

ALERION CLEAN POWER SPA GREEN BOND 2021

DNV ELIGIBILITY ASSESSMENT

Scope and objectives

Alerion Clean Power S.p.A. ("ALERION" or "Issuer"), is an industrial group listed on the Milan Stock Exchange, specializing in the production of electricity from renewable sources, particularly in the wind sector.

ALERION is considering the issuance of a 2021 green bond in EURO (henceforth referred to as "BOND") up to 200 million euro and would like to label the issuance as a "Green Bond" as defined within the Green Bond Principles 2021 ("GBP") set out by the International Capital Market Association ("ICMA").

ALERION intends to use the proceeds of the BOND to refinance their Euro 150 million Alerion Clean Power S.p.A. 2018-2024" bond (ISIN IT0005333627) and to finance investments in new projects. ALERION's proposed use of proceeds fall within the following categories:

Renewable Energy:

- Wind & Solar
 - New project design, development, manufacture and construction;
 - Acquisition of operating projects;
 - Refinancing of existing projects.

DNV Business Assurance Italia S.r.l. (henceforth referred to as "DNV") has been commissioned by ALERION to provide a Green Bond eligibility assessment of the BOND. Our methodology to achieve this is described under 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

No assurance is provided regarding the financial performance of the BOND, the value of any investments in the BONDS, or the long term environmental benefits of the transaction. Our objective has been to provide an assessment that the BOND has met the criteria established on the basis set out below.

The scope of this DNV opinion is limited to the Green Bond Principles 2021 (GBP).

Responsibilities of the Management of ALERION and DNV

The management of ALERION has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform ALERION management and other interested stakeholders in the BOND as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by ALERION. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by ALERION's management and used as a basis for this assessment were not correct or complete.

Basis of DNV's opinion

We have adapted our Green Bond Principles methodology, which incorporates the requirements of the GBP, to create a ALERION-specific Green Bond Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. The overarching principle behind the criteria is that a green bond should "enable capital-raising and investment for new and existing projects with environmental benefits".

As per our Protocol, the criteria against which the BOND has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of a green bond must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a green bond should outline the process it follows when determining eligibility of an investment using Green Bond proceeds, and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a green bond should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the bond investors should be made of the use of bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work undertaken

Our work constituted a high level review of the available information, based on the understanding that this information was provided to us by ALERION in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of an ALERION-specific Protocol, adapted to the purpose of the BOND, as described above and in Schedule 2 to this Assessment;
 - Assessment of documentary evidence provided by ALERION on the BOND and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
 - Discussions with ALERION management, and review of relevant documentation;
 - Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.
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Findings and DNV's opinion

DNV's findings are listed below:

- 1. Principle One: Use of Proceeds.** ALERION plans to use the proceeds of the BOND to refinance their Euro 150 million Alerion Clean Power S.p.A. 2018-2024" bond (ISIN IT0005333627) and to finance new projects and assets including:

Renewable Energy:

- Wind & Solar
 - New project design, development, manufacture and construction;
 - Acquisition of operating projects;
 - Refinancing of existing projects.

DNV reviewed the criteria for the project categories above to determine the eligibility of the nominated projects and assets.

- 2. Principle Two: Process for Project Evaluation and Selection.** The BOND's proceeds will be allocated to finance and refinance the assets as defined in Schedule 1. DNV has reviewed evidence that demonstrates that ALERION regularly assesses opportunities for improvement and devises action plans and initiatives to mitigate negative environmental and social impacts from its operations.
- 3. Principle Three: Management of Proceeds** DNV has reviewed evidence showing how ALERION plans to trace the proceeds from the Bond, from the time of issuance to the time of disbursement. The full amount of the proceeds will be managed within treasury or equivalent, and thereafter disbursed in accordance with the investment commitments and any debt obligations. The details of the disbursement and the outstanding value will be tracked using ALERION's internal financial reporting system. At the end of each financial period, ALERION will review the outstanding balance of the BOND. As stated above, DNV provides no assurance regarding the financial performance of the Bond, the value of any investments in the Bond, or the effects of the transaction.
- 4. Principle Four: Reporting.** ALERION has confirmed that it will provide an annual report on its website. This will include description of the green bond proceeds allocation, overview of the projects financed or refinanced and the environmental impact, until the full allocation of proceeds.

On the basis of the information provided by ALERION and the work undertaken, it is DNV's opinion that the BOND meets the criteria established in the Protocol and that it is aligned with the stated definition of green bonds within the Green Bond Principles, which is to "enable capital-raising and investment for new and existing projects with environmental benefits".

for DNV Business Assurance Italia Srl

Sydney, Australia / 6 October 2021



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About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology

and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF NOMINATED ASSETS TO BE FINANCED AND REFINANCED THROUGH ALERION GREEN BOND

Eligible Project Category	Project	Location
Wind & Solar	New Project Development and Construction	Italy/Romania /Spain
Wind & Solar	Acquisition of existing projects	Italy/Romania /Spain
Wind	Refinancing of existing projects and/or bonds (Euro 150 million Alerion Clean Power S.p.A. 2018-2024" bond (ISIN IT0005333627))	Italy

SCHEDULE 2: GREEN BOND ELIGIBILITY ASSESSMENT PROTOCOL

1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Type of bond	The bond must fall in one of the following categories, as defined by the Green Bond Principles: <ul style="list-style-type: none"> • Green Use of Proceeds Bond • Green Use of Proceeds Revenue Bond • Green Project Bond • Green Securitized Bond 	Review of: <ul style="list-style-type: none"> - BOND Term Sheet or equivalent or equivalent - ALERION Green Bond Framework Discussions with ALERION management	The reviewed evidence confirms that the BOND falls in the category: Green Use of Proceeds Bond.
1b	Green Project Categories	The cornerstone of a Green Bond is the utilization of the proceeds of the bond which should be appropriately described in the legal documentation for the security.	Review of: <ul style="list-style-type: none"> - BOND Term Sheet or equivalent - ALERION Green Bond Framework - Sub Project Performance and Financial Documentation Discussions with ALERION management	As identified by the issuer disclosures the purpose of the BOND is to use the proceeds to finance and refinance projects and acquisitions for projects falling under the following categories: <p>Renewable Energy:</p> <ul style="list-style-type: none"> • Wind & Solar Power Projects DNV's assessment concluded that these assets would present a low risk of GHG emissions relative to fossil fuels and qualify for inclusion under the Green Bond Principles within the Renewable Energy category.
1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will	Review of: <ul style="list-style-type: none"> - BOND Term Sheet or equivalent 	DNV reviewed the wind and solar power projects proposed to be included within the bond pool and confirmed their nature and type to reasonably include the generation of renewable

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		be quantified or assessed by the issuer.	<ul style="list-style-type: none"> - ALERION Green Bond Framework - ALERION Asset Specifications <p>Discussions with ALERION management</p>	energy, which is in line with the Use of Proceeds under the Green Bond Principles 2021.
1d	Refinancing share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	<p>Review of:</p> <ul style="list-style-type: none"> - BOND Term Sheet or equivalent - Bond disclosure documentation - BOND Proceeds and reporting framework <p>Discussions with ALERION management</p>	The proceeds of the BOND, as below, will be used for ~25% new finance and acquisitions ~75% refinancing of existing assets and/or bonds (<i>i.e.</i> Euro 150 million Alerion Clean Power S.p.A. 2018-2024" bond (ISIN IT0005333627)).

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	<p>The issuer of a Green Bond should outline the decision-making process it follows to determine the eligibility of projects using Green Bond proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> • A process to determine how the projects fit within the eligible 	<p>Review of:</p> <ul style="list-style-type: none"> - BOND Term Sheet or equivalent - ALERION Green Bond Framework - Appendix 2 of the Green Bond Framework 	<p>As per the ALERION Green Bond Framework, the issuer has set out the following criteria for project selection:</p> <p>Process for Project Evaluation and Selection</p> <p>Alerion will establish a Green Bond Committee ("the Committee") to oversee the Green Bond implementation and the allocation process.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>Green Projects categories identified in the Green Bond Principles;</p> <ul style="list-style-type: none"> • The criteria making the projects eligible for using the Green Bond proceeds; and • The environmental sustainability objectives 		<p>The Committee will be chaired by the Chairman of the Board of Directors, and composed of the other Board Executive Directors, together with the Chief Financial Officer and Chief Operating Officer.</p> <p>The Committee will be in charge of monitoring the selection and allocation of funds to Eligible Green Projects and will be responsible for the following:</p> <ul style="list-style-type: none"> • Identifying potential Eligible Green Projects; • Reviewing and approving the selection against the eligibility criteria stated in Section 2.1; • Monitoring the Eligible Green Project portfolio; • Managing any future update of the Green Bond Framework. <p>DNV confirmed this process to define a clear and repeatable system by which projects maybe identified and included or excluded from the Green Bond project pool. The Criteria making the projects eligible for inclusion contained within the Green Bond Framework were in line with the Green Bond Principles eligible categories and can be expected to result in quantifiable environmental benefits.</p>
2b	Issuer’s environmental and social and governance framework	In addition to information disclosed by an issuer on its Green Bond process, criteria and assurances, Green Bond investors may also take into consideration the quality of the issuer’s overall framework and performance regarding environmental sustainability.	<p>Review of:</p> <ul style="list-style-type: none"> - ALERION Sustainability and ALERION Governance Framework - ALERION Sustainability Reporting - ALERION Green Bond Framework 	<p>DNV reviewed the ALERION Governance Framework Documents in addition to the Corporate Reporting and Budget Documentation.</p> <p>ALERION’s Governance frameworks form the basis for clear stakeholder reporting of relevant metrics such a GHG emissions, Energy generation, waste management, technological rollouts and other social and environmental metrics. The proposed reporting associated with the ALERION</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
			Discussions with ALERION management	<p>Green Bond is in line with their existing Governance Commitments and metrics to stakeholders and investors.</p> <p>DNV notes that the performance of the nominated assets within the Bond pool is to be reported as a part of ALERION's periodic reporting as per the ALERION Green Bond Framework.</p> <p>The selected reporting performance metrics for the nominated projects and assets as stated within the Green Bond Framework, are in line with the governance framework demonstrated by ALERION within the information provided on their website.</p> <p>We have also carried out a high-level media review of ALERION. We have found no evidence to suggest that ALERION or any of the assets are or have been operating in breach of national or local environmental regulations.</p> <p>Based on the evidence reviewed and the discussion we had with senior managers, we found nothing to suggest that ALERION's governance framework is not in line with good practice of the industry in which it operates.</p>

3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of Green Bonds should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer	Review of: - BOND Term Sheet or equivalent	The evidence reviewed shows how ALERION plans to trace the BOND's proceeds, from the time of issuance to the time of disbursement.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Green Projects.	<ul style="list-style-type: none"> - BOND Proceeds and reporting framework <p>Discussions with ALERION management</p>	<p>The full amount of the proceeds will be managed within treasury or equivalent, and thereafter disbursed in accordance with the investment schedules and debt obligations.</p> <p>The details of the disbursement and the outstanding value will be tracked in ALERION's internal financial system. At the end of each financial period, the outstanding balance of the BOND will be reviewed.</p>
3b	Tracking procedure	So long as the Green Bonds are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	<p>Review of:</p> <ul style="list-style-type: none"> - BOND Term Sheet or equivalent - ALERION Green Bond Framework <p>Discussions with ALERION management</p>	The evidence reviewed shows that ALERION plans to trace the proceeds from the BOND, from the time of issuance to the time of disbursement, and reduce the net balance of proceeds by amounts in line with the assets investment and debt repayment schedules. At the end of each financial period, the outstanding balance of the Bond will be reviewed.
3c	Temporary holdings	Pending such investments or disbursements to eligible Green Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>Review of:</p> <ul style="list-style-type: none"> - BOND Management of Proceeds framework <p>Discussions with ALERION management</p>	The net proceeds of the Bond will be managed within treasury or equivalent, tracked and will be fully and immediately disbursed where possible or held in equivalent green investments or cash equivalent until disbursement to the nominated assets as per the ALERION Green Bond Framework.

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Green Bond proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	Discussions with ALERION management	ALERION will provide dedicated annual Green Bond Reporting. This will include description of the project and value of the proceeds invested, as well as the associated qualitative and quantitative environmental impacts.