

Annual report prepared and made available on Alerion's website at www.alerion.it, with the status of the Green Bond's proceeds allocation, overview of the projects financed or refinanced, and the environmental impact, until full allocation of proceeds.

ALERION GREEN BOND 2019-2025

REPORT YEAR 2021

Use of Proceeds

ALERION GREEN BOND 2019-2025 REPORT

ANNUAL REPORT "USE OF PROCEEDS"

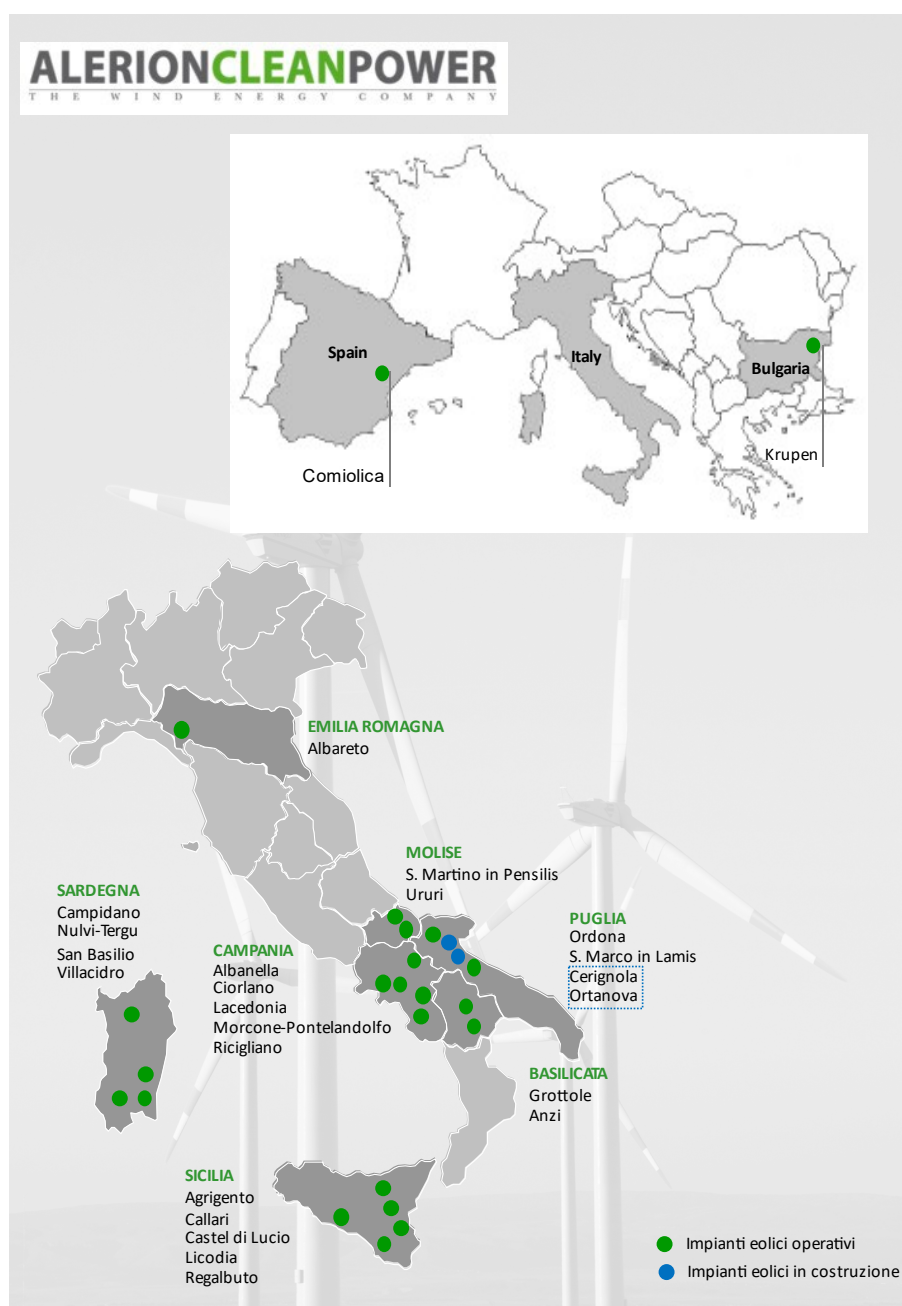
INTRODUCTION

ALERION CLEAN POWER S.p.A. (hereinafter "ALERION") placed on December 19th 2019 its inaugural green bond ("ALERION Green Bond 2019 - 2025") in accordance with the "Green Bond Principles" developed in line with ICMA's Green Bond Principles 2018 edition (GBP) ("International Capital Market Association"). ALERION Green Bond 2019 - 2025 is listed on Dublin Stock Exchange (ISIN: XS2083187059) for a total amount of Euro 200 million, with a maturity date falling on 19 December 2025.

1- Overview of Alerion's Sustainable Business Model

Alerion Clean Power S.p.A. ("Alerion") is one of the main independent Italian operators specialized in the production of renewable energies. Alerion currently manages 23 wind farms (of which 21 in Italy, one in Spain and one in Bulgaria), with a total gross installed capacity of approximately 750 MW, and plans to expand further in Europe, both in wind and solar sector.

Alerion's exclusive focus on renewable energy implies that sustainability is strictly embedded in our business model. Our operations contribute directly to the reduction of greenhouse gas (GHG) emissions and to the promotion of a system for sustainable territorial development. To this end, we have in place a strong



integrated system for the assessment and management of our operations' impact on environmental resources.

Alerion intends to consolidate its presence at the European level in the renewable energies sector in terms of installed capacity and intends to reach such target through both the direct development of new projects and plants and the pursuit of targeted growth opportunities through acquisitions of plants that are already operational, or projects that are not yet operational.

In particular, over the next years, Alerion will focus its strategy on the acceleration of growth with an increasingly broad geographical diversification in Italy, Spain and Romania, and on technological diversification, through a plan of investments in the solar sector.

2- GREEN BOND FRAMEWORK

In order to increase transparency of the Alerion Green Bond 2019 – 2025, Alerion has published the "Alerion Green Bond Framework" in line with ICMA's Green Bond Principles 2018 edition ("GBP"). The GBP core components are described as follow:

- 1) Use of Proceeds
- 2) Process for Project Evaluation and Selection
- 3) Management of Proceeds
- 4) Reporting
- 5) External Review-Annual Assurance Report

2.1- "ALERION GREEN BOND 2019 – 2025" - USE OF PROCEEDS

Alerion intends to use the proceeds of the Green Bond 2019 – 2025 to finance or refinance **"Eligible Green Projects"**, which include:

- New wind and/or solar farms power project design, development, manufacture and construction;
- Acquisition of operating wind and/or solar farms;
- Refinancing of existing wind power generation projects.

The acquisition of operating wind and/or solar farms includes both the acquisition of operating assets as well as the acquisition of companies owning authorized and / or operating assets.

All Eligible Green Projects have been or will be constructed according to European Union and national legislation that requires specific environmental screening before receiving the building permit.

Eligible Green Projects are deemed to contribute to climate mitigation by helping to avoid or reduce greenhouse gas (GHG) emissions, in alignment with Alerion's strategy as previously discussed.

2.2- Process for Project Evaluation and Selection

Alerion's Green Bond Framework is for the financing and refinancing of wind and/or solar power generation projects, as previously described.

Alerion will establish a Green Bond Committee ("**the Committee**") to oversee the Green Bond implementation and the allocation process.

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.

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:

- Identifying potential Eligible Green Projects;
- Reviewing and approving the selection against the eligibility criteria described in Section 2.1;
- Monitoring the Eligible Green Project portfolio;
- Managing any future update of the Green Bond Framework.

2.3-Management of proceeds

Upon receipt, the net proceeds from the Green Bond 2019 – 2025 issuance will be managed by Alerion's Treasury Department and invested in cash or cash equivalents until allocation to Eligible Green Projects. Alerion will aim at achieving complete allocation of the proceeds from the Green Bond is within 24 months from the issuance date, and no later than the maturity of the bond.

The Committee will review and approve allocations of bond proceeds to Eligible Green Projects on a regular basis, and details of the disbursements and the outstanding value will be tracked using Alerion's internal financial reporting system.

In case of divestment, or if a project becomes ineligible, Alerion will strive to replace it by another Eligible Green Project on a best effort basis.

2.4- Reporting

An annual report will be prepared and made available on Alerion's website at www.alerion.it, with the status of the Green Bond's proceeds allocation, overview of the projects financed or refinanced, and the environmental impact, until full allocation of proceeds.

In particular, this report will include the following information:

Allocation information:

- The total amount of investments and expenditures in Eligible Green Projects
- The amount and percentage of new and existing projects (financing and refinancing)
- The balance of unallocated proceeds

- A brief description of the projects financed or refinanced with the Green Bond

Impact metrics:

Alerion will also provide information on the expected output and environmental benefits of Eligible Green Projects.

The relevant metrics¹ will include:

- Installed renewable energy capacity in MW
- Expected or actual annual renewable energy generation in MWh or GWh
- Estimated annual GHG emissions avoided (in tCO₂e)

2.5- External review – Annual Assurance Report

An external independent auditor confirmed that the allocation of the Green Bond is done in accordance with Alerion's Green Bond Framework and will provide, starting one year after issuance and on an annual basis until all the proceeds of the Green Bond have been allocated, a limited assurance report.

This Third-Party Opinion made by External independent auditor on ALERION Green Bond Report is attached to this document.

3-Reporting criteria

Allocation: The amount of the "Green Bond 2019 – 2025 Proceeds" have been approved by Alerion's Green Bond Committee on the meeting held on March 18, 2022.

¹ The above-listed indicators are subject to the availability of information and baseline data and are based on methodologies that will be made publicly available.

4-ALLOCATION SUMMARY

"ALERION GREEN BOND 2019 – 2025" proceeds were fully allocated as detailed in the tables below "Allocation of proceeds":



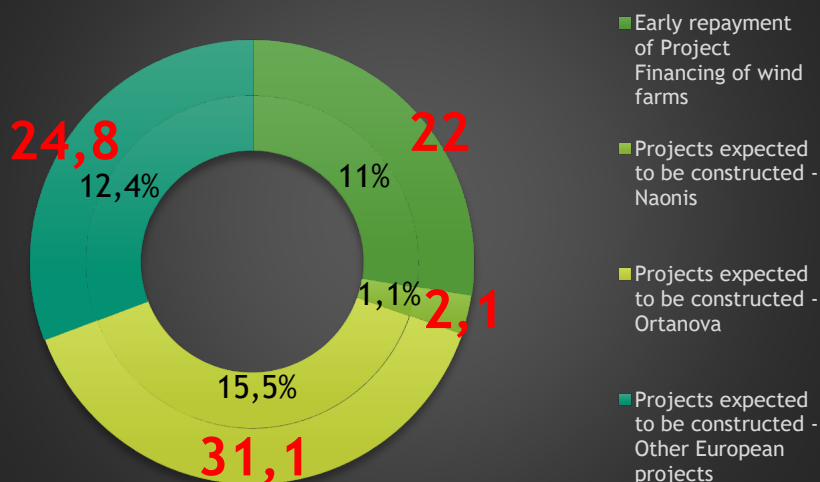
100% of the proceeds of the Alerion Green Bond 2019 – 2025 (Eur 200 mln) were allocated.

60% of the proceeds of the Alerion Green Bond 2019 – 2025 (Eur 120 mln) were allocated in 2019 and 2020.

The remaining **40%** of the proceeds of the Alerion Green Bond 2019 – 2025 (Eur 80 mln) were allocated in 2021.

- 1) Capital and operational expenditures related to design, construction, development, installation, maintenance or acquisition of new wind power generation projects that will increase Alerion's actual power generation plants portfolio.
 - These projects are expected to be constructed or acquired during the 24 months following the issuance of the Green Bond 2019 – 2025, with associated disbursements relating to the procurement process incurred starting from the year 2018.
 - The acquisition of new wind power generation projects includes both the acquisition of operating assets as well as the acquisition of companies owning authorized and / or operating assets.
- 2) The share of Green Bond 2019 – 2025 net proceeds expected to be associated with the refinancing of debt related to existing wind power projects is less than 25%.

Alerion Green Bond 2019 - 2025 Eligible projects allocated in 2021



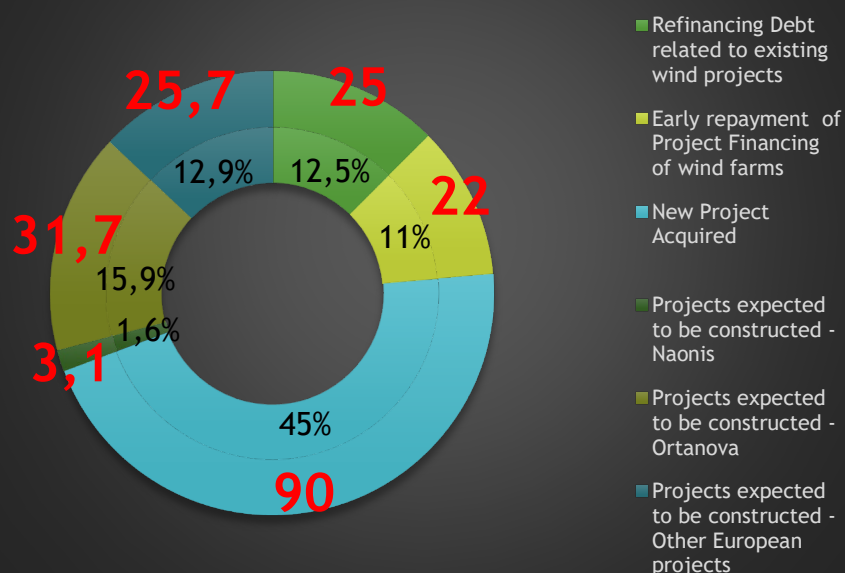
40% of the proceeds of the Alerion Green Bond 2019 - 2025 (Eur 80 mln) were allocated in 2021.

11% of the proceeds of the ALERION Green Bond 2019 - 2025 (Eur 22 mln) were allocated to the Project Financing early repayment of Ordonia and Callari wind farms during 2021.

29% of the proceeds of the ALERION Green Bond 2019 - 2025 (Eur 58 mln) were related to design, construction, development, installation, maintenance or acquisition of new wind and/or solar power generation projects during 2021: Eur 2,1 mln were allocated to Naonis wind project, Eur 31,1 mln to Ortanova wind project and Eur 24,8 mln to other European wind and solar projects.

The amounts reported in the table above are net of the issuance costs of the bond

Alerion Green Bond 2019 - 2025 Accumulated Eligible projects allocation from 2019 to 2021



23,5% of the proceeds of the ALERION Green Bond 2019 - 2025 (Eur 47 mln) were allocated to refinance the debt related to existing wind power projects: Eur 25 mln were allocated to refinance wind plants acquired during the 2019, and Eur 22 mln were allocated to the Project Financing early repayment of Ordonia and Callari wind farms.

45% of the proceeds of the ALERION Green Bond 2019 -2025 (Eur 90 mln) were allocated to New Acquisition of operating wind farm during the 2020.

30,4% of the proceeds of the ALERION Green Bond 2019 - 2025 (Eur 60,5 mln) were related to design, construction, development, installation, maintenance or acquisition of new wind and/or solar power generation projects: Eur 3,1 mln were allocated to Naonis project, Eur 31,7 mln to Ortanova wind project and Eur 25,7 mln to other European wind and solar projects.

The amounts reported in the table above are net of the issuance costs of the bond

Allocation and Impact details at the project level

The proceeds amount allocated reported in the table below are net of the issuance costs of the bond

ELIGIBLE PROJECTS ALLOCATION 2021

Plant
Region
Country
Total Capacity in MW
Equity
Participation %
Total Capacity in MW (Consolidated)
Date of entry in operation
Acquisition Date
Production actual 2021 (MWh)
Eligible Category
Eligibility Criteria
Emission Factor (g CO ₂ /kWh)*

New wind/solar farms project design, development, manufacture and construction			Refinancing of debt related to existing wind power projects	
ENERMAC SRL	NAONIS WIND SRL	Assets under construction	CALLARI SRL	ORDONA ENERGIA SRL
Ortanova e Stornarella (FG)	Cerignola (FG)	Other wind and solar power generation projects under construction located in Europe, in particular in Italy, Romania and Spain.	Callari (CT)	Ordonà (FG)
Puglia	Puglia		Sicilia	Puglia
Italy	Italy		Italy	Italy
51	12,6		36	34
100%	100%		100%	100%
51	12,6		36	34
n.a.	n.a.		23/02/2009	05/05/2009
n.a.	n.a.		n.a.	n.a.
Under construction	Under construction		55.539	60.215
Renewable energy	Renewable energy		Renewable energy	Renewable energy
Wind Farm	Wind Farm		Wind Farm	Wind Farm
n.a.	n.a.		472	472

Green Bond Proceeds allocated (Eur mln)

31,1	2,1	24,8	10	12
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(*) SOURCE: ENERDATA Note: the following specific emission coefficients referred to fuel consumption for thermoelectric production were used for the assessment of CO₂ emissions: 4.03 t / toe for coal, 3.27 t / toe for fuel oil and 2.35 t / toe for natural gas.

ELIGIBLE PROJECTS ALLOCATION 2019-2020

Eligible Project
Plant
Region
Country
Total Capacity in MW
Equity Participation %
Total Capacity in MW (Consolidated)
Date of entry in operation
Acquisition Date
Production actual 2020 (MWh)
Eligible Category
Eligibility Criteria
Emission Factor (g CO ₂ /kWh)*

Refinancing of debt related to existing wind power projects	Acquisition of operating wind farms						New wind/solar farms project design, development, manufacture and construction	
FRI-EL CAMPIDANO SRL	FRI-EL GROTTOLE SRL	FRI-EL RICIGLIANO SRL	FRI-EL ANGLONA SRL	FRI-EL ANZI SRL	FRI-EL GUARDIONARA SRL	ANDROMEDA WIND SRL	NAONIS WIND SRL	Assets under construction
Fri-El Campidano (SU)	Grottole (MT)	Ricigliano (SA)	Nulvi-Tergu (SS)	Anzi (CB)	Guardionara (CA)	Andromeda (CB)	Cerignola (FG)	n.a.
Sardegna	Basilicata	Campania	Sardegna	Basilicata	Sardegna	Molise	Puglia	
Italy	Italy	Italy	Italy	Italy	Italy	Italy	Italy	
70	54	36	29,8	16	24,7	26	12,6	
100%	100%	100%	90%	49%	49%	49%	100%	
70	54	36	29,8	7,8	12,1	12,7	12,6	
01/10/2008	06/02/2009	15/08/2007	01/02/2008	07/07/2011	23/04/2010	23/10/2010	n.a.	
01/08/2019	23/02/2020	23/02/2020	23/02/2020	15/12/2020	15/12/2020	15/12/2020	n.a.	
102.709	99.889	54.093	48.090	14.194	19.210	23.360	Under construction	
Renewable energy	Renewable energy	Renewable energy	Renewable energy	Renewable energy	Renewable energy	Renewable energy	Renewable energy	
Wind Farm	Wind Farm	Wind Farm	Wind Farm	Wind Farm	Wind Farm	Wind Farm	Wind Farm	
506	506	506	506	506	506	506	n.a.	

Green Bond Proceeds allocated (Eur mln)

25	70	20	0	0	0	1	1,5
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(*) SOURCE: ENERDATA Note: the following specific emission coefficients referred to fuel consumption for thermoelectric production were used for the assessment of CO₂ emissions: 4.03 t / toe for coal, 3.27 t / toe for fuel oil and 2.35 t / toe for natural gas.



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Independent auditors' report on the Green Bond Report

*To the board of directors of
Alerion Clean Power S.p.A.*

We have been engaged to perform a limited assurance engagement on the Eligible Green Projects and related Reporting Metrics data as of 31 December 2021 included in the Allocation Summary, presented in the attached Green Bond Report 2019-2021 (the "Allocation Summary" and the "Green Bond Report") of Alerion Clean Power S.p.A. (the "company") prepared on the basis of the Green Bond Framework dated November 2019 (the "Framework") and available on the company's website, developed by the company in accordance with the Green Bond Principles 2018 issued by the International Capital Market Association - ICMA (the "Principles") and related to the Green Bond issued on 19 December 2019 (the "Green Bond").

Responsibilities of the company's directors for the report

The directors are responsible for the preparation of the Green Bond Report and of the Allocation Summary included therein in accordance with the Framework, developed by the company in accordance with the Principles. In particular, the directors are responsible for the preparation of the Eligible Green Projects and related Reporting Metrics data included in the Allocation Summary in accordance with the Framework.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Green Bond Report and of an Allocation Summary included therein that are free from material misstatement, whether due to fraud or error. It also includes identifying the content of the Green Bond Report and of the Allocation Summary included therein, selecting and applying policies, and making judgments and estimates that are reasonable in the circumstances.

Auditors' independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity,

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

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the Eligible Green Projects and related Reporting Metrics data included in the Allocation Summary, presented in the Green Bond. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board ("IAASB") applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the Eligible Green Projects and related Reporting Metrics data included in the Allocation Summary are free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 Revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the Eligible Green Projects and related Reporting Metrics data included in the Allocation Summary are based on our professional judgement and include inquiries, primarily of the company's personnel responsible for the preparation of the information presented in the Allocation Summary, supporting evidence, recalculations and other evidence gathering procedures, as deemed appropriate.

Specifically, we carried out the following main procedures:

- analyzing the second party opinion which addresses the compliance of the Green Bond to the voluntary guidelines of the Principles;
- interviewing relevant staff at corporate and business level responsible for the Green Bond management and reporting;
- interviewing relevant staff at corporate and business level responsible for providing and consolidating data related to Eligible Green Projects and related Reporting Metrics;
- evaluating the design and implementation of the reporting processes and the controls regarding the Eligible Green Projects and related Reporting Metrics data;
- evaluating a sample of internal and external documentation to determine whether data related to Eligible Green Projects and Reporting Metrics are supported by sufficient evidence in line with the Framework.



Alerion Clean Power S.p.A.

*Independent auditors' report on the Green Bond Report
8 April 2022*

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Eligible Green Projects and related Reporting Metrics data as of 31 December 2021 included in the Allocation Summary, presented in the Green Bond Report 2019-2021 of Alerion Clean Power S.p.A., are not prepared, in all material respects, in accordance with the Green Bond Framework dated November 2019.

Milan, 8 April 2022

KPMG S.p.A.

A handwritten signature in blue ink, appearing to read 'Silvia Di Francesco', with a long, flowing horizontal stroke at the end.

Silvia Di Francesco
Director of Audit