibilities of the Issuer.

**Stefano Francavilla:** is the Chief Financial Officer and an employee of the Group since 2007. He began his career at Coopers & Lybrand (currently known as, PwC), first as an auditor at the London office and then in the Corporate Finance Department of the Milan office. He subsequently worked at the Enel Group as Investment Director of Enel's Corporate Venture Fund, where he co-managed the Fund's investments in companies active in the energy and telecommunications fields, as well at Enertad (currently known as Erg Renew), where he was responsible for strategic planning. Mr Francavilla graduated with a degree in Business Administration from the Università Commerciale Luigi Bocconi in Milan.

The table below shows the corporations or persons in which the managers with strategic responsibilities are or have been members of the governing, management or supervision bodies, or shareholders over the past five years.

Name and Surname	Company	Office or participation held	Status of office or of the participation held
Stefano Francavilla	Alerion Energie Rinnovabili S.p.A.	Board Member	Ongoing
	Alerion Real Estate S.r.l. in liquidazione	Receiver	Ongoing
	Alerion Servizi Tecnici e Sviluppo S.r.l.	Board Member	Ongoing
	Callari S.r.l.	Board Member	Ceased
	Dotto S.r.l.	Board Member	Ceased
	Eolo S.r.l.	Board Member	Ceased
	Minerva S.r.l.	Board Member	Ceased
	Ordonia Energia S.r.l.	Board Member	Ceased
	Parco Eolico Licodia Eubea S.r.l.	Board Member	Ongoing
	Renergy San Marco S.r.l.	Board Member	Ceased
	Wind Power Sud S.r.l.	Board Member	Ceased
	Paris Mode s.a.s.	Shareholder (10%)	Ongoing
	Bonollo Energia S.p.A.	Board Member	Ceased
	Consorzio Census	Member of the Governing Board	Ceased
	Durini 18 S.r.l.	Sole Director	Ceased
	Alerion Bioenergy S.r.l. in liquidazione	Sole Director	Ceased
	New Green Molise S.r.l.	Board Member	Ceased
	Ecoenergia Campania S.r.l.	Board Member	Ceased
	Eolispono S.r.l.	Board Member	Ceased
	Monte Raitiello S.r.l.	Board Member	Ceased
Energes Biccari S.r.l. in liquidazione	Board Member	Ceased	

### Conflicts of interest of the members of the board of directors, the board of statutory auditors or the Managers with Strategic Responsibilities

Except as indicated below, as of the date of this Prospectus, to the Issuer's knowledge, none of the members of the Board of Directors and the Board of Statutory Auditors and no managers with strategic responsibilities are bearers of private interests in conflict with their obligations under the offices held at Alerion.

The chairperson of the Board of Directors and managing director of Alerion is a shareholder of FGP which, directly and indirectly through its subsidiary FGPA, has a shareholding of about 85.5% in the Issuer's share capital. Note that such participation was achieved as a result of the execution of the capital increase, reserved to FGP and Pro-Invest S.r.l., resolved by the shareholders' meeting of the Issuer held on 6 April 2018.

The chairperson of the Board of Directors and managing director of Alerion, Josef Gostner, holds the office of managing director of FGP and the deputy chairperson and managing director of Alerion, Georg Vaja, and board member and managing director, Patrick Pircher, are executives of FGP. Furthermore, the chairperson of the Board of Directors and managing director of Alerion covers senior management positions within the group headed by FGP.

It should also be noted that (i) the company Heliopolis Energia S.p.A., for which the member of the Board of Directors Paolo Signoretti is managing director and chief executive officer, provided consultancy services to the Group in 2017 and 2018 for a total amount of Euro 51 thousand, (ii) the law firm Bonelli Erede, whose board member Vittoria Giustiniani is a partner, provided consultancy services in 2016 to group companies headed by FGP amounting to approximately Euro 71,400, and (iii) the firm La Torre Morgese Cesàro Rio, whose board member Elmar Zwick is a senior associate, provided consultancy services in 2016 to group companies headed by FGP amounting to approximately Euro 20,000, and in 2017 the Group amounting to approximately Euro 7,9 thousand. In this respect it should be noted that, in assessing the independence of independent board members Vittoria Giustiniani and Elmar Zwick, the circumstances listed were not specifically examined by the Board of Directors on account of the insignificance of the fees paid for the abovementioned consultancy services.

Furthermore, it should be noted that on 16 November 2017, FGP appealed to the Lazio Regional Administrative Court (the **TAR Lazio**) to set aside Resolution 20023 of 5 June 2017 with which the Commissione Nazionale per le Società e per la Borsa (**Consob**) ordered the suspension of the whole of the voluntary exchange tender offering having as its consideration 1 newly issued bond having a face value of Euro 3.00 for each Alerion share brought to the exchange offering launched by FGP. FGP also appealed to the TAR Lazio to set aside Resolution 20117 of 18 September 2017 with which Consob, among others, established the existence of a shareholders' agreement between FGP and Stafil S.p.A. and the fact that together FGP and Stafil S.p.A. had exceeded the relevant threshold of 30% of Alerion's share capital. Consequently, Consob imposed on FGP and Stafil S.p.A., the implementation of the mandatory offer on the Alerion shares not held by the companies themselves, claiming, *inter alia*, the erroneous interpretation of the factual elements underlying the alleged existence of a shareholders' agreement between FGP and Stafil S.p.A., and of the alleged action in concert, which resulted in, according to Consob, exceeding the 30% threshold of Alerion's share capital. Stafil S.p.A. also appealed to the TAR Lazio to set aside Resolution 20117. On 3 July 2019, FGP filed with the TAR Lazio a declaration of lack of interest in the decision on its appeal against Consob's Resolution 20117 of 18 September 2017 and Resolution 20023 of 5 June 2017 and, therefore, on 22 July 2019 the TAR Lazio declared the proceeding dismissed.

***Subsequently, on 14 March 2018, Consob launched a sanctioning procedure against FGP and Josef Gostner, Thomas Gostner and Ernst Gostner (these latter acting in his quality as corporate officers of FGP), charging them with the alleged violation of the obligation to disclose to Consob, Alerion and the public the shareholders' agreement, the obligation for all the parties to the shareholders' agreement to launch a mandatory tender offer having exceeded the relevant threshold of 30% of Alerion's share capital, and subsequently the prohibition to vote in the general meeting of the Issuer with the shares held. On 19 December 2018 Consob issued a resolution applying a fine to FGP of a total amount of Euro 140,000 and to Josef Gostner, Thomas Gostner and Ernst Gostner of a total amount of Euro 30,000 each; such fines were paid in the first quarter of 2019. It should be noted that Alerion is not cited as a party in the sanctioning procedure initiated by Consob. Board Committees***

The incumbent Board of Directors has formed within its structure: (i) the Remuneration and Nomination Committee; (ii) the Control and Risk Committee; and (iii) the Related Party Transactions' Committee.

#### Remuneration and Nomination Committee

The Board of Directors of Alerion set up the remuneration and nomination committee (the **Remuneration and Nomination Committee**) with the relevant duties set out in accordance with the self-regulatory code of corporate governance promoted by Borsa Italiana S.p.A. (the **Corporate Governance Code (Codice di Autodisciplina)**). At least one member of the Remuneration and Nomination Committee must have knowledge and experience in accounting and financial matters.

The Remuneration and Nomination Committee is vested with making the following advisory and consulting tasks in respect of the Board of Directors:

- a. evaluating and making any proposals to the Board of Directors on the remuneration policy proposed by the Issuer for directors and managers with strategic responsibilities;
- b. evaluating and making any proposals to the Board of Directors on share incentive plans, stock options, employee-share ownership and similar incentive and loyalty plans for management and for employees or independent contractors of the companies of the Group, including with respect to the suitability of pursuing the objectives that are characteristic of these plans, on the procedures that the competent corporate bodies must concretely implement and any amendments or additions;
- c. making proposals or expressing opinions to the Board of Directors, in the absence of those parties directly concerned, on the remuneration of directors, executive and non-executive, and managers with strategic responsibilities;
- d. making proposals to the Board of Directors, in the absence of those parties directly concerned, on the remuneration of non-executive directors, which must be proportional to the effort required by each of them, taking into consideration any participation in one or more internal committees of the Issuer. That remuneration may only be related to an insignificant portion of the operating results of the Issuer. These non-executive directors may be recipients of the share incentive plans, only on the basis of the shareholders' meetings reasoned decision;

- e. proposing to the Board of Directors candidates for the office of director in cases of co-opting, where it becomes necessary to replace the independent directors;
- f. submitting opinions to the Board of Directors regarding the number and composition of the same and make recommendations regarding the professionals whose presence on the Board is considered to be appropriate;
- g. making recommendations on the maximum number of positions that a director or statutory auditor may hold in other listed companies, and in financial, banking, insurance or large-sized companies, which may be considered compatible with the effective performance of the position of director of the Issuer; and
- h. in the event where the Board of Directors considers adopting a plan on the continuity of executive directors, examining the plan's preparation.

Remuneration and Nomination Committee members may have access to the corporate departments required to perform their duties. Furthermore, the chairperson of the Board of Statutory Auditors or any other designated auditor is invited to participate in the meetings of the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee consists of the independent directors Nadia Dapoz (as Chairperson) and Paola Bruno.

#### Control and Risk Committee

The Board of Directors set up the control and risk committee within its structure, consisting of non-executive board members, the majority of whom are independent (the **Control and Risk Committee**). At least one member must have accounting, financial and risk management experience.

The Control and Risk Committee:

- a. assesses, together with the manager responsible for preparing the companies' financial reports and on the advice of the independent auditor and the Board of Statutory Auditors, the correct application of accounting standards and their consistency for the purposes of preparing the consolidated financial statements and the annual financial statements;
- b. expresses opinions on specific aspects related to identifying the main company risks;
- c. examines the periodic reports, involving the assessment of the internal control and risk management system, and those of major importance established by the internal audit department;
- d. monitors the independence, adequacy, effectiveness and efficiency of the internal audit department;
- e. may require the internal audit department to conduct verifications on specific operational areas, contemporaneously notifying the Chairperson of the Board of Statutory Auditors thereof;
- f. reports every six months to the Board of Directors upon approval of the annual and semi-annual financial report, on the tasks performed and on the adequacy of the internal control and risk management system. For this task, the Committee relies on the contribution of the internal audit department; and
- g. assists, with adequate research activity, the Board of Directors with its evaluations and decisions on managing risks resulting from harmful events of which the Board of Directors is aware.

Furthermore, the Control and Risk Committee expresses its opinion to the Board on the appointment and dismissal of the manager of the internal audit department, on the allocation of adequate resources to the internal audit department and the remuneration of the manager of the internal audit department in accordance with company policy.

The chairperson of the Board of Statutory Auditors or another designated statutory auditor participates in the work of the Control and Risk Committee. The chairperson of the Board of Directors or another executive director may also participate whenever the need or opportunities arise in relation to the issues under consideration and when identifying appropriate interventions to meet situations, also potentially critical, are needed.

The Control and Risk Committee consists of the members of the Board of Directors Paola Bruno (Chairperson), Nadia Dapoz and Emma Zwich.

### Related Parties Committee

The Board of Directors, taking into account the instructions contained in Consob regulation no. 17221 dated 12 March 2010 (as amended and integrated from time to time, the **Related Parties Regulation**), set up the related party transactions committee (the **Related Parties Committee**).

On 12 November 2010, the Board of Directors approved the Procedure for related party transactions (as amended from time to time, the **Related Parties Procedure**), effective from 1 January 2011, after receiving the approval from the Related Parties Committee, in accordance with the provisions of the Related Parties Regulation, aimed at governing the approval and conclusion of related party transactions carried out by Alerion, either directly or through its subsidiaries, in order to ensure the transparency and fairness of such transactions from both a substantive and formal standpoint; such procedure is available on the Issuer's website ([www.alerion.it](http://www.alerion.it)).

The Related Parties Committee consists of board members Vittoria Giustiniani (as Chairperson), Paola Bruno and Nadia Dapoz.

For more information on the related parties transactions please see section "*Related Parties Transaction*" below.

### Organisational Model and Supervisory Body

The Board of Directors has adopted an organisational and management model (the **Organisational Model**) pursuant to Italian Legislative Decree no. 231 of 8 June 2001 (as amended from time to time, **Legislative Decree 231**) in order to:

- identify specific areas that are susceptible to the different types of crimes set out in Legislative Decree 231, identify the risks and connect these with the most suitable means of control to prevent them;
- indicate the rules and principles of conduct addressed to the recipients of the Organisational Model;
- provide the supervisory body (organismo di vigilanza, as defined in Legislative Decree 231, the **Supervisory Body**) and the other control departments with the tools to monitor, control and verify; and
- arrange for the procedures for the timely updating of the Organisational Model itself in cases where the applicable law provides for additional criminal offences considered relevant to the work carried out.

Furthermore, the Board of Directors has adopted a code of ethics in line with the best international practices that establishes the principles and the core values of corporate ethics and the rules of conduct and the implementing rules in connection with these principles.

The Organisational Model shows the actual exposure to the risks of committing the crimes under Legislative Decree 231 and the control procedures described are abstractly designed to prevent conduct that would expose the Issuer to the risk of committing these crimes.

The Supervisory Body is vested with the task of overseeing the functioning and the actual adoption of the Organisational Model. The Supervisory Body in office was appointed by the Board of Directors on 26 April 2018 with a three-year term and consists of Mr Werther Montanari (Chairperson), Mr Francesco De Luca (attorney) and Mr Fabrizio De Simone.

The Supervisory Body has the requirements of autonomy, independence, professionalism and continuity of action, in accordance with the provisions of Legislative Decree 231 and with the recommendations contained in the relevant guidelines issued by Confindustria which is the main association representing manufacturing and service companies in Italy.

In order to carry out its tasks, the Supervisory Body may rely on the support of the internal audit department's manager, of the managers of the other company departments and/or external independent contractors for its own audit activities.

### Independent Auditors

The independent auditor of the Issuer is Deloitte & Touche S.p.A., whose registered office is at Via Tortona 25, 20144 Milan, is authorised and regulated by the Italian Ministry of Economy and Finance (**MEF**) and registered in the special register of auditing firms held by the MEF. Deloitte & Touche S.p.A. is a member of ASSIREVI, the Italian association of auditing firms.

Deloitte & Touche S.p.A. has audited, in accordance with the International Standards on Auditing (ISA Italy) implemented in accordance with Article 11 of Legislative Decree No. 39, of 27 January 2010, the Issuer's consolidated financial statements as of 31 December 2018 and 2017 and for the years then ended, prepared in accordance with the International Financial Reporting Standards adopted in the EU and with the Italian regulations implementing Article 9 of Italian Legislative Decree no. 38/05, without qualification, as stated in their reports incorporated by reference in this Prospectus.

Deloitte & Touche S.p.A.'s current appointment will expire on the date of the shareholders' meeting called to approve the Issuer's annual financial statements as of 31 December 2019. The shareholders' meeting of the Issuer held on 5 September 2019 has approved the appointment of KPMG as new independent auditors of the Issuer for the financial years 2020-2028.

The auditors of the Issuer are independent auditors with respect to the Issuer.

### **Major Shareholders**

The Issuer is controlled in accordance with Article 93 of the TUF by FGP that directly and indirectly holds, through its wholly owned subsidiary FGPA, approximately 85.5% of the share capital of the Issuer and manages and coordinates the Issuer in accordance with Articles 2497 et seq. of the Italian Civil Code.

Moreover, it should be noted that, as of the date of this Prospectus, certain corporate officers of the Issuer are holders of interests that are relevant under Article 2391 of the Italian Civil Code by virtue of the offices and/or investments held in the Issuer and in companies that may be classified as related parties of the Issuer, and which could compete with the latter. Specifically: (i) the chairperson of the Board of Directors and managing director of Alerion, Josef Gostner, is a shareholder of FGP; and (ii) the deputy chairperson and managing director of Alerion, Georg Vaja, and Board Member and Managing Director of Alerion, Patrick Pircher, are executives of FGP.

In view of FGP's management and coordination and also in order to prevent abuses by the persons who manage and coordinate, Alerion, in accordance with the provisions of Article 16 of Consob regulations adopted with Resolution No. 20249 of 28 December 2017:

- (i) has filed, as required by law, the communication provided for in Article 2497-*bis* of the Italian Civil Code with the Companies' Register of Milan;
- (ii) is equipped with the independent power to negotiate with customers and suppliers;
- (iii) does not have a cash pooling service; and
- (iv) has established committees within the Board of Directors consisting entirely of independent directors, under the TUF and the Corporate Governance Code.

Furthermore, in line with the wording of Article 2497-*ter* of the Italian Civil Code, the decisions of the Group, where influenced by FGP, are analytically grounded and detail the reasons and interests on which they are based.

With the aim of ensuring transparency and the advisability of the commercial transactions conducted with FGP, the Group submits these transactions to all procedures required by the Related Parties Regulation and to the Related Parties Procedure.

Finally, as of the date of this Prospectus, the Issuer has not adopted procedures to identify the matters falling within FGP's management and coordination tasks.

As of the date of this Prospectus, there are no agreements from which a change to the Issuer's control structure would arise.



For the sake of completeness, it should be noted that in accordance with Article 10 the Articles of Association, in derogation of the provisions of Article 104, paragraph 1, of the TUF, in the case where the Issuer's shares are concerned by a public offer and/or an exchange tender offer, the authorisation of a shareholders' meeting is not required for the performance of acts or transactions likely to conflict with achieving the offering's objectives, during the period between the notification referred to in Article 102, paragraph 1, of the TUF and the closure of the offering.

In exemption of the provisions of Article 104, paragraph 1-*bis* of the TUF, the authorisation of a shareholders' meeting is not required for the implementation of any decision taken before the start of the period indicated in the preceding paragraph that has not yet been implemented in whole or in part and that does not fall within the normal business practices of the Issuer, the implementation of which could counteract the objectives of the offering.

The table below shows the persons which own a participation in the corporate capital of the Issuer higher than 5% as at the date of this Prospectus.

Shareholder	Participation held
FGPA S.r.l.	24,99%
Fri-El Green Power S.p.A.	60,5%
<b>Total</b>	<b>85.49%</b>

### **Related parties transactions**

Alerion, as part of its holding activities, coordinates the administrative, managerial and commercial activities and the optimisation of financial resources for the companies of the Group. As part of these activities, it provides services transactions with its subsidiaries and related companies; these arrangements, with respect to the subsidiaries, were expunged from the consolidated financial statements. There are also financial arrangements between the companies of the Group.

The arrangements with subsidiaries and investee companies are regulated under market conditions, taking into account the nature of the services provided. For more information on related party transactions as at 31 December 2018, please see the Annual Report 2018 and the Interim Report as at 30 June 2019.

#### ***Major related party transactions***

##### O&M Agreements with Fri-El Service S.r.l.

On 26 July 2018, the Board of Directors approved, with the consent of the Related Parties Committee dated 25 July 2018, the entering into by New Green Molise S.r.l., Wind Power Sud S.r.l., Dotto S.r.l., Callari S.r.l., Minerva S.r.l. and Eolo S.r.l. – controlled by Alerion and indirectly by FGP – of some O&M agreements with Fri-El Service - controlled in turn directly by FGP – for the provision of maintenance services on the relevant Wind Farms located in San Martino in Pensilis, Monte Petrasi, Ciorlano, Callari, Castel di Lucio and Albanella respectively.

For more information on O&M agreements with Fri-El Service S.r.l. please also see section “*Description of the Issuer – Operating and Maintenance (O&M) and availability of turbines*”.

##### Friel Ichnusa Acquisition

On 1 August 2019, the Board of Directors approved, with the consent of the Related Parties Committee dated the same date, the execution by the Issuer of the Friel Ichnusa Acquisition with FGP.

### **Material agreements**

#### ***2018-2024 Bond***

On 29 June 2018, Alerion issued an unsecured, non-convertible and non-subordinated bond, in the amount of Euro 150 million maturing in 2024, consisting of No. 150 million notes with a face value of Euro 1.00 listed on the *Mercato Telematico delle Obbligazioni e dei Titoli di Stato* (the **2018-2024 Bond**).

The regulation of the 2018-2024 Bond (the **2018-2024 Bond Regulation**) provides for a fixed gross annual nominal interest rate of 3.75%, to be paid annually in arrears and that is at the maturity of each twelve months starting from 29 June 2018. On the maturity date of the 2018-2024 Bond (i.e., on 29 December 2024), the Bond will be redeemed at par and in a lump sum.

The 2018-2024 Bond is governed by Italian law.

Below is a summary table<sup>5</sup> of the allocation of the financial resources arising from the issuance of the 2018-2024 Bond.

<i>(values in millions of EUR)</i>	
Net proceeds from the 2018-2024 Bond	150.0
Full redemption of the 2015-2022 Bond	(130.0)
Penalty for redemption of the 2015-2022 Bond	(3.9)
Additional costs in connection with the 2018-2024 Bond	(2.8)
Interest accrued for the bondholders of the 2015-2022 Bond from 1 January 2010 to the early redemption date.	(4.3)
<b>Residual resources 2018-2024 Bond</b>	<b>9.0</b>

As can be seen from the above, the financial resources arising from the issuance of the 2018-2024 Bond were mainly intended for the early full redemption of the bond named Prestito Obbligazionario Alerion Clean Power S.p.A. 2015-2022 issued by Alerion and maturing on 11 February 2022, for an aggregate amount of Euro 130 million. On this point it should be noted that, following the exercise of the early redemption option on the 2015-2022 Bond, the Group incurred financial expenses related to the redemption amounting to Euro 5.9 million on 30 September 2018. More specifically: i) Euro 3.9 million as a penalty for early redemption; ii) Euro 2 million due to recording incidental losses in the income statement for the 2015-2022 Bond, originally portioned out in the amortised cost estimate according to the original maturity date of the 2015-2022 Bond.

The remaining amount of Euro 9 million was allocated to support the Group's financial commitments arising from building the Morcone and Pontelandolfo, Albareto and Tornolo, Villacidro and S. Gavino Monreale Wind Farms, in the period prior to entering into their project financing agreements. Once the abovementioned financing agreements were signed, that amount once again flowed into the Issuer's cash flows.

For the duration of the 2018-2024 Bond, the Issuer has undertaken:

- (A) not to implement and to ensure that the directly or indirectly controlled companies do not implement mergers, de-mergers, spin-offs or contributions in kind of the shares directly or indirectly held, in addition to company restructuring, with the exception of inter-company transactions performed with and between the subsidiaries and associated companies directly or indirectly by the Issuer;
- (B) not to grant pledges, mortgages or other collateral on their tangible and intangible assets, both present and future, on their shareholdings, or personal securities and encumbrances of any kind recorded or that may be recorded in the memorandum accounts that give or may give rise to an outlay of money (the **Collateral and Personal Securities**).

This is without prejudice to (a) the Collateral and Personal Securities existing on the 2018-2024 Bond's issue date; (b) the Collateral and Personal Securities provided for by law or arising from judgments or other measures issued by the courts or the administrative authorities; (c) the Collateral and Personal Securities necessary to conduct day-to-day business practices in the field of energy production from renewable sources in accordance with applicable regulations in this area and according to the contractual practices applied to granting concessions or authorisations, to operating the wind turbine or to issuing guarantees on the exact fulfilment of the contractual obligations undertaken for the purposes of such business practices (contractual bonds, bid bonds, performance bonds and the like); and (d) the Collateral and Personal Securities that are granted for financial debts contracted after the date on which the interests of the 2018-2024 Bond are paid, provided that the same Collateral and Personal Securities are granted in equal proportions to secure the Issuer's obligations arising from the 2018-2024 Bond.

- (C) not to distribute dividends or revenue reserves in excess of an annual amount equal to 50 per cent of the Group's net earnings resulting from the Issuer's consolidated financial statements approved each fiscal year during the term of the 2018-2024 Bond (the **Annual Cap**).

<sup>5</sup> This table only shows the allocation of the financial resources of the 2018-2024 Bond and not the uses in cash. It should be noted that the outlay required to cover the additional charges related to the 2015-2022 Bond, amounting to Euro 2 million, has occurred in full during the 2015 financial year.

This is without prejudice to the Issuer's right to distribute more dividends or revenue reserves up to the maximum amount of Euro 14 million over the entire term of the 2018-2024 Bond, (i) provided that there is an Euro 2 million improvement for the financial debt recorded in the accounts net of the value of the derivatives, compared to the financial year preceding the financial year in which the Issuer intends to distribute profits or revenue reserves, and (ii) up to a maximum of Euro 2 million for each period (the **Additional Cap**).

The Issuer may also distribute profits and reserves that were not distributed in prior periods and that would have been distributed as they did not exceed the Annual Cap or the Additional Cap amounts, calculated in each case with reference to each period and, only with reference to the Annual Cap, by subtracting any operating losses incurred in subsequent periods.

- (D) where, on each Calculation Date, the ratio of net financial indebtedness (book value) excluding derivatives to shareholders' equity excluding derivatives is not more than 2.5, not to take on additional financial indebtedness (book value) excluding derivatives unless, on the next Calculation Date, that ratio is equal to or less than the value of 2.5<sup>6</sup>.

In accordance with the 2018-2024 Bond Regulation, the Issuer is required to redeem in advance the bonds issued for an amount equal to the full amount of the proceeds collected in cash as regards any assignment, sale, transfer or other acts of disposal in favour of third parties, on any basis, carried out directly or indirectly, (excluding, for the sake of clarity, business leasing or lease of a business concern and gratuitous loan for use) (in each case, a **Disposal**) of Assets (as defined below), net of any duly documented costs, charges and taxes incurred in order to execute the Disposal (the **Disposal Proceeds**). For the purposes of determining the Disposal Proceeds, **Assets** means the shareholdings that are directly or indirectly owned by the Issuer, and the credits owned by the Issuer that, in each case, constitute fixed assets in accordance with the applicable accounting principles.

The mandatory early redemption cannot be applied in the case of Disposal of Assets whose book value net of any duly documented costs, charges and taxes incurred to execute the Disposal is less than an aggregate amount of Euro 10 million in each year of the term of the 2018-2024 Bond and, for any excess amount, provided that this excess amount is reinvested by the Issuer in its business activities no later than 12 months of the completion date of the Disposal itself. The redemption must be made no later than 60 business days after the expiry of the abovementioned 12-month term.

The Issuer is also required to implement an early redemption:

- (i) in the case of non-compliance with the obligations described in letters A, B and C; and
- (ii) where the non-compliance is not remedied within thirty business days starting from the earliest between the date when the bondholders' representative is notified of the non-compliance and the date when the bondholders' representative becomes aware of the same non-compliance.

Furthermore, under the 2018-2024 Bond Regulation, starting from the third year, the Issuer has the right to proceed to full or partial redemption of the 2018-2024 Bond. In this respect, it should be noted that a partial redemption is not allowed if, as a result thereof, the minimum requirements from time to time required by Borsa Italiana S.p.A. to maintain the listing of the bonds on the MOT (i.e. *Mercato Telematico delle Obbligazioni e dei Titoli di Stato*) are not met.

The redemption price is reported below, increased by the interest accrued but not yet paid on the redeemed bonds on the redemption date.

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<sup>6</sup> Under the 2018-2024 Bond Regulation:

a) the net financial indebtedness (book value) excluding derivatives is calculated on the basis of the consolidated financial statements approved by the Board of Directors and covered by the independent audit, as the sum of cash and cash equivalents, current and non-current financial assets, current and non-current liabilities, excluding from the calculation (i) debts for current and non-current derivatives and (ii) net financial debt attributable to assets held for sale;

b) shareholders' equity excluding derivatives is, on the basis of the consolidated financial statements approved by the Board of Directors of the Issuer and covered by the independent audit, the consolidated net worth (in other words, the net worth attributable to the Group and the net worth attributable to third parties), excluding from the calculation the reserves of net worth for cash flow hedging;

c) Calculation Date refers to 31 December of each year of the 2018-2024 Bond term, starting from 31 December 2018.

Redemption period	Redemption price
From 30 June 2021 to 29 June 2022	Equal to the nominal value being redeemed increased by an amount equal to half of the coupon
From 30 June 2022 to 29 June 2023	Equal to the nominal value being redeemed increased by an amount equal to one quarter of the coupon
From 30 June 2023 to 29 June 2024	Equal to the nominal value being redeemed increased by an amount equal to one eighth of the coupon
After 30 June 2024	Equal to the nominal value

It should be noted that in cases of partial early redemption, the redemption will be made pro-rata in equal proportions (*pari passu*).

In order to protect the common interests of the bondholders, the provisions laid down in Articles 2415 et seq. of the Italian Civil Code apply.

Under Article 2415 of the Italian Civil Code, the bondholders' meeting resolves:

- (a) on the bondholders' representative's appointment and removal from office;
- (b) on the changes to the terms and conditions of the 2018-2024 Bond other than those indicated in the first paragraph of Article 12 of the 2018-2024 Bond Regulation;
- (c) on the proposal for an extraordinary administration procedure and for a voluntary arrangement with creditors;
- (d) setting up a fund for the expenses necessary to protect the common interests and on the relevant statement; and
- (e) on other items of common interest to the bondholders.

Unione Fiduciaria S.p.A. has been appointed to act as bondholders' representative pursuant to Article 2417 of the Italian civil code for the first three financial years starting from the date on which the interests of the 2018-2024 Bond are paid.

### ***Project financing agreements for the Group's Wind Farms***

The Group has historically resorted to project financing loans for their installations. Under these agreements the cash flows generated by the project financed are tied to service the repayment of the loans and generally include additional security (aimed at guaranteeing the repayment of the sums covered by the loan) on the share capital or on the movable and immovable properties of the relevant SPV or on the project agreements.

The table below sets forth for each project financing agreement entered into as of 30 June 2019 by each company of the Group, the name of the relevant borrower, the original amount, the principal amount outstanding and the final maturity date.

(Amounts in Euro/000)	Relevant Borrower	Outstanding as of 30.06.19	Original Amount	Maturity date
Project financing - Callari	Monte dei Paschi di Siena (MPS) - Banca IFIS - BBVA	21.177	63.000	2024
Project financing - Ortona	Banca IFIS	27.630	69.000	2025
Project financing - Krupen	DEG	3.364	11.500	2022
Project financing - New Green Molise	Unicredit - Intesa - Bper - UBI	20.236	46.700	2025
Project financing - Econergia Campania	BBVA	1.767	10.989	2021
Project financing - Green Energy Sardegna	Unicredit - Natixis	32.237	33.000	2035
Project financing - Albareto	Unicredit - Natixis	16.106	19.600	2035
Project financing - Alerion Teruel	Abanca -Sabadell	5.470	5.610	2021
Project Financing - Bankinter	Bankinter	3.840	4.000	2024
Project financing - Comiolica	Abanca -Sabadell	17.495	17.892	2026
Project financing - Eolica PM	Unicredit - Natixis	45.306	53.150	2035

\*With reference to the project financing agreement entered into by and between Ecoenergia Campania and BBVA, please consider that on 6 November 2019 such agreement has been voluntarily repaid by Ecoenergia Campania prior to its expiration date.

As of 30 June 2019, the Group has liabilities *vis-à-vis* banks by virtue of facilities and bank facilities amounting to Euro 183.2 million (Euro 129.4 million as of 31 December 2018 and Euro 70.3 million as of 31 December 2017), fully subject to a variable interest rate, on a contractual basis.

Project financing agreements are generally entered into by the relevant financing bank after extensive legal, financial, technical and insurance control procedures, preparing a business plan and usually an assessment of production, provided by external consultants, and include the usual clauses for agreements of this type, such as restrictions on dividend pay-outs, reports on performance, and obligations to maintain the financial ratios met by periodic verification.

Furthermore, project financing agreements provide a series of standard cases for mandatory early repayment for this type of agreement, including cash sweeps. As of the date of this Prospectus, all clauses involving limitations, commitments or obligations for the funded company have been duly met and there are no preconditions for enabling default clauses or clauses that could lead to acceleration with reference to existing loan agreements entered into by both the fully consolidated SPVs and the joint venture SPVs consolidated using the net worth method under IFRS 11 principle.

Except as specified below, the project financing loans are not secured by personal guarantees provided by the Issuer or by the companies of the Group. Note however that:

- the financing granted to Green Energy Sardegna S.r.l. is assisted by an undertaking of FGP, for the benefit of the finance parties, to contribute Euro 2.1 million in connection with certain capitalisation commitments of the Issuer;
- the financing granted to Eolica PM S.r.l. is assisted: (i) by an undertaking of FGP, for the benefit of the finance parties, to contribute Euro 2 million in connection with certain Issuer's capitalisation commitments; and (ii) for a maximum amount of Euro 79,725,000, an autonomous personal first demand guarantee, without exception, issued by FGP to the lending parties in connection with the financing itself and for each amount connected to it;
- the financing granted to Fri-El Albareto S.r.l. is assisted by an undertaking of FGP, for the benefit of the finance parties, to contribute up to Euro 24,250,000 in connection with certain Issuer's capitalisation commitments; and
- the financing granted to Fri-El Campidano is assisted by an undertaking of ACP and Fri-El Ichnusa, for the benefit of the finance parties, to make contingent equity contributions in favour of Fri-El Campidano for a maximum aggregate amount up to Euro 13,241,385.

Furthermore, with regard to compliance with the covenants and the terms of the loan agreements to which the companies of the Group are parties, it should be noted that in connection with the financing for the Callari Wind Farm, on 16 January 2019, MPS Capital Services Banca acting as the facility agent (MPSCS) requested Callari S.r.l. as the funded company to submit an official application for a waiver in relation to an alleged breach of

certain terms of its loan agreement entered into on 2 August 2007 (as subsequently amended on 14 March 2008 and on 23 January 2014, the **Callari Loan Agreement**). Specifically, the agent bank discovered that Callari S.r.l. had failed to inform it of its intention to terminate the existing O&M agreement and its plans to enter into a new operation and maintenance agreement with Fri-El Service, considering that Callari S.r.l. was required to “*ensure that all project agreements including the O&M agreement for the managed Wind Farm are entered into, kept in force or are renewed before their expirations or replaced with terms and conditions approved of by the banks, for the duration of this Agreement, promptly sending to MPSCS a certified copy or a certified true copy of the original by a legal representative of the Issuer*”. That discovery was disputed by the Issuer in consideration of (i) the cost-effectiveness of the existing O&M agreement with Fri-El Service, which can be primarily verified in the advantageousness of the consideration altogether agreed with the latter, approximately Euro 300,000 less than the previous amount paid to Vestas, and (ii) the absence of a material replacement to perform the O&M services that, although formally contracted to Fri-El Service, are essentially conducted by the original contractor (Vestas) under similar terms and conditions to those previously in place under a sub-contract agreement entered into by Fri-El Service and the same Vestas. The replacement of the Callari O&M agreement, in addition to the new O&M structure adopted by certain companies of the Group, aims (a) to achieve industrial efficiency and improve operations and services provided to the SPV, considering that, on the one hand, the introduction of predictive maintenance tasks would prevent potential breakdowns to the Wind Farms, limit production shut-downs and increase the service life of the installations, thanks to periodic monitoring of the state of wear of the Wind Farms’ components; (b) to eliminate duplicating costs and structures, and (c) ensure increased maintenance efficiency through a more responsive approach to intervention execution times and the timely recovery of plant production, even with respect to the introduction of predictive maintenance tasks. Consequently, on 30 January 2019, Alerion confronted MPSCS on their respective positions, in order to explain the dynamics related to the O&M activity for Callari S.r.l., also because it did not consider that adverse events under the Callari Loan Agreement had occurred. Pending the outcome of the confrontation with MPSCS, the full amount of the outstanding loan, amounting to approximately Euro 24.7 million on 31 December 2018, was rebooked to current liabilities.

On 12 August 2019, the Agent consented to the waiver requested by Callari subject to certain conditions, including: (a) Callari providing evidence, satisfactory to the lenders to the Callari Facility, of the execution, by 30 September 2019, of: (i) a direct agreement amongst Callari, Fri-El Service and the lenders to the Callari Facility; (ii) a direct agreement amongst Callari, Fri-El Service, Vestas and the lenders to the Callari Facility; and (iii) an agreement amending the Callari Facility and an equity contribution agreement executed on 14 March 2008 by Callari, the lenders to the Callari Facility and Alerion (the **Callari Amendment Agreement**); (b) Callari procuring that Fri-El Service and Vestas execute, by 30 September 2019, an amendment agreement to the O&M agreement between Fri-El Service and Vestas, according to which Vestas undertakes to inform Fri-El promptly, and in any case within 24 hours, of any malfunctioning or damage to the turbines or parts thereof; and (c) Callari, by 6 September 2019, creating a pledge in favour of the lenders to the Callari Facility over all present and future receivables arising from the O&M agreement between Callari and Fri-El Service.

On the same date the Agent also gave its consent to the following: (a) execution by Callari of an agreement extending the duration of certain lease, surface and easement rights, subject to the conditions that Callari: (i) executes the Callari Amendment Agreement; and (ii) confirms in writing to the Agent that no claims in relation to the above extensions have been threatened by the landowners of the lands concerned by such extensions; and (b) execution by Callari of a power purchase agreement with Centrali Next S.r.l., subject to the condition that Callari, by 6 September 2019, creates a pledge in favour of the lenders to the Callari Facility over all present and future receivables arising from such power purchase agreement and from a guarantee issued on 16 April 2019 by Deutsche Bank in favour of the Company for a maximum amount of Euro 1,150,000.00.

### ***Hedging agreements***

The Group is exposed to the financial risk of interest rate fluctuations originating mainly from the variable rate of the financial payables arising from project financing agreements that expose the Group to a cash flow risk connected to the instability of the EURIBOR curve. The Group limits its exposure to these risks through the use of derivative agreements with third-party counterparts (Interest Rate Swaps, IRS).

The Group has an interest rate swap agreement in force for each of the project financing loans concerning the Wind Farms located in Italy and in Spain, with each of the financial institutions, respectively, that make up the pool of banks that granted the loan. The terms and conditions of the agreements entered into by the Group are standard for such transactions.

On 30 June 2019, on 31 December 2018 and on 31 December 2017, agreements were in force for the notional amounts of Euro 159,039,000, Euro 116,318,000 and Euro 90,213,000, respectively (including agreements

referable to joint venture Wind Farms, namely San Martino in Pensilis and Lacedonia). The fair values of the interest rate swap agreements on 30 June 2019, on 31 December 2018 and on 31 December 2017 are estimated for amounts corresponding to Euro 15,422 thousand, Euro 12,228 thousand and Euro 14,077 thousand, respectively (including the fair value of the agreements referable to the Wind Farms managed as joint ventures, namely San Martino in Pensilis and Lacedonia).

### ***Inter-company loans***

On 31 December 2010, the Issuer and AER entered into a framework agreement setting out the terms and conditions of each future loan that the Issuer, as lender, will grant to AER, as borrower. On 31 December 2018 and on 31 December 2017 the total outstanding amounts under the framework agreement amounted to Euro 35.2 million (including interest) and Euro 45.2 million (including interest), respectively. After the perfection of the AER Incorporation, the above framework agreement will cease to exist and the SPVs will be granted intercompany loans by the Issuer.

AER granted certain inter-company loans, including those made to the following subsidiaries that manage the Group's Wind Farms. Specifically to: Callari S.r.l. (Euro 12.8 million on 31 December 2018), Dotto S.r.l. (Euro 6.3 million on 31 December 2018), Krupen Wind S.r.l. (Euro 2.4 million on 31 December 2018), Minerva S.r.l. (Euro 30 thousand on 31 December 2018), Ordon Energia S.r.l. (Euro 15.4 million on 31 December 2018), Parco Eolico Licodia Eubea S.r.l. (Euro 3.3 million on 31 December 2018), Wind Energy EOOD, Wind Power 2 EOOD, Wind Stream EOOD and Wind System EOOD (altogether Euro 2.2 million on 31 December 2018), Wind Power Sud S.r.l. (Euro 6.2 million on 31 December 2018) and New Green Molise S.r.l. (3.8 million Euro on 31 December 2018), each with interest booked in the final balance at the end of each year.

As at 31 December 2018, the outstanding amount of the inter-company loans issued by AER was equal to Euro 52,364 thousand.

As at 30 June 2019, the outstanding amount of the inter-company loans issued by Alerion was equal to Euro 188,271 thousand.

### ***O&M agreements***

For more information on the O&M agreements please see section "*Description of the Issuer - Operating and Maintenance (O&M) and availability of turbines*".

### ***Green Bond Framework***

In 2019, the Issuer established its green bond framework which has been developed in compliance with the International Capital Markets Association's Green Bond Principles 2018 edition (the **Green Bond Framework**). Proceeds from notes issued by the Issuer as "Green Bonds" will be applied by the Issuer to finance Eligible Green Projects (as defined under section "*Use of Proceeds*") according to the Green Bond Framework which includes the criteria by which a project or specific investment may be deemed eligible for allocation of proceeds raised from "Green Bonds" as well as the details for the selection of the Eligible Green Projects and provisions on the monitoring of application of the proceeds of the issuance of "Green Bonds" to finance Eligible Green Projects. The Green Bond Framework also provides reporting duties of the Issuer and periodical reports on the application of the proceeds of the issuance of projects labelled as "Green Bonds" will be published in the Issuer's website [www.alerion.it](http://www.alerion.it).

Pursuant to the International Capital Markets Association's Green Bond Principles 2018 recommendations, the Issuer obtained the issuance of the Second Party Opinion by DNV GL on 23 October 2019.

The Green Bond Framework and the Second Party Opinion are available on the Issuer's website [www.alerion.it](http://www.alerion.it).

## Breakdown of the financial indebtedness of the Group

In addition, please find below a table including the breakdown of the financial indebtedness of the Group net of derivatives:

<b>Non Current financial indebtedness</b>	30.06.2019	31.12.2018	31.12.2017
(Euro/000)			
Indebtedness <i>vis-à-vis</i> bondholders	147,549	147,373	127,453
Indebtedness <i>vis-à-vis</i> banks in relation to loans	130,851	71,903	28,429
Indebtedness <i>vis-à-vis</i> in relation to lease	13,853		
Indebtedness <i>vis-à-vis</i> third shareholders in relation to loans	2,149	2,118	2,056
<b>Total non current financial indebtedness</b>	<b>294,402</b>	<b>221,394</b>	<b>157,938</b>

<b>Current financial indebtedness</b>	30.06.2019	31.12.2018	31.12.2017
(Euro/000)			
Current indebtedness in relation to loans and facilities	52,329	57,529	41,866
Indebtedness <i>vis-à-vis</i> Bondholders	15	2,851	6,902
Indebtedness <i>vis-à-vis</i> in relation to lease	1,251		
<b>Total current financial indebtedness</b>	<b>53,595</b>	<b>60,380</b>	<b>48,768</b>

## Employees

As at 30 June 2019, the Group employed a total of 29 employees.

## Legal Proceedings

As of the date of this Prospectus, the Group is a party in civil, fiscal and administrative proceedings and in legal actions related to the ordinary course of its business.

On 30 June 2019, on 31 December 2018 and on 31 December 2017, the Group's provisions for future risks and charges amounted to approximately Euro 11,168 thousand, to approximately Euro 10,199 thousand and to approximately Euro 7,940 thousand, respectively. In view of the status of the proceedings and taking into account of the opinions of their legal advisers, Alerion considers the amount allocated in the financial statements to provisions for risks reasonable.



Furthermore, the Group is a party in disputes in relation to which it considers that there is the low possibility that it might lose based on the assessment of the Group itself and, therefore, it has not allocated any funds in the balance sheet in respect of any liabilities resulting from the same, according to applicable accounting standards.

For more information on the main litigation proceedings in which the Issuer and the Group are parties, please see the Annual Report 2018 and the Interim Report as at 30 June 2019.

## TAXATION

### REPUBLIC OF ITALY

*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. The following overview does not purport to be a comprehensive description of all of 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 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.*

*Before reading the following overview, please consider that the tax legislation of each investor's Member State and of the Issuer's country of incorporation (the Republic of Italy) may have an impact on the income received from the Notes.*

### TAXATION IN THE REPUBLIC OF ITALY

#### Tax treatment of Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), issued, *inter alia*, by Italian resident companies with shares traded on a EU or EEA regulated market or multilateral trading facility. For this purpose, article 44, paragraph 2, lit. c) of the Italian Presidential Decree 22 December 1986, no. 917 defines bonds and debentures similar to bonds as securities that incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value and which do not grant the holder any direct or indirect right of participation in (or control of) the management of the Issuer.

#### Italian resident Noteholders

Where an Italian resident Noteholder who is the beneficial owner of the Notes is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito* regime – see under “*Capital gains tax*” section below); (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, are subject to a final withholding tax, referred to as “*imposta sostitutiva*”, levied at the rate of 26 per cent. 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.

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, premium and other income relating to the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016, as subsequently amended (the **Finance Act 2017**) and in Article 1(211-215) of Law No. 145 of 30 December 2018 (the **Finance Act 2019**).

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a non-Italian resident company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes are not subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (**IRES**) (and, in certain circumstances, depending on the “status” of the Noteholder, also to the regional tax on productive activities (**IRAP**)).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 as subsequently amended (**Decree 351**), and Article 9, par. 1, Legislative Decree No. 44 of 4 March 2014, payments of interest, premiums or other proceeds in respect of the Notes deposited with an authorized intermediary made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 or pursuant to Article 14-bis of Law No. 86 of 25 January 1994 and Italian real estate investment companies with fixed capital (the **Real Estate SICAFs**

and, together with the Italian resident real estate investment funds, the **Real Estate Funds**) are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Fund, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent.; subject to certain conditions, depending on the status of the investor and percentage of participation, income of the Real Estate Fund is subject to taxation in the hands of the unitholder or shareholder regardless of distribution.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF (an investment company with fixed capital other than a Real Estate SICAF) or a SICAV (an investment company with variable capital) established in Italy and either (i) the fund, the SICAF or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the **Fund**), and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on such Notes will not be subject to *imposta sostitutiva* nor to any other income tax in the hands of the Fund, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent. (the **Collective Investment Fund Tax**).

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of the Finance Act 2017 and in Article 1(210-215) of Finance Act 2019.

Pursuant to Decree 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 Finance (each an **Intermediary**) as subsequently amended and integrated.

An Intermediary must (i) be (a) resident in Italy or (b) a permanent establishment in Italy of a non-Italian resident entity 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 of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the intermediary paying interest to a Noteholder (or by the Issuer should the interest be paid directly by this latter).

The 26% "*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 (see under "*Capital gains tax*" section below) pursuant article 7 of Legislative Decree 21 November 1997, no. 461 as amended and supplemented. In such a case, interest, premium and other income (including the difference between the redemption amount and the issue price) 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 connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed in the Italian Ministerial Decree of 4 September 1996, as amended by Ministerial Decree of 23 March 2017 and possibly further amended by future decree issued pursuant to Article 11(4)(c) of Decree 239 (as amended by Legislative Decree No.147 of 14 September 2015) (the **White List**); or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) an institutional investor set-up in a country included in the White List, even if it does not possess the status of taxpayer in its own country of residence.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy or who do not comply with the above mentioned provisions.

### **Capital gains tax**

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 holding the Notes not 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 sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Noteholders may set off losses with gains.

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 set forth in Article 1(100-114) of the Finance Act 2017 and in Article 1(210-215) of Finance Act 2019.

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

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Noteholders under (i) to (iii) above, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Noteholder pursuant to all sales or redemptions 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 the 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.

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 sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of non-Italian resident intermediaries) and (b) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), 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 sale or redemption 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.

Any capital gains realised 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 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 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *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.

Any capital gains realised by a Noteholder who is a Real Estate Fund will neither be subject to *imposta sostitutiva* nor to any other income tax at the level of the Real Estate Fund. A withholding tax at a rate of 26 per cent. will apply, in certain circumstances, to distributions made by the real estate fund in favour of its unitholders or shareholders or in case of redemption or sale of the relevant units or shares. Subject to certain conditions, depending on the status of the investor and percentage of participation, income of the Real Estate Fund is subject to taxation in the hands of the unitholder or shareholder regardless of distribution.

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders or shareholders or redemption or sale of the units or shares of the Fund may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a Noteholder who is an Italian pension fund will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. 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 per cent. substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of the Finance Act 2017 and in Article 1(210-215) of Finance Act 2019.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets (and, in certain cases, subject to filing of required documentation) are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (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 set-up in a country included in the White List, even if it does not possess the status of taxpayer in its own country, and a proper documentation is filed.

If the conditions above are not met, capital gains realised by said non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. unless a reduced rate is provided for by an applicable double tax treaty, if any.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption 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 sale or redemption of Notes (subject to – in certain cases – the filing of the proper documentation).

### **Tax Monitoring**

Pursuant to Italian Law Decree 28 June 1990, No. 167, converted by Law 4 August 1990, No. 227, as amended (“**Decree No. 167**”), individuals, non-commercial institutions and non-commercial partnerships resident in Italy who, at the end of the fiscal year, hold investments abroad or have foreign financial assets (including Notes held abroad and/or Notes issued by a non-Italian resident Issuer) must, in certain circumstances, disclose the aforesaid and related transfers to, from and occurred abroad, to the Italian tax authorities in their income tax return (or, in

case the income tax return is not due, in a proper form that must be filed within the same time prescribed for the income tax return). This obligation does not exist in case the financial assets are given in administration or management to Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree No. 167, or if one of such intermediaries intervenes, also as a counterpart, in their transfer, provided that income deriving from such financial assets is collected through the intervention of such an intermediary.

### **Inheritance and gift taxes**

Pursuant to Law Decree No. 262 of 3 October 2006, converted with amendments into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of death or donation are taxed as follows:

- (i) 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 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;
- (ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and
- (iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. 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 (i), (ii) and (iii) on the value exceeding, for each beneficiary, €1,500,000.

### **Transfer tax**

Contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €200; (ii) private deeds are subject to registration tax at the same rate of €200 only in the case of use (*caso d'uso*), explicit reference (*enunciazione*) or voluntary registration. Voluntary registration is the registration of the document with the local tax office voluntarily made by one of the parties to such document.

### **Stamp duty**

Pursuant to Article 13(2 *ter*) of the Tariff Part I of Decree No. 642 of 26 October 1972, a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Notes deposited in Italy. The stamp duty applies at a rate of 0.20 per cent.; and cannot exceed €14,000 for taxpayers other than individuals; 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 or in the case the nominal or redemption values cannot be determined, on the purchase value of the Notes 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) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

### **Wealth Tax on securities deposited abroad**

Pursuant to Article 19(18) of Decree No. 201 of 6 December 2011, Italian resident individuals holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent.

This tax is calculated on the market value of the Notes at the end of the relevant year or, if no market value figure is available, the nominal value or the redemption value or in the case the nominal or redemption values cannot be determined, on the purchase 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).

## **Common Reporting Standard**

Directive 2014/107/EU as well as the agreements entered into pursuant to art. 6 of the Convention on mutual administrative assistance in tax matters between the Member States of the Council of Europe and the OECD countries provides for the automatic exchange of financial information for tax purposes under a common standard of communication in order to counteract international tax evasion. In order to apply these rules the financial institutions shall transmit to the competent Revenue Agency of their own country the data on each person who is the subject of communication and on the related account, including those relating to financial assets controlled by one or more persons subject to disclosure.

## **FATCA DISCLOSURE**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by **FATCA**) 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 Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as 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 Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes 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. Holders should consult their own tax advisers regarding how these rules may apply to their investment in 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.

## SALE AND OFFER OF THE NOTES

### General

In connection with the Offering, Equita S.I.M. S.p.A. as the lead manager (the “**Placement Agent**”) has, according to Article 2.4.3 of the trading rules of Borsa Italiana, been appointed by the Issuer to offer and display the Notes for sale on the MOT. Furthermore, Equita S.I.M. S.p.A has been appointed by the Issuer to act as the specialist (the “**Specialist**”). The Specialist may act in a market-making capacity by effecting purchases of the Notes on the secondary market with a view to supporting the liquidity of the Notes. Purchases effected by the Specialist may be made at prices which, within a range set by Borsa Italiana, may be higher than the price that would otherwise prevail. The Specialist’s market-making activities will be done in compliance with all quantity- and duration-related requirements set forth by Borsa Italiana.

The fees payable to the Placement Agent in connection with the Offering will be the following: (i) a management commission of 0.40 per cent. of the aggregate principal amount of the Notes issued and (ii) a placement commission of 0.60 per cent. of the aggregate principal amount of the Notes issued. The Placement Agent considers its clients to be each of the Issuer and potential Investors in the Notes. The Placement Agent and its affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer or its affiliates, for which the Placement Agent and its affiliates have received or will receive customary fees and commissions.

In addition, in the ordinary course of their business activities, the Placement Agent 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 Issuer’s affiliates. Typically, the Placement Agent and its affiliates would hedge and do 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 Placement Agent 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.

There are no interests of natural and legal persons other than the Issuer and the Placement Agent involved in the issue of the Notes, including conflicting ones that are material to the issue.

### Offering of the Notes

#### *Offering Amount*

Subject to the Minimum Offer Condition, the Issuer is offering for subscription and listing and admission to trading on the Regulated Market and the MOT a minimum of Euro 150,000,000 aggregate principal amount of the Notes (the “**Minimum Offer Amount**”) and a maximum of Euro 200,000,000 aggregate principal amount of the Notes (the “**Maximum Offer Amount**”). The Maximum Offer Amount may be reduced by the Issuer prior to the Launch Date. If the Maximum Offer Amount is reduced below Euro 150,000,000, the Issuer will publish a notice specifying the revised Maximum Offer Amount on the Issuer’s Website, the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana. Moreover, in such a case a supplement to this Prospectus will be published by the Issuer in accordance with Article 23 of the Prospectus Regulation.

#### *Pricing Details*

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

#### *Disclosure of the Results of the Offering*

The interest rate (which shall not be less than the Minimum Interest Rate) will be determined on the basis of the yield and the demand by Investors in the course of the determination of the conditions (the market sounding procedure) prior to the start of the Offering Period. In the course of the market sounding procedure, the Placement Agent will accept within a limited period of time indications of interest in subscribing for the Notes from Investors. Subsequently, the Placement Agent will determine, in consultation with the Issuer and based on, among other things, the quantity and quality of the expressions of interest received from Investors during the market sounding procedure, the interest rate (coupon) and the final yield.



The interest rate of the Notes (which shall not be less than the Minimum Interest Rate) and the yield will be set out in the Interest Rate and Yield Notice, which will be filed with the CBI and Euronext Dublin and published on the Issuer's Website ([www.alerion.it](http://www.alerion.it)), the Euronext Dublin Website ([www.ise.ie](http://www.ise.ie)) and released through the SDIR-NIS system of Borsa Italiana prior to the start of the Offering Period.

The aggregate principal amount of the Notes, the number of Notes sold and the proceeds of the Offering will be set out in the Offering Results Notice which will be filed with the CBI and Euronext Dublin, and published on the Issuer's Website ([www.alerion.it](http://www.alerion.it)), the Euronext Dublin Website ([www.ise.ie](http://www.ise.ie)) and released through the SDIR-NIS system of Borsa Italiana no later than the third business day after the end of the Offering Period.

### ***Conditions of the Offering***

Except for the Minimum Offer Condition, the Offering is not subject to any conditions.

Subscription rights for the Notes will not be issued. Therefore, there are no procedures in place for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.

### ***Offering Period, Early Closure, Extension and Withdrawal***

The Offering will open on 6 December 2019 at 09:00 (CET) (the "**Launch Date**") and will expire on 12 December 2019 at 17:30 (CET) (the "**Offering Period End Date**"), subject to amendment, extension or postponement by the Issuer and the Placement Agent (the "**Offering Period**").

The Investors will be required to remit payment in exchange for the issuance of the Notes for which they have placed Purchase Offers on the Issue Date, which will initially be 19 December 2019. In the case of an early closure or extension of the Offering Period the Issue Date will be the fifth business day following the closure of the Offering Period.

The Offering Period has been determined by the Issuer. The Issuer expressly reserves the right to postpone or extend the Offering Period in light of the market conditions or modify the Launch Date and/or the Offering Period End Date in agreement with the Placement Agent by giving due notice to the CBI, Euronext Dublin and Borsa Italiana, the Trustee and, by way of a notice published on the Issuer's Website, the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana, to the general public. Any notice of postponement or modification of the Offering Period will be given no later than the business day prior to the Launch Date. If, following the Launch Date and before the Offering Period End Date, the Notes have not been placed for an amount equal to the Maximum Offer Amount or the Minimum Offer Amount because of the market conditions and the Issuer decides to extend the Offering Period in agreement with the Placement Agent, a notice of extension of the Offering Period will be published before the last day of the Offering Period.

If, during the Offering Period, Purchase Offers exceed the Maximum Offer Amount, the Placement Agent, in agreement with the Issuer, will close the Offering prior to the expiration of the Offering Period, and all Purchase Offers in excess of the Maximum Offer Amount will not be executed. The Issuer will promptly communicate an early closure of the Offering Period to the CBI, Euronext Dublin and Borsa Italiana, the Trustee and, by way of a notice published on the Issuer's Website, to the general public.

If Purchase Offers are lower than the Minimum Offer Amount, the Issuer and the Placement Agent expressly reserve the right to withdraw the Offering at any time prior to 16:45 (CET) on the Offering Period End Date. The Issuer will promptly communicate a withdrawal of the Offering to the CBI, Euronext Dublin and Borsa Italiana and the Trustee, first, and, subsequently, to the general public, by way of a dedicated notice published on the Issuer's Website, the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana.

The Placement Agent, in agreement with the Issuer, expressly reserves the right to cancel the launch of the Offering at any time between the date of this Prospectus and the Launch Date or to withdraw the Offering at any time after the Launch Date and before 16:45 (CET) on the Offering Period End Date in the case of (i) any extraordinary change in the political, financial, economic, regulatory, currency or market situation of the markets in which the Group operates which could have a materially adverse effect on the Offering, or the economic, financial and/or management conditions of the Issuer and/or the Group or on their business activities, or (ii) any act, fact, circumstance, event, opposition or any other extraordinary situation which has not yet occurred at the date of this Prospectus which may have a materially adverse effect on the Offering, or the economic, financial and/or management conditions of the Issuer and/or the Group or on their business activities. If the launch of the Offering is cancelled or the Offering is withdrawn, the Offering itself and all submitted Purchase Offers will be

deemed cancelled. Prompt notice of any decision to cancel the launch of the Offering or withdraw the Offering after the Launch Date will be communicated to the CBI, Euronext Dublin, Borsa Italiana, the Trustee and, by way of a notice published on the Issuer's Website, the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana, to the general public.

If, prior to the Issue Date, Borsa Italiana have failed to set the MOT Trading Start Date, the Offering will be automatically withdrawn by giving notice to the CBI, the Trustee and, no later than the day after notice has been given to the CBI, by notifying the general public by way of a notice published on the Issuer's Website, the Euronext Dublin Website and released through the SDIR-NIS system of Borsa Italiana.

### ***Technical Details of the Offering***

The Offering will occur through Purchase Offers made by Investors on the MOT through Intermediaries and coordinated by the Placement Agent, who has been appointed by the Issuer to offer and display the Notes for sale on the MOT according to the trading rules of Borsa Italiana. Purchase Offers may only be made with the MOT through an Intermediary. Purchase Offers must be made during the operating hours of the MOT for a minimum quantity of aggregate par value of Euro 1,000 of the Notes, and may be made for any multiple thereof.

During the Offering Period, Intermediaries may make irrevocable Purchase Offers directly or through any agent authorised to operate on the MOT, either on their own behalf or on behalf of third parties, in compliance with the operational rules of the MOT.

The Notes shall be assigned, up to their maximum availability, based on the chronological order in which Purchase Offers are made on the MOT. The acceptance of a Purchase Offer on the MOT does not alone constitute the completion of a contract with respect to the Notes requested thereby. The perfection and effectiveness of contracts with respect to the Notes are subject to confirmation of the correct execution of the Purchase Offer and issuance of the Notes. Each Intermediary through whom a Purchase Offer is made will notify Investors of the number of Notes they have been assigned within the Issue Date.

After the end of the Offering Period, Euronext Dublin, in conjunction with the Issuer, shall set and give notice of the start date of the official admission to trading on the regulated market of Euronext Dublin and Borsa Italiana shall set and give notice of the start date of official trading of the Notes on the MOT (MOT Trading Start Date). The MOT Trading Start Date shall correspond to the Issue Date.

Investors wishing to make Purchase Offers who do not have a relationship with any Intermediary may be requested to open an account or make a temporary deposit for an amount equivalent to that of the Purchase Offer. In case of partial sale of the Notes or a cancellation or withdrawal of the Offering, all amounts paid as temporary deposits, or any difference between the amount deposited with the Intermediary and the aggregate value of the Notes actually sold to the Investor, will be repaid to the Investor who initiated the Purchase Offer by the Issue Date. See "*Terms and Conditions of the Payment and Delivery of the Notes*".

Except as otherwise set forth herein, Purchase Offers, once placed, may not be revoked. See "*Revocation of Purchase Offers*".

Any Purchase Offer received outside the Offering Period, or within the Offering Period but outside the operating hours of the MOT, will not be accepted.

Investors may place multiple Purchase Offers.

Purchase Offers placed by Italian Investors through telecommunication means are not subject to the existing withdrawal provisions applicable to distance marketing of consumer financial services, services in accordance with articles 67-*bis* and 67-*duodecies* of legislative Decree no. 206 of 6 September 2005 as regards the public offer in Italy.

### ***Revocation of Purchase Offers***

If the Issuer publishes any supplement to this Prospectus in accordance with Article 23(1) of the Prospectus Regulation (a "**Supplement**"), any Investor who has placed a Purchase Offer prior to the issuance of the Supplement shall be entitled to revoke such Purchase Offer by no later than the second business day following the publishing of the Supplement, in accordance with Article 23(2) of the Prospectus Regulation. Revocation of

a Purchase Offer may be accomplished by delivering written notice to the Intermediary through whom the Investor made the Purchase Offer, who shall in turn notify the Placement Agent of such revocation.

### ***Terms and Conditions of the Payment and Delivery of the Notes***

Investors will pay the Issue Price to the Intermediaries through whom they have placed Purchase Offers on the Issue Date.

In case of early closure of the Offering or extension of the Offering Period, a press release will be made to announce the action and inform Investors and potential Investors of the revised Issue Date. For more information about the circumstances in which the Offering Period may be closed early or extended, see “*Offering Period, Early Closure, Extension and Withdrawal*”.

Ownership of interests in Notes (the “**Book-Entry Interests**”) will be limited to persons that have accounts with Euroclear and/or Clearstream, Luxembourg or persons that hold interests in the Notes through participants in Euroclear and/or Clearstream, Luxembourg, including Monte Titoli. Euroclear and Clearstream, Luxembourg will hold interests in the Notes on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective depositories. Book-Entry Interests will not be issued in definitive form. Payments and transfers of the Notes will be settled through Euroclear and Clearstream, Luxembourg.

None of the Issuer, the Trustee, the Paying Agents or any of their respective agents will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

### ***Costs and Expenses Related to the Offer***

The Issuer will not charge any costs, expenses or taxes directly to any Investor. Investors must, however, inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence related to the opening of a bank account or a temporary deposit account with an Intermediary, if necessary, and/or any costs related to the execution, acceptance and transmission of Purchase Offers imposed by such Intermediaries. See “—*Technical Details of the Offering*”.

### **Consent to the Use of this Prospectus**

The Issuer has granted its consent to the use of this Prospectus for the Offering of the Notes during the Offering Period (as defined below) without conditions and accepts responsibility for the content of the Prospectus also with respect to the subsequent resale or final placement of the Notes by any financial intermediary which was given consent to use this Prospectus in Italy and in other jurisdictions as indicated in the selling restrictions as described in “*Sale and Offer of the Notes—Public Offer and Selling Restrictions*”.

### **Public Offer and Selling Restrictions**

The Offering is addressed to the general public in Italy and to qualified investors (as defined in the Prospectus Regulation) in Italy and other jurisdictions, as indicated in the selling restrictions below, following the approval of this Prospectus by the CBI and the effectiveness of the notification of this Prospectus by the CBI to CONSOB according to Article 25 of the Prospectus Regulation. Purchase Offers may only be placed through Intermediaries. Any persons who, at the moment of making a Purchase Offer, even if they are resident in Italy, may be considered as being resident in the United States or in any other country in which the offer of financial instruments is not permitted to be made unless it has been authorised by the competent authorities of such country (the “**Other Countries**”) are not entitled to subscribe for the Notes in the Offering.

If, according to the Intermediaries, Purchase Offers were made by persons resident in Italy in breach of the provisions in force in the United States or in Other Countries, the Intermediaries shall adopt any adequate measure to remedy the unauthorised Purchase Offers and shall promptly notify the Placement Agent.

### ***European Economic Area***

The Offering contemplated by this Prospectus has not been, and will not be, made to the public in any member state of the EEA (a “**Member State**”) other than the offers contemplated in this Prospectus in Italy from the time this Prospectus has been approved by the CBI and published in another Member State and notified to the competent authority in that Member State in accordance with Article 25 of the Prospectus Regulation, and provided that the Issuer has consented in writing to the use of this Prospectus for any such offers, except that offers may be made to the public in that Member State at any time:

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the Placement Agent; or
- in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Regulation;

provided that no such offer of the Notes shall require the Issuer or the Placement Agent to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement this Prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129 and includes any relevant implementing measure in the Member State.

Where investors in the EEA do not qualify as qualified investors, the Issuer shall provide a key information document for packaged retail and insurance-based investment products (KID) in accordance with the PRIIPs Regulation.

#### *United States and its Territories*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes have not been, and will not be, offered or sold within the United States or to U.S. Persons except in accordance with Rule 903 of Regulation S. Neither the Issuer nor the Intermediaries, nor any persons acting on their behalf, have engaged, or will engage, in any directed selling efforts with respect to the Notes. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are in bearer form and are subject to United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended.

In accordance with TEFRA D, the Placement Agent and each Intermediary represents and agrees that:

- except to the extent permitted under TEFRA D, (a) it has not offered or sold, and during the restricted period will not offer or sell, the Notes to a person who is within the United States or its possessions or to a United States person and (b) it has not delivered and will not deliver within the United States or its possessions definitive Notes (if any) that are sold during the restricted period;
- it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling the Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D;
- if the Intermediary is a United States person, it represents that it is acquiring the Notes for purposes of resale in connection with their original issuance and, if such Intermediary retains the Notes for its own account, it will only do so in accordance with TEFRA D;
- with respect to each affiliate (if any) that acquires from such Intermediary the Notes for the purpose of offering or selling such Notes during the restricted period, such Intermediary either (a) hereby represents and agrees on behalf of such affiliate to the effect set forth in the three bullet points above or (b) agrees that it will obtain from such affiliate, for the benefit of the Issuer, the representations and agreements contained in the three bullet points above; and
- such Intermediary will obtain for the benefit of the Issuer the representations and agreements contained in the four bullet points above from any person other than its affiliate with whom it enters into a written contract, as defined under TEFRA D, for the offer and sale during the restricted period of the Notes.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder, including TEFRA D.

***United Kingdom***

The Placement Agent has represented, warranted and undertaken that:

- a. 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 Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- b. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom

## GENERAL INFORMATION

### Authorisation

The issue of the Notes was duly authorised by a resolution of the Board of Directors of the Issuer dated 3 December 2019.

### Listing and Admission to Trading

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its Regulated Market and to Borsa Italiana S.p.A. for the listing and trading of the Notes on the MOT. The Regulated Market and the MOT are regulated markets for the purposes of MiFID II.

Arthur Cox Listing Services Limited is acting solely in its capacity as Irish listing agent for the Issuer in relation to only the admission to listing of the Notes on the Regulated Market and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the Regulated Market of Euronext Dublin.

### Eurosystem Eligibility

The Notes are issued in NGN form and intended to be held in a manner which would allow Eurosystem eligibility. This simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue of the Notes or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for this issue is XS2083187059 and the Common Code is 208318705. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

### Legal Entity Identifier (LEI)

The Issuer's Legal Entity Identifier (LEI) is 81560090173FFC67B069. The CFI Code for the Notes is DBFXFB.

### Significant or Material Change

There has been no significant change in the financial position or financial performance of the Group since 30 June 2019 and there has been no material adverse change in the prospects of the Issuer since 31 December 2018.

### Legal Proceedings

Save as disclosed in section "*Description of the Issuer – Legal Proceedings*" of this Prospectus, the Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer.

### Independent Auditors

Deloitte & Touche S.p.A. (**Deloitte**) has audited, in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with Article 11 of Legislative Decree No. 39 dated 27 January 2010, the Issuer's consolidated financial statements for the financial years ended on 31 December 2018 and 31 December 2017 as stated in the English translation of their reports incorporated by reference herein. The financial statements as of 31 December 2018 and 31 December 2017 and for the years then ended were prepared in accordance with IFRS as adopted in the European Union Regulation No. 1606/2002 and the requirements of Italian regulations issued pursuant to Article 9 of Italian Legislative Decree no. 38/2005. The English translation of the annual financial statements referred to above, together with the English translation of the relevant independent auditors' report, are incorporated by reference in this Prospectus.

Deloitte is authorised and regulated by The Italian Ministry of Economy and Finance (**MEF**) and registered on the special register of auditing firms held by the MEF. The registered office of Deloitte is at Via Tortona, 25, 20144, Milan, Italy.

Deloitte is a member of ASSIREVI, the Italian association of auditing firms.

### **Legend Concerning US Persons**

The Permanent Global Note, definitive Notes and the Coupons will contain the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.

### **Documents Available**

For as long as the Notes shall be outstanding, copies of the following documents will, when published, be available in physical format for inspection from the specified office of the Principal Paying Agent for the time being in London:

- (a) the By-laws (*statuto*) of the Issuer (with an English translation thereof) (available also on the Issuer’s website, see the following hyperlink: <http://www.alerion.it/en/governance/>);
- (b) the Interim Report as at 30 June 2019 and the Interim Report as at 30 June 2018 (with an English translation thereof);
- (c) the Annual Report 2018 and the Annual Report 2017 (with an English translation thereof), in each case together with the audit reports prepared in connection therewith (the Issuer currently prepares audited consolidated and unconsolidated accounts on an annual basis);
- (d) the Trust Deed (which will be electronically available for viewing also on the Issuer’s website, [www.alerion.it](http://www.alerion.it)), the Agency Agreement and the forms of the Global Notes, the Notes in definitive form and the Coupons; and
- (e) a copy of this Prospectus, any supplement thereto, if any, and any document incorporated by reference therein.

A copy of this Prospectus will also be electronically available for viewing on the website of Euronext Dublin ([www.ise.ie](http://www.ise.ie)). A copy of the documents incorporated by reference in this Prospectus will be electronically available for viewing on the Issuer’s website ([www.alerion.it](http://www.alerion.it)).

### **Notices to Noteholders**

For so long as the Notes are listed on the Regulated Market of Euronext Dublin and the MOT segment of Borsa Italiana, all notices to the Noteholders regarding such Notes shall be published on the website of the Issuer, the website of Euronext Dublin ([www.ise.ie](http://www.ise.ie)) and published through the SDIR-NIS system of Borsa Italiana as appointed mechanism for storing and disseminating regulated information.

### **Interests of natural and legal persons involved in the issue**

Affiliates of the Issuer (including its shareholder) have expressed interest in the Notes and may end up subscribing a material amount of Notes or purchasing a material amount of the Notes on the secondary market at price which may differ from the Issue Price.

### **Foreign Languages used in the Prospectus**

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

### **Yield**

On the basis of the issue price of the Notes of 100 per cent. of their principal amount and a Minimum Interest Rate of 3 per cent. per annum, the gross real yield of the Notes is a minimum of 3 per cent. on an annual basis. The final yield will be set out in the Interest Rate and Yield Notice (see “*Sale and Offer of the Notes*”). The yield

indicated in this paragraph is calculated, and the final yield set out in the Interest Rate and Yield Notice will be calculated, as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

### **Expenses**

The expenses of the issue of the Notes are expected to amount to approximately Euro 3 million to be paid in connection with the offer of the Notes.

### **Listing and Admission to Trading**

The MOT Trading Start Date will be published on the Issuer's Website and released through the SDIR-NIS system of Borsa Italiana. The MOT Trading Start Date will be set by Borsa Italiana and shall correspond to the settlement date of the purchase agreements with respect to the Notes and the Issue Date. See "*Sale and Offer of the Notes—Offering of the Notes—Technical Details of the Offering*".

As of the date of this Prospectus, the Notes are not listed on any other Irish, Italian or equivalent market and the Issuer has no intention of applying for admission to list the Notes on any regulated market other than the Regulated Market and the MOT.

### **Rating**

None of the Issuer and the Notes is rated.

### **Third Party Information**

Certain third-party information has been extracted from external sources as described in this Prospectus. The Issuer confirms that such information has been accurately reproduced and, as far as it is aware and is able to ascertain from published information, no facts have been omitted which would render the reproduced information inaccurate or misleading. Neither the Issuer, the Trustee, the Principal Paying Agent nor the Placement Agent makes any representation as to, and is not responsible for, the accuracy or completeness of such third-party information provided herein.



## **NAMES AND ADDRESSES**

### **ISSUER**

**Alerion Clean Power S.p.A.**  
Viale Luigi Majno, 17  
20122, Milan  
Italy

### **PLACEMENT AGENT**

**Equita S.I.M. S.p.A.**  
Via Filippo Turati 9  
20121 Milan  
Italy

### **TRUSTEE**

**The Law Debenture Trust Corporation p.l.c.**  
Fifth Floor  
100 Wood Street  
London EC2V 7EX  
United Kingdom

### **PRINCIPAL PAYING AGENT**

**The Bank of New York Mellon, London Branch**  
One Canada Square  
London E1 5AL

### **LEGAL ADVISERS**

*To the Issuer as to U.S. and English Law*

**Latham & Watkins (London) LLP**  
99 Bishopsgate  
London EC2M 3XF  
United Kingdom

*To the Issuer as to Italian Law*

**Chiomenti**  
Via Verdi 2  
20135 Milan  
Italy

*To the Trustee*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD  
England

### **INDEPENDENT AUDITORS**

*To the Issuer*

**Deloitte & Touche**  
Via Tortona, 25,  
20144 Milan  
Italy

### **LISTING AGENT**

**Arthur Cox Listing Services Limited**  
Ten Earlsfort Terrace  
Dublin 2  
Ireland

## Comunicato Stampa

**Alerion Clean Power S.p.A. – Prestito Obbligazionario “Alerion Clean Power S.p.A. Senior Unsecured Notes due 2025”.**

- **Risultati dell’offerta di sottoscrizione di obbligazioni**

Milano, 13 dicembre 2019 - Alerion Clean Power S.p.A. (la “Società”), facendo seguito a quanto comunicato in data 3 dicembre 2019, 4 dicembre 2019, 6 dicembre 2019 e 12 dicembre 2019, con riferimento all’offerta di sottoscrizione (l’“Offerta”) delle obbligazioni denominate “Alerion Clean Power S.p.A. senior unsecured notes due 2025” (le “Obbligazioni”), rende noti i risultati dell’Offerta.

L’Offerta ha avuto inizio alle ore 9.00 del 6 dicembre 2019 e si è chiusa alle ore 17:30 (CET) del 12 dicembre 2019.

Il controvalore nominale complessivo delle Obbligazioni sottoscritte ammonta ad Euro 200.000.000, ad un prezzo di emissione pari al 100% del valore nominale, corrispondente a n. 200.000 Obbligazioni, ciascuna avente un taglio minimo di Euro 1.000 (mille). Come comunicato in data 4 dicembre 2019, il tasso di interesse annuo delle Obbligazioni è pari al 3,125% annuo ed il rendimento delle Obbligazioni è pari al 3,125% su base annua.

Gli interessi da corrisondersi sulle Obbligazioni ammonteranno ad Euro 6.250.000.

I proventi lordi derivanti dall’Offerta ammontano a Euro 200.000.000 milioni.

La seguente tabella indica la ripartizione tra investitori istituzionali e investitori *retail*.

Investitori	Percentuale
Investitori istituzionali	66% <sup>(*)</sup> circa
Investitori <i>retail</i>	34% circa

<sup>(\*)</sup> di cui circa il 6,1% del controvalore complessivo sottoscritto, direttamente e indirettamente, da Fri-El Green Power S.p.A., società che controlla Alerion.

La data di inizio delle negoziazioni delle Obbligazioni sul Mercato Telematico delle Obbligazioni, organizzato e gestito da Borsa Italiana S.p.A., coincidente con la data di emissione, di pagamento e di godimento delle Obbligazioni, sarà disposta da Borsa Italiana con separato avviso ai sensi del Regolamento di Borsa Italiana.

Equita S.I.M. S.p.A. (“Equita”) ha agito quale *lead manager* e intermediario nominato dalla Società per offrire ed esporre le proposte di vendita delle Obbligazioni sul MOT durante il periodo dell’Offerta e agirà come *specialist* ai sensi del Regolamento di Borsa Italiana in seguito all’inizio delle negoziazioni delle Obbligazioni sul MOT.

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### Contatti

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**True Relazioni Pubbliche**  
**Federica Menichino**  
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IL PRESENTE COMUNICATO NON PUÒ ESSERE DISTRIBUITO NEGLI STATI UNITI, NÉ AD ALCUNA PERSONA CHE SI TROVI O SIA RESIDENTE O DOMICILIATA NEGLI STATI UNITI, I SUOI TERRITORI O POSSEDIMENTI (INCLUSI PORTO RICO, ISOLE VERGINI, GUAM, SAMOA, ISOLE WAKE, ISOLE DELLE MARIANNE SETTENTRIONALI, QUALSIASI STATO DEGLI STATI UNITI O NEL DISTRETTO DI COLUMBIA) OVVERO A QUALUNQUE U.S. PERSON (COME DEFINITA AI SENSI DEL REGULATION S DELLO UNITED STATES SECURITIES ACT DEL 1933, COME MODIFICATO) O QUALSIASI PERSONA CHE SI TROVI O SIA RESIDENTE IN OGNI ALTRA GIURISDIZIONE IN CUI LA DISTRIBUZIONE DEL PRESENTE COMUNICATO SIA CONTRARIA ALLA LEGGE.