

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 REPORT 2019 - 2020

Use of Proceeds

ALERION GREEN BOND REPORT 2019 – 2020

ANNUAL REPORT "USE OF PROCEEDS"

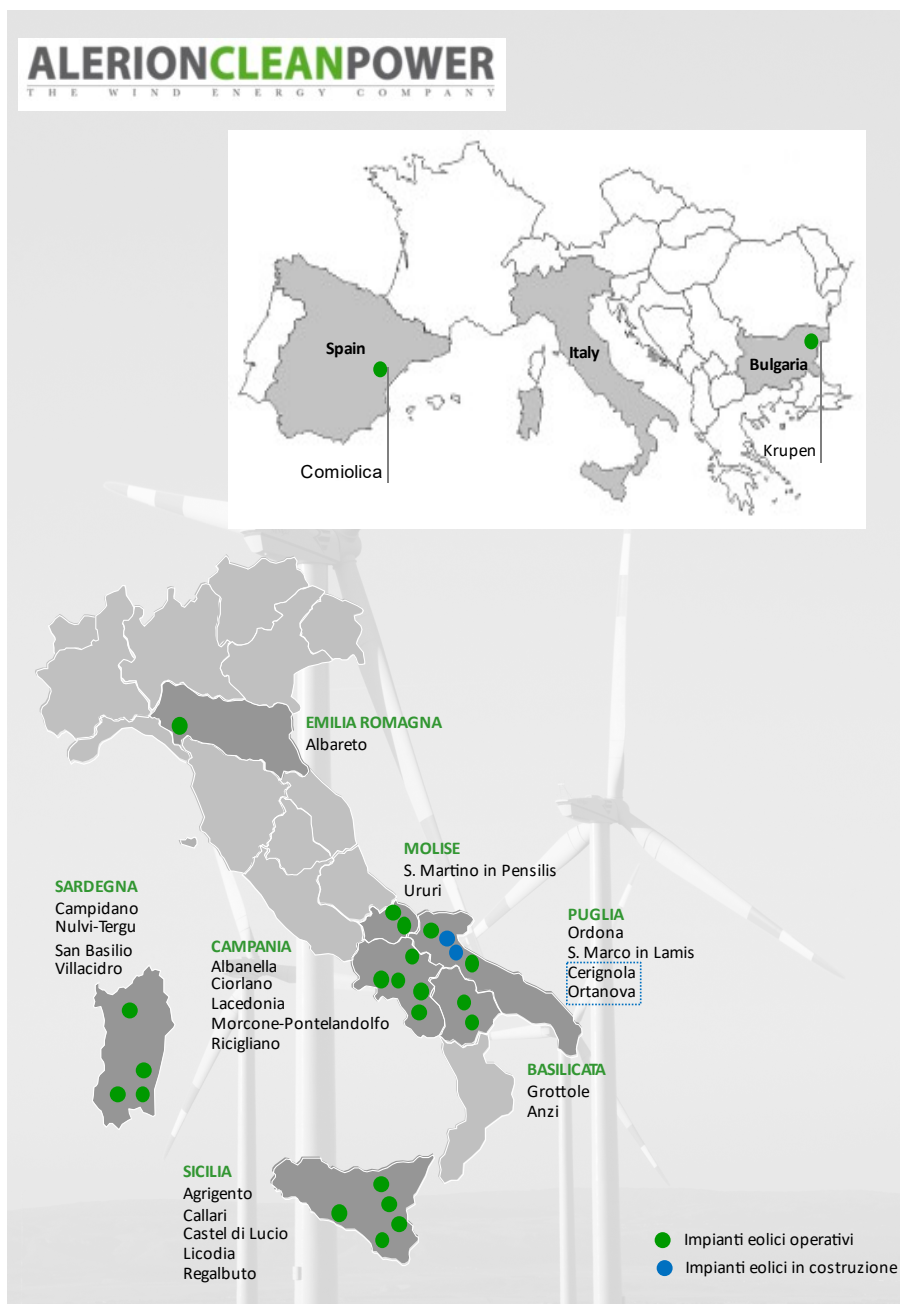
INTRODUCTION

ALERION CLEAN POWER S.p.A. (hereinafter "ALERION") placed on December 19th 2019 its inaugural green bond ("ALERION Green Bond 2019") 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 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, focused on wind-generated electricity. Alerion currently operates 23 wind farms in Italy, Spain and Bulgaria, with a gross capacity of 751 MW, and plans to expand further in Europe.

Alerion's exclusive focus on wind power 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.



We are a producer and supplier of electricity generated by wind. Our business consists primarily of the management of one of the largest portfolios of wind farms in Italy by installed capacity and the sale of the electricity produced by our wind farms. Our leadership and commitment to a continuous increase in the efficiency of our wind farms facilitates our positioning in the context of the evolving regulatory framework in Italy, which is pushing for a transition from government incentives to the grid parity in the wind energy sector. This transition is also supported by the progressive reduction in investment costs, and an increase in demand for electricity from renewable sources.

On 3 February 2021, the Board of Directors of Alerion Clean Power S.p.A. approved the 2021-2023 Business Plan. For the three-year period 2021-2023, the plan includes an investment program designed to make the Group one of the main operators in the renewable energy sector in Europe, with the aim of exceeding 3 TWh of power generated at the end of 2023.

2- GREEN BOND FRAMEWORK

In order to increase transparency of the Alerion Green Bond 2019, 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

2.1- ALERION GREEN BOND (2019 – 2020) - USE OF PROCEEDS

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

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

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

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 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 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.

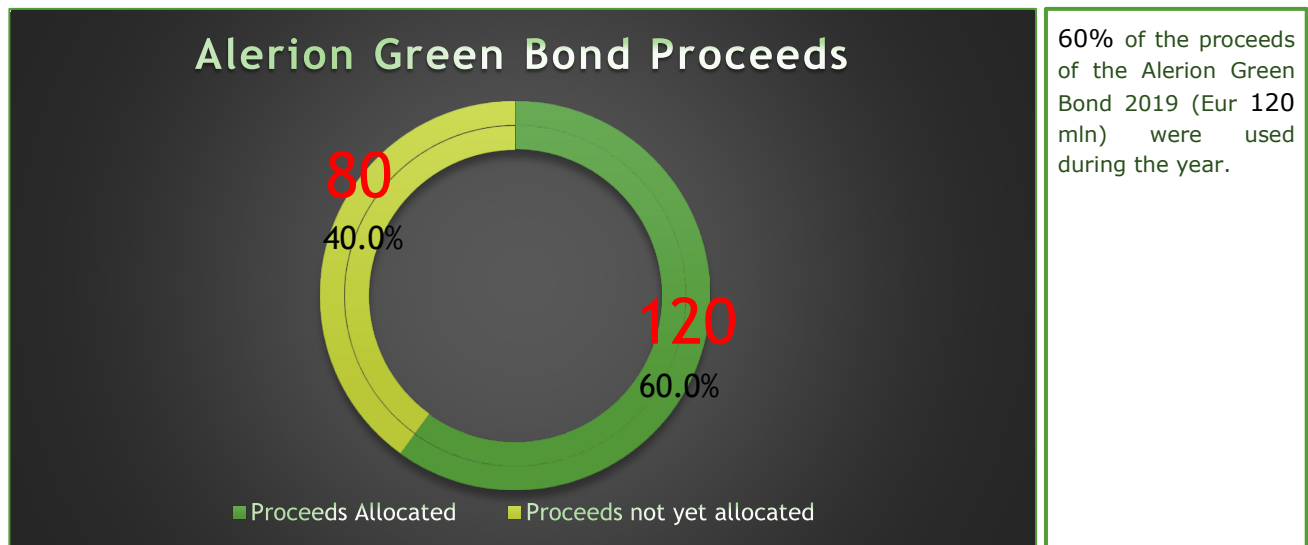
3-Reporting criteria

Allocation: The amount of the "Green Bond 2019 Proceeds" have been approved by Alerion's Green Bond Committee on the meeting held on March 25, 2021.

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

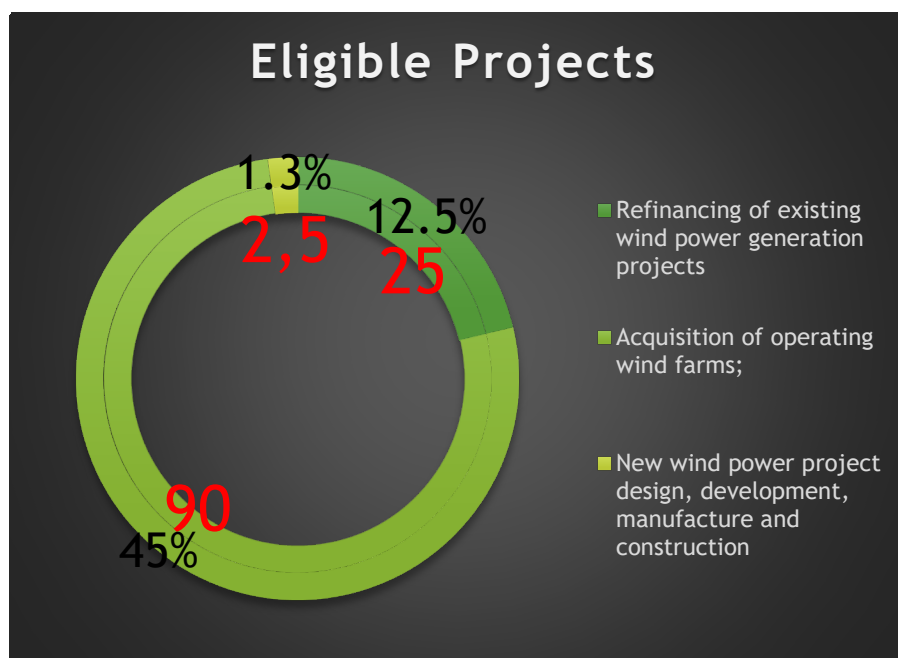
"ALERION Green Bond 2019" proceeds were allocated as detailed in the tables below "Allocation of proceeds":



60% of the proceeds of the Alerion Green Bond 2019 (Eur 120 mln) were used during the year.

- 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, 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 net proceeds expected to be associated with the refinancing of debt related to existing wind power projects is less than 25%.



12.5% of the proceeds of the ALERION Green Bond 2019 (Eur 25 mln) were allocated to refinance plants acquired during the 2019.

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

1.3% of the proceeds of the ALERION Green Bond 2019 (Eur 2.5 mln) were related to design, construction, development, installation, maintenance or acquisition of new wind power generation 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 Project	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
Plant	Fri-El Campidano (SU)	Grottole (MT)	Ricigliano (SA)	Nulvi-Tergu (SS)	Anzi (CB)	Guardionara (CA)	Andromeda (CB)	Cerignola (FG)	n.a.
Region	Sardegna	Basilicata	Campania	Sardegna	Basilicata	Sardegna	Molise	Puglia	
Country	Italy	Italy	Italy	Italy	Italy	Italy	Italy	Italy	
Total Capacity in MW	70	54	36	29.8	16	24.7	26	12.6	
Equity Participation %	100%	100%	100%	90%	49%	49%	49%	100%	
Total Capacity in MW (Consolidated)	70	54	36	29.8	7.8	12.1	12.7	12.6	
Date of entry in operation	01/10/2008	06/02/2009	15/08/2007	01/02/2008	07/07/2011	23/04/2010	23/10/2010	n.a.	
Acquisition Date	01/08/2019	23/02/2020	23/02/2020	23/02/2020	15/12/2020	15/12/2020	15/12/2020	22/10/2020	
Production actual 2020 (MWh)	102,709	99,889	54,093	48,090	14,194	19,210	23,360	Under construction	
Eligible Category	Renewable energy	Renewable energy	Renewable energy	Renewable energy	Renewable energy	Renewable energy	Renewable energy	Renewable energy	
Eligibility Criteria	Wind Farm	Wind Farm	Wind Farm	Wind Farm	Wind Farm	Wind Farm	Wind Farm	Wind Farm	
Emission Factor (g CO2/kWh)*	506	506	506	506	506	506	506	n.a.	
Green Bond Proceeds allocated (Eur mln)	25	70	20	0	0	0	1	1.5	

(*) 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 2020 included in the Allocation Report, presented in the attached Green Bond Report 2019-2020 (the "Allocation Report" 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 Report 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 Report 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 Report 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 Report 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



Alerion Clean Power S.p.A.

*Independent auditors' report on the Green Bond Report
1 April 2021*

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 Report, 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 Report 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 Report 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 Report, 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
1 April 2021*

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 2020 included in the Allocation Report, presented in the Green Bond Report - March 2019-2020 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, 1 April 2021

KPMG S.p.A.

A handwritten signature in black ink, appearing to read 'Silvia Di Francesco', written in a cursive style.

Silvia Di Francesco
Director of Audit