

BASE PROSPECTUS



ERG S.p.A.

(incorporated in the Republic of Italy as a joint stock company)

€3,000,000,000

Euro Medium Term Note Programme

Under this €3,000,000,000 Euro Medium Term Note Programme (the **Programme**), ERG S.p.A. (the **Issuer or ERG**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “*Overview of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this base prospectus (the **Base Prospectus**) to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see “Risk Factors”.

This Base Prospectus has been approved as a base prospectus by the *Commission de Surveillance du Secteur Financier* (the **CSSF**), as competent authority under Regulation (EU) 2017/1129, as amended (the **Prospectus Regulation**). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with Article 6(4) of the Luxembourg Law dated 16 July 2019. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (as amended, Directive 2014/65/EU).

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date of approval (being 18 July 2023) in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the EEA). The expiry date of the validity of the Base Prospectus is 18 July 2024. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in a final terms document (the **Final Terms**) which will be filed with the CSSF.

Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.luxse.com).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Long-Term Issuer Default Rating of the Issuer provided by Fitch Ratings Ireland Limited (**Fitch**) is "BBB-" (Outlook Stable). Fitch is established in the EEA and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. According to Fitch, such ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. Notes issued under the Programme may be rated or unrated by Fitch. The rating Fitch has given to the Issuer is endorsed by Fitch Ratings Ltd, which is established in the UK and registered under Regulation (EU) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**). Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the long-term debt of the Issuer by Fitch. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable on Floating Rate Notes will be calculated by reference to EURIBOR as specified in the relevant Final Terms. As at the date of this Base Prospectus, the administrator of EURIBOR is included in ESMA’s register of administrators under Article 36 of the Regulation (EU) No. 2016/1011, as amended (the **EU Benchmarks Regulation**).

Arrangers and Dealers

BNP PARIBAS

Crédit Agricole CIB

UniCredit

The date of this Base Prospectus is 18 July 2023.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes for the purposes of Article 8 of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

Other than in relation to the documents which are deemed to be incorporated by reference (see “*Documents Incorporated by Reference*”), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the CSSF.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Arrangers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. None of the Dealers or the Arrangers accept any responsibility for the contents of this Base Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes. The Dealers and the Arrangers accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Base Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any 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 or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled “*Prohibition of Sales to EEA Retail Investors*”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the Prospectus Regulation). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRiIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRiIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRiIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRiIPs Regulation.

MiFID II product governance / target market – The Final Terms in respect of any Notes may include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593, as amended (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance / target market – The Final Terms in respect of any Notes may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the SFA) – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base 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 Base 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 Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including, for these purposes, Belgium, France and Italy), the United Kingdom, Singapore and Japan (see “*Subscription and Sale*”).

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

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 Base 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 behaviour 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.

NOTES ISSUED AS GREEN BONDS

If so specified in the relevant Final Terms, the Issuer may issue Notes which are categorised as “Green Bonds” whose net proceeds are intended by the Issuer to be applied for the purposes of financing and/or refinancing, in whole or in part, Eligible Green Projects (as defined in the “*Use of proceeds*” section of this Base Prospectus). In such circumstances, prospective investors should have regard to the information set out, or referred to, under the section “*Use of Proceeds*” of this Base Prospectus and/or paragraph “*Reasons for the offer*” of the relevant Final Terms and must determine for themselves the relevance of such information, together with any other investigation such investors deem necessary, for the purpose of any investment in such Notes and its suitability also in light of their own circumstances. While it is the intention of the Issuer to apply an amount equivalent to the proceeds of any Notes which are categorised as “Green Bonds” to Eligible Green Projects in, or substantially in, the manner described in the Final Terms relating to any specific Tranche of Notes, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any 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 amount equivalent to the proceeds of the such Notes will be totally or partially disbursed for the specified Eligible Green Projects, nor can there be any assurance that such Eligible Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

None of the Arranger, Dealers nor any of their respective affiliates (including parent companies) accepts any responsibility for any environmental assessment of any Notes issued as Green Bonds or makes any representation or warranty or gives any assurance as to whether such Notes will meet any investor expectations or requirements regarding such “green” or similar labels. None of the Arranger, Dealers nor any of their respective affiliates (including parent companies) have undertaken, nor are they responsible for, any assessment of the Eligible Green Projects, any verification of whether the Eligible Green Projects meet any eligibility criteria set out in the Green Bond Framework (as defined in the risk factor “*In respect of any Notes issued as “Green Bonds” there can be no assurance that the relevant use of proceeds will be suitable for the investment criteria of an investor*”) nor are they responsible for the use of proceeds (or amounts equal thereto) for any Notes issued as Green Bonds, nor the impact or monitoring of such use of proceeds or the allocation of the proceeds to particular Eligible Green Projects.

In connection with the issue of Notes as Green Bonds, an opinion, report or certification of a third party (whether or not solicited by the Issuer) (**Second-party Opinions**), including the Green Bond Framework Second-party Opinion (as defined in the risk factor “*No assurance of suitability or reliability of any Second Party Opinion or any other opinion or certification of any third party relating to any Green Bonds*”), may or may not be made available, as the case may be.

Any information in such Second-party Opinions or any past or future Second-party Opinions is not, nor shall it be deemed to be, incorporated in and/or form, part of this Base Prospectus and should not be relied upon in connection with making any investment decision with respect to any Notes to be issued under the Programme.

In addition, no assurance or representation is given by the Issuer, any other member of the Group, the Arrangers, Dealers or any other member of their group (including parent companies), Second-party Opinion providers or the independent auditors as to the suitability or reliability for any purpose whatsoever of any Second-party Opinion in connection with the offering of any Green Bonds under the Programme. Any such Second-party Opinion and any other document related thereto is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus.

Any such Second-party Opinion and any other document related thereto is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green Bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

FORWARD-LOOKING STATEMENTS

This Base Prospectus, including, without limitation, any documents incorporated by reference herein, 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 and expressions. 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.

INDUSTRY AND MARKET DATA

Certain information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the Issuer's business contained in this Base Prospectus consists of estimates based on data reports compiled by professional organisations and analysts, on data from other external sources, and on the Issuer's knowledge of sales and markets. In many cases, there is no readily available external information (whether from government bodies or other organisations) to validate market-related analyses and estimates, requiring the Issuer to rely on internally developed estimates. In respect of information in this Base Prospectus that has been extracted from a third party, the Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Although the Issuer believes that the external sources used are reliable, the Issuer has not independently verified the information provided by such sources.

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STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, if appropriate, a new Base Prospectus or a supplement to the Base Prospectus, will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980, as amended (the **Delegated Regulation**).

Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this Overview.

Issuer:	ERG S.p.A.
Issuer Legal Entity Identifier (LEI):	8156004604684CA44A90
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under “ <i>Risk Factors</i> ”.
Description:	Euro Medium Term Note Programme
Arrangers:	BNP PARIBAS Crédit Agricole Corporate and Investment Bank UniCredit Bank AG
Dealers:	BNP PARIBAS Crédit Agricole Corporate and Investment Bank UniCredit Bank AG and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”) including the following restrictions applicable at the date of this Base Prospectus.

Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits

contained in section 19 of the Financial Services and Markets Act 2000 (FSMA) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”.

Issuing and Principal Paying Agent:	BNP Paribas, Luxembourg Branch
Programme Size:	Up to €3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, notes may be denominated in euro, Sterling, U.S. dollars, and any other currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes	The Notes will be issued in bearer form as described in “ <i>Form of the Notes</i> ”.
Fixed Rate Notes:	<p>Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.</p> <p>The Rate of Interest payable on Fixed Rate Notes which are Step-up/Step-down Notes will be subject to adjustment following the occurrence (or deemed occurrence) of certain changes in the ratings of the Notes, see further Condition 4.3 (<i>Interest on Step-up/Step-down Notes</i>).</p>
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined on the basis of the reference rate set out in the applicable Final Terms.</p> <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.</p> <p>The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of</p>

Floating Rate Notes. The Margin on Floating Rate Notes which are Step-up/Step-down Notes will be subject to adjustment following the occurrence (or deemed occurrence) of certain changes in the ratings of the Notes, see further Condition 4.3 (*Interest on Step-up/Step-down Notes*).

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Benchmark discontinuation:

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.5(b) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4.5(c)) (*Adjustment Spread*) and any Benchmark Amendments (in accordance with Condition 4.5(d) (*Benchmark Amendments*)).

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see “*Overview of the Programme - Certain Restrictions - Notes having a maturity of less than one year*” above.

Issuer Call:

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

Clean-Up Call:

If Clean-Up Call is specified as being applicable in the applicable Final Terms, in the event that 20 per cent. or less of the initial aggregate principal amount of a particular Series of Notes (including any Notes issued pursuant to Condition 15 (*Further Issues*)) remains outstanding, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the outstanding Notes in that Series at par together with any interest accrued to the date set for redemption.

Change of Control Put:

If Change of Control Put is specified as being applicable in the applicable Final Terms and a Put Event (as defined below) has occurred, each Noteholder may, during the Change of Control Redemption Period (as defined below), notify the Issuer, as further provided below, that it requires the early redemption of all or some of its Notes. The Issuer, will redeem in whole (but not in part) the Notes the subject of the notice on the Change of Control Redemption Date (as defined below) at the Optional Redemption Amount specified in applicable Final Terms together with accrued interest thereon up to (but excluding) the Change of Control Redemption Date.

A Put Event will be deemed to have occurred if (A) a Change of Control (as defined in Condition 6.5 (*Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)*)) occurs, (B) at the time of the later of the first public announcement and the occurrence of the Change of Control, a Rating Event (as defined in Condition 6.5 (*Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)*)) occurs, and (C) in making the relevant decision relating to the Rating Event (as defined in Condition 6.5 (*Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)*)), the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision resulted, in whole or in part, from the Change of Control.

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Overview of the Programme - Certain Restrictions - Notes having a maturity of less than one year*", and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amounts in such currency).

Taxation:

All payments in respect of the Notes will be made free and clear of withholding or deduction for, or on account of, taxes imposed by any Tax Jurisdiction unless the withholding or deduction is required by law. In such event, the Issuer will, save in certain

limited circumstances provided in Condition 7 (*Taxation*), 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.

Negative Pledge: The terms of the Notes will contain negative pledge provisions as further described in Condition 3 (*Negative Pledge*).

Cross Default: The terms of the Notes will contain a cross default provision as further described in Condition 9 (*Events of Default*).

Status of the Notes: The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

Rating: The Long-Term Issuer Default Rating of the Issuer provided by Fitch is "BBB-". According to Fitch, such ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the long-term debt of the Issuer. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing: Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made for Notes issued under the Programme to be listed on the Luxembourg Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law: The Agency Agreement, the Deed of Covenant, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and construed in accordance with, English law, provided that Condition 12 (*Exchange of Talons*) and the provisions of the Agency Agreement concerning meetings of Noteholders are subject to compliance with the laws of the Republic of Italy.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including, for these purposes, France, Italy and Belgium), the United Kingdom, Singapore and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “*Subscription and Sale*”.

United States Selling Restrictions:

Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.

RISK FACTORS

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

The Issuer believes that the following risk factors may affect its ability to fulfil its obligations under the Notes issued under the Programme and/or may have a negative impact on the price of the Notes resulting in a partial or total loss of the investment of the Noteholders. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other unknown reasons which may not be considered significant risks by the Issuer, based on information currently available to it or which it may not currently be able to anticipate at the date of the Base Prospectus.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including, without limitation, any documents incorporated by reference herein) and reach their own views prior to making any investment decision, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary.

References in these "Risk Factors" to the "Terms and Conditions of the Notes" are to the Terms and Conditions of the Notes appearing elsewhere in this Base Prospectus and as completed by the Final Terms of the relevant Tranche of Notes. Prospective investors should read the entire Base Prospectus.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes

Risks relating to the Issuer's financial situation

The ERG Group is vulnerable to any decrease in the prices obtained for the electricity of the ERG Group which could have a material adverse effect on its results of operations and financial condition

In the ordinary course of its business, the ERG Group is exposed to the risk of decreases in the prices obtained for electricity. Changes in global commodity prices, available cross-border capacities (caused, for example, by renewable energy sources or flow-based allocation) or a decline in electricity demand in the countries in which the ERG Group operates, or increased energy efficiency, could cause a decrease in the price of electricity.

The demand for electricity is the main driver for determining the electricity price, and this demand is strongly affected by the level of economic activity in a given country. Any decrease in the demand for energy might put pressure on sales margins, due also to greater competition.

The crises which have affected the banking system and financial markets in recent years, have been exacerbated by the COVID-19 pandemic from 2020 onwards and by the insurgence of the conflict between Russia and Ukraine. See also "*Adverse macroeconomic and business conditions may adversely affect the ERG Group's business, financial condition, results of operations and prospects*"

Any decrease in electricity price could compromise the achievement of the objectives defined in the 2022-2026 Business Plan, which could have a material adverse effect upon the ERG Group, its business prospects, its financial condition and its results of operations.

Adverse macroeconomic and business conditions may adversely affect the ERG Group's business, financial condition, results of operations and prospects

Risks related to inflation, increase in interests rates and a potential recession

Mismatches between the supply and demand of goods and services, partially as a result of the COVID-19 pandemic and, more recently, the Russia-Ukraine conflict, have contributed to a rise in global inflation.

To counter inflation, central banks have started increasing interest rates and are currently expected to continue to raise interest rates during the remainder of 2023. In the U.S., the Federal Reserve System terminated its large-scale asset purchases, popularly known as "*quantitative easing*", and announced a plan to reduce its bond holdings. In addition, the Federal Reserve System has implemented benchmark interest rate increases and has announced further increases to counteract inflationary pressures. The European Central Bank has implemented interest rate increases and discontinued its asset purchases. In addition, restrictive monetary policies and high inflation driven, in large part, by supply chain disruptions and higher energy costs from the war in Ukraine may lead to a market or general economic downturn or recession. All of these factors may adversely affect ERG's ability to raise funding. Uncertainty surrounding the pace of future interest rate increases by major central banks has already resulted in significant volatility in financial markets around the world and such volatility may continue for a prolonged period of time. Any increase of inflation and/or interest rates or a potential recession or other periods of declining economic conditions, could adversely affect ERG's business, results of operations and financial condition and have a negative effect on the securities markets generally.

As of the date of this Base Prospectus, no direct or indirect effects were recorded as a result of the collapse of Silicon Valley Bank, Signature Bank or of Credit Suisse (which resulted in its acquisition by UBS), all of which occurred in March 2023. However, such situations could prove to be a signal of mounting tensions in the financial markets and such tensions could adversely affect ERG's business, results of operations and financial condition and have a negative effect on the securities markets generally.

Risks related to the eruption of the conflict between Russia and Ukraine

In February 2022, a military conflict erupted between Russia and Ukraine. This military conflict was followed by tensions between Russia and Ukraine, as well as certain western countries. As a result, the United States, Canada, the European Union and other countries and multinational organizations have announced and implemented sanctions of various types against Russia, such as the designation of a number of persons and entities, including major Russian banks, in "blocked person" lists, the removal of certain Russian banks from the SWIFT system that facilitates the transfer of money between banks, a prohibition on providing certain types of financing and financial services to certain companies or banks that are under public control or publicly owned, a prohibition on transactions with certain Russian counterparties, and the imposition of restrictions on the export to Russia of certain goods and technologies. In response to the foregoing sanctions, Russia replied with countersanctions on so-called "unfriendly" states (which specifically include countries of the European Union). Countersanctions imposed by Russia have led to a reduction in supply volumes or even a suspension of gas and oil deliveries. Should economic sanctions escalate further, Russia could take further legal action, which could affect European businesses (with their domicile in an "unfriendly State" from a Russian perspective).

The continuation of the conflict between Russia and Ukraine could negatively affect Italian, European and global macroeconomic conditions. In particular, the conflict may continue to: (i) negatively impact trade relations; (ii) affect oil and gas supplies, therefore placing additional upward pressure on fuel and energy prices, which were already rising due to a number of factors, such as insufficient global production to match increasing demand (in this respect, Italy is one of the most vulnerable European countries, even though in 2022 it greatly reduced its energy dependence on Russian gas, as the share of gas imported from Russia has more than halved compared to the period prior to the conflict); (iii) create uncertainty on the financial markets and (iv) determine geopolitical instability. These developments have led to a high degree of uncertainty in the global financial markets and may amplify existing economic uncertainty and cause adjustments to longer-term

inflation expectations which, in turn, may cause upward pressure on interest rates and adversely affect economic conditions.

The economic consequences of the conflict between Russia and Ukraine have caused and may continue to cause a rise in commodity prices, which will fuel already existing inflationary pressures and may cause supply shortages. ERG's business may be affected as a result of the volatility in the prices of commodities originating from the countries affected by the conflict, with a possible generalised increase in inflation and specifically of energy commodities.

In addition, the continuation of the conflict between Russia and Ukraine and the increase in tensions between Russia and the countries in which the ERG Group operates could negatively affect global macroeconomic conditions and the economies of the countries in which the ERG Group operates, leading to a possible decrease in demand and, consequently, a reduction in generation. Consequently, in the context of an economic global recession, ERG Group's business customers may reduce their consumption of the products and services offered, may seek to renegotiate payment terms, or may not be able to pay for the products and services they purchase from the ERG Group, which could have a material adverse effect on business, results of operations or financial condition of the ERG Group.

Risks related to outbreaks or continuance of the COVID-19 pandemic

As a result of the very sharp economic downturn during the COVID-19 pandemic and the strong fiscal reaction taken by governments, the government budget deficits in the eurozone area have increased sharply, and concerns persist regarding the debt and/or deficit burden of certain Eurozone countries, including Italy, and their ability to meet future financial obligations.

Due to the COVID-19 pandemic, the countries in which the ERG Group operates, and many other countries in Europe and worldwide introduced quarantines and other restrictive measures intended to prevent the spread of COVID-19. These restrictive measures led to serious interruptions in business, economic and day-to-day activities in the countries in which the ERG Group companies operate and many other countries around the world, affecting, among other things, manufacturing, electricity consumption, trade, consumer confidence, levels of unemployment, the housing market, the commercial real estate sector, debt and equity markets, counterparty risk, inflation, the availability and cost of credit, transaction volumes in wholesale and retail markets, the liquidity of the global financial markets and market interest rates. These factors resulted in a widespread deterioration in the economies of these countries.

Even after the COVID-19 pandemic has subsided, the ERG Group may continue to experience materially adverse impacts to its business as a result of the pandemic's global economic impact, and this may amplify some of the risks described herein.

In addition, there can be no assurance that the economy in Italy and Europe in general will not worsen, nor can there be any assurance that current or future assistance packages or measures will be available or, even if provided, will be sufficient to stabilise the affected countries and markets and secure the position of the Euro. Continuation of further worsening of these difficult financial and macroeconomic conditions could have a material adverse effect upon the ERG Group, its business prospects, its financial condition and its results of operations.

To conclude, the global economy has recently experienced one of its sharpest downturns in history as a result of the COVID-19 pandemic, and potential global turmoil is occurring in connection with the ongoing conflict between Russia and Ukraine, which is causing severe social and economic consequences for the countries directly involved as well as the European continent, as tension between Russia, the European Union, the United States and other countries continues to increase. Furthermore, ERG's business may be impacted by the global economic environment, increasing in interest rates and instability in securities markets around the world generated by international conflicts, including the ongoing conflict between Russia and Ukraine and the potential significant impact of financial and economic sanctions on the regional and in particular on the Eurozone, and global economy. Specifically, the escalation of the Russia-Ukraine conflict, including the imposition of international economic sanctions on Russian entities and persons, may have material adverse

effects on the industry in which ERG operates as well as on the ERG Group's business, results of operations and financial condition.

Any developments involving the above-mentioned factors could have an adverse impact on the ERG Group's business and operating results as well as the ERG Group's financial condition and assets.

The ERG Group is subject to liquidity risk

Liquidity risk is the risk that the ERG Group, while solvent, may not be able to meet its short-term and/or medium/long-term commercial and financial commitments, or may be able to do so only on unfavourable conditions, because of difficulty in obtaining funds or in liquidating assets on the market, or due to inadequate management of the entity's own liquidity. This may materially and adversely affect the ERG Group's results of operations and financial condition should the ERG Group be obliged to incur extra costs to meet its financial commitments or, in extreme cases threaten the ERG Group's future as a going concern and lead to insolvency.

There is no guarantee that the ERG Group will be successful in locating suitable sources of financing in the time periods required or at all, or on terms or at costs that it finds attractive or acceptable, which may render it impossible for it to fully execute its strategy. In addition, any rise in interest rates or deterioration in global liquidity or the macroeconomic environment could adversely impact its ability to secure financing on favourable terms.

The ERG Group's liquidity risk mitigation strategy involves the pursuit of a financial structure that is balanced in terms of duration and composition, constant monitoring of the financial balance and the systematic generation of cash by its own business activities, and aims to achieve a diversity of funding sources and a balance in terms of duration and composition of debt.

There is no guarantee that such strategy will be sufficient to cover the risk that the ERG Group becomes unable to meet its financial commitments. To the extent they do not, this may have a negative impact on the business prospects, revenues, results of operations and financial condition of the ERG Group and have a consequential adverse impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

The loan agreements entered into by ERG Group companies contain restrictive covenants

The ERG Group makes use of medium to long-term credit facilities, mainly for corporate financing and project financing operations, including in order to finance the development of the ERG Group's projects. Financing agreements governing the ERG Group's credit facilities typically contain covenants that must be complied with by the relevant borrower, either ERG or other companies of the ERG Group, as the case may be. These include financial covenants, as well as non-financial covenants, such as negative pledge provisions relating to the pledging of assets, among others. Failure to comply with any of these covenants could, unless a prior waiver is obtained or amendment made, constitute an event of default thereunder and in some circumstances could also trigger an event of default pursuant to the Terms and Conditions of the Notes. In addition, covenants such as the "negative pledge" and "change of control" clauses and covenants requiring the maintenance of particular financial ratios may limit the ERG Group's ability to acquire or dispose of assets or incur new financial indebtedness.

Should market conditions deteriorate or fail to improve, or should the Issuer's operating results decrease in the future, the Issuer may have to request amendments or waivers to its covenants and restrictions. However, there can be no assurance that the Issuer will be able to obtain such relief. A breach of any of these covenants or restrictions could result in a default and acceleration that would, subject to certain thresholds, permit its creditors to declare all amounts borrowed to be due and payable, together with accrued and unpaid interest and the commitments of the relevant lenders to make further extensions of credit could be terminated. The Issuer's future ability to comply with financial covenants and other conditions, make scheduled payments of principal and interest, or refinance existing borrowings depends on future business performance that is subject to economic, financial, competitive and other factors. The foregoing could have a negative impact on the business

prospects, revenues, results of operations and financial condition of the ERG Group and have a consequential adverse impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

The ERG Group has exposure to credit risk arising from its commercial activities

The ERG Group is exposed to risk deriving from its commercial, commodity and financial transactions, of an unexpected change in the creditworthiness of counterparties. This may include counterparties in relation to which there is an exposure significant enough to negatively affect the income statement, statement of financial position and/or reputation of the ERG Group if such counterparties are unable to pay their debts as they fall due, in whole or in part. The processes which the ERG Group has in place to assess counterparties may not be adequate to promptly predict any worsening in the creditworthiness of a counterparty. A single default by a major financial counterparty, or an increase in current default rates by counterparties generally, could have a negative impact on the business prospects, revenues, results of operations and financial condition of the ERG Group and have a consequential negative impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

The ERG Group is exposed to interest rate risk arising from its financial indebtedness

ERG is subject to interest rate risk arising from the different forms of financing used by the ERG Group to cover the requirements of its industrial activities, as an unexpected change in interest rates may entail a change in the value of financial positions and of their level of cost.

Changes in market interest rates can have such negative impacts on the level of financial expenses and in the cost of financing so as to compromise the ERG Group's financial stability and its capital adequacy. An increase or decrease in interest rates will increase or decrease interest expense of the ERG Group associated with such borrowing.

The ERG Group has adopted risk management policies that provide for the hedging of the interest rate risk exposure. Hedging activities typically entail the use of derivative instruments aiming at transforming floating rate liabilities into fixed rate liabilities and sometimes require the posting of cash collateral to the Group's hedging counterparties. However, there is no guarantee that the ERG Group's interest rate risk management policy will actually have the effect of reducing losses connected to fluctuations in interest rates. To the extent it does not, a significant increase in interest expense could have a material adverse effect on the business, revenues, results of operations and financial condition of ERG and the ERG Group and have a consequential negative impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes. In addition, it is possible that the hedging and derivative instruments used by the ERG Group to establish a fixed rate for certain of its floating rate liabilities may lock the ERG Group into interest rates that are ultimately higher than actual market interest rates. Hedging activities could also entail significant costs.

The ERG Group is exposed to exchange rate risk

The ERG Group is exposed to exchange rate risks in relation to cash flows connected to the purchase and/or sale of electricity on the international markets, cash flows related to investments or other financial income or expenses denominated in foreign currencies, cash flows related to the purchase or sale of equity participations, and indebtedness in currencies different from those used in the countries where the ERG Group has its principal operations. At the date of this Base Prospectus, the ERG Group has minor exposure to fluctuations of the euro against few other currencies.

Fluctuations in exchange rates can have considerable impacts on profits of the ERG Group from the effect of the different significance of costs and revenues denominated in a foreign currency compared to the time when the price conditions were defined, as a result of the conversion of trade or financial receivables/payables denominated in a foreign currency, and through the effect of the conversion of assets and liabilities of companies that prepare their financial statements in another currency.

There can be no guarantee that the exchange rate risk strategy adopted by the ERG Group, including derivative instruments, will actually have the effect of reducing losses connected to fluctuations in exchange rates. To the extent it does not, this could have a material adverse effect on the business, revenues, results of operations and financial condition of ERG and the ERG Group and have a consequential negative impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

A potential downgrade of the Issuer's credit rating may impact its funding ability

The Issuer's ability to access the capital markets, other forms of financing and costs associated thereto, depends, *inter alia*, on the rating assigned to the Issuer. As at the date of this Base Prospectus, the credit rating of the Issuer by Fitch Ratings Ireland Limited is BBB-. As well as ERG's rating being influenced by internal factors, it is also tied to the wider economy and Italy's sovereign debt rating. Accordingly, any downgrading of the sovereign debt of Italy may have a consequential effect on the rating of the Issuer. Any downgrade of ERG's rating as well as a downgrade of the sovereign credit rating of Italy may result in higher funding and refinancing costs for the ERG Group, including in the capital markets, which in turn may have an adverse impact on the ERG Group's competitive position and an adverse effect on the ERG Group's standing in the market and the markets' perception of ERG's creditworthiness, with related adverse effects on the ERG Group's business prospects. This could have a consequential adverse impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

If the ERG Group is required to write down goodwill and other non-financial assets, the Group's financial results would be negatively affected

The ERG Group's balance sheet at 31 December 2022 included Euro 1.4 billion of goodwill and other non-financial assets (sum of Authorisations and Concessions and Other intangible assets), which amounted to 26 per cent. of the ERG Group's total assets of Euro 5.2 billion. Such goodwill and other non-financial assets have arisen principally in connection with the Group's business combinations which have occurred in recent years. Goodwill related to business combinations is not amortized, but is tested for impairment on an annual basis. If the recoverable amount of the reporting cash generating units to which the goodwill refers is lower than its carrying amount, an impairment loss occurs. There are several risks that may cause the fair value of a cash generating reporting unit to fall below its carrying amount, which could lead to the measurement and recognition of goodwill impairment. These risks include, but are not limited to, legal, regulatory, business or operational issues including failure to realize anticipated synergies from acquisitions, significant negative variances between actual and expected financial results, and lowered expectations of future financial results. Should the Group be required to write down its goodwill and other non-financial assets following an impairment test, the Group's financial results in the relevant period could be adversely affected, which could have a negative impact on the business prospects, revenues, results of operations and financial condition of the ERG Group and have a consequential negative impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

Risks relating to the Issuer's business activities and industry

Weather and atmospheric conditions could materially adversely affect the ERG Group's operations

Revenues of the ERG Group's electricity generation business are linked to the amount of energy generated by its wind and solar plants, which is in turn dependent upon atmospheric conditions including conditions impacting the availability of renewable energy sources such as sun and wind. Sources of renewable energy such as wind and sun are affected by the natural variations from season to season and from year to year, and may also change permanently due to climate change or other factors beyond the Issuer's control. Weather changes can produce significant effects in the ERG Group's production of electricity from renewable sources. In particular, the ERG Group's electricity generation involves wind and solar plants and, consequently, the Issuer is dependent upon weather conditions prevailing from time to time in the geographic area where the relevant wind and solar plants are located. Weather forecasting instruments or risk analysis statistical models employed by the Issuer may not be accurate, and as a consequence may not be sufficient to predict, or to accurately quantify, the effects of any unfavourable weather or climactic conditions at the sites in which generation facilities are located. In addition, climate change may have a negative effect on the ERG Group, as

any associated decrease in availability of renewable resources may limit or impede the Issuer's operations, increase operation and maintenance costs, or increase insurance and/or compliance costs. Any material weather phenomena that negatively affects the ERG Group's business, including as a result of climate change, could reduce the output levels of the Issuer's generation facilities and negatively affect the ERG Group's business, which could have a negative impact on the business prospects, revenues, results of operations and financial condition of the ERG Group and have a consequential negative impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

ERG's ability to achieve its strategic objectives could be impaired if the critical assumptions on which its investment decisions are based proves to be incorrect

ERG's strategy for 2022-2026 is to focus on growth in renewables via a geographical and technological diversification policy and the progressive securitisation of revenues. A new organisation and a targeted operation of reskilling aims to support the strategy, which aims to be characterised by a close integration between business strategy and ESG objectives and backed by a sound financial position.

Main strategies and objectives for the period 2022-2026 include:

- growth through greenfield development, co-development, repowering of existing wind farms and M&A transactions;
- geographical and technological diversification;
- securing of revenues via CfD auction or long term power purchase agreements; and
- reorganisation and reskilling

Furthermore, the ERG Group's current ESG plan envisages a close integration of business and sustainability built on four "pillars": (i) Planet: the fight against climate change; (ii) Engagement: commitment to local areas; (iii) People: focus on the growth and well-being of people; and (iv) Governance: principles and management bodies inspired by best practices.

The strategy of the ERG Group is based on a series of critical assumptions, including among others, the evolution of demand and prices for electricity and average investment costs for the plants in the markets in which the ERG Group operates, trends in relevant macroeconomic variables, and the evolution of the regulatory framework applicable to the ERG Group.

In the event that one or more of the strategy's underlying assumptions proves incorrect or events evolve differently than as contemplated in the strategy (including because of events affecting the ERG Group arising from the current difficult macroeconomic conditions, and any associated decreases in the prices obtained for the electricity generated by the ERG Group, or other events that may not be foreseeable or quantifiable, in whole or in part, as of the date of this Base Prospectus) the anticipated events and results of operations indicated in the strategy and in this Base Prospectus could differ from actual events and results of operations. See also: Adverse macroeconomic and business conditions may adversely affect the ERG Group's business, financial condition, results of operations and prospects" and "—The ERG Group is vulnerable to any decrease in the prices obtained for the electricity of the ERG Group which could have a material adverse effect on its results of operations and financial condition.

Any failure by the ERG Group to execute its strategy, either in full in or in part, or maintain its current market position, could have a material adverse effect upon the ERG Group, its business prospects, its financial condition and its results of operations and have a consequential negative impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

ERG's ability to achieve its strategic objectives could be impaired, inter alia, if it is unable to maintain or obtain the required incentives, licences, authorisations, permits, approvals and consents

In order to carry out its activities and implement any expansion of its business, the ERG Group needs to obtain, maintain and comply with a variety of incentives, licences, authorisations, permits and approvals from regulatory, legal, administrative, tax and other authorities and agencies for the construction, operation and

maintenance of its projects. The processes for obtaining these incentives, permits and approvals are often lengthy, complex, unpredictable and costly. During the operational phase, ERG or the relevant ERG subsidiary concerned is required to operate and maintain the managed facility in compliance with certain qualitative and quantitative requirements set forth in the authorisation, license or by regulation. For example, the plant owner is usually required to obtain, maintain, and comply with the required licences, permits and authorisations for the construction, operation and maintenance of a project.

Failure to comply with the pre-established conditions may result in the reduction of the payable tariffs, incentives or fees, the imposition of contractual penalties or, in extreme cases, the revocation of authorisations, licenses or incentives.

If the ERG Group is unable to obtain, maintain or comply with the terms of the relevant incentives, licences, authorisations, permits and approvals, or if it delays or fails to renew, or faces a challenge to or the revocation of such incentives, licences, authorisations, permits or approvals, its ability to achieve its strategic objectives could be impaired, and it could incur costs and losses, all of which could have a material adverse effect on the business, revenues, results of operations and financial condition of the ERG Group and have a consequential negative impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

Risks relating to M&A and related transactions

The ERG Group has made in the past, and may make in the future, strategic business acquisitions in order to expand or complement its existing business, achieve synergies and cost savings, and improve operating efficiencies. Any such initiative requires the integration and combination of different management, strategies, procedures, services and client bases and is inherently risky. In particular, the Issuer's business strategy involves acquisitions and investments in its core businesses (including wind and solar power businesses). The success of this strategy depends in part on its ability to identify successfully and acquire suitable companies and other assets on acceptable terms and, once they are acquired, on their successful integration into the ERG Group's operations, as well as its ability to identify suitable strategic partners and conclude satisfactory terms with them.

All new investments and acquisitions are subject to a range of market, credit, business, regulatory, operational and other risks, which might undermine the objectives or profitability of the project. Risks affecting the ERG Group's ability to realise successes from the acquisitions include, among others:

- inability to achieve strategic objectives, cost savings and other benefits from the acquisition;
- lack of success by the acquired business in the markets in which it operates;
- difficulties in integrating the newly acquired business and operations in an efficient and effective manner;
- loss of key employees of the acquired business;
- difficulty in integrating human resources and operating and inventory management systems of the acquired business with those of the ERG Group;
- cultural differences between the ERG Group's organisation and that of the acquired business;
- liabilities that were not known at the time of the due diligence carried out for the purpose of the acquisitions or the need to address unexpected tax or accounting issues, which in turn result in lower revenues than those originally projected; and
- problems related to the coordination and consolidation of corporate and administrative functions (including internal controls and procedures relating to accounting and financial reporting).

Furthermore, the process of integration may require additional investment and expense and may be more complex, costly and time-consuming than anticipated. As a result, the ERG Group may fail to achieve its growth strategy and/or the intended benefits of any acquisition or fail to do so within the period of time initially envisaged.

In addition, the economic and financial forecasting and modelling in relation to the expected returns during the lifetime of any project relating to an acquisition may not be accurate, including due to the inherent difficulty of developing such forecasts with any certainty over the lifetime of a project, which could have an adverse impact on the income or value of assets.

Furthermore, the Issuer during the course of its business may dispose of certain of its assets by way of asset rotation transactions, and such transactions are subject to uncertainty. There is a risk that the Issuer will not succeed in completing these asset rotation opportunities. The agreements entered into in the context of disposals typically include reciprocal obligations as well as representations and warranties, along with indemnity obligations of the transferor for any liabilities arising in connection with breaches of such representations and warranties.

The agreements also typically provide for indemnification of liabilities relating to the period prior to the acquisition that may arise in the future in relation to the transferred assets or business. In the event that (i) liabilities arise that may trigger indemnity obligations for the ERG Group, or, as the case may be, (ii) there is a breach by a counterparty of the obligations it holds (including indemnity obligations), then that may have an adverse effect on the ERG Group's business, results of operations, or financial conditions. In addition, such agreements customarily include conditions precedent which have to be satisfied before completion or else termination rights of the transferee may be triggered, and there is therefore no assurance that any transactions which have been entered into but have not completed actually complete within the envisaged timescale, or at all.

Any of the foregoing could have a negative impact on the business prospects, revenues, results of operations and financial condition of the ERG Group and have a consequential adverse impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

The ERG Group is exposed to risks associated with fluctuations in the prices of certain commodities

In the ordinary course of business, the ERG Group is exposed to various risks relating to fluctuations of commodity prices. Product categories that may have an impact on the ERG Group's operating results are as follows:

- *Electricity prices.* The ERG Group is engaged in the generation and sale of electricity. Accordingly, fluctuations in the price of electricity for provision and supply agreements could have a significant effect on the ERG Group's operating results. See also: *"The ERG Group is vulnerable to any decrease in the prices obtained for the electricity of the ERG Group which could have a material adverse effect on its results of operations and financial condition"*.
- *Natural gas, CO₂, and Energy Efficiency Certificate (EEC) prices.* Through the ERG Group's operation of a high-efficiency cogeneration thermoelectric power plant, which uses combined cycle technology fuelled with natural gas, it is exposed to fluctuations in the prices of natural gas, CO₂, or EECs (as such certificates are exchanged in a regulated market or through bilateral negotiations between operators).

As regards as Natural gas, CO₂, and EEC, it should be noted that the direct exposure of the ERG Group is likely to reduce upon completion of its asset rotation program (see also "Asset Rotation" within section 4 "Business of the Group"), should this program be successfully completed as envisaged in the 2022-2026 Business Plan.

There is no guarantee that the risk management policies adopted by the ERG Group, including, *inter alia*, derivative instruments, forward contracts or other hedging transactions, will be sufficient to adequately hedge its exposure to fluctuations in the prices of commodities, including those mentioned above.

Any failure to properly manage the risk of significant fluctuations in the price of commodities could have a negative impact on the business prospects, revenues, results of operations and financial condition of the ERG Group and may have a negative impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

Risk relating to countries in which the ERG Group operates

The ERG Group operates renewable energy facilities in Italy and in other European countries. Changes in the political, legislative, economic and/or social framework in any of these countries may have negative impacts on operations, income statement results and/or the financial equilibrium of the ERG Group, if such changes led to, for example, (i) the lack of a stable legislative framework and uncertainties regarding the protection of rights of foreign workers in the event of breaches of contract by government entities or other private parties; (ii) punitive application of laws or unilateral changes to contracts that result in the reduction in value of the ERG Group's assets; (iii) increases in taxation on the ERG Group's operations; (iv) complex authorisation processes that impact the time-to-market of development projects; (v) such countries diverging with or delaying climate change targets, consequentially reducing their investments in renewable energy infrastructure; and (vi) unilateral changes in the incentive systems which the ERG Group benefits from that result in the reduction in value of the ERG Group's assets.

Any of the abovementioned developments in the political, legislative, economic and/or social framework of the countries in which the ERG Group does business could cause delays and/or cancellations of strategic projects, which would have a material adverse effect on the ERG Group's competitiveness, business, financial condition and results of operations with a consequential adverse impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

The ERG Group is subject to risks of Business interruption

The main assets of the ERG Group include wind farms, photovoltaic plants and a thermoelectric plant (as regard as the thermoelectric plant, this is currently under disposal - *see also "Asset Rotation" within section 4 "Business of the Group"*). Operating these assets involves risks and hazards that may adversely affect operations, including events outside of the ERG Group's control, such as extreme weather phenomena, adverse meteorological conditions, natural disasters (including earthquakes), fire, terrorist attacks, sabotage (including cyber-attacks targeting the ERG Group's information & communication technology (ICT) systems), mechanical breakdown of or damage to equipment or processes (including ICT systems), accidents and labour disputes.

These and other hazards can cause significant personal injury or death, severe damage to and destruction of property, plant and equipment, contamination of, or damage to, the environment and suspension of operations, affecting in more serious cases, production capacity and compromising business continuity. The occurrence of any of these events could cause damage or destruction of the ERG Group's assets and, in turn, result in economic losses, cost increases, or the necessity to revise the ERG Group's investment plans.

Service interruptions, malfunctions, casualties or other significant events could result in the ERG Group being exposed to litigation, which in itself could generate obligations to pay damages to third parties, and/or the imposition of civil penalties including fines.

The ERG Group's plant management policies, maintenance procedures, tools for detecting any anomalies in the performance of assets including ICT systems, and/or training, may not be suitable to foresee or offset the effects of any of the abovementioned risks.

Although the ERG Group has insurance coverage against some, but not all, of these events, such coverage may prove insufficient to fully offset against all losses which it may suffer. In addition, the insurance policies of the ERG Group are subject to periodic revision by insurers, and there is no assurance that it will be able to renew these policies on similar or otherwise acceptable terms, if at all.

The occurrence of one of more of the events described above, or other similar events, could have a negative impact on the business prospects, revenues, results of operations and financial condition of the ERG Group and may have a consequential negative impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

The ERG Group is subject to risks to its information & communication technology (ICT) systems

The ERG Group's activities are managed through ICT systems which support its main operational, administrative and commercial processes. Any interruptions in these systems, caused by obsolescence, inadequacy, technical failures, intentional acts, discontinuity in the implementation, maintenance, and/or the failure to update such ICT systems to meet the needs of the business, significant malfunction, service disruption or a security breach compromising the operations of the ERG Group or failure by the ERG Group to maintain adequate management of its ICT systems and adequate technical training for its employees could damage the ERG Group's reputation, disrupt its business and adversely impact its ability to compete.

The ERG Group's ICT systems as well as those of its service providers remain potentially vulnerable to internal or external attacks and/or accidental events. In addition, the organisational complexity of the ERG Group exposes the Group's assets to the risk of cyber-attacks, or threats of intentional disruption, which are increasing in terms of sophistication and frequency, with the consequence that some cyber incidents may remain undetected for long periods of time. Depending on their nature and scope, such attacks or events could lead to the leakage of confidential information, improper use of the ERG Group's ICT systems, manipulation and destruction of data, defective products, production downtimes and supply shortages.

Any security failures leading to disclosure of sensitive information or data breaches, whether due to intentional or unintentional actions, including negligence or misconduct of employees, may have a negative impact on the ERG Group's reputation, relationship with external entities (government, regulators, partners and suppliers, among others), strategic positioning with relation to competitors, and results of operations.

Through its ICT systems, ERG adopts a risk-based approach in order to define both preventive and reactive security measures, and specific continuous improvement programmes aimed at increasing corporate resilience with respect to cyber security risk. However, the procedures, processes, standards of physical security, models of behaviour and/or the disaster recovery system which the ERG Group has established may not be sufficient to eliminate the risk, or alleviate the effects, of any failure of the ICT systems or any cyber-incident.

The costs which the ERG Group may need to incur to reduce or address any security vulnerabilities before or after a cyber-incident could be significant, which could have a negative impact on the business prospects, revenues, results of operations and financial condition of the ERG Group and have a consequential adverse impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

Risks relating to the failure to attract and retain key personnel

Any limitations on the ERG Group's ability to recruit and retain a skilled and experienced management team and operating staff may affect the ERG Group's capability to implement its business strategy successfully. In particular, the ERG Group relies on certain key employees who have specific experience, education, technical know-how and skills in respect of technology development and electricity generation. In an increasingly competitive environment, there is an increased risk of losing staff to competitors, who may be willing and able to pay higher salaries and/or offer more competitive benefits, and the ERG Group may be unable to train or recruit and retain personnel with comparable qualifications, experience and expertise, and/or the skills required in order to deliver its business objectives. The failure to attract and retain key personnel with suitable managerial, technical or marketing expertise could affect the ERG Group's ability to successfully execute its business plan and achieve its objectives, and/or it could have a negative impact on the business prospects, revenues, results of operations and financial condition of the ERG Group and have a consequential adverse impact on the market value of the Notes and on the Issuer's ability to fulfil its obligations under the Notes.

The ERG Group is dependent on its relationships with its key suppliers

The ERG Group depends upon services and products provided by suppliers outside of the ERG Group. The loss of a key supplier (whether caused by internal factors such as difficulties of a financial nature leading to cessation of business activities or by external factors such as natural disasters impacting production capability) could result in economic losses and/or cost increases for the ERG Group and it could cause reputational damage for the ERG Group and/or result in interruptions in services at the ERG Group's facilities.

In addition, the ERG Group may face an increase in costs should it be required to switch to new suppliers. The effects of this situation on the ERG Group could be exacerbated if the particular supplier were deemed strategic, or if there was an excessive concentration of orders with a specific supplier. Moreover, the ERG Group does not have direct control over the quality of materials supplied by its suppliers and is exposed to risks relating to the quality and availability of such products.

Any loss of such a supplier and/or inability of such supplier to fulfil its obligations to the ERG Group, due to bankruptcy, financial weakness, or other reasons, could have a consequential negative impact on the reputation, business prospects, revenues, results of operations and financial condition of the ERG Group and on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

The ERG Group is subject to reputational risk

Any inconsistency between the ERG Group's announced objectives and actions carried out by the ERG Group, any misalignment between the ERG Group's performance and stakeholder expectations, or any improper use of the branding of the ERG Group, could adversely affect the image or reputation of the ERG Group. In addition, any circulation of negative news in relation to the ERG Group or the renewable energy sector, including in relation to the potential adverse environmental impacts of wind and solar energy, may create a negative perception of the ERG Group.

The ERG Group mitigation strategy of the reputational risk involves a structured ESG process that envisages a strategic ESG plan with measurable objectives and KPIs, social responsibility initiatives and the disclosure of the “*Non-Financial Statement*”; continuous monitoring of stakeholders' perception of the ERG brand; specific active communication and information relations with the main stakeholders; constant monitoring of all communication channels of the Group.

However, there is no guarantee that such strategies will be sufficient to prevent negative impacts on the ERG Group's reputation and a consequential loss of the public's trust in the ERG Group, and/or its credibility or reliability being compromised, therefore causing a negative impact on the business prospects, revenues, results of operations and financial condition of the ERG Group and having a consequential adverse impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

Legal and Regulatory Risks

The ERG Group operates in a highly regulated environment. Laws, governmental regulations and policies supporting renewable energy are subject to change, and such change may materially and adversely affect the ERG Group's business, results of operations and growth strategy

The political, legal, and regulatory environment in which the ERG Group operates its business affects many aspects of its activities, including the incentive systems which the ERG Group benefits from. Renewable energy generation assets currently benefit from various national, provincial, and local governmental incentives. In particular, electricity generation from renewable sources depends upon price subsidies and other incentives that are highly contingent on the prevailing political and regulatory environment. The regulations of Italy, the EU and each other country in which the ERG 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.

Changes in applicable legislation and regulation, whether at a national or European level, and/or the manner in which they are interpreted, could negatively impact the ERG Group's current and future operations, its cost and revenue-earning capabilities and in general the development of its business. Such changes could include, *inter alia*, the broad reform of the electricity market both at the European level and in the different countries in which the ERG Group operates, changes to the incentives regime for renewable energy sources, changes in tax rates, changes in environmental or safety or other workplace laws or changes in regulation of cross-border transactions, changes in the procedure for awarding and/or renewing authorisation, licences and contracts granted to, or entered into with, ERG and the ERG Group's operating companies, changes in tariffs charged

by such companies for their services, or changes in the determination of any indemnities or compensation payments due to the ERG Groups' companies in case of termination or revocation of authorisations and licenses.

A termination of any of the laws or governmental regulations or policies that support the renewable energy industry, any new, onerous, or substantially altered law, regulation, guideline or standard, or different interpretation thereof, or a limit to the benefits or incentives, including in relation to taxation, that renewable energy industries currently receive, could significantly reduce the economic returns and operating performance at both new and existing facilities of the ERG Group and may have a significant economic impact on the value of the ERG Group's assets, which may have a material adverse effect on the business, revenues, results of operations and financial condition of the ERG Group and have a consequential negative impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

The ERG Group faces significant costs associated with environmental and health and safety laws and regulations and may be exposed to significant environmental liabilities

The ERG Group is subject to a number of environmental and health and safety laws and regulations in the countries in which it operates. Such laws and regulations require the ERG Group to adopt preventive or remedial measures and influence the ERG Group's business decisions and strategy.

The ERG 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. There is a possibility that in the course of the ERG 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 by requiring ERG to adopt extraordinary emergency measures.

Failure to comply with environmental requirements in the territories where the ERG Group operates, or breach of any regulation concerning health and safety in the workplace, may lead to fines, litigation, loss of licences, temporary or permanent curtailment of operations, or damage to the reputation of the ERG Group.

Any significant increase in the costs and expenses necessary to keep the ERG Group's facilities in compliance with environmental laws and regulations, unless promptly remediated, could have a negative impact on the business prospects, revenues, results of operations and financial condition of the ERG Group and a consequential adverse impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

ERG and its subsidiaries are defendants in a number of legal proceedings and may from time to time be subject to further legal proceedings and inspections by the authorities

ERG and certain companies of the ERG Group are defendants in civil, criminal, tax and administrative proceedings connected with the ordinary course of its business activities. For a description of such proceedings, see "Description of the Issuer and the ERG Group – Legal Proceedings", and ERG's 2022 Consolidated Financial Statements incorporated by reference in this Base Prospectus.

ERG and the ERG Group may incur significant losses in addition to the amounts provisioned in connection with pending legal claims and proceedings or future claims or investigations which may be brought, including owing to the following factors:

- Uncertainty regarding the final outcome of such proceedings, claims or investigations.
- Occurrence of new developments that management was unable to take into consideration when evaluating the likely outcome of such proceedings, claims or investigations in order to make appropriate provisions as at the date of the latest financial statements.

- Emergence of new evidence and information.
- Underestimation of probable future losses.

ERG and the ERG Group may, from time to time, be subject to further litigation including, without limitation, litigation related to the revocation of the existing authorizations and licenses obtained by the ERG Group's companies, and investigations by tax or other authorities. ERG and the ERG Group are not able to predict the ultimate outcome of any of the claims currently pending against it, or future claims or investigations that may be brought against it, which may be in excess of its existing provisions. In addition to potential financial sanctions, an adverse outcome in administrative proceedings in which the companies of the ERG Group are involved, and/or may in the future be involved, could result in reputational damage, or the revocation of the authorizations and licenses currently held by them. Adverse outcomes in existing or future proceedings, claims or investigations could have a negative impact on the business prospects, revenues, results of operations and financial condition of the ERG Group, and have a consequential adverse impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

ERG is exposed to a number of different tax uncertainties, which would have an impact on its tax results

ERG determines the taxation it is required to pay based on its interpretation of applicable tax laws and regulations. As a result, it may face unfavourable changes in those tax laws and regulations to which it is subject. Such interpretation may, inter alia, lead to litigation with tax authorities (for further information in this respect, see "Description of the Issuer and the ERG Group – Legal Proceedings" below and ERG's 2022 Consolidated Financial Statements incorporated by reference in this Base Prospectus. Any changes to tax legislation and/or case law or to its interpretation or application by the 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, may cause the ERG Group 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.

Risks relating to any violations of anti-corruption compliance laws

The ERG Group is subject to anti-corruption laws and it is vulnerable to anti-corruption compliance risk in all countries where it carries out its business.

An employee and/or a company of the ERG Group could be involved in proceedings for offences committed in breach of anti-corruption laws. Although ERG condemns the commission of any type of corruption and has set up a system of rules and controls defined in relation to the national and international regulatory context it operates in, and trains employees in respect of such matters, employees could nevertheless take actions that expose the ERG Group to potential liability under applicable anti-corruption laws. In particular, in certain circumstances, the ERG Group companies may be held liable for actions taken by its employees, local partners agents and consultants, even though such parties are not always subject to its control.

If the ERG Group is found to be liable for violations of anti-corruption compliance laws or regulations (either due to the ERG Group's acts or the omissions, or due to the acts or omissions of others), the ERG Group could suffer from civil and criminal penalties or other sanctions which, together with any adverse publicity generated by such results, could have a material adverse effect on the ERG Group's business, financial condition and results of operations with a consequential adverse impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors.

The Issuer is a holding company, which creates structural subordination risks for the holders of the Notes

The operations of the ERG Group are, and may be, carried out by the Issuer primarily through its subsidiaries, as well as entities in which the ERG Group has an interest but which it does not control, such as joint ventures and project companies, and therefore the Issuer depends on the earnings and cash flows of, and the distribution of funds from, these subsidiaries and entities to meet its debt obligations, including its obligations with respect to the Notes.

Generally, creditors of such entities, including trade creditors, secured creditors and creditors holding indebtedness and guarantees issued by the entity, and preferred shareholders, if any, of the entity, will be entitled to the assets of that entity before any of those assets can be distributed to shareholders upon liquidation or winding up. As a result, the Issuer's obligations in respect of the Notes will, to the extent described above, be structurally subordinated to the prior payment of all the debts and other liabilities of the Issuer's direct and indirect subsidiaries and other entities, including the rights of trade creditors and preferred shareholders (if any), as well as contingent liabilities, all of which could be substantial.

Furthermore, any limitations on the Issuer's ability to receive funds from its subsidiaries or such other entities, and any enforcement of the guarantees issued by the Group in favour of its subsidiaries or such other entities could have a negative impact on the business prospects, financial condition and results of operations of the ERG Group and a consequent adverse impact on the market value of the Notes and/or on the Issuer's ability to fulfil its obligations under the Notes.

Risks applicable to certain types of Notes

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature 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 also may 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.

In addition, with respect to the options under Condition 6.2 (*Redemption for tax reasons*), Condition 6.3 (*Redemption at the option of the Issuer (Issuer Call)*) and Condition 6.4 (*Clean-Up Call*), the Issuer's right to redeem at par all or, as the case may be, part of the Notes will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the relevant option the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested. If the Issuer calls and redeems the Notes in the circumstances mentioned above, the Noteholders may not be able to reinvest the redemption proceeds in securities offering a comparable yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

Furthermore, with respect to the Clean-Up Call, there is no obligation under the Conditions for the Issuer to inform investors if and when 20 per cent. or less of the initial aggregate principal amount of a particular Series of Notes remains outstanding, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Clean-Up Call, the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

The Issuer Call is exercisable in whole or in part and such exercise by the Issuer in respect of certain Notes may affect the liquidity of the Notes in respect of which such option is not exercised

The Issuer Call provided in Condition 6.3 (*Redemption at the option of the Issuer (Issuer Call)*) is exercisable in whole or in part. If the Issuer decides to redeem certain Notes in part only, such partial redemption may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised. Depending on the number of the Notes of the same Series in respect of which the Issuer Call is exercised, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid.

Redemption for tax reasons

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Taxation

The tax regime in the Republic of Italy and in any other relevant jurisdiction (including, without limitation, the jurisdiction in which each Noteholder is resident for tax purposes) may be relevant to the acquiring, holding and disposing of Notes and the receiving of payments of interest, principal and/or other income under the Notes. The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes. Prospective investors in the Notes should consult their own tax advisers as to which countries' tax laws could be relevant and the consequences of such actions under the tax laws of those countries. For further information on the principal Italian tax consequences of the purchase, ownership, redemption and disposal of the Notes, see the section headed "Taxation" below.

Investors will not be able to calculate in advance their rate of return on Floating Rate Notes.

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the Conditions provide for frequent interest payment dates, investors are exposed to reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to issue also Fixed Rate Notes may affect the market value and the secondary market (if any) of the Floating Rate Notes (and vice versa).

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate

to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

In respect of any Notes issued as "Green Bonds" there can be no assurance that the relevant use of proceeds will be suitable for the investment criteria of an investor.

If so specified in the relevant Final Terms, the Issuer may issue Notes under the Programme described as "green bonds" (**Green Bonds**) in accordance with the principles set out by the International Capital Market Association (**ICMA**) (the Green Bond Principles (**GBP**)) and as described in the Issuer's Green Bond Framework (as amended, supplemented or replaced from time to time, the **Green Bond Framework**), which is available for viewing on the Issuer's website at <https://www.erg.eu/en/investor-relations/debt>. The Green Bond Framework was reviewed by Vigeo Eiris which provided a second-party opinion confirming the alignment of the Green Bond Framework with the GBP (the **Green Bond Framework Second-party Opinion**). The Green Bond Framework and the Green Bond Framework Second-party Opinion are not, nor shall they be deemed to be, incorporated in and/or form part of this Base Prospectus. The Issuer's Green Bond Framework may be amended at any time without the consent of Noteholders and none of the Issuer, any other member of the Group, the Arrangers or the Dealers assumes any obligation or responsibility to release any update or revision to the Green Bond Framework and/or information to reflect events or circumstances after the date of publication of the Green Bond Framework.

Prospective investors should have regard to the information set out at "*Reasons for the Offer*" in the applicable Final Terms 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 investors deem necessary, and must assess the suitability of that investment in light of their own circumstances. In particular, no assurance is given by the Issuer, the Arrangers or the Dealers that the use of such proceeds for the funding of any green project, as the case may be, 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 standards (including the EU Green Bond Standard (as defined below)) or by its own by-laws or other governing rules or investment portfolio mandates.

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

A first Delegated Act on sustainable activities for climate change adaptation and mitigation objectives - Commission Delegated Regulation (EU) 2021/2139 - was published in the Official Journal on 9 December 2021 and is applicable since January 2022. A second delegated act setting out proposed technical screening criteria for economic activities that make a substantial contribution to the (non-climate) environmental objectives of the Taxonomy Regulation was published for consultation by the European Commission in April 2023. The consultation closed on 3 May 2023.

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

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

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

Furthermore, on 18 June 2019, the Commission Technical Expert Group on sustainable finance published its final report on a future European standard for green bonds (the **EU Green Bond Standard**). On 6 July 2021, the European Commission officially adopted a legislative proposal for a EU Green Bond Standard setting out four main requirements: (i) allocation of the funds raised by the green bond should be made in compliance with the EU Taxonomy Regulation; (ii) full transparency on the allocation of the green bond proceeds; (iii) monitoring and compliance activities to be carried out by an external reviewer; and (iv) registration of external reviewers with the ESMA and subjection to its supervision. On 28 February 2023 negotiators for the Council, the EP and the Commission reached a provisional political agreement on the text, which is expected to be formally adopted by the European Parliament and the Council.

Furthermore, on 6 April 2022 the European Commission adopted the Regulatory Technical Standards (RTS) to Regulation (EU) 2019/2088 (the **Sustainable Finance Disclosure Regulation**) which apply from 1 January 2023.

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

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

Notwithstanding the current legislative efforts on EU level regarding the regulation of sustainable finance, it should be noted that there is currently no clearly established definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, respectively, a "green" or equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change.

Accordingly, no assurance is or can be given to investors that any green project, towards which proceeds of the Notes are to be applied will meet the investor expectations regarding such "green" or equivalently-labelled

performance objectives or that any adverse green and/or other impacts will not occur during the implementation of any green project.

In the event that the Notes are listed or admitted to trading on any dedicated "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or standards or by its own by-laws or other governing rules or investment portfolio mandates, in particular in regard with regard to any direct or indirect sustainable impact of any projects or uses, the subject of or related to, any sustainability reports. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer that any such listing or admission to trading will be obtained in respect of the Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to allocate an amount equal to the net proceeds of any Notes issued as Green Bonds in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the 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 the proceeds of the relevant Green Bonds will be totally or partially disbursed for such projects. Nor can there be any assurance that such green projects will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the relevant Green Bonds.

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

Any failure by the Issuer to comply with its reporting obligations in relation to Green Bonds, as applicable, will not constitute an Event of Default under the relevant Notes.

In addition, there can be no assurance by the Issuer or the Dealers that the use of proceeds of any Green Notes will satisfy, whether in whole or in part, any future legislative or regulatory requirements, or any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates.

No assurance of suitability or reliability of any Second Party Opinion or any other opinion or certification of any third party relating to any Green Bonds.

It should be noted that, in connection with the issue of Green Bonds, the Issuer may request a sustainability rating agency or sustainability consulting firm to issue a second-party opinion confirming that the relevant green project, as the case may be have been defined in accordance with the broad categorisation of eligibility for green projects set out in the GBP and the SBG and/or a second-party opinion regarding the suitability of the Notes as an investment in connection with certain environmental projects (any such second-party opinion, a **Second-party Opinion**). A Second-party Opinion, including the Green Bond Framework Second Party Opinion, may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced toward an amount corresponding the net proceeds of the relevant issue of Green Bonds. A Second-party Opinion, including the Green Bond Framework Second Party Opinion, would not constitute a recommendation to buy, sell or hold the relevant Green Bonds and would only be current as of the date it is released. Prospective investors must determine for themselves the relevance of any Second-party Opinion, including the Green Bond Framework Second Party Opinion, and/or the information contained therein and/or the provider of such Second-party Opinion, including the provider of the Green Bond Framework Second Party Opinion, for the

purpose of any investment in such Notes. Currently, the providers of such Second-party Opinions, including the provider of the Green Bond Framework Second Party Opinion, are not subject to any specific regulatory or other regime or oversight. A withdrawal of the Second-party Opinion, including the Green Bond Framework Second Party Opinion, may affect the value of such Green Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

Notes issued as Green Bonds are not linked to the performance of the eligible green projects, do not benefit from any arrangements to enhance the performance of the Notes or any contractual rights derived solely from the intended use of proceeds of such Notes

The performance of the Green Bonds is not linked to the performance of the relevant eligible green projects or the performance of the Issuer in respect of any environmental or similar targets. There will be no segregation of assets and liabilities in respect of the Green Bonds and the eligible green projects. For the avoidance of doubt, payments of principal and interest and the operation of any other features (as the case may be) on the relevant Green Bonds shall not depend on the performance of the relevant eligible green project, nor have any preferred or any other right against the green assets towards which proceeds of the relevant Green Bonds are to be applied.

The regulation, discontinuation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks", (including the euro interbank offered rate (**EURIBOR**)) are the subject of ongoing national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark, such as Floating Rate Notes.

Regulation 2016/1011 (as amended, the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the Financial Conduct Authority (**FCA**) or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the

risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

Such factors may have (without limitation) the following effects on certain benchmarks (including EURIBOR): (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the discontinuation or unavailability of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The “*Terms and Conditions of the Notes*” provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable or a Benchmark Event (as defined in the Terms and Conditions of the Notes) otherwise occurs. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate determined by an Independent Adviser in consultation with the Issuer and that such Successor Rate or Alternative Rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have an adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes referencing a benchmark.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The Notes do not restrict the amount of debt which the Issuer may incur

The Conditions do not contain any restriction on the amount of indebtedness which the Issuer and its Subsidiaries (as defined in the Conditions) may from time to time incur. In the event of any insolvency or winding-up of the Issuer, the Notes will rank equally with the Issuer’s other unsecured senior indebtedness and, accordingly, any increase in the amount of the Issuer’s unsecured senior indebtedness in the future may reduce the amount recoverable by Noteholders. In addition, the Notes are unsecured and, save as provided in Condition 3 (*Negative Pledge*), do not contain any restriction on the giving of security by the Issuer and its Material Subsidiaries (as defined in the Conditions) over present and future indebtedness. Where security has been granted over assets of the Issuer to secure indebtedness, in the event of any insolvency or winding-up of the Issuer, such indebtedness will rank in priority over the Notes and other unsecured indebtedness of the Issuer in respect of such assets. In relation to the assets and indebtedness of the Issuer’s subsidiaries, see also “*The Issuer is a holding company, which creates structural subordination risks for the holders of the Notes*” above.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The terms and conditions applicable to each Series will be as agreed between the Issuer and the relevant Dealer at or prior to the time of issuance of such Series and will be completed by the relevant Final Terms. The terms and conditions applicable to each Series will therefore be those set out under "*Terms and Conditions of the Notes*" below, subject to being completed by the relevant Final Terms in relation to each Series.

The Conditions and the Agency Agreement contain provisions, which are binding on the Issuer and the holders of Notes, for convening meetings of the holders of Notes of any Series to consider matters affecting their interests generally, including the modification or waiver of the Conditions applicable to any Series of Notes. These provisions permit defined majorities to make decisions that may affect Noteholders' rights and obligations under the Notes and 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. Any such amendment to the Notes may include, without limitation, lowering the ranking of the Notes, reducing the amount of principal and interest payable on the Notes, changing the time and manner of payment, changing provisions relating to redemption, limiting remedies on the Notes, and changing the amendment provisions. These and other changes may adversely impact Noteholders' rights and may adversely impact the market value of the Notes. Furthermore, the Issuer has the right to correct manifest errors in the Conditions without the Noteholders' consent.

The value of the Notes could be adversely affected by a change in applicable law or administrative practice.

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus and the provisions of the Agency Agreement concerning meetings of Noteholders are subject to compliance with the laws of the Republic of Italy. No assurance can be given as to the impact of any possible judicial decision or change to English law and/or Italian law (where applicable) or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

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.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, 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.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

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.

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single Series with a Tranche of Notes which is already issued). Although application has been made for the Notes issued under the Programme to be admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Furthermore, 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.

Notes may have no established trading market when issued and one may never develop. If a market for the Notes 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.

Delisting of the Notes

Application has been made for Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange and Notes issued under the Programme may also be admitted to trading, listing and/or quotation by any other listing authority, stock exchange or quotation system (each, a "listing"), as specified in the relevant Final Terms. Such Notes may subsequently be delisted despite the best efforts of the Issuer to maintain such listing and, although no assurance is made as to the liquidity of the Notes as a result of listing, any delisting of the Notes may have a material effect on a Noteholder's ability to resell the Notes on the secondary market.

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 the Specified Currency. 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 Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency 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 Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) 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 value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer, or the Notes. The 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 is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

Investors regulated in the UK are subject to similar restrictions under UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

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

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository, or as the case may be, a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant 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 one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depository or, as the case may be, a 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 relevant 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.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant 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. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer

in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

The Issuer believes that the risks described above are the principal risks inherent in the holding of Notes issued under Programme for holders of the Notes of any Series but the inability of the Issuer to pay interest or repay principal on the Notes of any Series may occur for other unknown reasons at the date of the Base Prospectus. While the various structural elements described in this Base Prospectus are intended to lessen some of these risks for holders of Notes of any Series, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of Notes of any Series of interest or principal on such Notes on a timely basis or at all.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from (i) the audited consolidated financial statements of the Issuer for the financial years ended respectively 31 December 2022 and 31 December 2021 (respectively the **2022 Consolidated Financial Statements** and the **2021 Consolidated Financial Statements** and together the **Audited Financial Statements**), (ii) the unaudited interim consolidated financial data at 31 March 2023 and at 31 March 2022 (respectively the **Unaudited Interim Consolidated Financial Data at 31 March 2023**, included in the press release issued by the Issuer dated 12 May 2023 entitled “The Board of Directors of ERG S.p.A. approves the consolidated results for the first quarter of 2023”, and the **Unaudited Interim Consolidated Financial Data at 31 March 2022**, included in the press release issued by the Issuer dated 13 May 2022 entitled “The Board of Directors of ERG S.p.A. approves the consolidated results for the first quarter of 2022” and together the **Unaudited Interim Consolidated Financial Data**). The Audited Consolidated Financial Statement and the Unaudited Interim consolidated financial Data shall hereafter be defined as the **Financial Information**.

The Issuer's financial year ends on 31 December, and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year.

The Audited Financial Statements have been prepared, without any waiver or exception, in accordance with the Standards issued by the International Accounting Standards Board (**IASB**) and endorsed by the European Union, inclusive of all international standards that have undergone interpretation (**International Financial Reporting Standards - IFRS**) and the interpretations issued by the International Financial Reporting Interpretation Committee (**IFRIC**) and by the previous Standing Interpretations Committee (**SIC**). The set of all reference standards and interpretations indicated above shall hereafter be defined as “**EU – IFRS**”;

The Unaudited Interim Consolidated Financial Data at 31 March 2023 and 2022, even if have been prepared in accordance with **EU – IFRS** and the recognition and measurement criteria adopted in preparing the results for the first quarter of 2023 are the same as those adopted in preparing the **2022 Consolidated Financial Statements** to which reference is made, are not a full or condensed set of financial statements as provided by IFRS or IAS 34.

It should be noted that the Consolidated Financial Statement and the Unaudited Interim Consolidated Financial Data were presented in accordance with the provisions of IFRS 5 with reference to the ongoing process for the sale of the thermoelectric business and the finalisation of the sale of the hydroelectric business, which took place on 3 January 2022, therefore reclassifying to the line “Net result of assets held for sale” the result of the thermoelectric business for 2022, and the result of the Hydro business for 2021.

As the comparison of the results of financial year 2022 with those of the corresponding period of 2021 is significantly affected by the considerable transformation of the Group's portfolio, in order to facilitate the understanding of the performance of the two periods and in application of IFRS 5, the 2021 comparative figures of Statement of Financial Position, Income Statement, Statement of Cash Flow have been restated in **2022 Consolidated Financial Statements**, with impact on the related Alternative Performance Measurements, by excluding the contribution of the hydroelectric and thermoelectric business. For further information about the business disposals, please refer to paragraph 4.2 Asset Rotation.

All historical financial information presented in this Base Prospectus is that of ERG and its consolidated subsidiaries. Accordingly, unless otherwise stated, all references to the "Group" in respect of historical financial information in this Base Prospectus are to ERG and its subsidiaries on a consolidated basis.

This Base Prospectus includes the financial information of the ERG Group and in particular:

- 2022 Consolidated Financial Statements; and

- the Unaudited Interim Consolidated Financial Data.

Alternative Performance Measures (APMs)

Certain unaudited financial information of this Base Prospectus relates either to:

- certain financial indicators that are not recognized by the Standards issued by the IASB and endorsed by the European Union, inclusive of all IFRS and the interpretations issued by the IFRIC and by the SIC or any other generally accepted accounting principles and that may not be permitted to appear on the face of the Financial Statements or footnotes thereto adjusted to give effect; or
- certain unaudited financial information which is "adjusted" by excluding "special items" in order to facilitate the understanding of the businesses' operating performance and the net financial indebtedness.

The above are all defined as **Alternative Performance Measures** or **APMs**.

On 3 December 2015 CONSOB issued Communication no. 92543/15, which transposes the Guidelines regarding the use and presentation of Alternative Performance Measures in the context of regulated financial information, issued on 5 October 2015 by the European Securities and Markets Authority (ESMA). The Guidelines, which updated the CESR Recommendation on Alternative Performance Measures (CESR/05 - 178b), aim to promote the usefulness and transparency of alternative performance measures so as to improve their comparability, reliability and comprehensibility.

Some of the APMs used in this document are different from the financial indicators expressly provided for by the IAS/IFRS adopted by the Group.

These alternative indicators are used by the Group in order to facilitate the communication of information on its business performance as well as its net financial indebtedness.

Furthermore, in order to enhance understanding of the business segments' performance, the operating results are shown with the exclusion of significant special income components of an extraordinary nature (special items): these results are indicated with the term "Adjusted results".

Since the composition of these indicators is not regulated by the applicable accounting reporting standards, the method used by the Group to determine these indicators may not be consistent with the method used by other operators and so these might not be fully comparable.

Definitions of the APMs used by the Group in this Base Prospectus and a reconciliation with the items of the financial statements templates adopted are as follows:

- **Adjusted Revenue** are Revenue, as indicated in the Financial Information, with the exclusion of significant special income components of an extraordinary nature (Special Items).
- **Gross Operating Profit (EBITDA)** is an indicator of operating performance calculated by adding "Amortisation, depreciation and impairment losses" to the net operating profit. Gross Operating Profit is explicitly indicated as a subtotal in the financial statements and labelled as "EBITDA" in the Base Prospectus.
- **Operating Profit (EBIT)** means, in relation to any relevant period, the consolidated net profit (loss) of the Group before profit from discontinued operations, income taxes, gains/(losses) on equity investments, net financial expenses. Operating Profit is a subtotal in the financial statements labelled also as "EBIT" in the Base Prospectus.

- **Adjusted EBITDA** is the EBITDA, as defined above, with the exclusion of significant special income components of an extraordinary nature (Special Items) and with the adjustment of the impact tied to the IFRS 16 application.
- **Adjusted EBIT** is the EBIT, as defined above, with the exclusion of significant special income components of an extraordinary nature (Special Items) and with the adjustment of the impact tied to the IFRS 16 application.
- **Adjusted EBITDA margin %** is an indicator of the operating performance calculated by comparing the Adjusted EBITDA to the Adjusted Revenue.
- **Adjusted EBITDA per Country and Technology** is the EBITDA split as per the IFRS 8 operating segments as illustrated in the notes to the Consolidated Financial Statements and in the Unaudited Interim Consolidated Financial Data, with the exclusion of significant special income components of an extraordinary nature (Special Items) and with the adjustment of the impact tied to the IFRS 16 application.
- **Adjusted Profit attributable to the owners of the parent** is the profit attributable to the owners of the parent, with the exclusion of significant special income components of an extraordinary nature (Special Items), with the adjustment of the impact tied to the IFRS 16 application net of the related tax effects and with the adjustment of the impact of IFRS 5.
- **Net invested capital of assets held for sale** is, in 2022 the equity contribution of the thermoelectric business, and, in 2021 the impact related to the application of IFRS 5 on the hydroelectric scope.
- **Net invested capital of continuing operation** is determined by the algebraic sum of Adjusted Non-current Assets, Net Operating Working Capital, Employee Benefits, Other Assets and Other Liabilities.
- **Net invested capital** is Net invested capital of continuing operation with the inclusion of Net invested capital of assets held for sale.
- **Adjusted net invested capital** is the Net invested capital, as defined above, with the exclusion of impact tied to the application of IFRS 16 and with the inclusion of the depreciation and amortisation on intangible assets and property plant and equipment classified as assets held for sale starting from the date on which Group management was tasked with opening negotiations for the sale of the assets (hydroelectric business: July 1, 2021 – thermoelectric business: February 1, 2022). The amount is shown net of applicable tax effects.
- **Adjusted net invested capital of continuing operation** is the Adjusted net invested capital, as defined above, with the exclusion of the impact of Net invested capital of assets held for sale.
- **Adjusted non-current asset** is the algebraic sum of Authorizations and Concessions, Other intangible assets, Goodwill, Property, plant and equipment, Right-of-use assets, Equity investments and Other non-current financial assets.
- **Net Operating working capital** is determined by the algebraic sum of inventories, trade receivables and trade payables.
- **Other assets** are determined by the algebraic sum of deferred tax assets, other non-current assets, other current assets, current tax assets, receivables for commodity hedging derivatives within current and non-current financial asset measured at fair value.
- **Other liabilities** are determined by the algebraic sum of deferred tax liabilities, provision for disposed businesses, provisions for dismantling expenses, other current and non-current provisions, other current and non-current liabilities, current tax liabilities and liabilities for commodity hedging derivatives within current and non-current financial liabilities measured at fair value.

- **Net financial indebtedness** is an indicator of the financial structure and is determined in accordance with ESMA 32-382-1138 (Guidelines on Prospectus disclosures) and CONSOB RA 5/2021.
- **Net financial indebtedness of continuing operations** is the net financial indebtedness, as defined above, net of the liability linked to the discounting of future lease payments, following the application of IFRS 16 and net of positive fair value of financial derivatives.
- **Adjusted net financial indebtedness** is the Net financial indebtedness, as defined above, net of the liability linked to the discounting of future lease payments, following the application of IFRS 16, net of positive fair value of financial derivatives and including the liabilities associated with assets held for sale.
- **Financial leverage** is calculated by comparing the Net financial indebtedness of continuing operation to the Adjusted net invested capital as defined above net of liabilities associated with assets held for sale.
- **Investments** are the sum of investments in property, plant and equipment and intangible assets and the increases of each statement of financial position line item due to the business combinations made in each period excluding the financial statements lines that have an impact on net financial indebtedness; excluding the impact of IFRS 16 related to business combinations.
- **Investments in M&A** are the sum of investments in property, plant and equipment and intangible assets. They also include the carrying amount of the acquisitions of net assets within the scope of M&A transactions.
- **Capital Expenditure** represents the aggregate of the increases for investments in intangible assets, property plant and equipment.
- **Special items** include significant special income components of an extraordinary nature. These include:
 - (i) income and expenses connected to events whose occurrence is non-recurring, i.e. those transactions or events that do not frequently re-occur over the normal course of business;
 - (ii) income and expenses related to events that are not typical of normal business activities, such as restructuring and environmental costs;
 - (iii) capital gains and losses linked to the disposal of assets;
 - (iv) significant impairment losses recognised on assets following impairment tests;
 - (v) income and the associated reversals recognised in application of IFRS 9, in relation to the restructuring of loans in place.

Alternative Performance Measures reconciliation and notes

REVENUE

(EUR million)	Note	2022	2021	3Months 2023	3Months 2022
Revenue (a)		714	601	213	215
<i>Adjustments for:</i>					
Clawback measures	8)	35	-	7	-
Total (b)		35	-	7	-
Adjusted Revenue (a+b)		749	601	220	215

EBITDA

(EUR million)	Note	2022	2021	3Months 2023	3Months 2022
EBITDA (a)		499	397	164	166
<i>Special items:</i>					
- Reversal of ancillary charges on non-recurring operations	2)	(14)	(7)	(0)	(1)
- Adjustment for impact of IFRS 16	3)	12	9	3	3
- Reversal of clawback measures	8)	(35)	-	(7)	(3)
- Reversal of indemnity CEO	4)	-	(3)	-	-
- Reversal for release of provision for disposed businesses	1)	(1)	(2)	-	-
Total (b)		(38)	(2)	(3)	(2)
Adjusted EBITDA (a-b)		537	399	167	168
Adjusted EBITDA margin		72%	66%	76%	78%

EBITDA and Adjusted EBITDA Breakdown per Country and Technology reconciliation

(EUR million)	2022			2021		
	EBITDA	Adjustm.	Adjusted EBITDA	EBITDA	Adjustm.	Adjusted EBITDA
Italy	254	16	270	275	8	283
<i>Italy Wind & Solar</i>	291	3	295	302	6	308
<i>Wind</i>	221	(3)	218	237	6	243
<i>Solar</i>	70	7	77	65	(0)	65
<i>Italy Corporate</i>	(38)	12	(25)	(28)	3	(25)
<i>Corporate</i>	(38)	12	(25)	(28)	3	(25)
Abroad	246	22	267	121	(5)	116
France	58	5	63	47	(2)	45
<i>Wind</i>	53	5	58	46	(2)	44
<i>Solar</i>	5	0	5	1	0	1
Germany	73	(1)	72	31	(2)	28
UK and Sweden	24	(0)	24	(2)	(0)	(2)
Spain	18	(0)	18	0	0	0
East Europe	72	18	90	46	(0)	45
Total	499	37	537	396	2	399

EBIT

(EUR million)	Note	2022	2021	3Months 2023	3Months 2022
EBIT (a)		221	168	106	104
Special items:					
- Reversal of ancillary charges on non-recurring operations	2)	(14)	(7)	(0)	(1)
- Adjustment for impact of IFRS 16	3)	5	4	2	1
- Reversal of clawback measures	8)	(35)	-	(7)	(3)
- Reversal of Repowering write-downs	9)	(43)	(22)	-	(7)
- Reversal for release of provision for disposed businesses	1)	(1)	(2)	-	-
- Reversal of indemnity CEO	4)	-	(3)	-	-
Total (b)		(88)	(29)	(5)	(10)
Adjusted EBIT (a-b)		308	198	111	114

PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT

(EUR million)	Note	2022	2021	3Months 2023	3Months 2022
Profit attributable to the owners of the parent (a)		379	173	76	388
<i>Adjustments for:</i>					
Adjustment for impact of IFRS 5	5)	340	16	5	324
Adjustment for impact of IFRS 16	3)	(0)	0	(0)	-
Exclusion of the impact of clawback measures, solidarity contribution and 25% Surplus profit	11)	(83)	-	(5)	(17)
Exclusion of indemnity CEO	4)	-	(2)	-	-
Exclusion of ancillary charges on loan prepayments	6)	(2)	(14)	(3)	(2)
Exclusion of ancillary charges on non-recurring operations	2)	(11)	(6)	(0)	(1)
Exclusion of substitute tax Solar Italy	10)	1	-	-	-
Exclusion of Repowering writedowns	9)	(31)	(16)	-	(5)
Exclusion of expenses related to disposed Businesses	1)	2	(2)	2	(0)
Exclusion of impairment losses on plant I-Test	5)	(66)	(3)	-	-
Exclusion of the net gain on refinancing (IFRS 9)	7)	(3)	(2)	(1)	(1)
Total (b)		147	(29)	(2)	299
Adjusted Profit attributable to the owners of the parent (a-b)		232	202	78	89

INVESTMENTS

(EUR million)	2022	2021
<i>Intangible assets:</i>		
Acquisition of intangible assets (i)	4	4
<i>Property, plant and equipment:</i>		
Acquisitions of property, plant and equipment (ii)	303	224
Capital Expenditure (i+ii)	307	228
<i>Change in consolidation scope (business combinations):</i>		
Non-current assets	(+)	765
Inventories	(+)	-
Trade receivables	(+)	28
Other current assets	(+)	12
Current tax assets	(+)	1
Non controlling interests	(-)	-
Deferred tax liabilities	(-)	91
Provisions for dismantling expenses	(-)	6
Other non current provisions	(-)	10
Other non current liabilities	(-)	1
Other current provisions	(-)	-
Trade payables	(-)	12
Other current liabilities	(-)	21
Current tax liabilities	(-)	6
Investments in M&A (iii)	660	415
<i>Adjustments for:</i>		
impact of IFRS 16 (iv)	(21)	(26)
Investments (i+ii+iii+iv)	946	617

NET FINANCIAL INDEBTEDNESS

(EUR million)	31 March 2023	31 December 2022	31 December 2021
<i>A. Cash</i>	541	393	860
<i>B. Cash equivalents</i>	-	-	-
<i>C. Other current financial assets¹</i>	301	245	491
D. Liquidity (A+B+C)	843	638	1,351
<i>E. Current financial indebtedness</i>	(12)	(57)	(1,057)
<i>E. Current financial debt - instruments measured at Fair Value</i>	-	(0)	(56)
<i>F. Current portion of non-current financial liabilities - loans, borrowings, project financing and leases</i>	(172)	(321)	(284)
<i>F. Current portion of non-current financial liabilities - other liabilities</i>	(12)	(13)	(2)
<i>F. Current portion of non-current financial liabilities - current lease liabilities</i>	(6)	(6)	(6)
G. Current financial indebtedness (E+F)	(202)	(396)	(1,405)
H. Net current financial indebtedness (G-D)	641	242	(53)
<i>I. Non-current financial indebtedness</i>	(320)	(156)	(459)
<i>I. Non-current financial liabilities - Non-current lease liabilities</i>	(150)	(151)	(123)
<i>J. Bonds issued</i>	(1,593)	(1,593)	(1,591)
<i>K. Trade payables and other liabilities</i>	(2)	(2)	(14)
<i>K. Trade payables and other liabilities (instruments measured at fair value)</i>	-	-	(10)
L. Non-current financial indebtedness (I+J+K)	(2,066)	(1,902)	(2,197)
Net financial indebtedness (H+L)	(1,425)	(1,661)	(2,251)
<i>Exclusion of IFRS 16 impact (lease liabilities)</i>	157	157	129
<i>Exclusion of positive fair value IRS financial derivatives</i>	0	5	1
<i>Exclusion of positive fair value financial derivatives ERG S.p.A.</i>	62	64	-
Net financial indebtedness of continuing operations	(1,206)	(1,434)	(2,121)
<i>Inclusion of liabilities associated with assets held for sale</i>	(58)	(98)	69
Adjusted net financial indebtedness	(1,264)	(1,533)	(2,051)

¹ Included Receivables for non-commodity hedging derivatives within Financial Assets Measured at Fair Value and Current financial assets.

NET INVESTED CAPITAL

(EUR million)	2022	2021
Authorisations and Concessions	956	682
Other intangible assets	15	7
Goodwill	408	306
Property, plant and equipment	2,120	1,922
Right-of-use assets	154	127
Equity investments	2	12
Other non-current financial assets	39	33
Adjusted Non-current assets (a)	3,695	3,089
Inventories	18	32
Trade receivables	202	320
Trade payables	(123)	(256)
Net operating working capital (b)	97	97
Employee benefits (c)	(4)	(4)
Deferred tax asset	138	150
Other non-current assets	54	54
Other current assets	82	125
Current tax assets	33	17
Receivables for commodity hedging derivatives within current and non-current financial assets measured at fair value	72	87
Other assets (d)	379	434
Deferred tax liabilities	(197)	(107)
Provision for disposed businesses	(85)	(75)
Provisions for dismantling expenses	(93)	(61)
Other non-current provisions	(24)	(16)
Other current provisions	(39)	(52)
Other non-current liabilities	(31)	(31)
Other current liabilities	(60)	(38)
Current tax liabilities	(52)	(20)
Liabilities for commodity hedging derivatives within current and non-current financial liabilities measured at fair value	(77)	(149)
Other liabilities (e)	(657)	(549)
Net invested capital of continuing operation (f)=(a+b+c+d+e)	3,510	3,066
Net invested capital of assets held for sale (g)	235	683
Net invested capital (h)=(f+g)	3,745	3,749
<i>Adjustments for:</i>		
Impact of IFRS 16 (i)	(153)	(126)
Impact of depreciation and amortisation on intangible assets and property, plant and equipment classified as assets held for sale ² (j)	(20)	(16)

² It should be noted that in application of IFRS 5, the depreciation of assets was calculated up to the IFRS 5 classification date corresponding to the date on which Group management was tasked with opening negotiations for the sale of the assets (hydroelectric business: June 30, 2021; thermoelectric business: January 31, 2022). The amount is shown net of applicable tax effects.

Adjusted net invested capital (k)=(h+i+j)	3,572	3,608
<i>Adjustments for:</i>		
Net invested capital of assets held for sale (l)	(235)	(683)
Adjusted net invested capital of continuing operation³ (m)=(k+l)	3,337	2,925

APMs Notes

- Provisions relating to exceptional items on businesses disposed of by the Group. The adjustment in Profit attributable to the owners of the parent differs from the adjustment recorded in EBIT and EBITDA due to a price adjustment in business disposed of EUR 3 million in 2022, EUR 0 million in 2021, EUR 2 million in three-month period ended 31 March 2023 due to a price adjustment in business disposed and EUR 0 million in three-month period ended 31 March 2023.
- Ancillary costs relating to other non-recurring transactions also including the extraordinary bonuses paid in 2022 and, for 2021, the acquisitions relating to operational wind farms and solar installations in France, the acquisition of a project for the development of a wind farm in Sweden, as well as the unsuccessful acquisitions. The adjustment in Profit attributable to the owners of the parent differs from the adjustment recorded in EBIT and EBITDA due to the tax impact of EUR 2 million, EUR 1 million, EUR 0 million and EUR 0 million respectively for the periods 2022, 2021, three-month period ended 31 March 2023 and 2022.
- Exclusion of the effects tied to the IFRS 16 application. The adjustment in EBIT differs from the adjustment recorded in EBITDA due to the depreciation impact of EUR 7 million, EUR 5 million, EUR 1 million and EUR 2 million respectively for the periods 2022, 2021, three Month period ended 31 March 2023 and 2022. The adjustment in Profit attributable to the owners of the parent differs from the adjustment recorded in EBIT due to the financial charges impact of EUR 5 million, EUR 4 million, EUR 2 million and EUR 1 million respectively for the periods 2022, 2021, three-month period ended 31 March 2023 and 2022.
- Termination indemnity related to the end of office and succession of the Chief Executive Officer, which took place on 26 April 2021.
- Impact of the application of IFRS 5 on the thermoelectric plant in Sicily, including impairment losses recognised on the following the Impairment Test procedure in the 2022 and 2021.
- Financial expense related to the early closure of corporate loans as part of Liability Management transactions.
- IFRS 9 does not allow for the deferment of the positive economic effects of the renegotiation of loans on the residual life of the liability. For the purposes of clearer disclosure of the cost of net financial indebtedness, it was considered appropriate to show in the adjusted income statement financial expense related to the debt service payment, deferring the recognition of benefits of the renegotiation over the remaining term of the liability and not recognising them all in one immediate entry at the time of the amendment. The adjustment commented herein relates primarily to the reversal of the aforementioned benefit net of the effects linked to the reversal of similar income relating to re-financing operations of previous years.
- Impact of Clawback Measures & Windfall tax.

³ For comparative and consistency purposes, in this Base Prospectus the Adjusted net invested capital of continuing operation is shown excluding for the year 2022 the thermoelectric business net investment capital and for the year 2021 the hydroelectric business net invested capital, in application of IFRS 5, as defined in section APMs above.

9. Impairment of the net residual value of the property, plant and equipment and intangible assets of wind farms in Italy following the authorisation of a Repowering project and a photovoltaic plant following the authorisation of a Revamping project. The adjustment in profit attributable to the owners of the parent differs from the adjustment recorded in EBIT due to the tax impact of EUR 12 million, EUR 6 million, EUR 2 million and EUR 0 million respectively for the periods ended 31 December 2022, 31 December 2021, three-month period ended 31 March 2023 and 31 March 2022.
10. Reversal of the ERG Solar Holding substitute tax benefit.
11. Impacts of the urgent measures to contain the effects of price increases in the electricity sector, already including, in addition to the aforementioned clawback and windfall tax measures, the extraordinary contribution envisaged by Art. 37 of Italian Decree Law no. 21/2022 for the Continuing Operations scope and the Contribution Extraordinary 2023.

Indirect and contingent indebtedness

As of 31 December 2022, ERG Group incurred short-term financial liabilities amounting to EUR 261 million, mainly for the development of wind farms in the UK, France, Poland and Sweden (EUR 32 million) and for the development of repowering projects in Italy with a positive outcome from the incentive auctions (EUR 230 million).

For information related to provisions and contingent liabilities, see ERG's 2022 Consolidated Financial Statements (in the Note 26 Other Provisions on page 208 and Note 27 Contingent Liabilities and Disputes on page 209).

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below:

- *U.S. dollars, U.S.\$* and *\$* refer to United States dollars;
- *Sterling* and *£* refer to pounds sterling;
- *euro* and *€* refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended; and
- *billion* refer to a thousand million.

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown in 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.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published shall be incorporated in, and form part of, this Base Prospectus:

- (a) the Annual Report as at 31 December 2022 of the Issuer including the following:
- the 2022 Consolidated Financial Statements of the Issuer including the information set out at the following pages in particular:

Income Statement	Page 159
Statement of Comprehensive Income	Page 160
Statement of Financial Position	Page 161
Statement of Cash Flows	Page 162
Statement of Changes in Equity	Page 163
Notes to the Consolidated Financial Statements	Pages 164-278
Independent Auditors' Report	Pages 279-285
 - the Director's Report of the Issuer including the information set out at the following pages in particular:

Regulatory Framework – Incentives	Pages 37-39
Relevant Legislative and Institutional Updates	Pages 40-50

The Annual Report as at 31 December 2022 of the Issuer can be accessed at the following website:

https://www.erg.eu/c/document_library/get_file?uuid=00823c8e-c68b-5c7e-3b84-6a931a305534&groupId=10181&version=1.0

- (b) the Annual Report as at 31 December 2021 of the Issuer including the following:
- the 2021 Consolidated Financial Statements of the Issuer including the information set out at the following pages in particular:

Income Statement	Page 247
Statement of Comprehensive Income	Page 248
Statement of Financial Position	Page 249
Statement of Cash Flows	Page 250
Statement of Changes in Equity	Page 251
Notes to the Consolidated Financial Statements	Pages 252-363
Independent Auditors' Report	Pages 364-370
 - the Director's Report of the Issuer including the information set out at the following pages in particular:

Regulatory Framework – Incentives	Pages 51-54
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The Annual Report as at 31 December 2021 of the Issuer can be accessed at the following website:

https://www.erg.eu/c/document_library/get_file?uuid=c0bbd81b-939d-f82c-d9e9-636150a8b1e2&groupId=10181&version=1.0

- (c) The press release issued by the Issuer on 12 May 2023 entitled "The Board of Directors of ERG S.p.A. approves the consolidated results for the first quarter of 2023" relating to the Interim Consolidated Financial Data at 31 March 2023 (the **12 May 2023 Press Release**):

The entire document except the "2023 Guidance" bullet point on page 2, the paragraphs starting with "Paolo Merli, Chief Executive Officer of ERG, commented" on page 2 and the paragraphs under the heading "Business outlook" on pages 23 and 24.

Any information contained in the 12 May 2023 Press Release which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in the Base Prospectus.

The 12 May 2023 Press Release can be accessed at the following website:

https://www.erg.eu/c/document_library/get_file?uuid=46dff8e-2e01-e1b3-6e2f-d7e47a1bb48f&groupId=10181&version=1.0

- (d) The press release issued by the Issuer on 13 May 2022 entitled "The Board of Directors of ERG S.p.A. approves the consolidated results for the first quarter of 2022" relating to the Interim Consolidated Financial Data at 31 March 2022 (the **13 May 2022 Press Release**):

The entire document except the "2022 Guidance" bullet point on page 2, the paragraphs starting with "Paolo Merli, Chief Executive Officer of ERG, commented" on page 3 and the paragraphs under the heading "Business outlook" on pages 24 and 25.

Any information contained in the 13 May 2022 Press Release which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in the Base Prospectus.

The 13 May 2022 Press Release can be accessed at the following website:

https://www.erg.eu/c/document_library/get_file?uuid=a084e351-eb84-dafa-1977-9427fec03475&groupId=10181&version=1.0

- (e) The press release issued by the Issuer on 5 May 2023 entitled "ERG consolidates its presence in Spain Acquisition of a 149 MWp solar power plant in an advanced phase of construction" relating to the acquisition, through the Issuer's subsidiary ERG Spain HoldCo SLU, of a 100% stake in Garnacha Solar SL, owner of a 149 MWp solar power plant located in the region of Castilla and León, in north-western Spain (the **5 May 2023 Press Release**).

Any information contained in the 5 May 2023 Press Release which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in the Base Prospectus.

The 5 May 2023 Press Release can be accessed at the following website:

https://www.erg.eu/c/document_library/get_file?uuid=6d05f97f-1ba7-461d-9369-ec15039e565e&groupId=10181&version=1.0

- (f) The press release issued by the Issuer on 23 June 2023 entitled “ERG consolidates its presence in Spain Completion of the closing of the Garnacha solar power plant in final phase of construction” relating to the closing of the acquisition from IBV Solar Parks, BV, through the Issuer’s subsidiary ERG Hamburg Holding GmbH, of a 100% stake in Garnacha Solar SL, which is the owner of a solar power plant located in the region of Castilla and León, in north-western Spain (the **23 June 2023 Press Release**).

Any information contained in the 23 June 2023 Press Release which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in the Base Prospectus.

The 23 June 2023 Press Release can be accessed at the following website:

https://www.erg.eu/c/document_library/get_file?uuid=a3677151-ca97-fcb8-48d7-2e2540681054&groupId=10181&version=1.0

- (g) The press release issued by the Issuer on 29 June 2023 entitled “Agreement for the sale of the Priolo Gargallo thermoelectric plant” relating to the sale to Achernar Assets AG of the entire share capital of ERG Power S.r.l. owner of the Combined Cycle cogeneration plant Gas Turbine (CCGT) with low environmental impact and high efficiency, powered by natural gas, in Priolo Gargallo (Syracuse) (the **29 June 2023 Press Release**).

Any information contained in the 29 June 2023 Press Release which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in the Base Prospectus.

The 29 June 2023 Press Release can be accessed at the following website:

https://www.erg.eu/c/document_library/get_file?uuid=ab65f690-18ff-0adc-fb5e-09e4c0644064&groupId=10181&version=1.0

- (h) The press release issued by the Issuer on 30 June 2023 entitled “ERG completes the closing of the Fregenal de la Sierra photovoltaic farm in Spain” relating to the closing of the acquisition from Renertia Gestion Solar II, SCR.-PYME S.A., through the Issuer’s subsidiary ERG Spain HoldCo SLU, of the entire share capital of Instalación Fotovoltaica Arericcol VIII, S.L.U. (the **30 June 2023 Press Release**).

Any information contained in the 30 June 2023 Press Release which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in the Base Prospectus.

The 30 June 2023 Press Release can be accessed at the following website:

https://www.erg.eu/c/document_library/get_file?uuid=50c50aab-e578-5682-eb4d-1ee7750bae93&groupId=10181&version=1.0

Any other information contained in any of the documents specified above that is not included in the cross-reference list above is either not relevant to investors rather than information required by the relevant Annexes of the Delegated Regulation, or is covered elsewhere in this Base Prospectus. Unless specifically incorporated by reference into this Base Prospectus, information contained on any website to which this Base Prospectus refers does not form part of this Base Prospectus.

The financial statements referred to above are available both in the original Italian and in English. Only the English language versions are incorporated by reference in, and form part of, this Base Prospectus. The English language versions are direct translations from the Italian language documents but, in the event of any

inconsistencies or discrepancies between the Italian and English language versions, the original Italian versions will prevail.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus can be obtained from the website of the Issuer as specified above, from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in 60 avenue J. F. Kennedy L-1855 Luxembourg and will be available for viewing on the website of the Luxembourg Stock Exchange (www.luxse.com).

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) and, together with a Temporary Global Note, each a **Global Note**) which, in either case, will:

- (a) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and
- (b) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Global Note of the same Series or (ii) for definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9 (*Events of Default*)) has occurred and is continuing, (ii) 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 is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Notes (other than Temporary Global Notes) and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

“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.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Notes or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

General

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9 (*Events of Default*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 18 July 2023 and executed by the Issuer.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which have a denomination of at least €100,000 (or its equivalent in any other currency) or more.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II ; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the Prospectus Regulation). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement [Directive (EU) 2016/97 / the Insurance Distribution Directive], where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

[UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in

respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the SFA) - [To insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)]]⁴

[Date]

ERG S.p.A

Legal entity identifier (LEI): 8156004604684CA44A90

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €3,000,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 18 July 2023 [and the supplement[s] to it dated [date] [and [date]]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on the Luxembourg Stock Exchange (www.luxse.com) website.

[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1. (a) Series Number: []
- (b) Tranche Number: []
- (c) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [Provide issue amount/ISIN/maturity date/issue date of earlier Tranches] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [] below, which is expected to occur on or about [date]][Not Applicable]

⁴ Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

2. Specified Currency or Currencies: []
3. Aggregate Nominal Amount:
- (a) Series: []
- (b) Tranche: []
4. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
5. (a) Specified Denominations: []
- (N.B. Notes must have a minimum denomination of €100,000 (or equivalent))*
- (Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*
- “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”)*
- (b) Calculation Amount (in relation to calculation of interest in global form see Conditions): []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. (a) Issue Date: []
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
7. Maturity Date: [Specify date or for Floating Rate Notes – Interest Payment Date falling in or nearest to [specify month and year]]
8. Interest Basis: [[] per cent. Fixed Rate]
[[[] month [EURIBOR]] +/- [] per cent. Floating Rate]
[Zero coupon]
(see paragraph [13]/[14]/[15]below)
9. Redemption[/Payment] Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the

Maturity Date at [100]/[] per cent. of their nominal amount⁵

10. Change of Interest Basis: *[For the period from (and including) the Interest Commencement Date, up to (but excluding) [date] paragraph [13/14] applies and for the period from (and including) [date], up to (and including) the Maturity Date, paragraph [13/14] applies”][Not Applicable]*
11. Put/Call Options: [Issuer Call]
[Clean-up Call]
[Change of Control Put]
[(see paragraph [17]/[18]/[19] below)]
[Not Applicable]
12. [Date [Board] approval for issuance of [] Notes obtained: *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date[, subject to a Fixed Rate Adjustment]
- (b) Fixed Rate Adjustment: [Applicable - the Notes are [Step-up/Step-down] Notes/Not Applicable]
- The Initial Rate of Interest is [] per cent. per annum payable in arrear on each Interest Payment Date.
- The Step-up Margin is [] per cent. per annum]
- (c) Interest Payment Date(s): [] in each year up to and including the Maturity Date
(Amend appropriately in the case of irregular coupons)
- (d) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [Unless a [Step-up/Step-down] Rating Change has occurred]
[] per Calculation Amount
- (e) Broken Amount(s) for Notes in definitive form (and in relation to [Unless a [Step-up/Step-down] Rating Change has occurred]

⁵ Notes will always be redeemed at least at 100 per cent. of their nominal value.

- Notes in global form see Conditions):
- [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (f) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (g) Determination Date(s): [[] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
14. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Interest Payment Dates: [] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
- (c) Additional Business Centre(s): []
- (d) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [] (the **Calculation Agent**)
- (e) Screen Rate Determination:
- Reference Rate: [] month [EURIBOR]
 - Interest Determination Date(s): []
(Second day on which the T2 is open prior to the start of each Interest Period if EURIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (f) Linear Interpolation: [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]

- (g) Margin(s): [+/-] [] per cent. per annum
 [The Notes are Step-up/Step-down Notes.
 The Step-up Margin is [] per cent.]
- (h) Minimum Rate of Interest: [] per cent. per annum
- (i) Maximum Rate of Interest: [] per cent. per annum
- (j) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]
 Actual/365 (Fixed)
 Actual/365 (Sterling)
 Actual/360
 [30/360][360/360][Bond Basis]
 [30E/360][Eurobond Basis]
 30E/360 (ISDA)]
15. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
 [Actual/360]
 [Actual/365]

PROVISIONS RELATING TO REDEMPTION

16. Notice periods for Condition 6.2 *(Redemption for tax reasons):* Minimum period: [30]/[] days
 Maximum period: [60]/[] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)
17. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [[] per Calculation Amount][Make-whole Amount]
[Set out appropriate variable details in this pro forma, for example reference obligation]

(If Make-Whole Amount is selected, include the following items of this subparagraph)

- Reference Bond: [Insert applicable Reference Bond/FA Selected Bond]
- Financial Adviser [insert name/As set out in Condition 6.3 (Redemption at the option of the Issuer (Issuer Call))]
- Quotation Time: [11.00 a.m. [London/specify other] time]
- Redemption Margin: [] per cent/Not Applicable]

(c) If redeemed in part:

(i) Minimum Redemption []
Amount:

(ii) Maximum Redemption []
Amount:

(d) Notice periods:

Minimum period: [15]/[] days
Maximum period: [30]/[] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)

18. Clean-up Call

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph 18)

(a) Notice Periods:

Minimum period: [] days

Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

19. Change of Control Put:

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph 19)

- (a) Optional Redemption Amount: [] per Calculation Amount
- (b) Notice periods: Minimum period: [] days
Maximum period: [] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)
20. Final Redemption Amount: [] per Calculation Amount
21. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [] per Calculation Amount
(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes:
- (a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]
[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
[Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]
- Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005
- (N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]."* .)
- (b) New Global Note: [Yes][No]
23. Additional Financial Centre(s): [Not Applicable/give details]

(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraphs 14(c) relates)

24. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

[THIRD PARTY INFORMATION]

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of **ERG S.p.A.:**

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange with effect from [].]

[Application will be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange with effect from [].]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings:

[The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

[insert details] by *[insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms]*.

Each of *[defined terms]* is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**)

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees [of *[insert relevant fee disclosure]*] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

The [Managers/Dealers] and their affiliates (including parent companies) have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and [its/their] affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

i) Reasons for the offer: [See "Use of Proceeds" in the Base Prospectus/*give details*] (*If the Notes are Green Bonds describe the relevant projects to which the net proceeds of the Tranche of Notes will be applied.*)

ii) Estimated net proceeds: []

5. YIELD (*Fixed Rate Notes only*) [Applicable]/[Not Applicable]

Indication of yield: []

6. OPERATIONAL INFORMATION

(a) ISIN: []

(b) Common Code: []

(c) CFI: [[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(d) FISN: [[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(e) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]

(f) Delivery: Delivery [against/free of] payment

(g) Names and addresses of additional Paying Agent(s) (if any): []

- [h) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” 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 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.]/
- [No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

7. DISTRIBUTION

- (a) Method of distribution: [Syndicated/Non-syndicated]
- (b) If syndicated, names of Managers: [Not Applicable/*give names*]
- (c) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
- (d) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (e) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
- (f) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the EEA, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared in the EEA, “Applicable” should be specified.)*
- (g) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]

(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared in the UK, “Applicable” should be specified.)

(h) Prohibition of Sales to Belgian Consumers:

[Applicable/Not Applicable]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Applicable Final Terms” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by ERG S.p.A. (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes, and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 18 July 2023 and made between the Issuer, BNP Paribas, Luxembourg Branch as issuing and principal paying agent and agent bank (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents). The Principal Paying Agent, the Calculation Agent (if any is specified in the applicable Final Terms and the Paying Agents, together referred to as the **Agents**.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 18 July 2023 and made by the Issuer. The original of the Deed of Covenant is held by the common depository for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant (i) are available for inspection or collection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agents or the Issuer and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent or the Issuer, as the case may be). If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.luxse.com). The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. **FORM, DENOMINATION AND TITLE**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Agent as the holder of such nominal

amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. STATUS OF THE NOTES

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3. NEGATIVE PLEDGE

3.1 Negative Pledge

So long as any Notes remain outstanding, the Issuer will not, and will procure that none of its Material Subsidiaries will, create or have outstanding any Security Interest (other than a Permitted Security Interest or a Security Interest to secure Project Finance Indebtedness) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness of the Issuer, unless the Issuer at the same time or prior thereto procures that:

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

3.2 Interpretation

For the purposes of these Conditions:

Group means the Issuer and its Subsidiaries;

Indebtedness means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any money borrowed or raised (other than the intra-group indebtedness);

EBITDA means, in relation to any Relevant Period, the consolidated net profit (loss) of the Group before profit from discontinued operations, income taxes, gains/(losses) on equity investments, net financial expenses, amortisation, depreciation and impairment of non-current assets. EBITDA is a subtotal in the income statement (labelled as “EBITDA” and/or as “Gross operating profit (EBITDA)”);

Financial Year means each period of twelve months ending on 31 December of each relevant year;

Material Subsidiary means, at any time, any Subsidiary of the Issuer (other than any Subsidiary which is a Project Finance Company) whose EBITDA on a non-consolidated or, if applicable, consolidated basis, as shown in the most recent audited consolidated or non-consolidated financial

statements of such Subsidiary, represents 15 per cent. or more of the consolidated EBITDA of the Issuer, as shown in or calculated by reference to the Issuer's most recent audited consolidated financial statements, provided that ERG Power S.r.l. shall be not considered anyway a Material Subsidiary as long as it is accounted for as an asset under disposal by the Issuer and its accounts not considered for the purpose of calculating the Group's consolidated EBITDA.

Permitted Security Interest means:

- (a) any Security Interest arising by operation of law; or
- (b) any Security Interest created by any entity upon the whole or any part of its undertaking or assets and existing at the time such entity (i) merges or consolidates with or is demerged, contributed or merged into or transferred to the Issuer or a Material Subsidiary, (ii) becomes a Material Subsidiary of the Issuer or (iii) sells, contributes or transfers all or substantially all of its assets to the Issuer or a Material Subsidiary, *provided that* such Security Interest was not created in connection with, or in contemplation of, such merger, consolidation, demerger, contribution, transfer or sale or such entity becoming a Material Subsidiary and *provided further that* the amount of Relevant Indebtedness secured by such Security is not subsequently increased; or
- (c) any Security Interest to secure Relevant Indebtedness upon or with respect to any present or future assets, receivables, remittances or payment rights of the Issuer or any of its Material Subsidiaries (the **Charged Assets**) which is created pursuant to any securitisation or like arrangements whereby all or substantially all the payment obligations in respect of such Relevant Indebtedness are to be discharged solely from the Charged Assets.

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;

Project Finance Company means a special purpose company which (alone or together with other affiliated special purpose companies) is specifically dedicated to the purpose of carrying out a Project Financing;

Project Finance Indebtedness means any present or future Indebtedness incurred on a Project Financing basis;

Project Financing means the financing of a project in respect of which the relevant lenders (i) satisfy their claims towards the Project Finance Company through the cash flow generated by the newly acquired and/or built assets of the project and (ii) are secured by the project assets without recourse towards other companies and/or assets of the Project Finance Company's group, with the exception of:

- (a) customary security over shareholders loans;
- (b) customary limited contingent contractual equity obligations covering specific events that may affect the projects; and
- (c) contingent equity (provided by way of, inter alia, subscription of shares, cash contributions, shareholder's loans and intercompany loans) committed to the Issuer's wind projects up to a maximum amount of €40,000,000;

Relevant Indebtedness means (i) any Indebtedness, whether present or future, which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange, over- the-

counter or other organised market for securities or (ii) any guarantee and/or indemnity in relation to any such Indebtedness;

Relevant Period means:

- (a) each Financial Year; and
- (b) each period beginning on the first day of the second half of the previous Financial Year and ending on the last day of the first half of its current Financial Year;

Security Interest means any mortgage, charge, pledge, lien or other form of security interest including, without limitation, anything substantially analogous to any of the foregoing under the laws of any jurisdiction; and

Subsidiary means *società controllata*, as defined in Article 2359, first and second paragraphs, of the Italian Civil Code.

4. INTEREST

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. In the case of Fixed Rate Notes which are specified in the applicable Final Terms as being Step-up/Step-down Notes, Condition 4.3 (*Interest on Step-up/Step-down Notes*) also applies. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount to the Calculation Amount in the case of Fixed Rate Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the

product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 4.1:

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
 - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a) (*Interest Payment Dates*), the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

- (a) 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 each Additional Business Centre (other than T2) specified in the applicable Final Terms;
- (b) if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor or replacement for that system (**T2**) is open; and
- (c) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 the principal financial centre of the country of the relevant Specified Currency (which if the

Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the T2 is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms. In the case of Floating Rate Notes which are specified in the applicable Final Terms as being Step-up/Step-down Notes, Condition 4.3 (*Interest on Step-up/Step-down Notes*) also applies.

The Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of Condition 4.2(b)(A), no such offered quotation appears or, in the case of Condition 4.2(b)(B), fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4.2(b) *Rate of Interest* is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4.2(b) *Rate of Interest* is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent or the Calculation Agent, as applicable, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (vii) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13 (*Notices*). For the purposes of this Condition 4.2(f), the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2(g) by the Principal Paying Agent or the Calculation Agent, as applicable, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the other Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, as applicable, in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Interest on Step-up/Step-down Notes

(a) Fixed Rate Notes

The Rate of Interest for Fixed Rate Notes which are specified in the applicable Final Terms as being Step-up/Step-down Notes will be the Initial Rate of Interest specified in the applicable Final Terms. The Initial Rate of Interest shall be subject to adjustment (each such adjustment, a **Fixed Rate Adjustment**) in the event of a Step-up Rating Change (or a deemed Step-up Rating Change, as set out below) (if any) or a subsequent Step-down Rating Change (or a subsequent deemed Step-down Rating Change, as set out below) (if any), as the case may be, in accordance with the following provisions.

Any Fixed Rate Adjustment shall apply in respect of the Fixed Interest Period commencing on the Interest Payment Date falling on or immediately following the date of the relevant Step-up Rating Change (or deemed Step-up Rating Change) or Step-down Rating Change (or deemed Step-down Rating Change), as the case may be, until either a further Fixed Rate Adjustment becomes effective or the date of redemption, as the case may be.

For any Fixed Interest Period commencing on or after the first Interest Payment Date immediately following the date of a Step-up Rating Change (or a deemed Step-up Rating Change), if any, the Rate of Interest shall be increased by the Step-up Margin specified in the applicable Final Terms. In the event that a Step-down Rating Change (or a deemed Step-down Rating Change) occurs after the date of a Step-up Rating Change (or a deemed Step-up Rating Change) or on the same date but subsequent thereto, then for any Fixed Interest Period commencing on the first Interest Payment Date following the date of such Step-down Rating Change (or such deemed Step-down Rating Change), the Rate of Interest shall be the Initial Rate of Interest.

(b) Floating Rate Notes

The Margin for Floating Rate Notes which are Step-up/Step-down Notes will be the Margin specified in the applicable Final Terms. The Margin shall be subject to adjustment (each such adjustment, a **Floating Rate Adjustment**) in the event of a Step-up Rating Change (or a deemed Step-up Rating Change) (if any) or a subsequent Step-down Rating Change (or a deemed Step-down Rating Change) (if any), as the case may be, in accordance with the following provisions.

Any Floating Rate Adjustment shall apply in respect of the Interest Period commencing on the Interest Payment Date falling on or immediately following the date of the relevant Step-up Rating Change (or deemed Step-up Rating Change) or Step-down Rating Change (or deemed Step-down Rating Change), as the case may be, until either a further Floating Rate Adjustment becomes effective or the date of redemption, as the case may be.

For any Interest Period commencing on or after the first Interest Payment Date immediately following the date of a Step-up Rating Change (or a deemed Step-up Rating Change), if any, the Margin shall be increased by the Step-up Margin specified in the applicable Final Terms.

In the event that a Step-down Rating Change (or a deemed Step-down Rating Change) occurs after the date of a Step-up Rating Change (or a deemed Step-up Rating Change) or on the same date but subsequent thereto, then for any Interest Period commencing on the first Interest Payment Date following the date of such Step-down Rating Change (or such deemed Step-down Rating Change), the Margin shall be the Margin specified in the applicable Final Terms.

(c) General

- (i) In the event that (a) any Rating Agency ceases to assign a rating to the Notes and (ii) the Notes do not carry, or the Issuer fails to obtain, an investment grade rating of the Notes from any

other substitute Rating Agency within 180 days, then a Step-up Rating Change will be deemed to have occurred. If a rating of the Notes is subsequently assigned by at least one Rating Agency, then if such rating is an investment grade credit rating (BBB-/Baa3/BBB-, or equivalent) or higher, a Step-down Rating Change will be deemed to have occurred on the date of such assignment.

- (ii) The Rate of Interest or the Margin (as applicable) will only be subject to adjustment due to a Step-up Rating Change (or a deemed Step-up Rating Change), as provided above, upon the first occurrence on or after the Interest Commencement Date of a Step-up Rating Change (or a deemed Step-up Rating Change) and may occur only once. An adjustment to the Rate of Interest or the Margin (as applicable) following the occurrence of a Step-down Rating Change (or a deemed Step-down Rating Change) may only occur once and, in any event, only after the occurrence of a Step-up Rating Change (or a deemed Step-up Rating Change).
- (iii) The Issuer shall cause each Rating Change (if any) and the applicable Rate of Interest or applicable Margin to be notified to the Agent, any stock exchange on which the Notes are for the time being listed and the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable after such Rating Change.
- (iv) If the rating designations employed by any Rating Agency are changed from those which are described in this Condition, the Issuer shall determine the rating designations of the relevant Rating Agency as are most equivalent to the prior rating designations of such Rating Agency, and this Condition 4.3 shall be construed accordingly.

In the Conditions:

Rating Agency means Fitch and/or Moody's and/or S&P where **Fitch** means Fitch Ratings Ireland Limited or any successor or affiliate, **Moody's** means Moody's Investors Service Limited or any successor or affiliate, and **S&P** means S&P Global Ratings, a division of S&P Global Inc. or any successor or affiliate;

Rating Change means a Step-up Rating Change (or a deemed Step-up Rating Change) and/or a Step-down Rating Change (or a deemed Step-down Rating Change);

Step-down Rating Change means, subject as provided above in relation to a deemed Step-down Rating Change, the first public announcement after a Step-up Rating Change by the relevant Rating Agency of an increase in its rating of the Notes to investment grade (BBB-/Baa3/BBB-, or equivalent) or higher, provided that, for the avoidance of doubt, any further increase in the credit rating of the Notes above investment grade (BBB-/Baa3/BBB-, or equivalent) shall not constitute a further Step-down Rating Change; and

Step-up Rating Change means, subject as provided above in relation to a deemed Step-up Rating Change, the first public announcement by any Rating Agency (such Rating Agency, the **relevant Rating Agency**) of a decrease in its rating of the Notes to below investment grade (BBB-/Baa3/BBB-, or equivalent). For the avoidance of doubt, any further decrease in the credit rating of the Notes from below investment grade (BBB-/Baa3/BBB-, or equivalent) by the relevant Rating Agency or any other Rating Agency shall not constitute a further Step-up Rating Change.

4.4 **Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

4.5 Benchmark Discontinuation

This Condition 4.5 is applicable to Notes only if the Floating Rate Note Provisions are specified in the form of Final Terms as being applicable.

(a) Independent Adviser

If a Benchmark Event occurs (as may be determined by the Issuer) in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.5(b) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4.5(c) (*Adjustment Spread*)) and any Benchmark Amendments (in accordance with Condition 4.5(d) (*Benchmark Amendments*)).

An Independent Adviser appointed pursuant to this Condition 4.5(a) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith, fraud and gross negligence, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, the Calculation Agent (if any is specified in the applicable Final Terms), the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 4.5.

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4.5(a) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this Condition 4.5(a) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4.5(a).

(b) Successor Rate or Alternative Rate

If the Independent Adviser determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4.5(c) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4.5); or

- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4.5(c) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4.5).

(c) Adjustment Spread

If the Independent Adviser determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

Notwithstanding any other provision of Condition 4 (*Interest*), if in the opinion of the Principal Paying Agent or the Calculation Agent, as applicable, there is any uncertainty between two or more alternative courses of action in making any determination or calculation under Condition 4 (*Interest*), the Principal Paying Agent or the Calculation Agent, as applicable, shall promptly notify the Issuer thereof and the Issuer shall direct the Principal Paying Agent or the Calculation Agent, as applicable, in writing as to which alternative course of action to adopt. If the Principal Paying Agent or the Calculation Agent, as applicable, is not promptly provided with such direction it shall notify the Issuer thereof and the Principal Paying Agent or the Calculation Agent, as applicable, shall be under no obligation to make such calculation or determination.

(d) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4.5 and the Independent Adviser determines (i) that amendments to these Conditions and the Agency Agreement, including but not limited to Relevant Screen Page, are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the Benchmark Amendments) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 13 (*Notices*), without any requirement for the consent or approval of Noteholders, vary these Conditions and the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4.5(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.5 will be notified promptly by the Issuer to the Principal Paying Agent or the Calculation Agent, as applicable, and each Paying Agent and, in accordance with Condition 13 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(f) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4.5(a) (*Independent Adviser*) to Condition 4.5(d) (*Benchmark Amendments*), the Original Reference Rate and the

fallback provisions provided for in Condition 4.2(b) will continue to apply unless and until a Benchmark Event has occurred.

For the purposes of this Condition 4.5:

Adjustment Spread means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (ii) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged); or
- (iii) the Independent Adviser determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

Alternative Rate means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 4.5(b) (*Successor Rate or Alternative Rate*) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes and with an interest period of a comparable duration to the relevant Interest Period;

Benchmark Amendments has the meaning given to it in Condition 4.5(d) *Benchmark Amendments*;

Benchmark Event means:

- (i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate announcing that such Original Reference Rate is no longer representative or as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or
- (v) it has become unlawful for the Agents, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

For the avoidance of doubt, the Agents shall not be obliged to monitor or inquire whether a Benchmark Event has occurred or have any liability in respect thereof.

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4.5(a) (*Independent Adviser*);

Original Reference Rate means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (C) a group of the aforementioned central banks or other supervisory authorities, or (D) the Financial Stability Board or any part thereof;

Successor Rate means the rate that the Independent Adviser determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulations to which the Issuer or its Agents are subject, 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.

5.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender 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 such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter).

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

5.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of

principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

5.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition 5.4, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

5.5 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8 (*Prescription*)) is:

- (a) 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):
 - (i) in the case of Notes in definitive form only, in the relevant place of presentation; and
 - (ii) in each Additional Financial Centre (other than T2) specified in the applicable Final Terms;
- (b) if T2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the T2 is open; and
- (c) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and

Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the T2 is open.

5.6 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*);
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes; and
- (e) 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 the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*).

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount (which will be 100 per cent. of the nominal amount of the Notes) specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

6.2 Redemption for tax reasons

Subject to Condition 6.6 (*Early Redemption Amounts*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Principal Paying Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6.2, the Issuer shall deliver to the Principal Paying Agent to make available at its specified office to the Noteholders (i) a certificate signed by an authorised signatory 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 such change or amendment.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.6 (Early Redemption Amounts) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms or, if a Make-whole Amount is specified in the applicable Final Terms, will be an amount equal to the higher of (as determined by the Issuer or a delegated third party agent/independent advisor):

- (a) 100 per cent. of the nominal amount of the Notes to be redeemed; or
- (b) as calculated by the Financial Adviser, the sum of the present values of the nominal amount of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) 366) at the Reference Bond Rate (as defined below), plus the specified Redemption Margin,

plus in each case, for the avoidance of doubt, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

In the Conditions:

FA Selected Bond means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes;

Financial Adviser shall be as set out in the applicable Final Terms or an independent and internationally recognised financial adviser selected by the Issuer;

Redemption Margin shall be as set out in the applicable Final Terms;

Reference Bond shall be as set out in the applicable Final Terms or the FA Selected Bond;

Reference Bond Price means, with respect to the Optional Redemption Date, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Issuer in consultation with the Financial Adviser obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

Reference Bond Rate means, with respect to the Optional Redemption Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such Optional Redemption Date;

Reference Government Bond Dealer means each of five banks selected by the Issuer, or their affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues;

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and the Optional Redemption Date, the arithmetic average, as determined by the Issuer in consultation with the Financial Adviser, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Issuer and the Financial Adviser by such Reference Government Bond Dealer; and

Remaining Term Interest means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the Optional Redemption Date.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6.3 by the Agent and/or the Issuer and/or the Financial Adviser, shall (in the absence of gross negligence, wilful default or fraud) be binding on the Issuer, the Agent, the Paying Agents and all Noteholders and Couponholders.

In the case of a partial redemption of Notes, 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 date fixed for redemption (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 13 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 (*Notices*) at least five days prior to the Selection Date.

6.4 Clean-Up Call

If Clean-Up Call is specified as being applicable in the applicable Final Terms, in the event that 20 per cent. or less of the initial aggregate principal amount of a particular Series of Notes (including any Notes issued pursuant to Condition 15 (*Further Issues*)) remains outstanding, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 13 (*Notices*) (which notice

shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the outstanding Notes in that Series at par together with any interest accrued to the date set for redemption.

6.5 Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)

If Change of Control Put is specified as being applicable in the applicable Final Terms and a Put Event (as defined below) has occurred, each Noteholder may, during the Change of Control Redemption Period (as defined below), notify the Issuer, as further provided below, that it requires the early redemption of all or some of its Notes. The Issuer, will redeem in whole (but not in part) the Notes the subject of the notice on the Change of Control Redemption Date (as defined below) at the Optional Redemption Amount specified in applicable Final Terms together with accrued interest thereon up to (but excluding) the Change of Control Redemption Date.

Any Change of Control shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) by the Issuer within five Business Days of its occurrence. Such notice shall also indicate the relevant Change of Control Redemption Period (as defined below) and Change of Control Redemption Date. For so long as the Notes are listed on the regulated market of the Luxembourg Stock Exchange and the rules of such exchange so require, the Issuer shall also notify the Luxembourg Stock Exchange promptly of any Change of Control.

Any such notification will indicate the date of the Change of Control, the period in which the early redemption of the Notes may be requested (the **Change of Control Redemption Period**) and the Change of Control Redemption Date. The Change of Control Redemption Period will run for 20 Business Days following the date on which notice of the Change of Control is given to the Noteholders in accordance with Condition 13 (*Notices*) and, for the purpose of this Condition 6.5, **Change of Control Redemption Date** means the date specified in the notification of Change of Control by the Issuer, being a date not earlier than 5 nor later than 10 Business Days after expiry of the Change of Control Redemption Period.

To exercise the right to require early redemption of any Notes, the holder of the Notes must deliver at the specified office of any Paying Agent, on any Business Day during the Change of Control Redemption Period, a duly signed and completed notice of exercise in the form (for the time being current and which may, if such Notes are held in a clearing system, be in any form acceptable to such clearing system and may be delivered in any manner acceptable to such clearing system) obtainable from the 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 6.5 accompanied by such Notes or evidence satisfactory to the Paying Agent concerned that such Notes will, following the delivery of the Put Notice, be held to its order or under its control. A Put Notice given by a holder of any Note shall be irrevocable except where, prior to the Change of Control Redemption Date, an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Put Notice.

As used herein:

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;

A **Change of Control** shall be deemed to occur if any person or group of persons acting in concert, other than the Shareholders, acquires Control of the Issuer;

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

Put Event shall be deemed to occur if:

- (a) a Change of Control occurs; and
- (b) at the time of the later of the first public announcement and the occurrence of the Change of Control, the Notes carry from any Rating Agency (as defined in Condition 4.3 (*Interest on Step-up/Step-down Notes*)) either:
 - (i) an investment grade credit rating (BBB-/Baa3/BBB-, or equivalent, or better), and such rating from any Rating Agency is within 180 days of the later of the first public announcement and the occurrence of the Change of Control either downgraded to a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse) or withdrawn and is not within such 180-day period subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency or (in the case of a withdrawal) replaced by an investment grade credit rating from any other Rating Agency; or
 - (ii) a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse), and such rating from any Rating Agency is within 180 days of the later of the first public announcement and the occurrence of the Change of Control downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) and is not within such 180-day period subsequently upgraded to its earlier credit rating or better by such Rating Agency; or
 - (iii) no credit rating, and no Rating Agency assigns within 90 days of the later of the first public announcement and the occurrence of the Change of Control an investment grade credit rating to the Notes(each, a **Rating Event**), and
- (c) in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the Change of Control;

Shareholders means, with reference to the shares of the Issuer, (i) each of the end beneficial holders of interests in San Quirico S.p.A. at the Issue Date (being members of the Garrone and/or Mondini families), together with, in relation to each such beneficial holder, his or her spouse(s), partner(s), children and other direct or indirect descendants or heirs, (ii) San Quirico S.p.A. and (iii) any Person controlled by the aforementioned, directly or indirectly, individually or collectively, and any trust, parental trust fund for minors or private foundation set up by any of the aforementioned.

6.6 Early Redemption Amounts

For the purpose of Condition 6.2 (*Redemption for tax reasons*) and Condition 9 (*Events of Default*):

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

6.7 Purchases

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation

6.8 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.7 (*Purchases*) (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

6.9 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1 (*Redemption at maturity*), 6.2 (*Redemption for tax reasons*), 6.3 (*Redemption at the option of the Issuer (Issuer Call)*) and 6.5 (*Redemption at the option of the Noteholders upon a Change of Control (Change of Control Put)*) or upon its becoming due and repayable as provided in Condition 9 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.6(b) (*Early Redemption Amounts*) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

7. TAXATION

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

- (a) presented for payment in a Tax Jurisdiction; or
- (b) presented for payment by, or on behalf of a holder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption; or
- (c) in relation to any payment or deduction on any interest, premium or other proceeds of any Note or Coupon on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996 (**Decree No. 239**), as amended and restated from time to time, or any related implementing regulations and in all circumstances in which the requirements and procedures to obtain an exemption from *imposta sostitutiva* under Decree No 239 have not been met or complied with; or
- (d) where such withholding or deduction is required pursuant to Italian Law Decree No. 512 of 30 September 1983, converted into Law No. 649 of 25 November 1983 as amended from time to time; or
- (e) presented for payment by, or on behalf of, a holder who is liable for such Taxes in respect of the Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of the Note or Coupon; or
- (f) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.5 (*Payment Day*)).

For the avoidance of doubt, the Issuer, the Paying Agent or any other party, as the case may be, shall be permitted to withhold or deduct any amounts required by the rules of US Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions) or pursuant to any agreement with the US Internal Revenue Service (**FATCA Withholding**) and no person shall be required to pay any additional amounts or otherwise indemnify in respect of FATCA Withholding.

As used herein:

- (i) **Tax 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 payments made by the Issuer of principal and interest on the Notes and Coupons become generally subject; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys

having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13 (*Notices*).

8. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7 (*Taxation*) therefor).

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 8 or Condition 5.2 (*Presentation of definitive Notes and Coupons*) or any Talon which would be void pursuant to Condition 5.2 (*Presentation of definitive Notes and Coupons*).

9. EVENTS OF DEFAULT

If any one or more of the following events (each an **Event of Default**) shall occur and is continuing:

- (a) *Non-payment*: if default is made in the payment of any amount due in respect of the Notes or any of them and, in the case of a payment of principal, the default continues for a period of 7 days and in the case of a payment of interest, the default continues for a period of 14 days; or
- (b) *Breach of other obligation*: if the Issuer fails to perform or observe any of its other obligations under these Conditions (being obligations other than payment obligations to which Condition 9(a) applies) and the failure continues for the period of 30 days following the service by any Noteholder on the Issuer of notice requiring the same to be remedied; or
- (c) *Cross-default*: if (i) any Indebtedness of the Issuer or any of its Material Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described), or (ii) the Issuer or any of its Material Subsidiaries fails to make any payment in respect of any of its Indebtedness on the due date for payment as extended by any originally applicable grace period, or (iii) any security given by the Issuer or any of its Material Subsidiaries for any Indebtedness becomes enforceable, or (iv) default is made by the Issuer or any of its Material Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness, unless such payment (or the anticipated maturity thereof), enforcement of security or default, as the case may be, is contested in good faith by the Issuer or the relevant Material Subsidiary by all appropriate means, including (where applicable) an application to a competent court for a declaration that such payment is not due, such security is not enforceable and/or such default has not occurred (as the case may be) and provided that, in the case of (i), (ii), (iii) and (iv) above, such Indebtedness is, either individually or in the aggregate, in a principal amount of €30,000,000 or more, or its equivalent in any other currency; or
- (d) *Unsatisfied judgment*: if the Issuer or any of its Material Subsidiaries fails to pay, for a period of 45 days after the date(s) of receipt of notice or, if later, the date therein specified for payment, one or more judgment(s) or order(s) of a court of competent jurisdiction rendered against the Issuer or the relevant Material Subsidiary for the payment of any amount in excess of €30,000,000 (or its equivalent in any other currency or currencies), provided that no such event shall constitute an event of default so long as and to the extent that the Issuer or the relevant Material Subsidiary is contesting in a court of competent jurisdiction, in good faith, that the relevant amount shall not be due or enforceable, as appropriate, on the date specified for payment in the relevant notice and such judgment or order is subsequently discharged within 120 days, commencing on the date on which the Issuer or the relevant Material Subsidiary commences the appropriate proceedings in the court of competent jurisdiction; or

- (e) *Winding-up*: 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 Material Subsidiaries except for the purposes of, or pursuant to, a Permitted Transaction; or
- (f) *Cessation of business*: if the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on the whole or substantially the whole of its business, except for the purposes of, or pursuant to, a Permitted Transaction; or
- (g) *Insolvency/enforcement proceedings*: if (i) the Issuer or any of its Material Subsidiaries becomes insolvent or bankrupt or is unable to pay its debts (or any class of its debts) as they fall due or (ii) proceedings are initiated against the Issuer or any of its Material Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Material Subsidiaries or, as the case may be, in relation to the whole or substantially the whole of the undertaking or assets of the Issuer or any of its Material Subsidiaries or (iii) an encumbrancer takes possession of the whole or substantially the whole of the undertaking or assets of the Issuer or any of its Material Subsidiaries or (iv) a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or substantially the whole of the undertaking or assets of the Issuer or any of its Material Subsidiaries, and (v) in any of the foregoing cases unless initiated by the Issuer or the relevant Material Subsidiary, is not contested in good faith by all appropriate means by the Issuer or the relevant Material Subsidiary, or is not stayed or dismissed, in each case within 30 days (such period commencing on the date of presentation of the relevant petition or application); or
- (h) *Composition*: if the Issuer or any of its Material Subsidiaries takes any action for judicial composition proceedings with its creditors or the appointment of an administrator, liquidator, receiver, administrative receiver or other similar official in insolvency proceedings or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any guarantee of any Indebtedness given by it; or
- (i) *Analogous event*: if any event occurs which, under the laws of the Republic of Italy, has an analogous effect to any of the events referred to in Conditions 9(e) to (h); or
- (j) *Unlawfulness/unenforceability*: if it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Agency Agreement or any such obligations cease or will cease to be legal, valid, binding and enforceable;

then any holder of a Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

As used herein, **Permitted Transaction** means:

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

the Issuer and/or another Subsidiary of the Issuer (as the case may be) or (ii) a third party as a going concern for full consideration on arm's length terms; or

- (ii) in the case of the Issuer, any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind or restructuring or other similar transaction, in each case whilst solvent whereby the whole or substantially the whole of the assets and undertakings of the Issuer are transferred, sold, contributed, assigned or otherwise vested in (i) any Subsidiary of the Issuer or (ii) a body corporate that is in good standing and such body corporate (A) assumes liability as principal debtor in respect of the Notes and (B) continues to carry on all or substantially all of the business of the Issuer and with respect to (A), an opinion of an independent legal adviser of recognised standing in the Republic of Italy is delivered to the Agent confirming the same prior to the effective date of such Permitted Transaction, *provided that* no Rating Downgrade occurs following such transaction; or
- (iii) any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind or restructuring whilst solvent or other similar arrangement on terms previously approved by an Extraordinary Resolution.

A **Rating Downgrade** will be deemed to have occurred if, at the time of the later of the first public announcement and the effective date of the Permitted Transaction, the Notes carry from any Rating Agency either:

- (i) an investment grade credit rating (BBB-/Baa3/BBB-, or equivalent, or better), and such rating from any Rating Agency is within 90 days of the later of the first public announcement and the effective date of the Permitted Transaction either downgraded to a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse) or withdrawn and is not within such 90-day period subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by such Rating Agency or (in the case of a withdrawal) replaced by an investment grade credit rating from any other Rating Agency; or
- (ii) a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse), and such rating from any Rating Agency is within 90-days of the later of the first public announcement and the effective date of the Permitted Transaction downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) and is not within such 90-day period subsequently upgraded to its earlier credit rating or better by such Rating Agency; or
- (iii) no credit rating, and no Rating Agency assigns within 45 days of the later of the first public announcement and the effective date of the Permitted Transaction an investment grade credit rating to the Notes,

provided that, in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the Permitted Transaction;

10. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon 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 such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes Coupons or Talons must be surrendered before replacements will be issued.

11. AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, 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 a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or 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.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.4 (*General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

13. NOTICES

All notices regarding the Notes will be deemed to be validly given if published (a) in a leading English language daily newspaper of general circulation in London and (b) if and for so long as the Notes are admitted to trading on, and listed on the Official List of, the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg or the Luxembourg Stock Exchange's website, www.luxse.com. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London and the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. MEETINGS OF NOTEHOLDERS AND MODIFICATION

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification of these Conditions, the Notes, the Coupons or any of the provisions of the Agency Agreement. All meetings of the Noteholders will be held in accordance with applicable provisions of Italian law in force at the time (including, without limitation, Legislative Decree No. 58 of 24 February 1998 as amended) and the By-laws of the Issuer in force from time to time. Accordingly, the provisions contained in the Agency Agreement 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. Without prejudice to the foregoing, in accordance with Article 2415 of the Italian Civil Code, the meeting of Noteholders is empowered to resolve upon the following matters: (i) the appointment and revocation of the Noteholders' Representative, (ii) any amendment to these Conditions, (iii) motions for the composition with creditors (*concordato*) of the relevant Issuer; (iv) establishment of a fund for the expenses necessary for the protection of the common interests of the Noteholders and the related statements of account; and (v) any other matter of common interest to the Noteholders.

Italian law currently provides that such a meeting may be convened by the Issuer or the Noteholders' Representative (as defined below) at their discretion and, in any event, shall be convened by either of them upon the request of any Noteholder(s) holding not less than 5 per cent. in nominal amount of the Notes for the time being remaining outstanding. If the meeting has not been convened following such request of the Noteholders, the same may be convened by a decision of the competent court in accordance with the provisions of Article 2367, paragraph 2, of the Italian Civil Code. Every such meeting shall be held at such time as indicated in the notice of meeting and at such place as provided pursuant to Article 2363 of the Italian Civil Code.

Such a meeting will be validly held if (i) in the case of a sole call meeting, there are one or more persons present being or representing Noteholders holding at least one-fifth of the principal amount of the outstanding Notes; or (ii) (a) in the case of a first meeting, there are one or more persons present being or representing Noteholders holding at least one half of the aggregate nominal amount of the Notes for the time being outstanding; (b) in the case of a second meeting, following adjournment of first meeting for want of quorum, there are one or more persons present being or representing Noteholders holding more than one third of the aggregate nominal amount of the Notes for the time being outstanding; and (c) in the case of any further adjourned meeting, there are one or more persons present being or representing Noteholders holding at least one fifth of the aggregate nominal amount

of the Notes for the time being outstanding, 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) convened to vote on any resolution will be one or more persons holding or representing at least two thirds of the aggregate nominal amount of the Notes for the time being outstanding represented at the meeting; provided, however, that (A) certain proposals (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons) may only be sanctioned by a resolution passed at a meeting (including adjourned meetings as provided under Article 2415 of the Italian Civil Code) of Noteholders by the higher of (i) one or more persons holding or representing not less than one half of the aggregate principal amount of the outstanding Notes, and (ii) one or more persons holding or representing not less than two thirds of the Notes represented at the meeting, 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.

Officers and statutory auditors of the Issuer shall be entitled to attend the Noteholders' meetings but not participate or vote with reference to the Notes held by the Issuer. Any resolution duly passed at any such meeting shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

A representative of the Noteholders (*rappresentante comune*) (the **Noteholders' Representative**), subject to applicable provisions of Italian law, may be appointed pursuant to Article 2417 of the Italian Civil Code in order to represent the Noteholders' interests under these Conditions and to give effect to resolutions passed at a meeting of the Noteholders. If the Noteholders' Representative is not appointed by a meeting of such Noteholders, the Noteholders' Representative shall be appointed by a decree of the court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the Board of Directors of the Issuer. The Noteholders' Representative shall remain appointed for a maximum period of three years but may be reappointed again thereafter and shall have the powers and duties set out in Article 2418 of the Italian Civil Code.

In derogation from Article 2415 of the Italian Civil Code, the Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Coupons or the Agency Agreement which, in the sole opinion of the Issuer, is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Coupons or the Agency Agreement which, in the sole opinion of the Issuer, is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of applicable law or with the provisions of the Issuer's By-laws (*statuto*) applicable to the convening of meetings, quorums and the majorities required to pass a resolution entered into force at any time while the Notes remain outstanding.

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

For the avoidance of doubt, any variation of the Conditions and the Agency Agreement to give effect to the Benchmark Amendments in accordance with Condition 4.5 (*Benchmark Discontinuation*) shall not require the consent or approval of Noteholders or Couponholders.

15. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17. GOVERNING LAW AND SUBMISSION TO JURISDICTION

17.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and construed in accordance with, English law, provided that Condition 12 (*Exchange of Talons*) and the provisions of the Agency Agreement concerning meetings of Noteholders are subject to compliance with the laws of the Republic of Italy.

17.2 Submission to jurisdiction

The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Coupons and accordingly has submitted to the exclusive jurisdiction of the English courts. Each of the Issuer, the Noteholders and the Couponholders waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

17.3 Appointment of Process Agent

The Issuer hereby irrevocably and unconditionally appoints ERG UK Holding LTD at its registered office from time to time as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of such agent ceasing so to act it will appoint another person as its agent for that purpose.

17.4 Other documents

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

USE OF PROCEEDS

Unless otherwise specified in the applicable Final Terms, the net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit. If the Tranche of Notes to be issued is described as "Green Bonds", the applicable Final Terms will describe the relevant projects to which the net proceeds of the Tranche of Notes will be applied.

In case of Green Bonds, an amount equal to the net proceeds of the "Green Bonds" will be used to finance or refinance other Eligible Green Projects as defined in the Green Bond Framework of the Issuer.

For more information on the Green Bond Framework, please refer to section "Description of the Issuer", paragraph "Sustainable Finance".

For the purposes of this section, Eligible Green Projects means projects with a positive impact in terms of environmental sustainability, in accordance with the broad categorisation of eligibility for green projects pursuant to the then applicable "Green Bond Principles" set out by the International Capital Market Association, as further specified under the latest "Green Bond Framework" published on the Issuer's website (<https://www.erg.eu/en/investor-relations/debt>). Information on the Issuer's website (including the Green Bond Framework) does not form part of this Base Prospectus, unless such information is expressly incorporated by reference into the Base Prospectus.

DESCRIPTION OF THE ISSUER AND THE ERG GROUP

ERG S.p.A. (**ERG** or the **Issuer**) is an Italian joint stock company listed on the Italian Stock Exchange since 1997. Its registered office is at via De Marini 1, 16149 Genoa (Italy), telephone number +39 010 24011, and it is registered with the Companies' Register of Genoa (R.E.A. Genoa n. 354265) under Fiscal Code 94040720107 and VAT Number 10122410151. The Legal Entity Identifier (LEI) code of the Issuer is 8156004604684CA44A90.

The website of the Issuer is <https://www.erg.eu>. Information on the Issuer's website does not form part of this Base Prospectus unless such information is expressly incorporated by reference into the Base Prospectus.

Pursuant to its by-laws, ERG's term of incorporation is until 31 December 2030 and may be extended by way of a shareholders' resolution.

The corporate objects of ERG, as provided by its by-laws, include all activities pertaining to the industrial production, trade, transport and distribution of energy related products for its own account or on behalf of third parties, including the purchase, construction and maintenance of related equipment and installations. Provided that such operations are not performed for the general public and are generally related to the Issuer's corporate objects, these activities may include, *inter alia*: (i) all economic, industrial, commercial and financial transactions, involving both fixed and current assets and the acquisition of shareholdings in other firms with similar or related objectives both in Italy and abroad; (ii) the provision of co-ordination and guidelines to affiliated companies as well as all forms of technical and organisational assistance and the provision of specific services; and (iii) the granting of collateral and/or personal guarantees, including for third-party obligations.

As at the date of this Base Prospectus, ERG has a share capital of EUR 15,032,000 divided into 150,320,000 ordinary shares having a nominal value of EUR 0.10 each.

The Extraordinary Shareholders' Meeting of 21 April 2020 approved the amendment to Article 10 of the Articles of Association, aimed at introducing a mechanism for increasing voting rights in accordance with the provisions of Article 127-quinquies of the Consolidated Finance Act. In accordance with the aforementioned amendment to the Articles of Association, each share gives entitlement to double voting rights (and therefore to two votes per share) provided that the following two conditions are met: (a) the share is owned by the same legal or physical person for a continuous period of at least 24 (twenty-four) months; and (b) the fulfilment of the requirement under (a) is confirmed by the registration, for a period of at least 24 (twenty-four) months, in the special list established for such purpose by the Company (the "Special List"). On 18 June 2020, the Board of Directors adopted the regulations governing the procedures for entering, maintaining and updating the Special List. On 1 April 2023, 235,886 shares benefited from the increased voting rights.

List of shareholders registered in the Special List for the purpose of benefiting of increased voting rights (Article 127-quinquies, paragraph 2, of the Consolidated Finance Act) with an equity investment higher than 3% of the share capital of ERG S.p.A.

Shareholder	Registration date	Recorded Shares	% of share capital
SQ Renewables S.p.A. ⁶	1 October 2022	94,000,000	62.533

⁶ Provided that the conditions set out in the Articles of Association are met, the increased voting rights will become effective on 1 October 2024.

1. HISTORY OF THE ISSUER

In 2018, the ERG Group (**ERG Group** or the **Group**) completed a fundamental transformation process, from a leading Italian private oil operator to a leading independent operator in the production of energy from renewable sources.

1.1 Incorporation, development and integration

ERG (formerly Edoardo Raffinerie Garrone) was founded on 2 June 1938 as a sole-owner firm to "market products made by processing crude oil and coal tar". Edoardo Raffinerie Garrone became a refinery following the end of the Second World War and in 1947 started production at the San Quirico Refinery in Genoa. In 1956, ERG signed its first major international agreement with British Petroleum, which for several years held a significant minority stake in ERG's share capital.

In 1971, ERG joined other private groups as a shareholder of ISAB S.r.l. (**ISAB**), a company founded to build a large refinery in Sicily and, in 1985, ERG bought a controlling stake of ISAB and subsequently increased its share until ISAB became a wholly owned subsidiary in 1997. After developing its activities mostly in the refining sector, ERG started to grow nationwide in the downstream oil sector, through its subsidiary, ERG Petroli S.p.A. (**ERG Petroli**). In 1984, ERG acquired the 780 service stations of the Italian subsidiary of ELF and, in 1986, ERG acquired 1,700 additional distribution stations from Chevron Oil Italiana.

1.2 Listing on the Italian stock exchange

In October 1997, following the rationalisation of its corporate structure and a shift in focus to the core business of energy, ERG completed its transformation from a family-owned and run business into a publicly listed company and was listed on the Italian Electronic Stock Market. The global offer consisted of a public offer for subscription and sale of 41 million shares in Italy and a private placement of 30.75 million shares reserved for domestic and foreign institutional investors.

1.3 Transformation from an oil company into a multi-energy group

In 2000, ERG started to produce electricity with ISAB Energy (a joint venture with Edison Mission Energy), which built and operated an IGCC power plant with an installed capacity of 528 MW. By means of the joint venture, ERG commissioned the first plant in Italy for the regasification of crude oil residues used to generate electricity.

In October 2002, ERG Raffinerie Mediterranee S.p.A. (**ERG Raffinerie Mediterranee**) was incorporated to manage one of the largest and most efficient refining sites in Europe (located in the municipality of Siracusa), obtained through the merger and integration of ERG's ISAB Refinery with the former AGIP refinery, both in Priolo. The two refineries were integrated through the construction of a system of oil pipelines and other works needed to upgrade and improve production efficiency and environmental compatibility.

1.4 Entry into the renewable energy sector

In subsequent years, ERG continued its transformation from an oil company into a multi-energy group and further developed its commitment to alternative energies.

In 2006, ERG acquired a majority stake in EnerTAD S.p.A. (**EnerTAD**), a listed company involved in wind-based electricity generation. EnerTAD subsequently changed its name to ERG Renew S.p.A. (**ERG Renew**). In 2008, ERG signed a partnership agreement with PJSC LUKOIL (**LUKOIL**) that resulted in the incorporation of the "Newco" ISAB (51% ERG and 49% LUKOIL). The agreement entailed transferring the business unit of ERG Raffinerie Mediterranee, including all the assets of the ISAB refinery in Priolo, to ISAB, including a put option in favour of ERG on the 51% stake owned in ISAB. The joint venture with LUKOIL led to a partnership to support ERG's refining activities and manage the ISAB refinery in Priolo.

Between 2008 and 2015, ERG divested from the oil sector and reinvested in renewable energy related assets. As part of this process, ERG created the TotalERG joint venture, resulting from the merger of ERG Petroli and Total Italia S.p.A. and exited the oil related business by:

- selling to LUKOIL its remaining stake in ISAB, in two tranches, between 2012 and 2013;
- disposing of the ISAB Energy plant fuelled by the feedstock generated by the ISAB refinery plant;
- selling the fuel distribution network business managed and owned by the fully owned subsidiary ERG Oil Sicilia S.r.l.; and
- simultaneously reinvesting in clean energy production assets by acquiring existing wind plants and building new plants both in Italy and abroad.

In April 2010, a new 480 MW CCGT co-generation gas-fuelled plant, owned by the fully owned subsidiary ERG Power S.r.l. and located in the area of the industrial site of Priolo, started operation, in line with ERG's strategy to reinforce its presence as an independent power producer in the Italian electricity market.

In April 2011 ERG, through the fully owned subsidiary ERG Eolica Fossa del Lupo, completed the construction of, and entry into operation of, the second largest Italian wind farm, Fossa del Lupo, consisting of 39 WTGs located in the Municipality of Catanzaro.

In March 2013, ERG acquired IP Maestrale Investment Limited (now renamed ERG Wind Investment Limited (**EWIL**)) from the GDF Suez group for EUR 860 million. At the time of such acquisition, it was the first Italian wind operator with a total installed capacity of 636 MW of which 550 MW was installed in Italy. EWIL was financed with a non-recourse project finance facility amounting to EUR 838 million. In the following months, ERG set up ERG Renew Operations & Maintenance S.r.l. (**ERG Renew Operations & Maintenance**) to operate and maintain its wind farms. In October 2015 ERG acquired eleven wind farms in France and six wind farms in Germany from a fund managed by Impax Asset Management Group for EUR 297 million, funded through limited recourse project financing. Collectively the 17 wind farms have an overall capacity of 206 MW and an estimated average annual output of 410 GWh. As part of the acquisition, ERG also acquired a French and a German company that provides operational and commercial technical assistance to "captive" and third-party wind power operators in France, Germany and Poland covering a total of 800 MW.

In November 2015 ERG successfully acquired the entire hydroelectric business of E.ON Produzione S.p.A. (**E.ON Produzione**) via the acquisition of the entire share capital of Hydro Terni S.r.l. (then renamed ERG Hydro S.r.l. (**ERG Hydro**)) for EUR 950 million. The assets portfolio is composed of hydro-power plants located in the Italian regions of Umbria, Marche and Lazio, with an overall capacity of 527 MW. The perimeter transaction comprises 16 power plants, 7 dams, 3 reservoirs, a pumping station and 100 employees including technicians who are highly specialised in plant operations management, energy management specialists and support staff. The acquisition was financed through the use of cash available and the drawdown of a medium-term corporate acquisition loan of EUR 700 million from a pool of seven Italian and international lenders.

ERG has continued to expand in wind power, in particular outside of Italy. On 8 March 2017, ERG, through its subsidiary ERG Power Generation, acquired from DIF RE Erneuerbare Energien 1 GmbH and from DIF RE Erneuerbare Energien 3 GmbH 100% of the capital of six German companies that own six wind farms in Germany. The wind farms have an installed capacity of 48.4 MW. The transaction was completed on 2 May 2017.

1.5 Full exit from the Oil industry

In January 2018, ERG and Total Marketing Services sold 100% of the shares of TotalErg, a company active in the distribution of petroleum products and in refining. The scope of the transaction comprised approximately 2,600 network service stations, the Rome logistical hub and 25.16% of the Trecate refinery.

This transaction followed the sale by ERG to the Total group of its own interest (51%) in the new company (Total Italia S.r.l.) to which the business unit relating to the lubricants sector previously managed by TotalErg was transferred. In addition, TotalErg had already completed, in August 2017, the sale to an investment fund managed by Ambienta SGR S.p.A. and to Aber S.r.l. of the subsidiary Restiani S.p.A., operating in the sector of heat services, and, in October 2017, the sale to UGI Italia of the subsidiary Totalgaz Italia, an LPG marketing company.

This transfer represented the conclusion of a complex transaction marking the ERG Group's definitive exit from the oil industry, further strengthening its financial capacity with a view to continuing its growth path in renewables.

1.6 Entry in the solar sector

In January 2018, ERG, through its subsidiary ERG Power Generation, completed the acquisition from VEI Green S.r.l., an investment company controlled by PFH S.p.A., an investment holding company, of 100% of ForVei S.r.l. (**ForVei**), the ninth largest photovoltaic operator in Italy with a total installed capacity of 89 MW represented by 30 plants located in 8 regions across Northern and Southern Italy. The acquisition marked ERG's entry into the solar sector and represented an additional important component in the strategy of technological diversification in electricity generation from renewable sources.

In February 2019, the Issuer, through its subsidiary ERG Solar Montalto S.r.l. completed the acquisition from Soles Montalto GmbH, of a 78.5% stake in Perseo S.r.l., 100% owner of Andromeda PV S.r.l., a company that owned two photovoltaic power facilities for an overall installed capacity of 51.4 MW, located in Montalto di Castro (Lazio region).

1.7 Continuous growth in the European wind and solar sector

In May 2018, ERG, through its subsidiary ERG Power Generation, acquired an operative 26MW France wind farm and a pipeline of wind farm projects in France for approximately 750 MW from Impax New Energy Holding Cooperatief W.A.

In August 2018, the Issuer, through its subsidiary ERG Power Generation S.p.A., finalised the acquisition of a 100% equity interest in Creag Riabhach Wind Farm Ltd, a company incorporated under the law of Scotland, holder of authorisations for the construction of a wind farm in Scotland, to the north of Inverness, in the county of Sutherland. The wind farm, which was started up in January 2023, has a total installed capacity of 92.4 MW, and an overall production at full capacity of 271 GWh per year.

In September 2019, through its subsidiary ERG Windpark Beteiligungs GmbH, the Issuer completed the acquisition of a 100% equity stake in three German wind farms with an overall installed capacity of 34 MW. The wind farms came on stream in 2014 and are entitled to benefit from an incentive tariff for a period of 20 years.

In February 2020, through its subsidiary ERG Eolienne France SAS, the Issuer acquired three French wind farms with an overall installed capacity of 38 MW. The plants came on stream between 2010 and 2012 and are entitled to benefit from incentive tariff for a period of 15 years.

In March 2020, through its subsidiary ERG Power Generation S.p.A. the Issuer finalised the acquisition of a 100% equity stake in Laszki Wind p. Z.o.o., holding the permits for the construction of a 36-MW wind farm in the South-Eastern part of Poland. The wind farm, which entered into operation in October 2022, benefits from a regulated tariff, indexed to inflation, for a duration of 15 years.

In October 2020, through its subsidiary ERG Poland Holding, the Issuer acquired a 100% equity stake in EW piotrków kujawski SP. z.o.o., holding the permits for the construction of a 24.5-MW wind farm in the northern

central part of Poland. The wind farm, which was commissioned in July 2022, was awarded an inflation-indexed tariff for a period of 15 years.

On 10 May 2021 the Issuer, through its Swedish holding company, completed the acquisition of the permits for the construction of a 62 MW wind farm in Southern Sweden, consisting of 10 Siemens Gamesa 6.2 MW turbines. The wind farm, which was commissioned in November 2022, has an annual output estimated at around 210 GWh.

On 24 June 2021, the Issuer, through its subsidiary ERG Eolienne France, has completed an agreement with FPCI Capenergie 3, a fund managed by the Paris-based private equity investor Omnes Capital, to acquire a 100% stake in Omniwatt, a French firm that owns a portfolio comprising five wind farms for a total of 58MW and two photovoltaic power facilities for a total of 22MW. All the assets, with an overall installed capacity amount to 80MW, and an average commercial operation date of 2017, are entitled to benefit from an incentive tariff system with an average expiry date at 2034.

In October 2021 the Issuer, through its subsidiaries ERG Eolienne France SAS and ERG Windpark Beteiligungs GmbH, completed an agreement with NAEV Austria Beteiligungs GmbH to acquire 100% of the capital of 15 companies that own a portfolio consisting of seven photovoltaic and three wind farms in France for a total installed capacity of 56.7 and 40.6 MW respectively, and five wind farms in Germany for a total of 55.1 MW. The plants came into operation between 2013 and 2015. They benefit from an incentivised tariff system with an average expiry date of 2032 and an estimated total annual production of 273 GWh.

In December 2021 the Issuer's first two operational wind farms in the UK reached commissioning. These wind farms, located at Craiggore and Evishagaran, in County Londonderry in Northern Ireland, have been internally developed and built, and have a total capacity of 70.3 MW.

On 31 January 2022 the Issuer, through its Spanish subsidiary, completed the acquisition from GEI Subasta 1 SA of the 100% capital of two project companies under Spanish law owning two solar plants in operation in the Castilla de la Mancha and Andalusia regions of southern Spain, with a total capacity of 91.6 MW. The two plants, which were commissioned in early 2020, have participated in the auctions regulated by Royal Decree no. 359 of 2017. They have an estimated total annual production of 188 GWh.

A further increase in French wind capacity has been achieved through the completion of the 7MW extension of the Vallée de l'Aa wind farm at Pas-de-Calais, and the 20MW Les Bouchats wind farm. The two wind farms, which reached commissioning in December 2021 and in July 2022 respectively, have been developed and built internally.

On 7 July 2022, the Issuer, through its subsidiary ERG Solar Holding 2 S.r.l., acquired from the ABN AMRO Sustainable Impact Fund PE B.V. the 100% of the capital of MP Solar BV, owner of eighteen photovoltaic systems in operation through seven Italian SPVs. The plants, for a total installed capacity of 33.8 MW and overall annual production of 46 GWh, were put into service between the end of 2010 and 2011, and benefit from the Conto Energia (II, III, IV) tariff regime.

On 9 September 2022, the Issuer, through one of its subsidiaries, acquired the entire share capital of seven companies owning seven wind farms in Italy from EDP Renewables Italia Holding S.r.l. The plants, for a total installed capacity of 172 MW and overall annual production of 400 GWh, benefit from the 20-year Contract for Difference pricing scheme with Gestore dei Servizi Energetici S.p.A. (GSE) from their commissioning date, occurred between 2018 and the end of 2021.

In December 2022 the Sandy Knowe wind farm in Dumfries & Galloway in the south of Scotland has reached its full capacity, as the 50 MW initially started up in October 2022 have been complemented by additional 36 MW. After the extension the wind farm, which received planning consent in November 2016 and has been

developed and built internally, has a total installed capacity of 86.4 MW and an overall annual production of over 250 GWh at full capacity.

1.8 Asset rotation plan towards a pure wind and solar business model

The 2022-2026 Issuer's Business Plan, initially presented on 15 March 2022 and updated on 15 March 2023, focuses on growth in pure wind and solar technologies through a policy of portfolio repositioning, envisaging reinvestments of proceeds deriving from asset rotation as an additional financial leverage to generate growth in RES.

Under this framework, the Issuer, through its subsidiary ERG Power Generation S.p.A., completed on 3 January 2022 the closing with Enel Produzione S.p.A. for the sale of the entire share capital of its former subsidiary ERG Hydro S.r.l. The consideration totaled 1.265 billion euros, including the mark-to-market valuation of some hedging derivatives included in the scope and relating to part of the energy produced in the future by the plants sold. The operation marked the exit of the Issuer from the hydro business.

In the same context, in February 2022 the Issuer, through its subsidiary ERG Power Generation S.p.A., agreed with Enel Produzione S.p.A. to sell the entire share capital of ERG Power S.r.l., owner of the low environmental impact and high-efficiency Combined Cycle Gas Turbine (CCGT) cogeneration plant fueled by natural gas at Priolo Gargallo, with an installed capacity of 480 MW.

On 23 September 2023 the Italian Antitrust Authority (**AGCM**) did not authorise the aforesaid transaction, claiming it would lead to the creation and the reinforcement of a dominant position on the buyer's part that would eliminate or reduce in a substantial and long-lasting way the competition in the relevant markets.

In this regard, a new agreement for the sale of the thermoelectric plant has been reached on 29 June 2023 (see 4.2 "Asset Rotation" within the Business of the ERG Group section).

1.9 Entry into the storage market

On 23 February 2022 ERG has been awarded 14 MW of capacity (CDP – Capacity Available in Probability) for energy storage systems in the capacity market auction held by Terna for the Italian market on 21 February. This regards two electrochemical storage plants for a total of 22MW of installed capacity for the Centre-South Area and the Sicily Area, respectively of 10 MW (6 MW of CDP) and 12 MW (8MW of CDP).

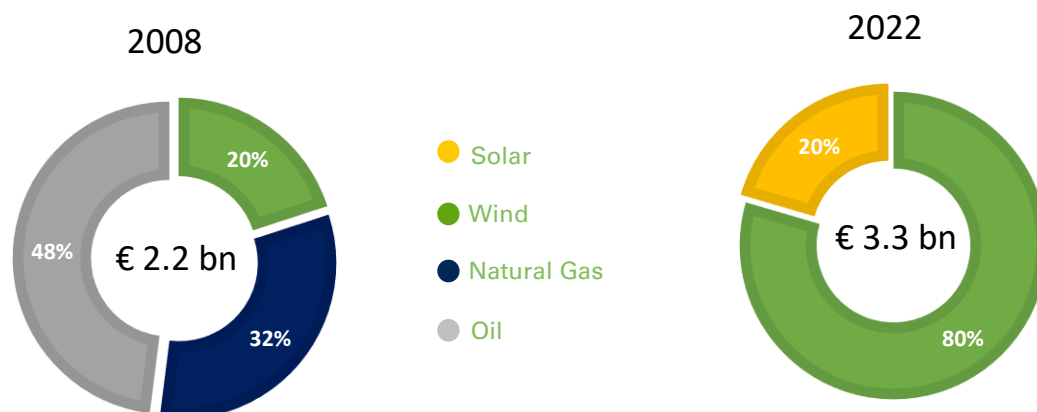
This award marks the entry of the Issuer in the storage market.

For further information on ERG's current operations, see "*BUSINESS OF THE ERG GROUP*" below.

The following graphic shows the evolution of Adjusted Net invested capital of continuing operation over time in the Issuer's transformation path from an oil company in 2008 to a renewable energies' producer in 2022⁷.

⁷ The calculation of the 2022 Adjusted Net invested capital of continuing operation is shown in the table included on page 46.

Adjusted Net invested capital of continuing operation evolution among generation sectors



2. RECENT SIGNIFICANT TRANSACTIONS

2.1 Signing of two PPA with ENGIE for the wind farms in Scotland

On 24 March 2022, the Issuer, through its subsidiaries Sandy Knowe Wind Farm Ltd and Creag Riabhach Wind Farm Ltd in UK, has reached an agreement with ENGIE UK Markets Ltd for the signing of two ten-year Power Purchase Agreements (PPAs) for the off-take of renewable energy produced by the aforementioned wind farms.

2.2 Agreement between San Quirico and IFM Investors to form a strategic, long-term partnership

On 16 June 2022, San Quirico S.p.A. (SQ) and IFM Investors (IFM) announced the creation of a strategic, long-term partnership in respect of ERG S.p.A. by the signature of a landmark agreement which envisages the acquisition by IFM and its affiliates of an initial 35% interest in a new holding entity owning in turn circa 62.5% of the Issuer. The investment by IFM, in excess of 1 billion euros, includes an option for an additional 500 million euros of capital to support the Issuer's growth along the lines of its strategic targets. SQ will keep controlling ERG at the consummation of such transaction, and so the transaction will not result in a public offer nor the delisting of the Issuer. The partnership aims to consolidate the leading position of the Issuer as key player in the energy transition across Europe and allows it to unlock further growth potential.

Following the closing of the aforementioned transaction in September 2022 the Issuer's Board of Directors approved the adoption of the limited Management and coordination Regulation of ERG S.p.A. by SQ Renewables S.p.A.

2.3 Acquisition of a wind project in UK

On 14 October 2022 the Issuer, through its subsidiary ERG UK Holding Ltd., finalised the acquisition of 100% of the shares of the company Corlacky Energy Ltd., wholly owned by RES, which holds the permits for the construction and operation of the Corlacky wind farm in Northern Ireland. The project will have an expected total installed capacity of up to 47 MW, which corresponds to an estimated annual electricity output of ca.175 GWh.

2.4 Acquisition of a 25 MWp photovoltaic farm in Spain in commissioning phase

On 23 December 2022 the Issuer, through its subsidiary ERG Spain holdco, SLU, signed an agreement with renertia gestion solar ii, scr.-pyme, to acquire the entire share capital of instalación fotovoltaica arericsol viii, SLU, owner of a photovoltaic solar plant under commissioning in Fregenal de la Sierra, in the Autonomous Community of Extremadura, with an installed capacity of 25 MWp. The Fregenal project has an estimated annual production of just over 50 GWh.

The closing of the acquisition was completed on 30 June 2023.

2.5 Signing of a PPA with EssilorLuxottica for the Patinico-Monreale windfarm in Italy

On 9 March 2023, EssilorLuxottica, a global leader in the design, manufacture and distribution of ophthalmic lenses, frames and sunglasses, and the Issuer, through its subsidiary ERG Power Generation, announced the signing of a twelve-year Power Purchase Agreement (PPA) for the supply of approximately 900 GWh of green energy between 2023-2034, the source of energy being the Partinico-Monreale wind farm near Palermo, the first in the Group's portfolio to complete repowering activities.

2.6 Approval of the consolidated financial statements and full year 2022 results

On 15 March 2023, the Issuer's Board of Directors approved the consolidated financial statements and the draft financial statements as at 31 December 2022, the report on corporate governance and ownership, the consolidated non-financial statement and the dividend of 1 euro per share.

On the same date, the 2022-2026 Strategic Plan and ESG Plan were updated.

In particular, as regards as the Strategic Plan, the strategic guidelines of the 2022-2026 plan have been confirmed, namely, the 4.6 GW target of installed capacity in 2026, expected EBITDA of over EUR 650 million in 2026, 85-90% of a quasi-regulated nature, and capital expenditure in the 2022-2026 period expected to be around 3.5 billion euro. Moreover, the asset rotation strategy to become a pure renewable player was confirmed, through the relaunch of the sale of the thermoelectric business (after the AGCM did not authorise the sale to ENEL in the first place). In this regard, a new agreement for the sale of the thermoelectric plant has been reached on 29 June 2023 (see 4.2 "Asset Rotation" within the Business of the ERG Group section).

2.7 Fitch Issuer Default Rating Affirmation

On 4 May 2023 Fitch Ratings (**Fitch**) has affirmed ERG S.p.A.'s Long Term Issuer Default Rating (IDR) at BBB-, with stable outlook, and senior unsecured rating at BBB-.

By this affirmation, which considers the aforementioned update of the 2022-2026 Business Plan targets, Fitch highlights that the rating reflects the solidity of the Group's business model and its wind and solar technologically and geographically diversified portfolio, as well as its "quasi-regulated" business profile, stabilised by tariffs awarded through participation in governmental auctions or long-term Power Purchase Agreements (PPAs), as well as a strong financial solidity.

2.8 Acquisition of a 149 MWp photovoltaic farm in Spain in an advanced phase of construction

On 5 May 2023 the Issuer, through its subsidiary ERG Spain holdco, SLU, signed an agreement with IBV Solar Parks, BV, a company of the German group ib vogt, for the acquisition of a 100% stake in Garnacha Solar SL, owner of a 149 MWp solar power plant in an advanced phase of construction located in the region of Castilla and León, in north-western Spain, with an estimated total annual production of around 280 GWh. The closing of the acquisition was completed on 23 June 2023.

2.9 Signing of a PPA with TIM in Italy

On 9 May 2023 the Issuer, through its subsidiary ERG Power Generation, and TIM, the leading group in Italy and Brazil in the ICT sector, through its subsidiary Telenergia, signed a new nine-year agreement for the supply of green energy for the period 2023-2031.

The contract integrates the PPA (Power Purchase Agreement) signed on 14 May 2021 for the supply of 340GWh per year for ten years, with an additional annual green energy “baseload” volume of 200 GWh, produced by renewable plants in ERG’s portfolio, and an update to the related commercial terms.

2.10 Approval of the consolidated results for the first quarter of 2023

On 12 May 2023, the Issuer's Board of Directors approved the March 2023 Interim Consolidated Financial Data and published a press release announcing the approval of the Unaudited Interim Consolidated Financial Data at 31 March 2023.

Certain aspects of the Interim Unaudited Interim Consolidated Financial Data as at 31 March 2023 are incorporated by reference in this Base Prospectus. See "Documents Incorporated by Reference".

2.11 Confirmation of Board of Directors and appointment of the new Chairperson of the Board of Statutory Auditors

On 26 April 2023, the Issuer’s Shareholders’ Meeting confirmed Renato Pizzolla as an Issuer’s Board Member.

Renato Pizzolla, following the closing of the partnership between San Quirico S.p.A. and IFM (see “*Agreement between San Quirico and IFM Investors to form a strategic, long-term partnership*” above) was appointed on 15 September 2022 by the Issuer’s Board of Directors, acting on the resignation given on 9 September 2022 by Marco Costaguta from his former position as a Board Member of the Issuer.

The Shareholders' Meeting also appointed Monica Mannino as a Standing Auditor and Chairwoman of the Board of Statutory Auditors.

2.12 Agreement for the sale of the Priolo Gargallo thermoelectric plant

On 29 June 2023, the Issuer, through its subsidiary ERG Power Generation S.p.A., signed an agreement with Achernar Assets AG, a Swiss investment holding company, for the sale of the entire share capital of ERG Power S.r.l., owner of the Combined Cycle cogeneration plant Gas Turbine powered by natural gas, located in Priolo Gargallo (Syracuse). The transaction’s closing, which would mark the transformation of the ERG Group into a fully renewable power producer, is subject – inter alia – to the successful completion of the golden power procedure at the Italian Prime Minister’s Office.

3. GROUP STRUCTURE

Organisational Structure of the ERG Group

For a description of the structure of the ERG Group as of 31 December 2022, see page 12 of the 2022 Consolidated Financial Statements, incorporated by reference in this Base Prospectus, for the graphic entitled: "Scope of consolidation at 31 December 2022".

4. BUSINESS OF THE ERG GROUP

4.1 Introduction

The ERG Group is a leading independent operator of clean energy from renewable sources, operating in nine countries at European level. Leading wind power operator in Italy, and among the top ten in Europe, the Group is also active in solar energy production where it ranks in the top five in Italy.

The following table shows the main financial data, operating data and the EBITDA Breakdown for the years ended 31 December 2022 and 2021.

Main financial data	2022	2021
(EUR million)		
Adjusted net invested capital	3,572	3,608
Net invested capital	3,745	3,749
Net financial indebtedness of continuing operation	1,434	2,121
Liabilities associated with assets held for sale	98	(69)
Financial leverage ⁸	41%	58%
Adjusted EBITDA Margin % ⁹	72%	66%

⁸ Financial leverage is calculated by comparing Net financial indebtedness of continuing operation to the Adjusted net invested capital net of liabilities associated with assets held for sale.

⁹ EBITDA margin % is calculated by comparing the Adjusted EBITDA and the Adjusted Revenue.

For the year ended 31 December

OPERATING DATA		2022	2021
Total installed capacity at the end of the period	<i>MW</i>	2,944	2,418
Total electricity output	<i>GWh</i>	4,956	4,157
<i>Installed capacity at the end of the year – Italy</i>	<i>MW</i>	1,440	1,234
<i>Electricity output – Italy</i>	<i>GWh</i>	2,312	2,295
<i>Installed capacity at the end of the year – France</i>	<i>MW</i>	600	581
<i>Electricity output – France</i>	<i>GWh</i>	1,076	889
<i>Installed capacity at the end of the year – Germany</i>	<i>MW</i>	327	327
<i>Electricity output – Germany</i>	<i>GWh</i>	556	428
<i>Installed capacity at the end of the year – UK and Sweden</i>	<i>MW</i>	219	70
<i>Electricity output – UK</i>	<i>GWh</i>	226	-
<i>Installed capacity at the end of the year – Spain</i>	<i>MW</i>	92	-
<i>Electricity output – Spain</i>	<i>GWh</i>	171	-
<i>Installed capacity at the end of the year – East Europe</i>	<i>MW</i>	266	206
<i>Electricity output – East Europe</i>	<i>GWh</i>	615	546
Capital expenditure	<i>EUR million</i>	946	617
Employees at the end of the period	<i>Unit</i>	573	553

For the year ended 31 December

Adjusted EBITDA Breakdown per Country and Technology (EUR million)	2022	2021
Italy	295	308
<i>Wind</i>	218	243
<i>Solar</i>	77	65
Abroad	267	116
<i>France</i>	63	45
<i>Wind</i>	58	44
<i>Solar</i>	5	1
<i>Germany</i>	72	28
<i>UK and Sweden</i>	24	(2)
<i>Spain</i>	18	0
<i>East Europe</i>	90	45
Corporate	(25)	(25)
Total	537	399

EBITDA Breakdown Quasi-regulated vs merchant	2022	2021
%		
Quasi-regulated	83	85
Merchant	17	15

Quasi-regulated EBITDA refers to plants whose production is eligible for different forms of government-backed incentive mechanisms (e.g. FiT/FiP) or which is sold through long-term power off-take agreements (purchase agreements -“PPA”-), where these agreement involve high-standing counterparties and/or include guarantees on their obligations.

Merchant EBITDA refers to non-incentivized production, being it either not eligible or having the corresponding incentives expired, where this production is not sold through the above-mentioned PPA.

4.2 Asset Rotation

In 2021, the Group embarked on a major asset rotation with the aim of completing its transformation to a pure “Wind&Solar” business model.

On 3 January 2022, ERG finalised the sale of the hydroelectric assets to Enel Produzione S.p.A.. Conversely, the AGCM refused authorisation of the sale of the thermoelectric business, deeming that the transaction would give rise to the establishment and strengthening of a dominant position with regard to the buyer such as to substantially and permanently eliminate or reduce competition in the relevant markets.

Following the AGCM’s denial, ERG has promptly initiated a new competitive process aimed at finding a new buyer and, on 29 June 2023 the Issuer, through its subsidiary ERG Power Generation S.p.A., signed an

agreement with Achernar Assets AG, a Swiss investment holding company, for the sale of the entire share capital of ERG Power S.r.l..

Following the completion of the disposal of ERG Power, which is subject – inter alia – to the successful completion of the golden power procedure at the Italian Prime Minister’s Office, the Group, whose industrial strategy integrates the ESG plan, in line with the United Nations Sustainable Development Goals (SDGs), will become a 100% renewable operator.

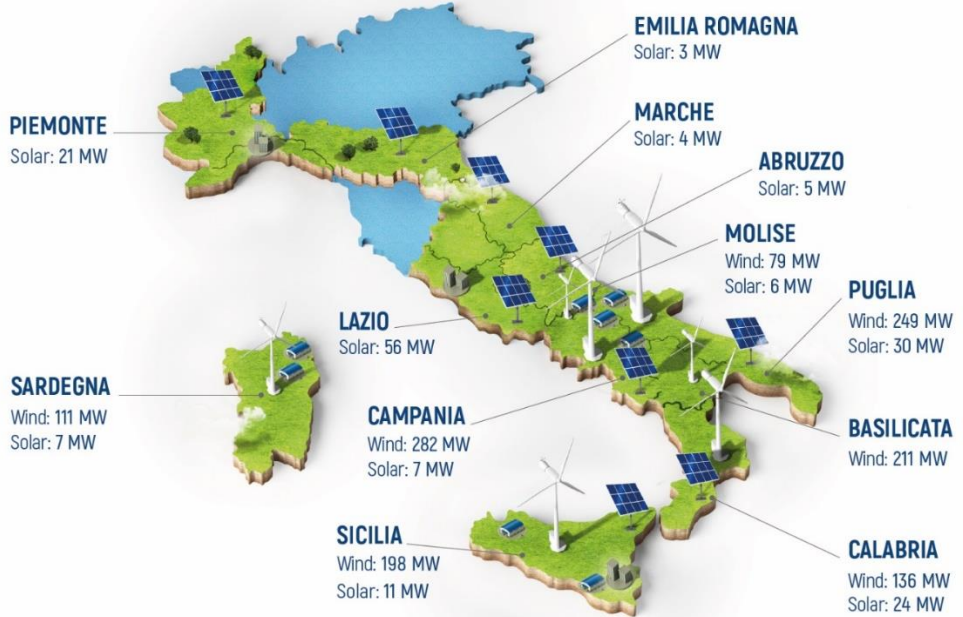
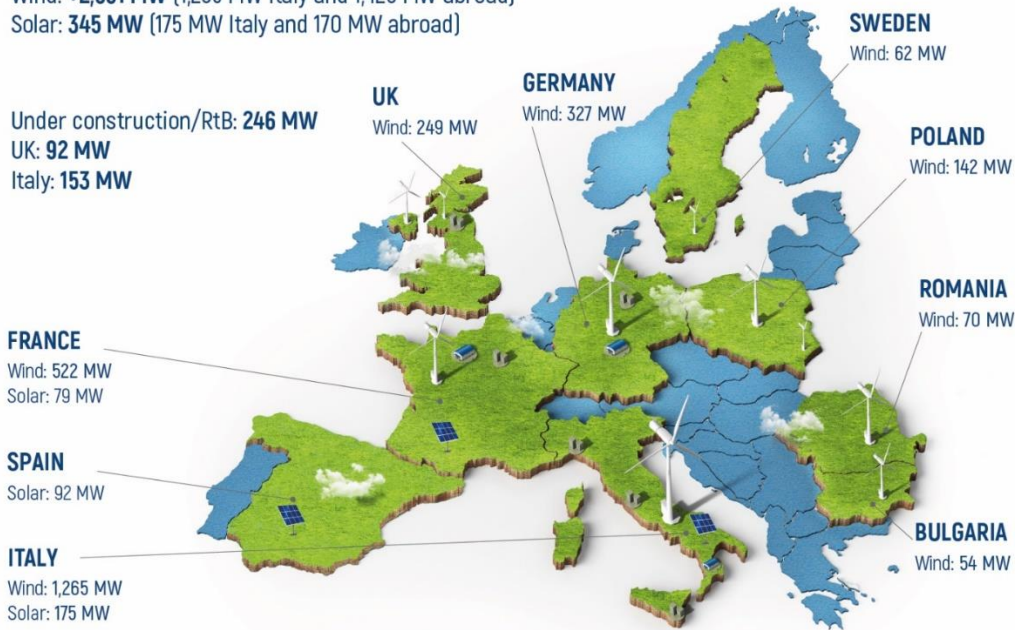
4.3 Business sectors

As at the date of this Base Prospectus, the ERG Group operates, directly and/or indirectly through its subsidiaries, in the generation of wind and solar power. Diagrams showing the geographical location of the Group business segments in Europe and Italy as at 31 March 2023 as well as the MW of installed power in each location are below.

TOTAL: 3,036 MW

Wind: +2,691 MW (1,265 MW Italy and 1,426 MW abroad)
Solar: 345 MW (175 MW Italy and 170 MW abroad)

Under construction/RtB: 246 MW
UK: 92 MW
Italy: 153 MW



(a) Wind Power

ERG operates in the generation of electricity from wind sources, with 2,691 MW of installed power at 31 March 2023. ERG is the leading wind operator in Italy (Source: *Autorità di Regolazione per Energia Reti e Ambiente*) and among the leading onshore wind operators active in Europe.

The ERG Group operates in the wind sector through its wholly-owned subsidiary ERG Power Generation and its subsidiaries. The wind farms are mainly concentrated in Italy (1,265 MW), however, ERG also has an expanding presence abroad with 1,426 MW operational across the rest of Europe. In particular, ERG has a presence in France (522 MW), Germany (327 MW) and the UK (249 MW) with smaller operations in Poland (142 MW), Romania (70 MW), Sweden (62 MW) and Bulgaria (54 MW).

(b) Solar Power

The ERG Group is also active in the generation of electricity from solar sources, with an installed capacity of 345 MW as of 31 March 2023, of which 175 MW is located in Italy and 170 MW abroad (in Spain and France), rapidly increasing through acquisitions, repowering projects and organic development.

(c) Thermoelectric Power

The ERG Group operates in the generation of electricity from thermoelectric sources through ERG Power S.r.l. which owns the 480 MW CCGT plant known as "Centrale Nord" at the Priolo Gargallo industrial site in Sicily. The plant is a high-output co-generation plant, based on the most recent combined cycle technology using natural gas along with other ancillary plants, for the production of electricity. After the High-Efficiency Cogeneration regime starting from the end of 2021, the CCGT plant is benefiting from dedicated incentive scheme for ten years (Energy Efficiency Incentive).

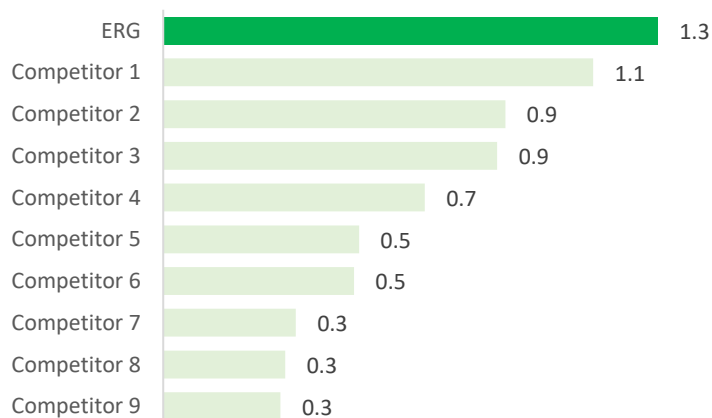
It is worth noting the exclusion of the CCGT thermoelectric plant from the scope of consolidation: since it is subject to sale, following the significant Asset Rotation process launched in 2021, this plant is classified in the Consolidated Financial Statements as an “asset held for sale” (based on the application of IFRS 5). In order to ensure completeness of information, in the “assets held for sale” section of the 2022 Non-Financial Statement, published on the website www.erg.eu in the sustainability section, ESG issues and indicators related to the CCGT plant are reported in a deconsolidated manner.

Operations of the CCGT plan by the Issuer are expected to cease following the completion of the sale of ERG Power S.r.l. to the Swiss investment holding company Achernar Assets AG, sale occurred on 29 June 2023 (see 4.2 “Asset Rotation” within the Business of the ERG Group section).

4.4 ERG Group Italian and European wind positioning

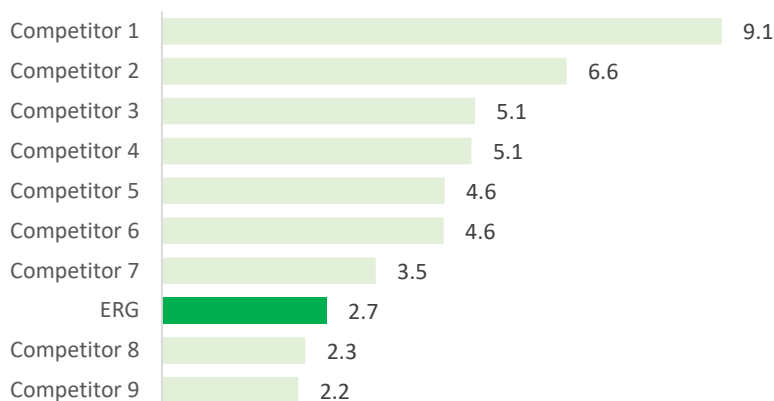
The tables below show ERG's leadership in the wind sector in Italy, being the largest player in the industry (4.4.1) and ERG's ranking among the top 10 European wind operators (4.4.2), in terms of installed capacity¹⁰.

4.4.1 On-shore wind Italian producers' installed capacity (GW)



¹⁰ Data refers to 2022 year end installed capacity or most recent figures (where available). Data sources are companies' annual reports and publicly available databooks.

4.4.2 On-shore wind European producers' installed capacity (GW)



5. STRATEGY

On 15 March 2023 the Issuer delivered an update of the 2022-2026 business plan (the **Business Plan**), initially presented on 15 March 2022. The plan reaffirms commitment in asset rotation for the CCGT asset envisaging growth in core wind and solar technologies, through an enhanced geographical and technological diversification, with a broadly securitized business profile.

The Pillars of the Business Plan are as follows:

- growth in scale, by reaching 4.6GW of RES installed capacity by 2026, pivoting on various growth streams, such as completion of ongoing internally-built projects, repowering of existing assets, proprietary greenfield, co-development agreements and bolt-on M&A. This growth shall be pursued through enhancing technological and geographical diversification, increasing the share of solar capacity while seeking investments also outside of the traditional Italian market, which will remain a core country for the Issuer that will maintain a leading role in it, nonetheless. Moreover, although the investment plan is skewed towards consolidated core wind and solar technologies, the Issuer entered the storage business and is scouting opportunities in less mature technologies such as floating offshore. Activities for the CCGT disposal have been relaunched, confirming the Issuer's growth in scale is committed to a pure RES asset base;
- confirmation of a quasi-regulated business model, with 85%-90% of quasi-regulated EBITDA, secured through participation in competitive auctions for the award of CFDs or long-term power purchase agreements at pre-defined price structures (so-called PPAs);
- ever-strengthening organization to achieve these ambitious targets, both in term of scale, geography and sales-business model. Indeed, the Issuer keeps reshaping and integrating competences in its business development and electricity sales areas (among others), so to enable sustainable growth over time. Thus, the Issuer is focusing on implementing local organisational structures capable of ensuring the Group's long-term expansion in the target countries, thus engaging new engineering and permitting competencies dedicated to the development of RES power and energy sales structures strengthened on PPA contracts; and
- ESG strategy is at the core of the Business Plan, which embraces well-defined and measurable targets, aligned with the Social Development Goals of the United Nations. These targets can be clustered into four areas, namely:

- Planet and biodiversity safeguard through the adoption of net zero, circular economy and energy efficiency projects and policies.
- Employees protection through the highest standards of health and safety measures while increasing the awareness of prudent behaviours within the organization; spreading of a diversity and inclusion culture among the workforce; promotion of employees' well-being and their continuous development through specific initiatives such as the ERG Academy.
- Engagement of external stakeholders through specific initiatives such as the ERG Academy for Next Generation, enhancement of trust and reputation among all the external stakeholders and local communities, with the latter benefitting from contributions from ERG, and re-use of old solar panels within the "Social Purpose for Circular Solar" initiative.
- Governance improvement through the embedding of ESG objectives into management variable compensation, deepening and extension of best practices in procurement activities, tax management and cyber security, complemented by reliance on sustainable finance, either in form of use-of-proceeds-based or other sustainability-linked funding options.

6. SHAREHOLDER STRUCTURE

6.1 Main Shareholders

As a consequence of the closing of the transaction aimed at creating a long-term partnership between SQ and IFM (see "Agreement between San Quirico and IFM Investors to form a strategic, long-term partnership" above), ERG is currently a subsidiary of SQ Renewables S.p.A. (a company controlled by San Quirico S.p.A., which holds 65% of its equity capital, whilst the remaining 35% stake is held by NZF Bidco Luxembourg 2 S.à r.l.). SQ Renewables S.p.A. exercises a limited management and coordination activity on ERG, in accordance with the provisions of the Regulation approved by the Board of Directors of ERG on 15 September 2022.

The main shareholders of ERG as at the date of this Base Prospectus are listed in the table below:

Significant equity investments

Declarant	Direct shareholder	% ordinary share capital	% voting share capital
San Quirico S.p.A.	SQ Renewables S.p.A.	62.533	62.533

ERG is a subsidiary of SQ Renewables S.p.A., which is in a position to designate for appointment the majority of ERG's Board of Directors. The Board of Directors of ERG has adopted a specific internal resolution to ensure the transparency and the substantial and procedural correctness of transactions with related parties carried out by ERG directly or through its subsidiaries.

As for the introduction in the Articles of Association of the mechanism to increase voting rights, please refer to section "*Business Description of the Issuer – Overview*" of this Prospectus.

6.2 Dividends

In 2022 ERG paid EUR 134.5 million in dividends (EUR 0.90 per share). In 2023 ERG paid EUR 149.5 million in dividends (EUR 1 per share).

7. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

7.1 Board of Directors

The Shareholders' Meeting of 26 April 2021 appointed the new Board of Directors, comprising twelve members, in compliance with the gender balance criterion prescribed by current laws and regulations. Unless their office is terminated before then, for any reason, all members will therefore remain in office until the Shareholders' Meeting convened to approve the financial statements as at 31 December 2023.

The new Board of Directors, having met on the same date, appointed as the new Chief Executive Officer, Paolo Luigi Merli, who therefore tendered his resignation from both the office of General Manager, which he previously held with the title of "Corporate General Manager & CFO", and the office of Manager responsible for preparing the Company's financial reports.

Following the resignation of Marco Costaguta on 9 September 2022 from the office of Board Member of ERG and member of the Strategic Committee, on 15 September 2022, the Board of Directors, on the proposal of the Nominations and Remuneration Committee, pursuant to Art. 2386 of the Italian Civil Code and Art. 15 of the Articles of Association, appointed Renato Pizzolla as new non-executive Director of the Company and member of the Strategic Committee until the next Shareholders' Meeting.

The Shareholders' Meeting of 26 April 2023 confirmed Renato Pizzolla as Board Member and the ERG Board of Directors, on the same date, confirmed him as a member of the Strategic Committee.

The responsibilities of the Board of Directors include, *inter alia*, approving the periodic financial reports, defining the strategic guidelines, the fundamental aspects of the organisational structure and the corporate governance system and also resolving on significant transactions and assessing the company's performance.

The table below sets out certain information regarding the members of the Board of Directors of ERG as at the date of this Base Prospectus.

Composition of the Board of Directors

Director	Office	Role
Edoardo Garrone	Chairman	Executive
Alessandro Garrone	Deputy Chairman	Executive
Giovanni Mondini	Deputy Chairman	Non-Executive
Paolo Luigi Merli	Chief Executive Officer	Executive
Luca Bettonte	Director	Non-Executive
Emanuela Bonadiman	Director	Independent (pursuant to the Corporate Governance Code)
Mara Anna Rita Caverni	Director	Independent (pursuant to the Corporate Governance Code)
Elena Grifoni Winters	Director	Independent (pursuant to the Corporate Governance Code)

Federica Lolli	Director	Independent (pursuant to the Corporate Governance Code)
Elisabetta Oliveri	Director	Independent (pursuant to the Corporate Governance Code)
Mario Paterlini	Director	Independent (pursuant to the Corporate Governance Code)
Renato Pizzolla	Director	Non-Executive

The members of the Board of Directors are appointed on the basis of lists presented by shareholders on which the candidates must be listed in sequential number. For the appointment of Directors, two lists of candidates were presented, one by the shareholder San Quirico S.p.A. and the other by some investors. Of the twelve directors, eleven members (of which six were independent) were appointed from the list of candidates put forward by San Quirico S.p.A. and one member was appointed from the list of candidates put forward by some investors as an independent director.

The following table sets out the current members of the Board of Directors of ERG and the other offices such as director or statutory auditor held by them in other companies listed in regulated markets, including abroad, in finance, banking and insurance companies or companies of significant size as at the date of this Base Prospectus.

Name	Position	Main positions held outside the ERG Group
Edoardo Garrone	Executive Chairman	Chairman of the Board of Directors of San Quirico S.p.A. Chairman of the Board of Directors of Il Sole 24 Ore S.p.A.
Alessandro Garrone	Executive Deputy Chairman	Banca Passadore e C. S.p.A. Board Member Industrie De Nora S.p.A. Board Member
Giovanni Mondini	Deputy Chairman	Deputy Chairman of the Board of Directors of San Quirico S.p.A. Chairman of the Board of Directors of SQ Renewables S.p.A.
Luca Bettonte	Non-Executive Director	Chief Executive Officer of San Quirico S.p.A. Chief Executive Officer of SQ Renewables S.p.A.
Emanuela Bonadiman	Independent Director	Brunello Cucinelli S.p.A. Board Member

Mara Anna Rita Caverni	Independent Director	Arcturus S.r.l. Board Member Chairwoman of the Board of Directors of Italcanditi S.p.A. Chairwoman of the Board of Directors of La Doria S.p.A. Unipol Sai Assicurazioni S.p.A. Board Member
Federica Lolli	Independent Director	Basell Poliolefine Italia S.r.l. Board Member
Elisabetta Oliveri	Independent Director	Chairwoman of the Board of Directors of Autostrade per l'Italia S.p.A. Industrie De Nora S.p.A. Board Member TREVI - Finanziaria Industriale S.p.A. Board Member Chairwoman of the Board of Directors of SAGAT S.p.A. CIR S.p.A. Board Member
Mario Paterlini	Independent Director	Buzzi Unicem S.p.A. Board Member
Renato Pizzolla	Non-Executive	SQ Renewables S.p.A. Board Member Autostrade Lombarde S.p.A. Board Member

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

The business address of each of the members of the Board of Directors is via De Marini 1, 16149 Genoa, Italy.

7.2 Statutory Auditors

In accordance with the Articles of Association, the Board of Statutory Auditors is composed of three standing auditors and three alternate auditors in compliance with the gender balance criterion prescribed by current laws and regulations. The Statutory Auditors may hold other positions as directors or regular auditors within the limits prescribed by laws and regulations. Following their appointment to the Board of Statutory Auditors at the Shareholders' Meeting on 26 April 2022, the current Board of Statutory Auditors shall expire on the date of the Shareholders' Meeting convened to approve the financial statements as at 31 December 2024.

For the appointment of the Board of Statutory Auditors, two lists of candidates were presented, one by the shareholder San Quirico S.p.A. and the other by some investors. Four candidates were appointed from the list

of candidates put forward by San Quirico S.p.A., including Giulia De Martino and Fabrizio Cavalli as standing auditors and Vincenzo Campo Antico and Luisella Bergero as substitute auditors. Two candidates were chosen from the list put forward by some investors, namely Elena Spagnol as Chairman and Paolo Prandi as substitute auditor.

On 3 October 2022, following the untimely passing of the Chairman of the Board of Statutory Auditors Elena Spagnol, the substitute auditor Paolo Prandi, appointed from the same list, took over the office of standing auditor and Chairman of the Board of Statutory Auditors until the next Shareholders' Meeting pursuant to the provisions of art. 22 of the Articles of Association.

The Shareholders' Meeting of 26 April 2023 appointed Monica Mannino as Chairman of the Board of Statutory Auditors, on the basis of the only list put forward by some investors. As a result of this resolution, Paolo Prandi returned to the position of substitute auditor.

7.3 Independent Auditors

The current independent auditors of ERG are KPMG S.p.A. (**KPMG**), with registered office at Via Vittor Pisani 25, 20124 Milan, Italy. KPMG is registered with the Companies' Register under Fiscal Code 00709600159.

The Independent Auditors' current appointment was conferred for the period 2018-2026 by the Shareholders' Meeting held on 23 April 2018 and will expire on the date of the Shareholders' Meeting convened to approved ERG's financial statements for the financial year ending 31 December 2026.

7.4 Committees

(a) Board Committees

Under the authority conferred on it by ERG's by-laws, the Board of Directors has deemed it appropriate to establish specific committees and to determine their powers and the rules for their functioning (**Board Committees**). Such committees have a consultative and advisory role.

As at the date of this Base Prospectus, the following Board Committees have been created:

- **Control Risk and Sustainability Committee** – assists the Board of Directors in decisions relating to the Internal Control and Risk Management System (*Sistema di Controllo Interno e Gestione dei Rischi*) and the approval of periodic financial reports pertaining to Group Governance, NFD and ESG Plan as well as fulfilling its obligations pursuant to Legislative Decree 231/01. In accordance with the Corporate Governance Code, the current Control Risk and Sustainability Committee is comprised of three independent directors, appointed by the Board of Directors during the meeting on 26 April 2021;
- **Nominations and Remuneration Committee** – advises and makes recommendations to the Board of Directors regarding the remuneration of Directors with powers or specific duties and the definition of remuneration policies and incentive plans for Group management, as well as fulfilling its obligations under the Corporate Governance Code for the Remuneration Committee. In accordance with the Corporate Governance Code, the current Nominations and Remuneration Committee is comprised of three independent directors, appointed by the Board of Directors during the meeting on 26 April 2021; and
- **Strategic Committee** – assists the Chief Executive Officer and the Board of Directors in defining strategic business and portfolio guidelines, guidelines and policies on strategic finance, decisions relating to long-term strategic plans as well as the Group's investment budgets and significant investments. The Strategic Committee currently consists of the Executive Deputy Chairman (as Chairman), the Non-Executive Deputy Chairman, the Chief Executive Officer, two non-executive directors and one independent director.

(b) Internal Committees

In addition to the above-mentioned Board Committees, the Group also has the following internal committees – non-Board Committees – which are aligned with the Group’s organisational structure and composed of Group Managers.

- **Human Capital Committee** – defines and monitors the main human capital development programmes and activities, provides support in decisions relating to strategies that determine the value of the human capital of ERG and monitors the effective implementation of the Human Rights Policy and manages reports relating to non-compliance thereof;
- **ESG Committee** – defines the Group’s guidelines on medium-long term sustainability, promotes the implementation of consistent practices in the field of corporate social responsibility, approves ESG Initiative Plan as part of the Group Business Plan monitoring and evaluating sustainability objectives and priority areas for action relating to corporate social responsibility and approves the time frames and communication methods of the Non-Financial Statement and corporate social responsibility initiatives;
- **Investment Committee** – provides support in assessing investment proposals by the Group and expresses a technical, economic and financial opinion at various stages in the investment process approval;
- **Risk Committee** – provides support in defining strategies and policies for the management of financial and market risks, provides the information required to authorise financial and market risk management operations and monitors the execution of significant transactions and verifies their effects;
- **Management Committee Business Results** – monitors the economic, financial and industrial results of the Group through standardised reporting and control models; follows the evolution of the institutional and regulatory reference framework, sharing growth trends, opportunities and risks, and monitors activities and projects in the context of national and foreign institutional relations;
- **Management Committee Business Development** – monitors the relevant projects of the Group, supporting the relative Project Leader, ensuring also the alignment of all Organisational Units as regards priorities and guaranteeing consistency with the decisions of the Investment Committee, and analyses business development opportunities both in terms of geographical expansion and technological diversification;
- **Credit Committee** - grants credit facilities, analyses deadlines and collection performance, assesses and verifies past-due recovery plans, assesses credit performance; and
- **Tax Framework Committee** – analyses the plan for testing, monitoring and evaluating the Tax Control Framework and the Annual Report of the Tax Control Framework, addressed to the ERG S.p.A. Control, Risk and Sustainability Committee; and monitors the effective implementation of the remediation plan.

7.5 Employees

As at 31 December 2022, ERG had approximately 573¹¹ employees (compared to approximately 553¹² employees at 31 December 2021).

¹¹ Restated with the exclusion of the Thermo business.

¹² Restated with the exclusion of the Thermo and Hydro businesses.

8. HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

8.1 Introduction

ERG intends to carry out its business activities in an environmentally-friendly manner with a view to safeguarding the internal and external stakeholders with whom it interacts. In line with the principles and guidelines set out in its Code of Ethics and its Sustainability Policy, ERG therefore encourages the adoption of environmentally friendly and energy efficient technologies and ensures that health, safety and environmental concerns are central to the long-term planning process and the implementation of the Group's strategic guidelines.

8.2 Environmental Protection

In order to reduce and offset greenhouse gases and to respect European sustainability targets, ERG has, for several years, pursued a long-term strategy based on the development of renewable sources, the promotion of energy efficiency, the use of the best techniques available for ensuring a constant reduction in emissions, and the use of fuels with low carbon content (natural gas) to reduce atmospheric pollution.

As reported in 2022 *"Consolidated non Financial Statement"*, in 2022 emissions of about 2,710 kt were avoided (2,272 kt in 2021).

8.3 Health and Safety

In accordance with ERG's Code of Ethics, protecting persons' health and safety has long characterised the ERG Group's culture and been central in the implementation of the Group's strategic guidelines. In order to implement the Group's health and safety policy, ERG ensures its staff's awareness and active participation in day-to-day management. The main aim of the ERG Health and Safety policy is to ensure that workers (both internal and external) cooperate and share common goals in order to reduce and find solutions to health and safety issues.

As part of this process, ERG aims to constantly inform, train and involve people by incentivising those who reduce risks for workers' health and safety or those who promote ideas for further improvement. The ERG Group adopted an integrated management system for health, safety and environment based on international standards ISO 45001 and ISO 14001. Moreover, with respect to thermoelectric and hydroelectric assets ERG group joined, on a voluntary basis, the European Regulation 1221/2009 and 1505/2017 EMAS (Environmental Management & Audit Scheme), that requires the organizations to provide the public and other interested parties with information on its environmental management, based on criteria of transparency and respect for the environment. The regulation implies the publication of the annual report public available (so called "Environmental Declaration") published on the Issuer's website under the *"sustainability"* section.

9. FUNDING STRUCTURE

9.1 Adjusted net financial Indebtedness

(EUR million)	31 December 2022	31 December 2021
Loans/borrowings	249	506
- <i>current portion of loans and borrowings</i>	(249)	(257)
Bonds issued	1,600	1,598
- <i>current portion of Bonds issued</i>	(7)	(7)
Project financing and Lease payables	227	237
- <i>current portion of Project Financing and lease payables</i>	(71)	(26)
Medium-long terms Debt	1,749	2,050
Non-current portion of other payables	2	14
Non-current financial liabilities	1,751	2,064
Fair value derivatives hedging interest rates	-	10
Lease liabilities	157	129
- <i>current portion of lease liabilities</i>	(6)	(6)
Net non-current financial indebtedness	1,902	2,197
Current portion of loans and borrowings	249	257
Current portion of Project financing and lease payables	71	26
Current portion of Bonds issued	7	7
Current portion of bank borrowings	50	1,050
Current portion of other payables and liabilities for non-commodity hedging derivatives	13	58
Other current financial assets ¹³	(245)	(491)
Cash and cash equivalents	(393)	(860)
Current portion of lease liabilities	6	6
Net current financial indebtedness	(242)	53
Net financial indebtedness	1,661	2,251
Exclusion of IFRS 16 impact (lease liabilities)	(157)	(129)
Exclusion of positive fair value IRS financial derivatives	(5)	(1)
Exclusion of positive fair value financial derivatives ERG S.p.A.	(64)	-
Net financial indebtedness of continuing operations	1,434	2,121
Inclusion of liabilities associated with assets held for sale	98	(69)
Adjusted net financial indebtedness	1,533	2,051

Adjusted net financial indebtedness

As at 31 December 2022, ERG had a consolidated adjusted net financial indebtedness of EUR 1,533 million, EUR 1,434 million net financial indebtedness of continuing operations and EUR 1,661 million net financial indebtedness.

¹³ Included Receivables for non-commodity hedging derivatives within Financial Assets Measured at Fair Value and Current financial assets.

Medium/long-term Debt

As at 31 December 2022, ERG had a medium and long-term loan Debt for a total amount of EUR 1,749 million of which:

- EUR 1,600 million represents the total Issuer's bond issued including the accrued interest expenses net of current portion of bonds issued EUR 7 million;
- EUR 227 million represents the total amount of Project financing and lease payables net of the current portion of EUR 71 million.

The nominal outstanding of such non-current financial liabilities amounts to EUR 2,081 million, that includes:

- four Green Bonds, totalling EUR 1,600 million, intended for the financing and refinancing of the construction and/or acquisition of wind and solar projects that have recently become part of the ERG Group portfolio;
- a bilateral corporate loan with UBI Banca S.p.A. (now the Intesa Sanpaolo Group) (EUR 100 million) taken out in the first half of 2016, repayment of which is expected in 2023;
- a senior Environmental, Social and Governance loan (“ESG Loan”) with Mediobanca S.p.A. (EUR 150 million) taken out in the first half of 2016 and refinanced in the fourth quarter of 2021 (first bilateral corporate loan).
- Four Project financing for a total amount of EUR 215 million and lease payables for EUR 15 million.

Net current financial indebtedness

As at 31 December 2022, ERG had net current financial indebtedness of EUR 242 million including cash amount of EUR 393 million and loans and borrowing for a total amount of EUR 249 million.

Investment

For the year ended 31 December 2022, the total figure of Investments for the ERG Group amounted to EUR 946 million. The breakdown of Investments by country and technology segment for the years ended 31 December 2022 and 2021 is shown in the table below:

Breakdown of Capital Expenditure, investments in M&A and investments by Country and Technology Segment

(EUR million)	For the year ended 31 December	
	2022	2021
Italy	141	18
<i>Wind</i>	126	16
<i>Solar</i>	15	1
Abroad	163	207
<i>France</i>	11	22
<i>Wind</i>	11	22
<i>Solar</i>	-	-
<i>Germany</i>	1	0
<i>UK</i>	96	123
<i>Sweden</i>	36	16
<i>Spain</i>	-	-
<i>East Europe</i>	20	47
Corporate	3	3
Capital Expenditure	307	228

(EUR million)	For the year ended 31 December	
	2022	2021
Italy	511	-
<i>Wind</i>	396	-
<i>Solar</i>	115	-
Abroad	127	389
<i>France</i>	-	198
<i>Wind</i>	-	123
<i>Solar</i>	-	74
<i>Germany</i>	-	150
<i>UK</i>	27	-
<i>Sweden</i>	-	41
<i>Spain</i>	100	-
<i>East Europe</i>	-	-
Corporate	-	-
Investments in M&A	638	389

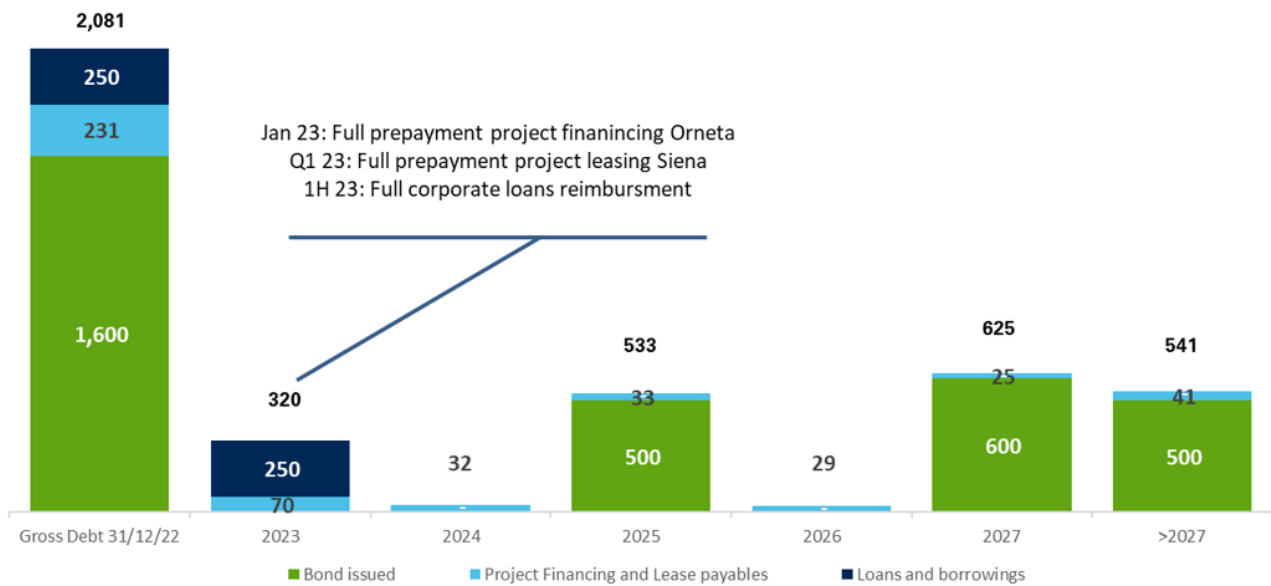
	For the year ended 31 December	
(EUR million)	2022	2021
Italy	653	18
<i>Wind</i>	522	16
<i>Solar</i>	131	1
Abroad	290	596
<i>France</i>	11	220
<i>Wind</i>	11	145
<i>Solar</i>	-	74
<i>Germany</i>	1	151
<i>UK</i>	123	123
<i>Sweden</i>	36	57
<i>Spain</i>	100	-
<i>East Europe</i>	20	47
Corporate	3	3
Investments	946	617

For the year ended 31 December 2022, investments are related mainly to the acquisition of solar farms (EUR 115 million) and wind farms (EUR 396 million) in Italy and solar farms in Spain (EUR 100 million), to the acquisition of a company holding permits for the construction and operation of a wind farm in Northern Ireland (EUR 27 million) and to organic development activities (EUR 282 million), in particular in relation to the completion of the wind farms in the UK for approximately 179 MW (of which 50 MW became operational at the end of October and 36 MW in mid-December), Poland for 61 MW (of which 24.5 MW became operational in June and 36 MW in October), France for 20 MW (which became operational in June) and Sweden for 62 MW (which became operational at the end of November), and to the start of the construction in Italy for 47 MW Greenfield and Repowering on Italian plants for approximately 193 MW of new wind capacity. In solar assets located in Italy, plant revamping activities continue (EUR 15 million), aimed at ensuring greater plant efficiency. In addition, investments continue in the ICT area and in minor maintenance projects.

ERG Group Debt as of 31 December 2022 and maturities for the coming years

The medium long-term debt including current portion (as of 31 December 2022 nominal outstanding of EUR 2,081 million, excluding amortised costs, IFRS 9 impact and accrued interest expenses) and the scheduled repayments for the incoming years are reported below.

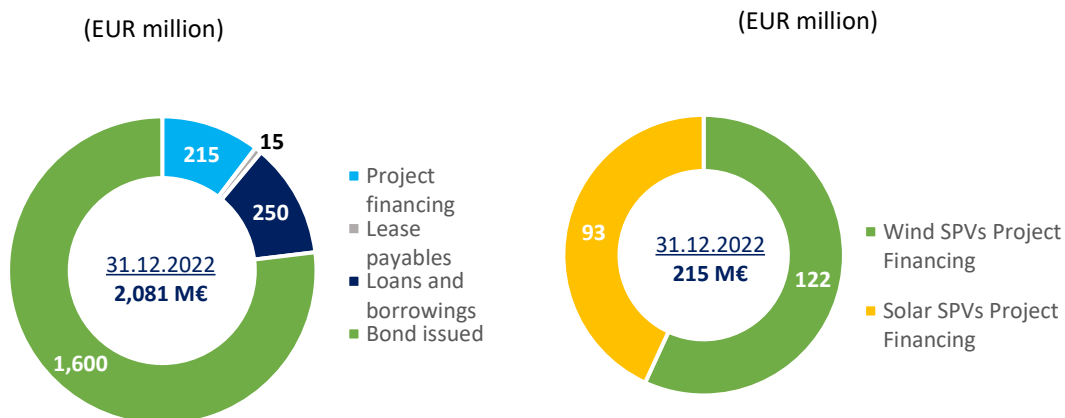
	(EUR million)						
	Gross Debt 31/12/22	2023	2024	2025	2026	2027	>2027
Bond issued	1,600	-	-	500	-	600	500
Project Financing and Lease payables	231	70	32	33	29	25	41
Loans and borrowings	250	250	-	-	-	-	-
	2,081	320	32	533	29	625	541



ERG Group medium long-term debt including current portion (as of 31 December 2022 nominal outstanding of EUR 2,081 million) consists of:

- loans and borrowings disbursed at ERG level for EUR 250 million.
- green bonds issued for EUR 1,600 million out of which EUR 500 million due in April 2025, EUR 600 million due in September 2027 and EUR 500 million due in September 2031; and
- project financing with nominal outstanding of EUR 215 million¹⁴ spread over some wind assets SPVs and solar assets SPVs.

The following graphic shows the breakdown of indebtedness by type and technology segment.



9.2 Sustainable Finance

The ERG Group’s financing strategy is increasingly oriented towards green and sustainable instruments, in line with its development model. In recent years, ERG has implemented a strategy to gradually evolve the financial structure from Project to Corporate Financing, through significant liability management transactions

¹⁴ Such amount does not include EUR 1.4 million of accrued interests related to project financing of Andromeda.

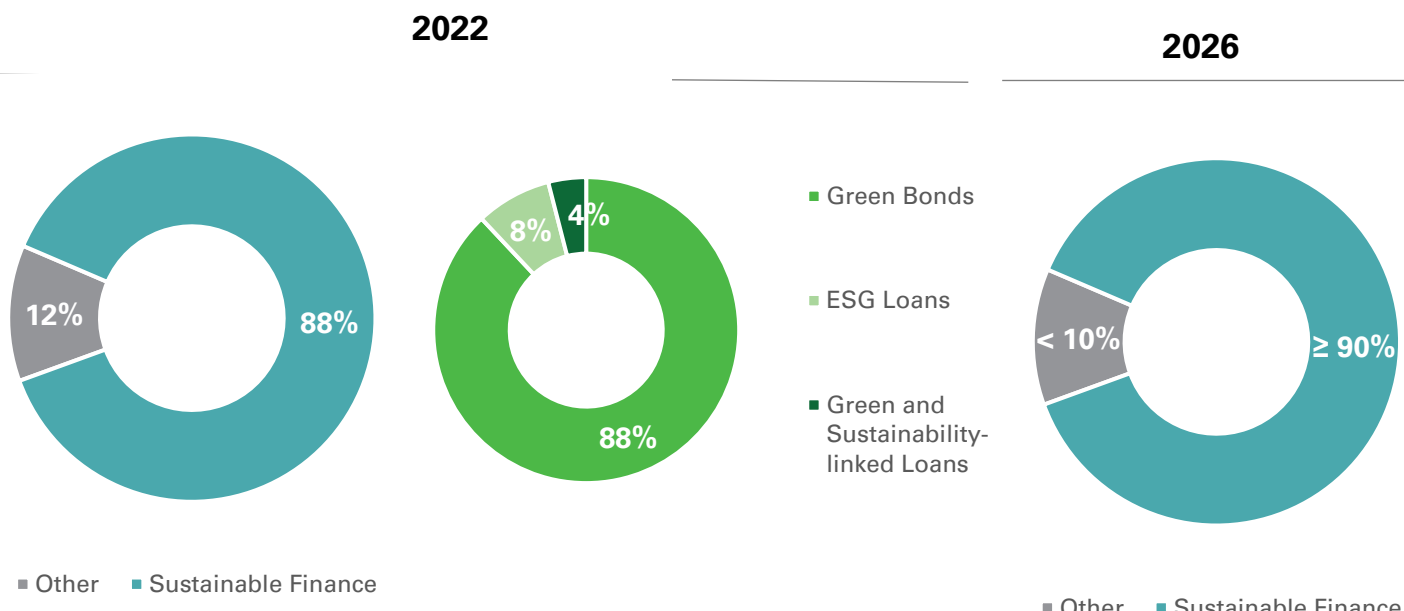
and the simultaneous issue of three bonds in April 2019, September 2020 and September 2021 respectively; this made it possible to re-balance the group financial structure in favour of corporate financing and to transform the debt structure from traditional sources of financing towards sustainable sources of financing.

In 2019, the Group adopted a Green Bond Framework, aligned with the Green Bond Principles (GBP) published by the ICMA in 2018, on the basis of which ERG issued its first Green Bond in April 2019 and its second in the second half of 2020. The Green Bond Framework was updated in 2020 and 2021 with a view to strengthening the Group’s commitment to sustainable finance, and was assessed by an independent advisor, Vigeo Eiris, who issued a second-party opinion confirming the alignment of the ERG Green Bond Framework with the Green Bond Principles.

For information related to sustainable finance, see the ERG’s 2022 Consolidated Financial Statements (in the Director’s Report - Sustainable Finance on page 97).

The Green Bond Framework of the ERG and Second-party Opinion are available at the Issuer’s website: <https://www.erg.eu/en/investor-relations/debt>. Information on the Issuer’s website (including the Green Bond Framework) does not form part of this Base Prospectus, unless such information is expressly incorporated by reference into the Base Prospectus.

In the chart below share of sustainable finance and its composition is shown.



10. LEGAL PROCEEDINGS

Currently, ERG is a party in civil, administrative and tax proceedings and legal actions connected with the normal course of its operations. ERG has provisions in the 2022 Consolidated Financial Statements for an aggregate amount of 148 million Euro (total other current and other non-current provisions). However, on the basis of the available information and considering the liability provisions accrued, it is deemed that these proceedings and actions will not have significant negative effects on ERG. In any case, see the risk factor "Risk Factors – Legal and Regulatory Risks – *“ERG and its subsidiaries are defendants in a number of legal proceedings and may from time to time be subject to further legal proceedings and inspections by the authorities*

It should be noted that ERG records provisions for liabilities and charges when:

- there is a present legal or constructive obligation to third parties;
- it is probable that the use of Group resources will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Changes in estimates are reflected in the income statement in the period in which they occur. When the financial effect of time is significant and the dates of settlement of the obligations can be estimated, the provision is subject to discounting, utilising a discount rate that reflects the current time value of money. The increase in the provision connected to the passing of time is recognised in the income statement under "Financial income (expenses)". When the liability relates to tangible assets (for example, dismantling and restoration of sites), the provision is presented as a contra asset against the asset to which it refers, and recognition in the income statement takes place through the depreciation process.

Significant contingent liabilities, represented by the following, are disclosed in the notes to the financial statements:

- possible (but not probable) obligations arising from past events, the existence of which will be confirmed only upon occurrence of one or more uncertain future events not wholly within the Group's control; and
- present obligations arising from past events the amount of which cannot be reliably estimated, or for which it is probable that settlement will not be onerous.

For information related to the main legal proceedings, see ERG's 2022 Consolidated Financial Statements (in the Note 25 - Provision for disposed businesses on page 206, Note 26 - Other Provisions on page 208-209 and Note 27 - Contingent liabilities and disputes, on page 209).

11. REGULATION

The ERG Group operates in a highly regulated environment.

An overview of the relevant legislative updates is contained:

- in ERG's 2021 Consolidated Financial Statements (in the Director's Report, "Relevant Legislative and Institutional Updates During the Year" at pages 55-60); and
- in ERG's 2022 Consolidated Financial Statements (in the Director's Report, "Relevant Legislative and Institutional Updates During the Year" at pages 40-50),

both incorporated by reference hereto (see "*Documents Incorporated by Reference*" above).

Although this overview contains all the information that as at the date of this Base Prospectus ERG considers material in the context of the Programme, it 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 ERG Group and of the impact they may have on the ERG Group and any investment in the Notes and should not rely on this overview only. See also "*Risk Factors*" above, including "*– Legal and Regulatory Risks*"

TAXATION

The statements herein regarding Italian taxation are based on the laws in force as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes. This summary will not be updated to reflect changes in laws and if such a change occurs the information in this summary could become invalid.

REPUBLIC OF ITALY

Tax treatment of Notes issued by the Issuer qualifying as bonds or debentures similar to bonds

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree No. 239**) sets out the applicable regime regarding the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as **Interest**) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by Italian companies listed on an Italian regulated market. The provisions of Decree No. 239 only apply to those notes which qualify as bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented (**Decree No. 917**). For these purposes, bonds and debentures similar to bonds (*titoli similari alle obbligazioni*) are defined as securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value (with or without periodical payments) and that do not give any right to directly or indirectly participate in the management of the Issuer or to the business in relation to which the securities are issued nor any type of control on the management and do not provide for a remuneration which is entirely linked to the profits of the issuer, or other companies belonging to the same group or to the business in respect of which the securities have been issued.

Italian resident Noteholders

Pursuant to Decree No. 239, where the Italian resident holder of the Notes, who is the beneficial owner of such Notes, is:

- (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected unless he has entrusted the management of his financial assets, including the Notes, to an authorised intermediary and has opted for the so called "*regime del risparmio gestito*" (the **Asset Management Regime**) according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended (**Decree No. 461**); or
- (b) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership), or a *de facto* partnership not carrying out commercial activities or professional association; or
- (c) a private or public institutions (other than companies), a trust not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or
- (d) an investor exempt from Italian corporate income taxation,

Interest payments relating to the Notes are subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes). All the above categories are qualified as "net recipients".

Where the resident holders of the Notes described above under (a) to (c) above are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional income

tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals holding the Notes not 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 if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Pursuant to Decree 239, the *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so-called **SIMs**), fiduciary companies, *società di gestione del risparmio* (**SGRs**), stockbrokers and other qualified entities, identified by a decree of the Ministry of Finance, which are resident in Italy (**Intermediaries** and each an **Intermediary**) or by permanent establishments in Italy of banks or intermediaries resident outside Italy or by organizations or companies non-resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which includes *Euroclear* and *Clearstream*) having appointed an Italian representative for the purposes of Decree 239. For the purposes of applying *imposta sostitutiva*, Intermediaries or permanent establishments in Italy of foreign intermediaries are required to act in connection with the collection of Interest or, in the transfer or disposal of the Notes, including in their capacity as transferees. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change in ownership of the relevant Notes or in a change in the Intermediary with which the Notes are deposited.

Where the Notes and the relevant coupons are not deposited with an authorised Italian Intermediary (or with a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Notes or, absent that, by the Issuer.

Payments of Interest in respect of Notes are not subject to the 26 per cent. *imposta sostitutiva* if made to beneficial owners who are:

- (i) Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected;
- (ii) Italian resident partnerships carrying out commercial activities (*società in nome collettivo* or *società in accomandita semplice*);
- (iii) Italian resident open-ended or closed-ended collective investment funds (together the **Funds** and each a **Fund**), investment companies with variable capital (**SICAVs**), investment companies with fixed capital other than real estate SICAFs (**SICAFs**), Italian resident pension funds referred to in Legislative Decree No. 252 of 5 December 2005 (**Decree No. 252**), Italian resident real estate investment funds (**Real Estate Funds**) and Italian real estate investment companies with fixed capital (**Real Estate SICAFs**) subject to the regime provided for by Law Decree No. 351 of 25 September 2001; and
- (iv) Italian resident individuals holding the Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised financial Intermediary and have opted for the Asset Management Regime.

Such categories are qualified as "gross recipients". To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, gross recipients indicated above must: (a) be the beneficial owners of payments of Interest on the Notes (certain types of institutional investors are deemed to be beneficial owners by operation of law) and (b) deposit the Notes in due time, together with the coupons relating to such Notes, directly or indirectly with an Italian authorised Intermediary (or a permanent establishment in Italy of a foreign Intermediary). Where the Notes and the relevant coupons are not deposited

with an Italian authorised Intermediary (or a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Notes or, absent that, by the Issuer.

Gross recipients that are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Interest accrued on the Notes shall be included in the corporate taxable income (and in certain circumstances, depending on the "status" of the Noteholder, also in the net value of production for purposes of regional tax on productive activities – **IRAP**) of beneficial owners who are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

Italian resident individuals holding the Notes not in connection with entrepreneurial activity who have opted for the Asset Management Regime are subject to a 26 per cent. annual *imposta sostitutiva* (the **Asset Management Tax**) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised Intermediary.

If the investor is resident in Italy and is a Fund, a SICAV or a SICAF and the relevant Notes are held by an authorised intermediary, Interest accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the financial results of the Fund, SICAV or SICAF. The Fund, SICAV or SICAF will not be subject to taxation on such result, but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the **Collective Investment Fund Tax**).

Where a Noteholder is a Real Estate Fund or a Real Estate SICAF, to which the provisions of Law Decree No. 351 of 25 September 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010, and Legislative Decree No. 44 of 4 March 2014, all as amended, apply, Interest accrued on the Notes will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Fund or Real Estate SICAF. Subsequent distributions made in favour of unitholders or shareholders and/or income realized upon redemption or disposal of the units or shares 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 or Real Estate SICAF is subject to taxation in the hands of the unitholder or the shareholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided by Article 17 of Decree No. 252) and the Notes are deposited with an Italian resident intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of each tax period, to be subject to the to a 20 per cent. annual *imposta sostitutiva* (the **Pension Fund Tax**) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes).

Subject to certain limitations and requirements (including minimum holding period), Interest relating to the Notes may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Non-Italian resident Noteholders

According to Decree No. 239, payments of Interest in respect of the Notes will not be subject to *imposta sostitutiva* at the rate of 26 per cent. if made to beneficial owners who are non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected provided that:

- (a) such beneficial owners are resident for tax purposes in a State or territory which allows for an adequate exchange of information with Italy as listed in the Italian Ministerial Decree of 4 September 1996, as

amended and supplemented by Ministerial Decree of 23 March 2017 and possibly further amended by future decree issued pursuant to Article 11(4)(c), of Decree No. 239 (as amended by Legislative Decree No. 147 of 14 September 2015) (the **White List**). According to Article 11(4)(c) of Decree No. 239, the White List will be updated every six month period. In the absence of the issuance of the new White List, reference has to be made to the Italian Ministerial Decree dated 4 September, 1996 as amended from time to time; and

- (b) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time.

Decree No. 239 also provides for additional exemptions from *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international entities and organisations established in accordance with international agreements ratified in Italy; (ii) certain foreign institutional investors, whether or not subject to tax, established in countries included in the White List; and (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, non-Italian resident investors indicated above must:

- (a) be the beneficial owners of payments of Interest on the Notes (certain types of institutional investors are deemed to be beneficial owners by operation of law);
- (b) deposit the Notes in due time together with the coupons relating to such Notes, directly or indirectly, with an Italian resident bank or SIM, or a permanent establishment in Italy of a non Italian resident bank or SIM, or with a non-Italian resident operator participating in a centralised securities management system which is in contact via computer with the Ministry of Economy and Finance; and
- (c) file with the relevant depository a statement (*autocertificazione*) in due time stating, *inter alia*, that he or she is resident, for tax purposes, in one of the above mentioned White List States. Such statement (*autocertificazione*), which must comply with the requirements set forth by Ministerial Decree of 12 December 2001, shall be valid until withdrawn or revoked and need not be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The statement (*autocertificazione*) is not required for non-Italian resident investors that are international entities or organisations established in accordance with international agreements ratified in Italy, and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

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

Non-Italian resident holders of the Notes who are subject to *imposta sostitutiva* may, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant holder of the Notes.

Fungible issues

Pursuant to Article 11, paragraph 2 of Decree No. 239, where the relevant Issuer issues a new Tranche forming part of a single series with a previous Tranche, for the purposes of calculating the amount of Interest subject to *imposta sostitutiva*, the issue price of the new Tranche will be deemed to be the same as the issue price of the original Tranche. This rule applies where (a) the new Tranche is issued within 12 months from the issue date of the previous Tranche, and (b) the difference between the issue price of the new Tranche and that of the

original Tranche does not exceed 1 per cent. of the nominal value of the Notes multiplied by the number of years of the duration of the Notes.

Atypical securities

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) under Article 44 of Decree No. 917 and qualify as *titoli atipici* (“atypical securities”) pursuant to Article 5 of Law Decree No. 512 of 30 September 1983, as amended and supplemented, may be subject to a withholding tax, levied at the rate of 26 per cent. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and which do not grant the holder any direct or indirect right of participation to (or control of) the management of the Issuer.

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 withholding tax on proceeds received under Notes classifying as atypical securities, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Where the Noteholder is: (a) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected; (b) an Italian company or a similar Italian commercial entity; (c) a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected; (d) an Italian commercial partnership; or (e) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases the withholding tax is a final withholding tax. For non-Italian resident Noteholders, the withholding tax rate may be reduced by any applicable tax treaty (to the extent the conditions for its application are met).

Capital gains tax

Italian resident Noteholders

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

Pursuant to Decree No. 461, a 26 per cent. capital gains tax (referred to as "*imposta sostitutiva*") is applicable to capital gains realised by:

- an Italian resident individual not engaged in entrepreneurial activities to which the Notes are connected;
- an Italian resident partnership not carrying out commercial activities;
- an Italian private or public institution not carrying out mainly or exclusively commercial activities; or

on any sale or transfer for consideration of the Notes or redemption thereof.

Under the so called "*regime della dichiarazione*" (**Tax Declaration Regime**), which is the standard regime for taxation of capital gains, the 26 per cent. *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realised pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities, and *imposta sostitutiva* must be paid on such capital gains together with any balance income tax

due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent fiscal year.

Alternatively to the Tax Declaration Regime, the holders of the Notes who are:

- Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected;
- Italian resident partnerships not carrying out commercial activities;
- Italian private or public institutions not carrying out mainly or exclusively commercial activities,

may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Notes under the so called "*regime del risparmio amministrato*" (the **Administrative Savings Regime**). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and (ii) an express election for the Administrative Savings Regime being made in writing in due time by the relevant holder of the Notes. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian tax authorities on behalf of the holder of the Notes, deducting a corresponding amount from proceeds to be credited to the holder of the Notes. Where a sale or transfer or redemption of the Notes results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the Notes within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the Administrative Savings Regime, the realised capital gain is not required to be included in the annual income tax return of the Noteholder and the Noteholder remains anonymous.

Special rules apply if the Notes are part of a portfolio managed under the Asset Management Regime by an Italian asset management company or an authorised intermediary. The capital gains realised upon sale, transfer or redemption of the Notes will not be subject to 26 per cent. *imposta sostitutiva* on capital gains but will contribute to the determination of the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio at the year-end may be carried forward against appreciation accrued in each of the following tax years up to the fourth. Also under the Asset Management Regime the realised capital gain is not required to be included in the annual income tax return of the Noteholder and the Noteholder remains anonymous.

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Notes realized upon sale, transfer or redemption by Italian resident individuals holding the Notes not 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 taxation, including the 26 per cent. *imposta sostitutiva*, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets requirements from time to time applicable as set forth under Italian law.

In the case of Notes held by Funds, SICAVs or SICAFs, capital gains on the Notes contribute to determine the increase in value of the managed assets of the Funds, SICAVs or SICAFs accrued at the end of each tax year. The Funds, SICAVs or SICAFs will not be subject to taxation on such increase, but the Collective Investment Fund Tax will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Where a Noteholder is a Real Estate Fund or a Real Estate SICAF, to which the provisions of Law Decree No. 351 of 25 September 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010, and Legislative Decree No. 44 of 4 March 2014, all as amended, apply, capital gains realised will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Fund or Real Estate SICAF. Subsequent distributions made in favour of unitholders or shareholders and/or income realized upon redemption or disposal of the units or shares 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 or Real Estate SICAF is subject to taxation in the hands of the unitholder or the shareholder regardless of distribution.

Any capital gains realised by a Noteholder who is an Italian resident pension fund (subject to the regime provided for by Article 17 of Decree No. 252) will be included in the result of the relevant portfolio accrued at the end of the tax period, and will be subject to the Pension Fund Tax.

Subject to certain limitations and requirements (including minimum holding period), capital gains in respect of Notes realized upon sale, transfer or redemption by Italian resident pension fund may be excluded from the taxable base of the Pension Fund Tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Non- Italian resident Noteholders

The 26 per cent. *imposta sostitutiva* on capital gains may in certain circumstances be payable on any capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Article 23 of Decree No. 917, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad, and in certain cases subject to timely filing of required documentation (in the form of a declaration (*autocertificazione*) of non-residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Where the Notes are not listed on a regulated market in Italy or abroad:

- (a) pursuant to the provisions of Decree No. 461, non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Notes if they are resident, for tax purposes: (a) in a State or territory included in the White List and (b) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirement indicated above. The same exemption applies where the beneficial owners of the Notes are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; or (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State; and
- (b) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon 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 sale for consideration or redemption of Notes.

Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon condition that they promptly file with the Italian authorised financial intermediary a declaration attesting that all the requirements for the application of the relevant double taxation treaty are met.

Any capital gains realised by Italian resident corporations or similar commercial entities or permanent establishments in Italy of non-Italian resident corporations to which the Notes are connected, will be included in their business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant ordinary tax rules.

Inheritance and gift taxes

Transfers of any valuable asset (including shares, Notes or other securities) as a result of death or donation are taxed as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the entire value of the inheritance or gift exceeding Euro 1,000,000;
- (b) 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 gift exceeding Euro 100,000; and
- (c) any other transfer is subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or gift.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding, for each beneficiary, Euro 1,500,000.

The transfer of financial instruments (including the Notes) as a result of death is exempt from inheritance tax when such financial instruments are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Transfer tax

Contracts relating to the transfer of securities are subject to a Euro 200 registration tax as follows: (i) public deeds and notarised deeds are subject to mandatory registration; (ii) private deeds are subject to registration only in "case of use" (*caso d'uso*) or in case of "explicit reference" (*enunciazione*) or voluntary registration.

Tax Monitoring Obligations

Italian resident individuals, non-commercial entities, non-commercial partnerships and similar institutions (*società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986), under certain conditions, are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990 converted into law by Law Decree No. 227 of 4 August 1990, as amended from time to time, for tax monitoring purposes the amount of investments (including the Notes) directly or indirectly held abroad during each tax year.

The requirement applies also where the persons above, being not the direct holders of the financial instruments, are the actual owners of the instrument.

Furthermore, it is not necessary to comply with the above reporting requirement with respect to: (i) the Notes deposited for management with qualified Italian financial intermediaries; (ii) the contracts entered into through their intervention, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed of deposits and/or bank accounts and their aggregate value does not exceed a Euro 15,000 threshold throughout the year.

Stamp duty

Pursuant to Article 13, para. 2-ter of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, as subsequently amended, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to its clients in respect of any financial product

and instrument (including the Notes), which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and cannot exceed Euro 14,000 for taxpayers which are not individuals. This stamp duty is determined on the basis of the market value or, if no market value figure is available, on the basis of face value or redemption value, or in the case the face or redemption values cannot be determined, on the basis of purchase value of the financial assets (including banking bonds, *obbligazioni* and capital adequacy financial instruments) held.

The statement is deemed to be sent at least once a year, including with respect to the instruments for which is not mandatory nor the deposit, nor the release nor the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable based on the period accounted.

Pursuant to the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 29 July 2009, as subsequently amended, supplemented and restated) of an entity that exercises a banking, financial or insurance activity in any form within the Italian territory.

Wealth tax on financial assets deposited abroad

According to Article 19 of Decree No. 201 of 6 December 2011, converted with Law No. 214 of 22 December 2011, as subsequently amended, Italian resident individuals, Italian non-commercial private or public institutions and Italian non-commercial partnership (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) holding financial assets, including the Notes, outside of the Italian territory are required to declare in their own annual tax declaration and pay a wealth tax at the rate of 0.2 per cent. (**IVAFE**) (the level of tax being determined in proportion to the period of ownership). For taxpayers other than individuals, IVAFE cannot exceed Euro 14,000 per year.

This tax is calculated on the market value at the end of the relevant year or, if no market value figure is available, on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of any financial asset (including the Notes) held abroad. A tax credit is granted for any foreign property tax levied abroad on such financial assets. The financial assets held abroad are excluded from the scope of the wealth tax, if such financial assets are administered by Italian financial intermediaries pursuant to an administration agreement and the items of income derived from such instruments have been subject to tax by the same intermediaries.

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 the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments published in the U.S Federal Register and the Notes characterised as debt (or which are 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. However, if additional Notes (as described under Condition 15 (*Further Issues*)) that are not

distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. 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.

THE PROPOSED FINANCIAL TRANSACTION TAX (FTT)

On 14 February 2013, the European Commission published a proposal (the Commission's Proposal) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced in the form proposed on 14 February 2013, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. Additional EU Member States may decide to participate, although certain other Member States have expressed strong objections to the proposal. The FTT proposal may therefore be altered prior to any implementation, the timing of which remains unclear.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

LUXEMBOURG TAXATION

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(a) *Non-resident holders of Notes*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

(b) *Resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended (the **Relibi Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Accordingly, payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20 per cent.

SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 18 July 2023, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies “*Prohibition of Sales to EEA Retail Investors*” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

- (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression **an offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies “*Prohibition of Sales to EEA Retail Investors*” as “Not Applicable”, in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (A) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (C) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a 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 for the Notes; and
- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129, as amended from time to time.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies “*Prohibition of Sales to UK Retail Investors*” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or

- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA;
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes 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 for the Notes; and
- the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

France

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it undertakes to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Notes and the distribution in France of the Base Prospectus or any other offering material relating to the Notes.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the **Prospectus Regulation**) and any application provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Italian CONSOB regulations; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (a) or (b) above must:

- (i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Singapore

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (a) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The updating of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 12 July 2023.

All necessary consents, approvals and authorisations in connection with the issue and performance of the obligations under the Notes will be in place prior to each issue of Notes.

The Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 8156004604684CA44A90.

Listing of Notes and Admission to Trading

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (as amended, Directive 2014/65/EU).

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer, on the Issuer's website (<https://www.erg.eu/it/home>), and from the specified office of the Paying Agent for the time being in Luxembourg:

- (a) the By-laws (*statuto*) and the constitutional documents of the Issuer (with an English translation thereof);
- (b) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form the Coupons and the Talons; and
- (c) this Base Prospectus, any future base prospectus, prospectuses, information memoranda, supplements, Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference.

In addition, this Base Prospectus, each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website (www.luxse.com).

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue J. F. Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated 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.

Significant Recent Transaction

Save as disclosed in this Base Prospectus in the section “*Description of the Issuer and the ERG Group – Recent Significant Transaction*” at page 110, there has been no significant change in the financial performance or position of the Group since 31 March 2023 and there has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2022.

Litigation

Save as disclosed in the section *Description of the Issuer and the ERG Group – Recent Significant Transactions*” at page 110 and in the section “*Description of the Issuer and the ERG Group – Legal Proceeding*” at page 133, neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Auditors

The current independent auditors of ERG are KPMG S.p.A. (**KPMG**), with registered office at Via Vittor Pisani 25, 20124 Milan, Italy. KPMG is registered with the Companies’ Register under Fiscal Code 00709600159 and it is registered under No. 70623 in the Register of Accountancy Auditors (*Registro dei Revisori Legali*) held by the Italian Ministry of Economy and Finance in compliance with the provision of Legislative Decree No. 39, January 27, 2010 and in the register of Auditing Firms held by CONSOB.

The Independent Auditors’ current appointment was conferred for the period 2018-2026 by the Shareholders’ Meeting held on 23 April 2018 and will expire on the date of the Shareholders’ Meeting convened to approved ERG’s financial statements for the financial year ending 31 December 2026.

The consolidated financial statements of ERG S.p.A. and its subsidiaries as of 31 December 2021 and 2022, and for each of the years ended 31 December 2021 and 2022 incorporated by reference in this Base Prospectus, have been audited by KPMG S.p.A., independent auditors, as stated in their unqualified report incorporated by reference.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in financing, in investment banking and/or commercial banking transactions (including the provision of loan facilities) and other related transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

Certain of the Dealers and their affiliates may have positions, deal, or make markets in the Notes issued under the Programme, related derivatives and reference obligations in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their 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.

For the purpose of this paragraph the term "affiliates" also includes parent companies.

Validity of the Base Prospectus and supplements

The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

ISSUER

ERG S.p.A.

Torre WTC - Via De Marini, 1
16149 Genoa
Italy

PRINCIPAL PAYING AGENT

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Italy

To the Dealers as to English law

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Italy

AUDITORS

KPMG S.p.A.
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Italy

ARRANGERS

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France

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ARRANGERS AND DEALERS

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France

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LISTING AGENT

BNP Paribas, Luxembourg Branch
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