

IRR Caserta S.r.l.

*a limited liability company having a sole quotaholder with its
registered office in*

Via Ferrovie dello Stato sc. – Zona ASI Aversa Nord, 81030

– Gricignano di Aversa (CE) (CE), Italy

Share capital of Euro 10,000, fully paid up

Tax code, VAT number and registration number in the Caserta chamber of commerce

04447850613

R.E.A. No. CE - 327686

ADMISSION DOCUMENT

*in connection with the application for admission to trading of the financial
instruments named “€ 5,000,000.00 IRR Caserta S.r.l. Senior Secured Debt Instruments due 2041”,
ISIN IT0005431355 (issue price: 100%) on the segment ExtraMOT PRO³ of the multilateral trading
facility ExtraMOT operated by the Italian Stock Exchange*

*The financial instruments are issued in dematerialised form (forma dematerializzata) in accordance
with article 83-bis and subsequent of the Italian Legislative Decree no. 58 of 24 February 1998 as
amended and supplemented from time to time (the **Financial Law**) and the Regulation issued by the
Bank of Italy and CONSOB on 13 August 2018, as amended and supplemented from time to time
(the **BoI/CONSOB Regulation**) and will be held through and accounted for in book entry form with
the central securities depository and management system managed by Monte Titoli S.p.A.*

CONSOB AND THE ITALIAN STOCK EXCHANGE HAVE NOT EXAMINED NOR APPROVED THE CONTENT OF THIS ADMISSION DOCUMENT

This admission document is an updated version, dated 20 December 2021 of the original version
dated 18 December 2020

Contents

Clause	Page
1. DEFINITIONS	3
2. RESPONSIBLE PERSONS	8
3. DESCRIPTION OF THE PROJECTS	10
4. RISK FACTORS	14
5. INFORMATION ABOUT THE ISSUER	24
6. ORGANISATIONAL STRUCTURE.....	26
7. MAJOR SHAREHOLDER	27
8. ISSUER'S ECONOMIC FINANCIAL PLAN.....	28
9. INFORMATION RELATING TO THE NOTES - TERMS AND CONDITIONS OF THE NOTES.....	29
10. USE OF PROCEEDS	114
11. ADMISSION TO TRADING AND DEALING ARRANGEMENTS.....	8715
12. SELLING RESTRICTIONS	116

DEFINITIONS

In this Admission Document the words and expressions used in capital will have the meaning ascribed to it in the Terms and Conditions (as defined below) save as specified hereinafter:

“Admission Document” means this admission document relating to the trading of the Notes prepared in accordance with the Rules of ExtraMOT.

“Arranger” means Foresight Group S.à.r.l.

“Bankruptcy Law” means the Italian Royal Decree no. 267 of 16 March 1942, as amended and/or supplemented from time to time, it being understood that, following the entry into force of the Italian Legislative Decree no. 14 of 12 January 2019 (*“Codice della crisi di impresa e dell’insolvenza”*), any reference to a specific article of the Italian Bankruptcy Law should be deemed to be referring, *mutatis mutandis*, to the relevant articles of the *Codice della crisi di impresa e dell’insolvenza*.

“Base Case” is the financial model published in the website of the Issuer pursuant to the Terms and Conditions.

“Calculation Agent” means Banca Finanziaria Internazionale S.p.A., with registered office at Via Vittorio Alfieri 1, 31015 – Conegliano (TV), VAT No. 04977190265.

“Calculation and Paying Agency Agreement” means the agreement entered into on or about the Issue Date between the Issuer, the Paying Agent and the Calculation Agent for the services to be rendered by these latter under the Notes.

“Clients” means entities for the benefit and self-consumptions of which certain of the Projects will be developed.

“CONSOB” means the *Commissione Nazionale per le Società e la Borsa* (i.e. the Italian securities authority).

“Consob Regulation no. 11971” means CONSOB Regulation no. 11971 dated 14 May 1999 as subsequently amended and supplemented.

“Crotone 2 Pv Plant” the photovoltaic plant having a nominal power of 999,40 kWp which will be located in the Municipality of Crotone, in the Calabria Region in Italy;

“Crotone Pv Plant” means the photovoltaic plant having a nominal power of 100.00 kWp which will be located in the Municipality of Crotone, in the Calabria Region in Italy;

“Diemme Cucine PV Plant” means the photovoltaic plant having a nominal power of 400-433,20 kWp which will be located in the Municipality of Vitulazio (CE), in the Campania Region in Italy;

“EPC” means the design and construction agreement for each of the Projects entered into between the Issuer and the EPC Contractor or, with reference to the SGI FER Plants, SGI and the EPC Contractor.

“EPC Contractor” means the Sponsor.

“Euro” means the single currency unit of the Participating Member States of the European Union as constituted by the Treaty on the Functioning of the European Union and as referred to in the legislative measure of the Council of the European Union for the introduction of, changeover to

or operation of a single or unified European currency (whether or not known as the Euro), being in part the implementation of the third stage of the European Monetary Union.

“ExtraMOT” means the multilateral trading facility of financial instruments organised and managed by the Italian Stock Exchange.

“ExtraMOT PRO³” means the segment for the growth of small and medium-size enterprises which is part of the multilateral trading system (*sistema multilaterale di negoziazione delle obbligazioni*) held by the Italian Stock Exchange and named “ExtraMOT”.

“ExtraMOT PRO³ Regulation” means the ExtraMOT PRO³ regulation issued by the Italian Stock Exchange in force from 16 September 2019, as subsequently amended or supplemented.

“Eligible Projects” means any photovoltaic assets (other than a Project) to be built during the Availability Period approved by the Noteholders provided that they meet, in any case, the following features:

- (i) the counterparty risk under the relevant PPA has a rating at least equal to B2.2 according to latest available Cerved Rating and the counterparties risk under all of the PPAs (calculated on a weighted average basis of the debt allocated to the relevant Project to which each such PPAs refer over the total Principal Amount Outstanding) has a rating at least equal to B2.2 according to latest available Cerved Rating;
- (ii) the Project Contracts are in form and substance acceptable for the Noteholders;
- (iii) the relevant legal and technical due diligences are in form and substance satisfactory for the Noteholders;
- (iv) the construction schedule is in line with the Availability Period; and
- (v) the Sponsor has injected the relevant amounts of Equity as indicated in the Updated Base Case;
- (vi) in case it is a FER Project, it has obtained the relevant Tariff;

“FER Decree” means the Decree of the Ministry of the Economic Development (*“Ministero dello Sviluppo Economico”*) dated 4 July 2019.

“FER Projects” means the following photovoltaic projects which will be developed and operate by the Issuer or, in case of the SGI FER Plants only, purchased by the Issuer from SGI upon entering into with the GSE of the relevant tariff agreement pursuant to the FER Decree:

- (i) the Textile PV Plant;
- (ii) the Diemme Cucine PV Plant;
- (iii) the Oromare PV Plant; and
- (iv) the SGI FER Plants.

“Finance Documents” means, *inter alia*, the Notes Subscription Agreement, the Terms and Conditions, the Fee Letter, the Security Documents, the Equity Contribution Agreement, the Calculation and Paying Agency Agreement, the Admission Document and any other document designated as such by the Noteholders and the Issuer.

“Foresight SEU” means Foresight SEU Italy S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated under the laws of the Republic of Italy, with registered office in Corso di Porta Vittoria 9, Milan, tax code, VAT number and registration number with the Company Register of Milan Monza Brianza Lodi No. 10040090960.

“**Issue Date**” means the date of issue of the Notes, being 18 December 2020.

“**Issuer**” means IRR Caserta S.r.l. a limited liability company with a sole quotaholder (*società responsabilità limitata con socio unico*) incorporated under the laws of the Republic of Italy, with registered office in Via Ferrovie dello Stato sc. – Zona ASI Aversa Nord, 81030 - Gricignano di Aversa (CE), quota capital equal to Euro 10,000.00 fully paid, tax code, VAT number and registration number with the Company Register of Caserta no. 04447850613, REA No. CE - 327686.

“**Istrana Pv Plant**” the photovoltaic plant having a nominal power of 738,720 kWp which will be located in the Municipality of Istrana (Province of Treviso) in the Veneto Region in Italy.

“**Italian Civil Code**” means the Italian civil code set out in Royal Decree No. 262 of 16th March, 1942 as amended and/or integrated from time to time.

“**Italian Consolidated Banking Act**” means the Italian consolidated banking act (*T.U. delle leggi in materia bancaria e creditizia*) set out in Legislative Decree no. 385 of 1 September 1993, as amended and/or integrated from time to time.

“**Italian Consolidated Financial Act**” means the Italian Legislative Decree No. 58, dated February 24, 1998, as subsequently amended and supplemented.

“**Italian Stock Exchange**” means Borsa Italiana S.p.A., with registered office in Milan, Piazza degli Affari, no. 6.

“**Monte Titoli**” means Monte Titoli S.p.A., with registered office in Milano, Piazza degli Affari no. 6.

“**Noteholders**” means the beneficial owner(s) of the Notes at any time.

“**Notes**” means the notes governed by the Terms and Conditions issued by the Issuer on the Issue Date, and **Note** shall be construed accordingly.

“**Notes Subscriber**” means the initial investor who will subscribe for the Notes pursuant to the terms of the Notes Subscription Agreement.

“**Notes Subscription Agreement**” means the agreement executed on the Signing Date between among others, the Issuer, and the Notes Subscriber for the sale by the Issuer and the subscription as principal by such investor of the Notes.

“**O&M**” means each operation and maintenance agreement for each of the Projects entered into between the Issuer and the O&M Contractor.

“**O&M Contractor**” means the Sponsor.

“**Oromare PV Plant**” means the photovoltaic plant having a nominal power of 999,40 kWp which will be located in the Municipality of Marcianise (CE), in the Campania Region in Italy;

“**Paying Agent**” means the paying agent under the Calculation and Paying Agency Agreement, or its successors thereto.

“**PPA**” means each power purchase agreement for the sale of energy to be entered into between the Issuer and the relevant Client with reference to a Project in a satisfactory form and substance for the Noteholders.

“Projects” means the following renewable energy projects to be developed (or, in case of the SGI FER Plants, acquired) by the Issuer:

- (i) Crotone Pv Plant;
- (ii) Roma 1 Pv Plant;
- (iii) Roma 2 PV Plant;
- (iv) the FER Projects
- (v) the SC Tannery PV Plant;
- (vi) and any additional Eligible Project.

“Qualified Investors” means the subjects listed in annex II, part I and II of the directive 2014/65/UE (**“Mifid II”**). These subjects are “qualified investors” (*investitori qualificati*) as described in article 100 of the Italian Consolidated Financial Act which, considering the reference to article 34-ter of Consob Regulation No. 11971 and article 35 of Consob Regulation No. 20307 dated 15 February 2018, are equivalent to *“professional clients”* (*clienti professionali*) under the provisions of Mifid II.

“Roma 1 Pv Plant” means the photovoltaic plant having a nominal power of 130.00 kWp which will be located in the Municipality of Rome in the Lazio Region in Italy.

“Roma 2 Pv Plant” means the photovoltaic plant having a nominal power of 199.50 kWp which will be installed on the roof of the Converting & Service plant in Via delle Cosmee, Rome.

“Sant’Anastasia Pv Plant” means the photovoltaic plant having a nominal power of about 376 KW, installed on the roof of the company Costa Handles S.p.A., in Sant’Anastasia (NA), and all related rights, of which Foresight SEU S.r.l. is the sole owner.

“SC Tannery PV Plant” means the photovoltaic plant having a nominal power of 99,63 kWp which will be located in the Municipality of Santa Croce sull’Arno (CE), in the Toscana Region in Italy;

“SGI” means Servizi Gestione Impianti S.r.l. with registered office at Via Oberdan n.43, 80021 – Afragola (NA), VAT number and registration number with the Company Register of Naples no. 07709701218, REA No. NA - 904606.

“SGI FER Plants” means the following Projects:

- (i) the Sparanise Pv Plant;
- (ii) the Istrana Pv Plant; and
- (iii) the Crotone 2 Pv Plant.

“Signing Date” means 17 December 2020.

“Sparanise Pv Plant” the photovoltaic plant having a nominal power of 793,40 kWp which will be located in the Municipality of Sparanise (Province of Caserta) in the Campania Region in Italy;

“Sponsor” means Gaia Energy S.r.l., with registered office at Via Ferrovie dello Stato sc. – Zona ASI Aversa Nord, 81030 – Gricignano di Aversa (CE), VAT number and registration number with the Company Register of Caserta no. 04874961214, REA No. CE - 275244.

“Tariff” means the incentive tariff to be granted under the FER Decree.

“Tariff Agreement” means the agreement to be entered into with the *Gestore dei servizi energetici GSE S.p.A.* (“**GSE**”) in relation to the Tariff.

“Textile PV Plant” means the photovoltaic plant having a nominal power of 999,40 kWp which will be located in the Municipality of Pignataro Maggiore (CE), in the Campania Region in Italy;

“Terms and Conditions” means the terms and conditions of the Notes which are set out in Section 9 (*Information on the Notes - Terms and Conditions of the Notes*) to this Admission Document and which provide for the common definitions of the capitalized terms utilised in the Finance Documents.

2. RESPONSIBLE PERSONS

IRR Caserta S.r.l., with its registered office in Via Ferrovie dello Stato sc. – Zona ASI AversaNord, 81030 – Gricignano di Aversa (CE), Italy, is the only person responsible for the information provided under this Admission Document.

To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Admission Document are true, accurate complete and not misleading and does not contain any omission likely to affect the reliability of such information.

According to the Notes Subscription Agreement the Notes will be subscribed by the Notes Subscriber. No conflicts of interest exist between the Issuer and the Notes Subscriber.

The Notes have not been and will not be registered under the Securities Act or any other state or other jurisdiction's securities laws, are in dematerialized form and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold within the United States or for the benefit of U.S. persons (as defined in Regulation S under the Securities Act). The Notes may not be offered or sold directly or indirectly, and neither this Admission Document nor any other prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. No action has or will be taken which could allow an offering of the Notes to the public in the Republic of Italy. For a further description of certain restrictions on the offering and sale of the Notes and on the distribution of this Admission Document, see Section 12 below (*Selling Restrictions*).

The language of this Admission Document is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of the Admission Document. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Some statements in this Admission Document are, or may be deemed to be, forward-looking statements. Forward-looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward-looking statements. When used in this Admission Document, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements. These forward-looking statements are contained in the section entitled "Risk Factors" and the other sections of this Admission Document. The Issuer has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as of the date of this Admission Document, if one or more risks or uncertainties materialise, whether or not such risks or uncertainties are identified in the section entitled "Risk Factors" or elsewhere in this Admission Document, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Issuer's actual results of operation may vary from those expected, estimated or predicted.

Any forward-looking statements contained in this Admission Document speak only as at the date of this Admission Document. Save as required under applicable laws and regulations, each of the Issuer and the Arranger expressly disclaim any obligation or undertaking to disseminate after the date of this

Admission Document any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statement is based.

Prospective investors in the Notes should not rely on or construe any communication (written or oral) of the Issuer and the Arranger or from any other person as investment advice or as a recommendation to invest in the Notes or an assurance or guarantee as to the expected results of an investment in the Notes, it being understood that information and explanations related to the Issuer or the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes.

All references in this Admission Document to “Euro”, “euro”, “cents” and “€” are to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, inter alia, the Single European Act 1986, the Treaty of European Union of 7 February 1992, establishing the European Union and the European Council of Madrid of 16 December 1995; references to “Italy” are to the Republic of Italy; references to laws and regulations are to the laws and regulations of Italy; and references to “billions” are to thousands of millions.

3. DESCRIPTION OF THE PROJECTS

3.1 The Projects:

The Projects consist in the the financing of the construction and operation of the following projects, directly developed by the Issuer or (with reference to the SGI FER Plants) by SGI and thereafter acquired by the Issuer:

- (i) Crotone Pv Plant: this project envisages the construction and operation of a photovoltaic plant on rooftop with a nominal power of 99.75 kWp to be installed on the roof of a building of Azienda Agricola Armando Cappa, currently leased by Ms. Liguori Carla in Crotone, Viale delle Magnolie. The Issuer will enter into a PPA whereby Ms. Liguori Carla will purchase the relevant energy for its self- consumption in its entrepreneurial activity.
Once the plant will enter into operation, an on-site exchange system will be implemented.
- (ii) Diemme Cucine PV Plant: this project envisages the construction and operation of a photovoltaic plant on rooftop with a nominal power of 433,20 kWp to be installed on the roof of DM Cucine plant in Vitulazio, Via Appia Km 196,3. The Issuer will enter into a PPA whereby DM Cucine will purchase the relevant electrical and thermal energy for its self- consumption in its entrepreneurial activity.
Once the plant will enter into operation, an on-site exchange system will be implemented.
- (iii) Roma 1 Pv Plant: this project envisages the construction and operation of a photovoltaic plant on rooftop with a nominal power of 128.82 kWp to be installed on the roof of the Consorzio Anno Zero plant in Rome, Via di Saponara, 608. The Issuer will enter into a PPA whereby Consorzio Anno Zero will purchase the relevant electrical and thermal energy for its self- consumption in its entrepreneurial activity.
Once the plant will enter into operation, an on-site exchange system will be implemented.
- (iv) Roma 2 Pv Plant: the project envisages the removal of an existing PV plant and of certain asbestos materials on the roof and the subsequent construction and operation of a photovoltaic plant with a nominal power of 199.50 kWp to be installed on the roof of the Converting & Service plant in Via delle Cosmee, Rome. The Issuer will enter into a PPA whereby Converting & Service will purchase the relevant electrical and thermal energy for its self- consumption in its entrepreneurial activity.
Once the plant will enter into operation, an on-site exchange system will be implemented.
- (v) Crotone 2 PV Plant: this project envisages the construction and operation of a photovoltaic plant on rooftop with a nominal power of 999,40 kWp to be installed on the roof of the Azienda Agricola Cappa plant in Crotone.
It is envisaged that this plant will be awarded with the Tariff set forth under the FER Decree, by entering into a Tariff Agreement with the GSE.
- (vi) Istrana PV Plant: this project envisages the construction and operation of a photovoltaic plant on rooftop with a nominal power of 738,72 kWp to be installed on the roof of Sig. Stocco plant in Municipality of Istrana, Cà Pozzebon Street.
It is envisaged that this plant will be awarded with the Tariff set forth under the FER Decree, by entering into a Tariff Agreement with the GSE.

- (vii) Oromare PV Plant: this project envisages the construction and operation of a photovoltaic plant on rooftop with a nominal power of 999,40 kWp to be installed in the parking area of Oromare Goldsmith Center in Marcianise (CE). The Issuer will enter into a PPA whereby Oromare Goldsmith Center will purchase the relevant electrical and thermal energy for its self- consumption in its entrepreneurial activity.
Once the plant will enter into operation, an on-site exchange system will be implemented.
- (viii) SC Tannery Pv Plant: this project envisages the construction and operation of a photovoltaic plant on rooftop with a nominal power of 99.63 kWp to be installed on the roof of the SC Tannery plant in Santa Croce sull'Arno, Tuscany Region. The Issuer will enter into a PPA whereby SC Tannery will purchase the relevant electrical and thermal energy for its self- consumption in its entrepreneurial activity.
Once the plant will enter into operation, an on-site exchange system will be implemented.
- (ix) Sparanise PV Plant: this project envisages the construction and operation of a photovoltaic plant on rooftop with a nominal power of 793,40 kWp to be installed on the roof of Mizar plant in Municipality of Sparanise, Posta Vecchia Street.
It is envisaged that this plant will be awarded with the Tariff set forth under the FER Decree, by entering into a Tariff Agreement with the GSE.
- (x) Textile PV Plant: this project envisages the construction and operation of a photovoltaic plant on rooftop with a nominal power of 999.40 kWp to be installed on the roof of the SC Tannery plant in Pignataro Maggiore (CE). The Issuer will enter into a PPA whereby SC Tannery will purchase the relevant electrical and thermal energy for its self- consumption in its entrepreneurial activity.

Once the plant will enter into operation, an on-site exchange system will be implemented.

Except for (i) Crotone 2 PV Plant, (ii) Roma 1 PV Plant; and (iii) Roma 2 PV Plant, the Projects still need to be constructed. Construction will be carried out by the EPC Contractor, according to the provisions of each EPC.

Once constructed, operation and maintenance of each and every Projects will be carried out by the O&C Contractor according to the provisions of each O&M.

In addition, certain additional photovoltaic plants, to the extent they meet the requirements of the Eligible Project, can be added to the portfolio at a second stage, subject to certain conditions being verified by the Noteholders.

3.2 The Principal Parties

The below are the principal parties involved in the transaction:

- (a) The Issuer;
- (b) The Sponsor;
- (c) The Noteholders' Representative;
- (d) The Noteholders; and
- (e) The Calculation Agent.

3.3 The Contractual Structure

The contractual structure of the transaction can be summarised through the following main documents:

(a) Finance Documents:

- (i) the Notes Subscription Agreement;
- (ii) the Terms and Conditions;
- (iii) the Admission Document;
- (iv) the Fee Letter;
- (v) the Equity Contribution Agreement;
- (vi) the Calculation and Paying Agency Agreement;
- (vii) each Assignment of Energy Claims;
- (viii) each Assignment of Claims;
- (ix) each Special Privilege;
- (x) the Pledge over Accounts;
- (xi) the MRA Pledge;
- (xii) and any other document designated as such by the Noteholders and the Issuer;

(b) Project Contracts:

- (i) each Transfer Agreement,
- (ii) each Tariff Agreement,
- (iii) each EPC,
- (iv) each O&M,
- (v) each PPA,
- (vi) the MSA;
- (vii) the Direct Agreements;
- (viii) the Loan For Use Agreements;
- (ix) any associated parent company guarantee (where required by the Arranger or the Noteholders' Representative);
- (x) any Performance and Warranty Guarantee;
- (xi) any document replacing the foregoing.

3.4 Summary of the Base Case

The base case is a mathematical model designed to represent in a simplified version the performance of the Projects ("Base Case"). The Base Case translates a set of hypotheses about the business into numerical hypothetical results. The main assumptions of the Base Case relate to energy production, revenues, costs and economic assumptions which have been provided and/or verified by primary advisers and/or the Issuer's technical advisers.

The Issuer receives revenues from two main sources: the Tariff (for the FER Projects) and the sale of electricity through dedicated power purchase agreements with Clients using the energy for self consumption.

The Tariff may vary as GSE calculates the incentive component as the difference between the tariff due (resulting from the reduction offered by the producer compared to the auction base price) and the hourly local energy market price. If this difference is positive, GSE will pay the amounts due in relation to the net power supplied to the grid. If the difference between the tariff due and the hourly local energy price is negative, GSE will provide for the adjustment or ask the producer to return or repay the amounts of incentive unduly disbursed.

Revenues assumed in the Base Case for the years 20 deriving from the Tariff are expected to be equal to respectively 80% whilst the revenues for the same years deriving from dedicated off-take agreements are expected to be equal respectively 20% for total expected revenues of EURO 800,000 *per annum*. In respect of costs it is worth noting that the operating costs assumed in the cash flow forecasts include, inter alia, operation and maintenance costs, payment of land rights, management fees, insurances, security of the Plants, audit costs and taxes.

Considering the assumptions listed above, the Base Case shows a minimum ADSCR equal to 1.35x, and a full repayment of the Notes by 2041, with an average life of approximately 10 years.

4. RISK FACTORS

Investing in the Notes involves certain risks. The Issuer believes that the following factors may affect its ability to fulfill its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may, exclusively or concurrently, occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not be able to anticipate at present. In addition, the order in which the risk factors are presented below is not intended to be indicative either of the relative likelihood that each risk will materialise or of the magnitude of their potential impact on the business, financial condition and results of operations of the Issuer.

Prospective investors should also read the detailed information set out elsewhere in this Admission Document and consider carefully whether an investment in the Notes is suitable for them in the light of the information in this Admission Document and their personal circumstances, based upon their own judgment and upon advice from such financial, legal and tax advisers as they deem necessary.

Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations.

Prospective investors should read the whole of this Admission Document, including the information incorporated by reference in this Admission Document.

The risk factors addressed in the following paragraphs have been grouped in different categories, as follows:

- (a) risk factors related to the Issuer;
- (b) risk factors related to the Notes;
- (c) risk factors related to the solar energy market and regulatory risks;

4.1 Risk factors related to the Issuer

(a) Issuer risk

By purchasing the Notes, the Noteholders will become financiers of the Issuer and will have the right to receive from the Issuer the payment of interest and repayment of principal on the Notes, according to the repayment profile of the Notes included in the Terms and Conditions. Therefore, the Notes are generally subject to the risk that the Issuer may not be in the condition to fulfill its payment obligations under the Notes on the relevant scheduled payment dates.

(b) Risk related to other indebtedness of the Issuer

As at the date of this Admission Document the Issuer has no commercial or financial debts, different from the debt arising from the issue of the Notes.

It is not excluded that the Issuer will negotiate and/or enter any other financing necessary for its regular course of business and/or the development of its activity or for the re-financing of the current debts. As a consequence, any future financing instrument entered by the Issuer or

any alteration of the terms and conditions of the current financing instruments will influence the general indebtedness of the Issuer and could alter its growth.

The Issuer has not and will not enter into any agreement to hedge the risk deriving from the fixed/floating rate applicable to the Notes.

(c) Sources of payments to the Noteholders

The Issuer is a newly incorporated company whose only assets will be the Projects and the quotas in Foresight SEU. Accordingly, the only source of funds available to the Issuer for payment of interest and the repayment of principal on the Notes will be revenues from the Projects and distributions received from Foresight SEU.

Accordingly, there is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on maturity or otherwise), there will be sufficient funds to enable the Issuer to pay interest when due on the Notes and/or to repay the outstanding principal of the Notes in full.

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent mainly on the timely payment of amounts due under the Projects by the Clients and the GSE under the Tariff. It will also be dependent on the performance by the counterparties of the Issuer in the Project Contracts of their respective obligations and such performance will be linked, inter alia, on due payments from the Issuer and on the solvency of each relevant party.

(d) Liquidity risk

Liquidity risk is defined as the risk that the Issuer will not be able to meet its payment obligations when they fall due.

The compliance by the Issuer with its payment obligations under the Notes is mainly dependent on the due and timely payment of the amounts due from the Clients and the GSE to the Issuer under the PPA and the Tariff Agreements and the ability of the counterparties to the Project Contracts to perform their obligations thereunder. Such circumstance might have an adverse effect on the ability of the Issuer to fulfil its payment obligations under the Notes.

(e) Insolvency risk

The performance by the Issuer of its obligations under the Notes is dependent on the solvency of the Issuer. The payments made by the Issuer under the Notes may be subject to a claw back action (*azione revocatoria*) under article 67 of the Bankruptcy Law or the declaration of ineffectiveness (*dichiarazione di inefficacia*) under article 65 of the Bankruptcy Law, as the case may be, in case of adjudication of bankruptcy of the Issuer. The bankruptcy of the Issuer may therefore imply an obligation by the Noteholder to return to the Issuer's bankruptcy estate certain amounts received under the Notes.

(f) Risks related to litigation regarding the Issuer

Currently the Issuer is not a party to nor is it aware of any actual or threatened proceedings by any third party, nor is it contemplating commencing any proceedings against any third parties. However, the Issuer may become involved in litigation as part of the ordinary course of its business. There can be no assurance that it will be successful in defending or pursuing any such actions and, as a consequence, there could be significant negative effects on the financial, economic and equity situation of the Issuer.

(g) Risk of increasingly high levels of corporate income taxes

Any future adverse changes in the income tax rate or other taxes or charges applicable to the Issuer would have an adverse impact on the Issuer's future results of operations and cash flows. This, as well as any other changes to the tax regime generally applicable to Italian companies, may have an adverse effect on the Issuer's ability to pay interest on the Notes and to repay the Notes in full at their maturity.

Nevertheless, due to the above, no material risk (additional to those burdening any tax payer carrying on business activity in Italy), might be currently envisaged with a reasonable forecast.

(h) Contracting to third parties

The Issuer has contracted or will contract to third parties all activities related to the relevant Projects, including its engineering and procurement activities which have been or will be contracted to the EPC and the operation and maintenance activities which have been or will be contracted to the O&M Contractor. The Issuer therefore indirectly relies on the creditworthiness and expertise of such third parties. If any of these persons experienced financial difficulties and did not perform their services, this might temporarily adversely affect the operation of the any of the Projects and this might give rise to contestation from the EPC Contractor and/or the O&M Contractor under EPC and/or O&M with negative effects on the financial, economic and equity situation of the Issuer.

(i) Operations risk

Cost increases or delays could arise from shortages of materials and labour, engineering or structural defects, work stoppages, labour disputes and unforeseen engineering, environmental problems. Any such delay might have an adverse effect on the ability of the Issuer to fulfil its payment obligations under the Notes.

(j) Operating expenditures may exceed expectations

The financial forecasts for the operating costs of the Projects are and will be, as the case may be, based partly on the terms of the EPC and O&M, supply contracts and certain assumptions. As a result of any cost increase exceeding the estimated amount, the Issuer's ability to fulfill its payment obligations under the Notes, may be adversely affected.

Operating costs include expenses for repair, maintenance and replacement and other technical costs. If the replacement of a main component becomes necessary in advance of schedule or with greater frequency than anticipated, or is more expensive, and is not covered by the O&M, the cost of repair or replacement may need to be met by different means. In addition, running expenses, repair and other technical expenses might be higher than expected for other reasons. Again, any such unforeseen higher costs might have an adverse effect on the Issuer's ability to fulfil its payment obligations under the Notes.

(k) Insurance and co-insurance risk

Insurance obtained by the EPC Contractor and O&M Contractor may not be comprehensive and sufficient in all circumstances and may be subject to certain deductibles or obligations to meet a proportion of the total amount of the liabilities arising from certain insured risks under the Projects.

Moreover, such insurances may not be available in the future on commercially reasonable terms.

An event could result in severe damage or destruction to one or more sites, reductions in the energy savings of the Project or personal injury or loss of life to personnel. Insurance proceeds may not be adequate to cover lost revenues or to compensate for any injuries or loss of life.

Actual insurance premiums may be materially higher than those projected. In addition, in cases of frequent damage, insurance contracts might be amended or cancelled by the insurance company to the detriment of the Issuer. Further, the insurance may not cover any damage or loss and/or insurance premiums may increase more than had been provided for. In each such case, this could have a material adverse effect on the Issuer's ability to fulfill its payment obligations under the Notes.

(l) Site risk

The components installed in the Plants have high value and, therefore, there might be a risk that theft occurs in relation to some of these components. The occurrence of such events may have an impact on the production of electricity by the Plants and, in turn, on the ability of the Issuer to fulfil its obligations under the Notes.

4.2 Risk factors related to the Notes

(a) Risks related to the quotation, the liquidity of the markets and the possible volatility of the price of the Notes

The Issuer has applied for admission of the Notes to trading on ExtraMOT PRO³. ExtraMOT PRO³ is the segment for the growth of small and medium-size enterprises which is part of the ExtraMOT, reserved exclusively to Qualified Investors. In addition, pursuant to article 2483 of the Italian Civil Code, the Notes can only be subscribed for by Qualified Investors subject to prudential regulation set forth in special legislation. Secondary market transactions can only be executed in favor of Qualified Investors. Therefore, investors other than Qualified Investors do not have access to ExtraMOT PRO³ with a consequent limitation of the possibility to sell the Notes. As a consequence, the Qualified Investors should evaluate, in their financial strategies, the risk that the duration of their investment could have the same duration as the Notes.

(b) Risks related to the interest rate

The investment in the Notes has the typical risks of an investment in fixed/floating rate notes as fluctuation of the interest rates on the financial markets influences the prices and the performance of the Notes.

More in general, changes in market interest rates may adversely affect the market value of the Notes. As a consequence, if the Notes are sold before their final maturity date, the initial investment in the Notes could be higher than the market price of the Notes.

(c) Risks related to an event beyond the control of the Issuer

Events such as the publication of the annual financial statements of the Issuer and/or market announcements or the change in the general conditions of the market could influence the market value of the Notes. Moreover, fluctuations in the market and general economic and political conditions could adversely affect the value of the Notes.

(d) Risks associated with the absence of a rating of the Issuer and the Notes

The risk associated with the absence of ratings of the Issuer and the Notes consists of the risk relating to the lack of a synthetic indicator on the Issuer's ability to fulfil its obligations and on the riskiness of the Notes. The Issuer has not requested any rating assessment for itself and for the Notes subject to the offer, so that there is no immediate availability of a synthetic indicator representing the Issuer's solvency and the riskiness of the Notes. However, it should be taken into account that the absence of ratings of the Issuer and the Notes is not in itself indicative of the Issuer's solvency and, consequently, of the riskiness of the Notes themselves.

(e) Risks related to variations of the tax system

All the present and future taxes applicable to any payments made in accordance with the payment obligations of the Notes will be borne by each Noteholder. There is no certainty that the tax system as at the date of this Admission Document will not be modified during the term of the Notes with consequent adverse effects on the net yield received by the Noteholders.

(f) The tax regime applicable to the Notes is subject to a listing requirement and/or Noteholders qualification

The Notes will be listed and negotiated on ExtraMOT PRO³ and, as such, the Issuer will be entitled to pay the interest, premiums and similar proceeds on Notes due to qualified Noteholders without application of any withholding tax as per Legislative Decree no. 239 of 1st April 1996.

No assurance can be given that the Notes will be listed or that, once listed, the listings will be maintained or that such listings will satisfy the listing requirement under Legislative Decree no. 239 of 1 April 1996 in order for the Notes to be eligible to benefit from the provisions of such legislation relating to the exemption from the requirement to apply withholding tax. However, as provided by Law Decree no. 91 dated 24 June 2014 (so called "Decreto Competitività", converted into Law no. 116 dated 11 August 2014), the mentioned favorable tax treatment, applicable under Legislative Decree n. 239 of 1 April 1996, has been extended also to non-listed bonds issued by Italian non-listed companies when held by "Qualified Investors" (as defined under article 100 of the Italian Consolidated Financial Act). If the Notes are not listed or that listing requirement is not satisfied, and the Noteholders should not qualify as Qualified Investors, payments of interest, premium and other income with respect to the Notes would be subject to a withholding tax currently at a rate of 26 per cent, and this would eventually result in Noteholders receiving less interest than expected and could significantly affect their return on the Notes.

(g) Risks related to the amendment of the terms and conditions of the Notes without the consent of all Noteholders

The Terms and Conditions and the Italian Civil Code include rules whereby the determination by Noteholders' meeting of certain matters is subject to the achievement of specific majorities. Such determinations, if correctly implemented, are binding on all the Noteholders whether or not present at such meeting and whether or not voting and whether or not approving the resolution.

(h) Risks related to conflict of interest

The entity or entities involved in the issuance and the placement of the Notes could have an autonomous interest potentially conflicting with the interests of the Noteholders. The activities performed by the Arranger, being an entity operating with the appointment of the Issuer and receiving a fee in relation to the placement of the Notes, imply a conflict of interest towards the Noteholders.

(i) Limited liquidity of secondary market

Although an application has been made for the Notes to be admitted to trading on ExtraMOT PRO³, there is not, at present, an active and liquid secondary market for the Notes. There can be no assurance that a secondary market for any of the Notes may develop for the Notes or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity of investments or that any such liquidity will continue for the life of such Notes. Consequently, any purchaser of Notes must be prepared to hold such Notes until the Final Maturity Date. In addition, prospective Noteholders should be aware of the prevailing and widely-reported global credit market conditions (which continue at the date hereof).

Consequently, whilst these market conditions persist, an investor in the Notes may not be able to sell or acquire credit protection on its Notes readily and market values of the Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to an investor. In addition, there exist other significant risks to investors. These risks include: (i) increased illiquidity and price volatility of the Notes as there is currently only limited secondary trading in securities of this kind; and (ii) a reduction in enforcement recoveries. These additional risks may affect the returns on the Notes to investors.

In addition, there are other significant risks to investors. These risks include: (i) increased illiquidity and price volatility of the Notes as there is currently only limited secondary trading in securities of this kind; and (ii) a reduction in enforcement recoveries. These additional risks may affect the returns on the Notes to investors.

Subject to applicable Italian laws and regulations, the transfer of the Notes may also be restricted by securities laws or regulations of certain countries or regulatory bodies. See Section 12 (*Selling Restrictions*) below.

(j) Suitability

Prospective investors in the Notes should make their own independent decision as to whether to invest in the Notes and whether an investment in the Notes is appropriate or proper for them, based upon their own judgment, and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Notes and to reach their own evaluation of their investment.

Investment in the Notes is only suitable for investors who, in addition of being Qualified Investors subject to prudential supervision and/or Qualified Investors:

- (i) have the required knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Notes;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation;
- (iii) are capable of bearing the economic risk of an investment in the Notes; and

- (iv) recognize that it may not be possible to dispose of the Notes for a substantial period of time.

Prospective investors in the Notes should not rely on or construe any communication (written or oral) of the Issuer, the Arranger or from any other person as investment advice, it being understood that information and explanations related to the Issuer or the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes.

No communication (written or oral) received from the Issuer the Arranger or from any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Notes.

(k) The Notes may be redeemed prior to their maturity at the option of the Issuer

The Issuer has the option to redeem the outstanding Notes in whole but not in part in accordance with the Terms and Conditions at any time after two years from the issue of the Notes. The amount due to the Noteholders upon exercise of that option is their principal amount together with accrued interest and Make-Whole Amount.

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 comparable securities offering a yield as high as that of the Notes.

(l) Insolvency laws applicable to the Issuer

The Issuer is incorporated in the Republic of Italy. The Issuer will be subject to Italian insolvency laws.

For instance, if the Issuer becomes subject to certain bankruptcy proceedings, payments made by the Issuer in favour of the Noteholders or on their behalf prior to the commencement of the relevant proceeding may be liable to claw-back by the relevant trustee. In particular, in a bankruptcy proceeding (*fallimento*), Italian law provides for a standard claw-back period of up to one year (6 (six) months in some circumstances), although in certain circumstances such term can be up to 2 (two) years. In this regard, article 65 of the Bankruptcy Law may be interpreted as to provide for a claw back period for two years applicable to any payment by the Issuer pursuant to an early redemption at the option of the Issuer if the stated maturity of the Notes falls on or after the date of declaration of bankruptcy of the Issuer.

(m) Change of law

The structure of the transaction described hereunder and, *inter alia*, the issue of the Notes are based on Italian law and tax and administrative practice in effect at the date hereof and have due regard to the expected tax treatment of the Notes under such law and practice. No assurance can be given as to any possible change to Italian law or tax or administrative practice after the date of this Admission Document or that such change will not adversely impact the structure of the transaction and the treatment of the Notes.

(n) Base Case

The results of the Base Case are not projections or forecasts. A financial model simply illustrates hypothetical results that are mathematically derived from specified assumptions. In addition, the Base Case shows cash flows available for debt service and does not model individual financial

performance of the Projects. Actual revenues from the Projects, operating, maintenance and capital costs, interest rates and taxes might differ significantly from those assumed for the purposes of any run of the Base Case. Accordingly, actual performance and cash flows for any future period might differ significantly from those shown by the results of the Base Case. The inclusion of summary information derived from the Base Case herein should not be regarded as a representation by the Issuer or any other person that the results contained in the Base Case will be achieved. Prospective investors in the Notes are cautioned not to place undue reliance on the Base Case or summary information derived therefrom and should make their own independent assessment of the future results of operations, cash flows and financial condition of the Issuer.

(o) Forward-looking statements

This Admission Document contains certain forward-looking statements. The reader is cautioned that no forward-looking statement is a guarantee of future performance. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Words such as “may”, “will”, “seek”, “continue”, “aim”, “anticipate”, “target”, “projected”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “achieve” or similar expressions are intended to identify forward-looking statements and subjective assessments. Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements.

The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Admission Document and are based on assumptions that may prove to be inaccurate. No-one undertakes any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Admission Document.

(p) Legal investments considerations may restrict certain investments

The investment activities of certain investors are subject to legal 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 (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing, and (iii) other restrictions apply to the 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.

(q) Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (Investor’s Currency) other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of the Euro or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Euro would decrease (i) the Investor’s Currency equivalent yield on the Notes, (ii) the Investor’s Currency equivalent value of the principal payable on the Notes, and (iii) the Investor’s Currency-equivalent market value of the Notes.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

4.3 Risk factors related to the solar energy market and regulatory risks

(a) Non-payment of the feed-in tariff

Electricity generation plants from renewable energy sources heavily depend on national laws supporting the sector. Since 2011, Italian laws have substantially reduced the incentives for the production of electricity by newly built photovoltaic plants and added specific thresholds to such incentives. The current regulatory framework enables GSE always to have sufficient financial resources to meet its payment obligations in relation to the Tariffs and the dedicated off-take through funds ultimately received from the end-users' electricity bills. However, no assurance can be given that, following any change of law, GSE will continue to be able to fulfil its payment obligations fully and in due time in relation to the Tariff.

(b) Inflation risk

The Tariff is not indexed to inflation over time, while certain operating costs to be borne by the Issuer might exceed estimates if the inflation rate were to increase significantly. Consequently, a significant increase in the inflation rate may affect the Issuer's ability to repay the Notes.

(c) Sale of electricity

The Issuer will be receiving revenues from two principal sources: the Tariff and the sale of electricity pursuant to long term PPA entered into with Clients for their self consumption. Although the tariff is granted on the basis of the date of the entry into commercial operation of the relevant photovoltaic plant at a rate which is determined by law, it should be considered that, under the Decree of the Ministry of the Economic Development ("*Ministero dello Sviluppo Economico*") dated 4 July 2019, the Tariff may vary as GSE calculates the incentive component as the difference between the tariff due (resulting from the reduction offered by the producer compared to the auction base price) and the hourly local energy market price. If this difference is positive, GSE will pay the amounts due in relation to the net power supplied to the grid. If the difference between the tariff due and the hourly local energy price is negative, GSE will provide for the adjustment or ask the producer to return or repay the amounts of incentive unduly disbursed. This implies that the Tariff represents as a matter of fact a sort of guarantee in case the price obtained by selling the electricity produced on the market is lower than expected. However, the Tariff awarded to the PV Plants may be not sufficient to cover the risks connected with the fluctuation of the market prices.

(d) Risks relating to compliance with regulations and change in law risk

The conduct of the Issuer's businesses is subject to a wide variety of laws and regulations administered by national, regional and supranational government bodies. Those laws and regulations (including, without limitation, the laws relating to the incentives to the Issuer for the production of energy from renewable resources) may change, possibly on short notice, as a result of political, economic or social events. Changes in laws, regulations or governmental policy and the related interpretations may alter the environment in which the Issuer carries on its business and, accordingly, may have an adverse impact on their financial results or increase their costs or liabilities. In addition, the Issuer may incur capital and other

expenditure to comply with various laws and regulations, especially relating to protection of the environment, health and safety and energy efficiency, all of which could adversely affect their financial performance. The Issuer could also face liabilities, fines or penalties or the suspension of production for failing to comply with laws and regulations, including health and safety or environmental regulations.

(e) Power of inspection of the GSE and risk of revocation of the incentives for non-compliance

All the FER Plants for which the Tariff is awarded can be subject to an inspection of the GSE, as a result of the Ministerial Decree 31 January 2014 (the so called "**Decreto Controlli**"). Indeed, an inspection and/or survey can be conducted by the GSE at any time, through a site visit and/or request of documentation. The inspection is not subject to any limitation in term of number and/or type of documents requested. In case a non-compliance is found, the GSE may start an administrative procedure and issue an order of suspension or revocation of the incentives. This order can be challenged before the competent administrative Tribunal within the statutory terms.

(f) Wheater risk

Solar reports and historical data analyses have been produced by independent advisors. However, meteorological factors, including a lack of sunshine or excessive cloud cover, may reduce the amount of energy produced by the Plant. Any solar reports produced by independent experts are subject to uncertainties and the data contained in any such reports might differ from actual solar conditions. In addition, even if long-term historic solar data are used to forecast future solar yields, no assurance can be given that general solar conditions will not change in the future. Variations in solar conditions may occur from year to year, and if any such variations were to occur over a longer period or to have a substantial effect on the levels of energy produced, no assurance can be given that the Plant would generate sufficient cash flow to enable the Issuer to make payments due under the Notes. In such circumstances, the Issuer's ability to fulfil its payment obligations under the Notes could be adversely affected.

5. INFORMATION ABOUT THE ISSUER

5.1 Legal and commercial name of the Issuer

IRR Caserta S.r.l., with a sole quotaholder.

5.2 The place of registration of the Issuer and its registration number

The Issuer has its registered office in Via Ferrovie dello Stato sc. – Zona ASI Aversa Nord, 81030 - Gricignano di Aversa (CE), Italy, with REA no. CE - 327686 and Tax code and registration at Business Register n. 04447850613.

5.3 The date of incorporation

The Issuer was incorporated on 18 October 2019.

5.4 Term

The duration of the Issuer is until 31 December 2060.

5.5 Domicile and legal form of the Issuer, legislation under which the Issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office)

The Issuer is a *società a responsabilità limitata a socio unico* incorporated under the laws of the Republic of Italy, with its registered office in Via Ferrovie dello Stato sc. – Zona ASI Aversa Nord, 81030 - Gricignano di Aversa (CE), Italy, certified mail: irrcasertasrl@pec.it and telephone number: +39 081 833 4510.

5.6 Description of the Issuer

IRR Caserta S.r.l. is a limited liability company having a sole quotaholder fully owned by Gaia Energy S.r.l..

The Issuer's main corporate purpose: the company is active in the market of electricity (ATECO CODE 35.14.00) and consulting services in the renewable energy sector (ATECO CODE 70.22.09).

5.7 External auditor

Omniarevi S.r.l. is appointed as external auditor of the Issuer until the approval of the audited consolidated pro forma financial statement as of 31 December 2022.

Omniarevi S.r.l. main details are the following:

Registered office at Viale G. Oberdan, n. 43 – 80021 Afragola (NA)

Enrolled in the auditor's register with No: 178521 G.U.

Ministerial decree of: May 18, 2012

Published on the Official Gazette (*Gazzetta Ufficiale*) n. IV Special Series n. 34 del 05/05/2017.

As long as the Notes will be listed in ExtraMOT PRO³, the Issuer shall procure that its annual consolidated financial statements will be audited by an external auditor.

5.8 Any recent events particular to the Issuer, which are to a material extent relevant to the evaluation of the Issuer's solvency.

The Issuer believes that there are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency (other than disclosed in this Admission Document).

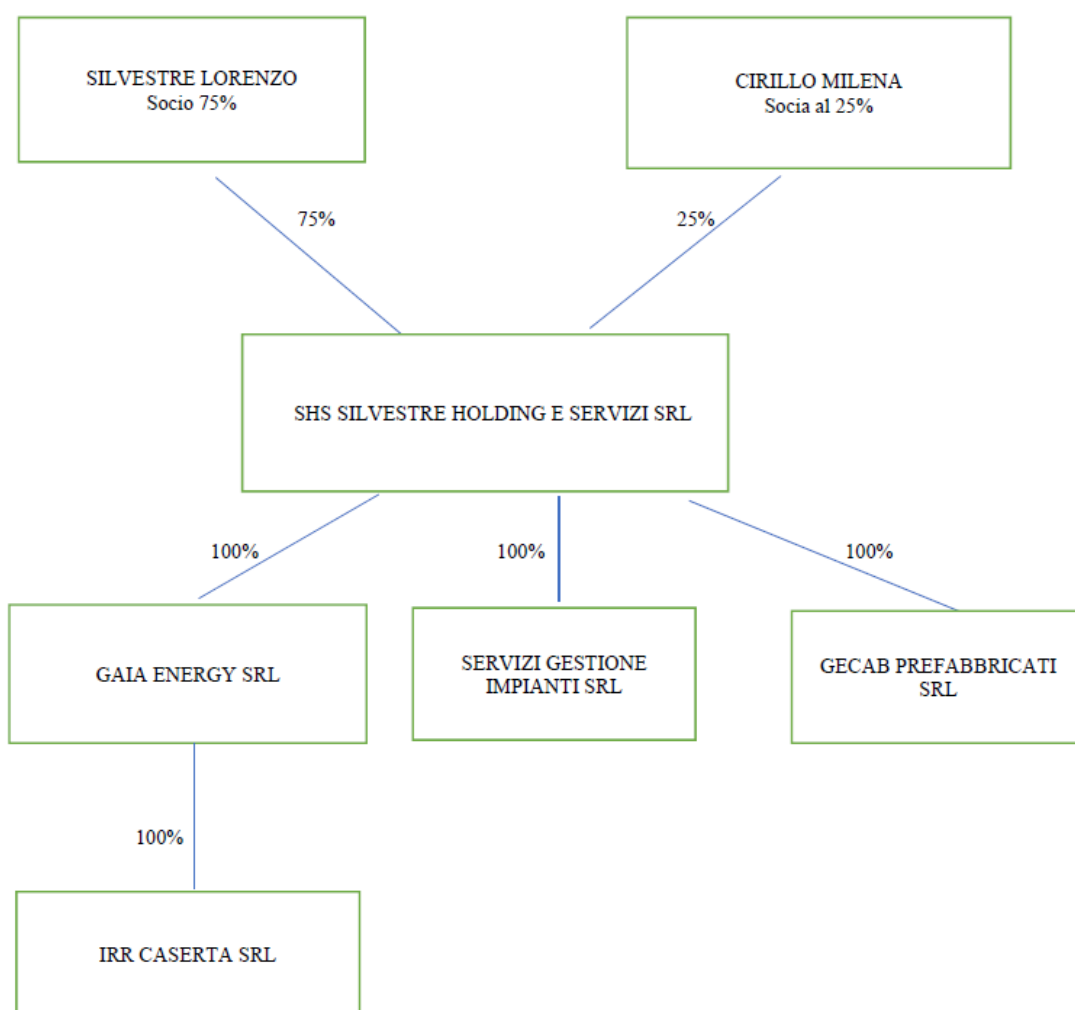
6. ORGANISATIONAL STRUCTURE

IRR Caserta S.r.l. with a sole quotaholder is a company, directly owned by Gaia Energy S.r.l..

The Issuer is administered by a sole director being Lorenzo Silvestre. No further role is relevant in the corporate structure of the Issuer at the date of this Admission Document.

The sole director has been mandated for an indefinite period, until revocation or resignation.

Gaia Energy S.r.l., is in its turn entirely owned by S.H.S. Silvestre Holding e Servizi S.r.l. whose share capital is owned by Mr. Silvestre Lorenzo (75%) and Miss Cirillo Milena (25%).



7. MAJOR SHAREHOLDER

As at the date hereof Gaia Energy S.r.l. holds 100% of the Issuer's share capital.

Gaia Energy S.r.l. is a company active in the market of energy generation, engineering procurement and construction of power plants, operation and maintenance of power plants.

Gaia Energy has a wide track record of PV plants construction, operation and maintenance.

Gaia Energy is a UNI CEI 11352 certified Energy Service Company and is also certified ISO 9001, ISO 14001, ISO 45001, ISO 50001

8. ISSUER'S ECONOMIC FINANCIAL PLAN

The audited Issuer's economic financial plan is attached to this Admission Document as Annex 1
(The audited Issuer's economic financial plan).

9. INFORMATION RELATING TO THE NOTES - TERMS AND CONDITIONS OF THE NOTES

The below is the text of the terms and conditions of the Notes (as amended on 20 December 2021) which are being admitted to trading pursuant to this Admission Document.

ANNEX 1

Terms and Conditions

TERMS AND CONDITIONS OF THE SENIOR SECURED NOTES

ISSUED BY

IRR Caserta S.r.l.

a limited liability company with a sole quotaholder incorporated under the laws of the Republic of Italy, with Registered office: Via Ferrovie dello Stato sc. – Zona ASI Aversa Nord

VAT no.: 04447850613

Share capital: Euro € 10,000.00 (fully paid)

Euro 5,000,000.00 Senior Secured Notes due December 2041 (the “Notes”)

Issue Price on the Issue Date 100.00% (one hundred per cent.)

ISIN CODE IT0005431355

The following is the text of the terms and conditions (the “Terms and Conditions”) of the Notes issued by IRR Caserta (the “Issuer”) on 18 December 2020 (the “Issue Date”), pursuant to article 2483 of the Italian civil code (the “Italian Civil Code”).

In these Terms and Conditions:

1. DEFINITIONS

“**Account Bank**” means Banca Finanziaria Internazionale S.p.A., with registered office at Via Vittorio Alfieri, 1 - 31015 Conegliano (Tv), VAT No. 04977190265 – Agency of Milan, Via Manzoni 5, 20121 Milan.

“**Additional Amount**” has the meaning ascribed to it in Condition 7 (*Covenants by the Issuer*)(xv)(b).

“**Admission Document**” means the admission document relating to the trading of the Notes prepared in accordance with the ExtraMOT PRO³ Regulation.

“**ADSCR**” means, in respect of any Calculation Date falling after the Payment Date falling on 30th June 2023 both:

1) the historic ADSCR, being the ratio of A:B where:

“A” is Cash Available for Debt Service in respect of the 12-month period ended on the Payment Date immediately preceding the relevant Calculation Date; and

“B” is the aggregate of (i) the amounts of Principal Amount Outstanding of the Notes to be redeemed and (ii) the Finance Costs due, on the Notes on the two Payment Dates immediately preceding the relevant Calculation Date,

and

2) the forward ADSCR, being the ratio of A:B where:

“A” is Cash Available for Debt Service in respect of the 12-month period beginning on such Calculation Date determined on the basis of the Base Case; and

“B” is the aggregate of (i) the amounts of Principal Amount Outstanding of the Notes to be redeemed and (ii) the Finance Costs due, on the Notes of the 12 months period beginning on the relevant Calculation Date.

“**ADSCR Trigger**” means, in respect of any Calculation Date, the circumstance that the ADSCR is less than or equal to 1.20:1.

“**Advance Payment**” means, for each of the SGI FER Plants, the following amounts, including VAT, if applicable, which will be paid by the Issuer to SGI as advance payment pursuant to each relevant Transfer Agreement, subject to the relevant Release CP having been met:

(i) Crotone 2 PV Plant: Euro 669,530;

(ii) Istrana PV Plant: Euro 498,259;

(iii) Sparanise PV Plant: Euro 504,389;

“**Affiliate**” means, in relation to a person, any company, corporation or other entity, which controls, is controlled by or is under common control with that person and shall be considered an Affiliate only so long as the control, directly or indirectly, meets the conditions of this definition, or in case of funds is managed or advised by the latter. For the purposes of this definition, “control” shall mean ownership or control, directly or indirectly, of more than 50% (fifty percent) of the shares having voting rights, or other equivalent rights of the subject entity entitled to vote or having the right to appoint the majority of its board of directors (or other equivalent body) or otherwise (including by way of contract) having the right to control its management and operation.

“**Annex A**” means annex A hereto.

“**Annex B**” means annex B hereto.

“**Annex C**” means annex C hereto.

“**Annex D**” means annex D hereto.

“**Annex E**” means annex E hereto.

“**Annex F**” means annex F hereto.

“**Annex G**” means annex G hereto.

“Anti-Corruption Laws” means any anti-corruption laws and regulations applicable to the Issuer, including laws and measures implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or the United Nations Convention Against Corruption.

“Anti-Money Laundering Laws” means Italian legislative decree No. 231, of 21st November 2007, as amended by decree No. 90, of 25th May 2017, as subsequently amended and supplemented, and any anti-money laundering laws and regulations applicable to the Issuer.

“Assets” means of all inventory, work in progress, accruals, trade and other receivables, the tangible and intangible assets and/or shares and financial instruments held by the Issuer.

“Assignment of Claims” means each assignment by way of security in favour of the Noteholders by the Issuer or, in case of the SGI FER Plants, by SGI of claims arising from, *inter alia*, each relevant Project Contracts and Insurance Policies relating to each relevant Project.

“Assignment of Energy Claims” means each assignment by way of security in favour of the Noteholders by the Issuer of claims arising from each PPAs, each Tariff Agreement, or any kind of incentive mechanism, (if any) excluding any tax credits and deduction, related to the Projects and the Sponsor.

“Authorization” means any authorization, including each CILA, consent, approval, resolution, license, exemption, filing, notarization or registration necessary to (i) build, operate and maintain any of the Projects and all activities related thereto and (ii) run the business in which the Issuer is engaged as well as for the obtaining and keeping in place PPAs, each Tariff Agreement, or any kind of incentive mechanism.

“Availability Period” means the period starting from the Issue Date (excluded) and ending on the Payment Date falling on June 2022 (included).

“Balance Payment”: means, for each of the SGI FER Plants, the following amounts, including VAT, if applicable, which will be paid by the Issuer to SGI pursuant to each relevant Transfer Agreement as final payment for the relevant purchase, subject to the relevant Release CP having been met:

- (iv) Crotone 2 PV Plant: Euro 286,942;
- (v) Istrana PV Plant: Euro 213,540;
- (vi) Sparanise PV Plant: Euro 216,167;

“Base Case” means the agreed financial model published on the website of the Issuer based on *inter alia* Technical Assumptions and Economic Assumptions, deposited with, and available at the registered office of, the Noteholders’ Representative or any other custodian agreed by the Issuer and the Noteholders, as updated in accordance with Annex B (*Financial and Reporting Undertakings*). The Base Case will be defined 5 (five) Business Days before the Issue Date

factoring the Mid-Swap Rate and Reference Rate showing that the Base Case levels are met including tax and accounting assumptions, whereby the Base Case Ratios are met.

“**Base Case Ratios**” means the circumstance that the ADSCR and the LLCR as calculated on a Calculation Date are equal to or higher than 1.35:1.

“**Base Equity**” means the Equity to be injected in the Issuer by the Sponsor at the Issue Date as per the Base Case.

“**Business Day**” means with reference to and for the purposes of any payment obligation provided for under the Transaction Documents, any day on which Trans-European Automated Real Time Gross Settlement Express Transfer System (TARGET2) (or any successor thereto) is open and, with reference to any other provision specified under the Transaction Documents, any day (other than Saturday and Sunday) which is not a bank holiday or a public holiday in Rome, Milan and London.

“**Calculation and Paying Agency Agreement**” means the agreement entered into on or about the Issue Date between the Issuer, the Paying Agent and the Calculation Agent for the services to be rendered by these latter under the Notes.

“**Calculation Agent**” means Banca Finanziaria Internazionale S.p.A., with registered office at Via Vittorio Alfieri, 1 - 31015 Conegliano (Tv), VAT No. 04977190265.

“**Calculation Date**” means a Business Day falling 7 (seven) Business Days following each Payment Date, starting from the Payment Date falling on 31st December 2022.

“**Capital Increase**” any cash subscription for units (*aumento di capitale*) of, or any other form of equity contribution (*versamento in conto capitale*) to, the Issuer by any Quotaholder (directly or indirectly).

“**Cash Available for Debt Service**” means, on each Calculation Date, the excess of the Project Revenues over the Operating Costs.

“**Cash Trap Lockup Account**” means the bank account having IBAN IT38 D 03266 61620 000014070163 opened by the Issuer with the Account Bank.

“**Cerved Rating**” means the report issued by Cerved Group S.p.A. containing the rating of the Client, synthetic analytic comments and any under information provided by the rating agency in their professional rating report, or any other rating report provide by a credit rating agencies listed in the European Securities and Market Authority which has been registered or certified in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the Credit Rating Agencies Regulation) approved by the Noteholder.

“**Change of Control**” shall mean any event or circumstance in which any Person or Persons acquire Control of the Issuer, other than its sole quotaholder (or any other entity of the Sponsor Group) as at the Issue Date.

“**CILA**” means the “*Comunicazione di Inizio Lavori Asseverata*” submitted to the competent municipality with reference to each and every SGI FER Plant.

“**CILA Transfer**” means the communication to the relevant municipality concerning the transfer of each and every SGI FER Plant built on the basis of a CILA.

“**Clients**” means entities for the benefit and self-consumptions of which certain of the Projects will be developed.

“**Condition**” means the relevant clause of the present Terms and Conditions.

“**CONSOB**” means the *Commissione Nazionale per le Società e la Borsa*.

“Control” or “control” means:

in respect of the Issuer:

- (i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of, more than 50.1% (fifty/01 per cent.) of votes that might be cast at a general ordinary meeting of the Issuer; or
 - (B) appoint or remove (whether as a result of the exercise of dominant influence in accordance with Article 2359, paragraph 1, numbers 2 and 3, of the Italian Civil Code or its equivalent under the relevant applicable laws (**“Dominant Influence”**) or otherwise) all of, or the majority of, the members of the board of directors (or other equivalent body) of the Issuer;
- (ii) the ability to exercise Dominant Influence over the Issuer.

“Crotone 2 Pv Plant” the photovoltaic plant having a nominal power of 999,40 kWp which will be located in the Municipality of Crotone, in the Calabria Region in Italy;

“Crotone Pv Plant” means the photovoltaic plant having a nominal power of 100.00 kWp which will be located in the Municipality of Crotone, in the Calabria Region in Italy;

“Debt Service” means, for any relevant period, the aggregate of all scheduled principal repayments and all fees, Interest and costs accrued or payable under the Finance Documents.

“Debt Service Reserve Account” or “DSRA” means the bank account having IBAN IT16 D 03266 61620 000014070171 opened by the Issuer with the Account Bank.

“Default Early Redemption Date” has the meaning ascribed to it in Condition 8 (*Events of Default*).

“Default Early Redemption Request” has the meaning ascribed to it in Condition 8 (*Events of Default*).

“Default Interest” has the meaning ascribed to this term under Condition 5 (*Interest*).

“Default Interest Rate” has the meaning ascribed to it in Condition 5 (*Interest*).

“Default Ratio” means the circumstance that the ADSCR and/or the LLCR as calculated on a Calculation Date are equal to or lower than 1.05:1.

“Diemme Cucine PV Plant” means the photovoltaic plant having a nominal power of 400-433,20 kWp which will be located in the Municipality of Vitulazio (CE), in the Campania Region in Italy;

“Direct Agreements” means the EPC Direct Agreements, the O&M Direct Agreements and the MSA Direct Agreement.

“Distribution” means:

- (i) any payment of dividends or other distribution (whether in cash or in kind) in respect of the quota capital (including capital reserves) and repayment to the Sponsor of any amount paid as *versamenti in conto futuro aumento capitale* of the Issuer; and
- (ii) any payment by the Issuer in respect of the Quotaholder Subordinated Debt.
- (iii) any payment to be made under the MSA as consideration of the Manager.

“Distribution Account” means the bank account having IBAN IT41 S 03266 61620 000014070122 opened by the Issuer with the Account Bank.

“Distribution Conditions” means the occurrence of all of the following conditions:

- (i) no Distributions before the First Calculation Date has been made;
- (ii) the Principal Amount Outstanding of the Notes and the Interest Amount due and payable on the relevant Interest Payment Date have been duly paid by the Issuer;
- (iii) the balance of the DSRA is equal to or higher than the DSRA Balance Target and the balance of the MRA is equal to or higher than the MRA Amount;
- (iv) on the relevant Calculation Date, the Financial Ratios have a value exceeding the ADSCR Trigger and LLCR Trigger;
- (v) no Event of Default or Potential Event of Default is subsisting or will occur under the Financial Documents as a result of such Distribution being made;
- (vi) the Technical Advisor has delivered to the Noteholders the Technical Advisor Operating Report to be delivered pursuant to Annex B (*Financial and Reporting Undertakings*);
- (vii) the payment is made in accordance with Annex C (*Project Account Management*) par. 3.2 (*Payments from the Proceeds Account*).

“DSRA Balance Target” means, on each Calculation Date, (i) Euro 0 (zero) starting from the Issue Date (included) until 30th June 2022 (excluded); (ii) Euro 110,000 (one hundred and ten thousand/00), starting from 30th June 2022 (included) until the end of the Availability Period (included); and (iii) an amount equal to 50% of the Debt Service to be paid over the following 12 months thereafter.

“Early Redemption Date” means, as the case may be, an Optional Early Redemption Date or a Default Early Redemption Date.

“Economic Assumptions” means the economic assumptions (including, without limitation those relating to interest rates, inflation, rates of taxation and VAT) incorporated in the Base Case.

“Eligible Projects” means any photovoltaic assets (other than a Project) to be built during the Availability Period approved by the Noteholders provided that they meet, in any case, the following features:

- (vii) the counterparty risk under the relevant PPA has a rating at least equal to B2.2 according to latest available Cerved Rating and the counterparties risk under all of the PPAs (calculated on a weighted average basis of the debt allocated to the relevant Project to which each such PPAs refer over the total Principal Amount Outstanding) has a rating at least equal to B2.2 according to latest available Cerved Rating;
- (viii) the Project Contracts are in form and substance acceptable for the Noteholders;
- (ix) the relevant legal and technical due diligences are in form and substance satisfactory for the Noteholders;
- (x) the construction schedule is in line with the Availability Period; and
- (xi) the Sponsor has injected the relevant amounts of Equity as indicated in the Updated Base Case;
- (xii) in case it is a FER Project, it has obtained the relevant Tariff;

“Environmental Law” means any law or regulation which relates to:

- (a) the pollution or protection of the environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any environmental contaminant, including but not limited to, to the extent applicable:
 - (i) the Strategic Environmental Assessment Directive 2001/42/EC;

- (ii) the Environmental Impact Assessment Directive 2011/92/EU;
- (iii) the Habitats Directive 92/43/EEC;
- (iv) the Birds Directive 2009/147/EC;
- (v) the EU Water Framework Directive 2000/60/EC;
- (vi) the Pollution Prevention Control Directive 2008/1/EC;
- (vii) the Dangerous Substances Directive 2006/111/EC;
- (viii) the Nitrates Directive 91/676/EEC; and
- (ix) Italian laws and regulations implementing any of the above.

“EPC” means each design and construction agreement for each of the Projects entered into between the Issuer (or, with reference to the SGI FER Plants, SGI) and the EPC Contractor.

“EPC Contractor” means the Sponsor.

“EPC Direct Agreement” means each direct agreement relating to each EPC entered into by and between the Issuer (or, with reference to the SGI FER Plants, SGI), the Noteholder and the EPC Contractor.

“Equity” means the equity injected or to be injected by the Sponsor in the Issuer by means of a Capital Increase, and/or any Quotaholder Subordinated Debt.

“Equity Contribution Agreement” means the agreement entered into among the Sponsor, the Issuer and the Noteholders whereby, *inter alia*, the Sponsor undertakes to provide the Equity.

“Escrow Account” means the bank account having IBAN IT51 C 03266 61620 000014070148 opened by the Issuer with the Account Bank.

“EU Insolvency Regulation” means the European Regulation 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings.

“Event of Default” has the meaning ascribed to it in Condition 8 (*Events of Default*).

“ExtraMOT” means the multilateral trading facility of financial instruments organised and managed by the Italian Stock Exchange.

“ExtraMOT PRO³” means the segment for the growth of small and medium-size enterprises which is part of the multilateral trading system (*sistema multilaterale di negoziazione delle obbligazioni*) held and managed by the Italian Stock Exchange and named “ExtraMOT”.

“ExtraMOT PRO³ Regulation” means the ExtraMOT PRO³ regulation issued by the Italian Stock Exchange in force from 16 September 2019, as subsequently amended or supplemented.

“Fee Letter” means the fee letter entered into between the Issuer and Foresight Group S. à r. l. on or about the Issue Date.

“FER Decree” means the Decree of the Ministry of the Economic Development (“*Ministero dello Sviluppo Economico*”) dated 4 July 2019.

“FER Projects” means the following photovoltaic projects which will be developed and operate by the Issuer or, in case of the SGI FER Plants only, purchased by the Issuer from SGI upon entering into with the GSE of the relevant tariff agreement pursuant to the FER Decree:

- (i) the Textile PV Plant;
- (ii) the Diemme Cucine PV Plant;
- (iii) the Oromare PV Plant; and

(iv) the SGI FER Plants.

“Final Maturity Date” has the meaning ascribed to it in Condition 4 (*Issue Date and Final Maturity Date*).

“Finance Documents” means, *inter alia*, the Notes Subscription Agreement, the Terms and Conditions, the Fee Letter, the Security Documents, the Equity Contribution Agreement the Admission Document, the Calculation and Paying Agency Agreement and any other document designated as such by the Noteholders and the Issuer.

“Financial Indebtedness” means any indebtedness, whether actual or contingent, in respect of:

- (i) moneys borrowed or debit balances at banks and other financial institutions (excluding, for the avoidance of doubt, any unutilized commitment of whatsoever nature in respect of moneys to be borrowed);
- (ii) any debenture, bond, note, loan stock or other security (other than performance or warranty bonds);
- (iii) any acceptance or documentary credit;
- (iv) the receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis (*pro soluto*));
- (v) the acquisition cost of any asset where the due date for payment is more than 180 days after date of purchase;
- (vi) any lease entered into primarily as a method of raising finance or financing the acquisition of the asset leased which would, in accordance with the applicable law, be treated as a finance or capital lease (to the extent of that treatment);
- (vii) any currency swap or interest swap, cap or collar arrangement or any other derivative instruments;
- (viii) any amount raised under any other transaction having the commercial effect of a borrowing or raising of money; or
- (ix) any guarantee, indemnity or similar assurance against financial loss of any person.

“Financial Ratios” means the ADSCR and the LLCR, which will be tested on each Calculation Date.

“Financing Costs” means, with respect to the relevant calculation period, the sum of: (a) the aggregate of the fees due to the Calculation Agent, the Paying Agent, Monte Titoli, the Italian Stock Exchange and any other cost in relation to the issue and management of the Notes not included in the above; (b) interest payable on the Notes; and (c) any amounts due under the Fee Letter

“First Calculation Date” means the Calculation Date falling on 30th June 2023.

“First Interest Period” has the meaning ascribed to it in the definition “*Interest Period*”.

“First Payment Date” means the Payment Date falling on 31st December 2020.

“Foresight Group S.à.r.l.” means Foresight Group S.à.r.l., Société à responsabilité limitée (*Società a responsabilità limitata*), with registered office in L-2320 Luxembourg, 68-70 Boulevard de la Pétrusse, registration number with the Company Register of Luxembourg with number B220274.

“Funds Flow Memo” means the charts detailed in Annex G(*Funds Flow Memo*) showing in relation to each Project the costs to be paid (i) on or about the Issue Date; (ii) upon occurrence of the Release CPs by the Issuer.

“Insolvency Proceedings” means bankruptcy (*fallimento*) or any other insolvency proceedings (*procedura concorsuale*) including, but not limited to, an arrangement with creditors prior to bankruptcy (*accordi di ristrutturazione dei debiti e/o concordato preventivo*), compulsory administrative liquidation (*liquidazione coatta amministrativa*) and the extraordinary administration of large companies in a state of insolvency (*amministrazione straordinaria delle grandi imprese in stato di insolvenza*).

“Insurance Policy” means any contract of insurance to be executed with insurance companies with a rating of at least A- by Standard & Poor’s in order to establish and maintain an appropriate insurance cover for each Projects throughout the construction and the operation phase, in compliance with the provisions of the Notes Subscription Agreement.

“Insurance Proceeds” means any amount payable to the Issuer by the relevant insurance company under the Insurance Policies.

“Interest Amount” means the amount payable as interest on the Notes, calculated by the Calculation Agent (or, upon failure by this latter to perform such calculation, by the Noteholders and proposed to the Issuer, which shall not unreasonably contest it), by applying the Interest Rate on an ACT/ACT ICMA to the then Principal Amount Outstanding of the Notes.

“Interest Period” means each period from (and including) each Payment Date to (but excluding) the immediately following Payment Date, provided that the First Interest Period will begin (and include) the Issue Date and end on (but exclude) the First Payment Date (the **“First Interest Period”**).

“Interest Rate” means, *per annum*, on a ACT/ACT ICMA, (a) the product of 25% (twenty five per cent.) multiplied by the aggregate of (i) the Reference Rate and the (ii) the Margin, *plus* (b) the product of 75% (seventy-five per cent.) multiplied by the aggregate of (i) the Mid-Swap Rate and the (ii) the Margin, provided that, unless a Margin Adjustment Criteria has occurred.

“Interest Rate Fixing Date” means, with respect to each Interest Period, the second Business Day preceding the first day of such Interest Period.

“Irrevocable Mandate to Collect” means each *mandato irrevocabile all’incasso* to be granted by the Issuer in favour of the Noteholders according to the form from time to time available on the GSE’s website, in order to allow the Noteholders, as a security for the timely payment of any amount due under the Notes, to collect amounts under each Tariff Agreement.

“Issue Date” has the meaning ascribed to it in Condition 4 (*Issue Date and Final Maturity Date*).

“Issue Price” has the meaning ascribed to it in Condition 2.1 (*Denomination and Price*).

“Issuer” means IRR Caserta S.r.l., a limited liability company with a sole quotaholder (*società responsabilità limitata con socio unico*) incorporated under the laws of the Republic of Italy, with registered office in Via Ferrovie dello Stato sc. – Zona ASI Aversa Nord, 81030 -

Gricignano di Aversa (CE), quota capital equal to Euro 10,000.00 fully paid, tax code, VAT number and registration number with the Company Register of Caserta no. 04447850613, REA No. CE - 327686.

“Istrana Pv Plant” the photovoltaic plant having a nominal power of 738,720 kWp which will be located in the Municipality of Istrana (Province of Treviso) in the Veneto Region in Italy.

“Italian Bankruptcy Law” means the Italian Royal Decree no. 267, dated March 16, 1942, as subsequently amended and supplemented, it being understood that, following the entry into force of the Italian Legislative Decree no. 14 of 12 January 2019 (*“Codice della crisi di impresa e dell’insolvenza”*), any reference to a specific article of the Italian Bankruptcy Law should be deemed to be referring, *mutatis mutandis*, to the relevant articles of the *Codice della crisi di impresa e dell’insolvenza*.

“Italian Consolidated Financial Act” means the Italian Legislative Decree no. 58, dated February 24, 1998, as subsequently amended and supplemented.

“Italian Stock Exchange” means Borsa Italiana S.p.A., with registered office in Milan, Piazza degli Affari, 6.

“Joint Venture” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

“Lien” means any guarantee, mortgage, pledge, charge or lien or privilege on assets (including any form of destination and segregation of assets).

“Liquidated Damages” means any sum payable to or received by the Issuer in the nature of damages or compensation under, in relation to or in connection with, (i) any Project Contracts, excluding any Insurance Proceeds, (ii) partial or total nationalization, expropriation or compulsory purchase of any interest in the relevant Project or (iii) refusal, revocation, suspension or modification of any Authorization.

“LLCR Trigger” means, in respect of any Calculation Date, the event occurring when the LLCR is less than or equal to 1.20:1.

“Loan Life Cover Ratio” or **“LLCR”** means, in respect of any Calculation Date falling after the Interest Payment Date falling on 30thst June 2023, the ratio of “A” to “B” where:

“A” is the aggregate of (1) the net present value (calculated at the weighted average cost of debt of the Issuer under the Notes and discounted on the same manner as in the Base Case) of Cash Available for Debt Service from the Interest Payment Date immediately preceding the relevant Calculation Date to the Final Maturity Date, and (2) the positive balance(s) (if any) of the DSRA on the Interest Payment Date immediately preceding the relevant Calculation Date; and

“B” is the Principal Amount Outstanding of the Notes on the Interest Payment Date immediately preceding the relevant Calculation Date.

“Loan For Use Agreement” means each *“comodato d’uso”* entered into by and between the Issuer and each of the Client whereby this latter has made available to the Issuer (or, with reference to the SGI FER Plants, SGI) the rooftop of the building on which the relevant Plant has been built.

“Long Stop Date” means, for each Project, the date within which the relevant Project Connection (and, for the SGI FER Plants, the execution of the relevant Tariff Agreement) shall be achieved, as better described under Annex A (*Project costs/ SGI FER Plant consideration/Projects Long Stop Date*).

“Maintenance Reserve Account” or **“MRA”** means the bank account to be opened with the Account Bank, upon instructions of the Noteholders to the Issuer and to be operated pursuant to Condition 7 (*Covenants by the Issuer*) (vi).

“Management Service Agreement” or **“MSA”** means the agreement entered into between the Issuer and the Manager for the management, *inter alia*, of the corporate activities of the Issuer.

“Manager” means the Sponsor.

“Make-Whole Amount” has the meaning ascribed to this term under Condition 6.4 (*Optional Early Redemption*).

“Make-Whole Percentage” means, in respect of the Notes, the greater of:

(A) 100 (hundred) per cent.; and

(B) the amounts equal to the price of the Notes (as reported in writing to the Issuer by the Calculation Agent) expressed as a percentage (and rounded, if necessary, to three decimal places (0.0005) and higher being rounded upwards and otherwise being rounded downwards)) at which the Make-Whole Yield on the relevant Notes is equal to the Make-Whole Rate.

“Make-Whole Rate” means the Mid-Swap Rate, as calculated three Business Days prior to the Optional Early Redemption Date, *plus* 0,5% (zero point five per cent.).

“Make-Whole Yield” means a yield calculated in accordance with the market practice for euro denominated securities of a similar nature to the Notes or on such other basis as the Noteholders and the Issuer, may approve.

“Margin” means 5,50% (five point fifty per cent.) *per annum* during the Availability Period and 5% (five per cent) *per annum* in the period following the Availability Period, each as adjusted from time to time in accordance with the Margin Adjustment Criteria as verified by the Calculation Agent, provided that any Margin Adjustment Criteria will apply in the Interest Period to which the relevant Calculation Date refers.

“Margin Adjustment Criteria” means the following criteria of adjustment applicable to the Margin (on a weighted average basis of the debt allocated to the Project referring to the relevant affected Client/s over the total Principal Amount Outstanding):

- A. should the Cerved Rating of one or more Clients fall below B1.2 but be above or equal to B2.2, the Margin will be increased by 0.50% (zero point fifty per cent.) *per annum*;
- B. should the Cerved Rating of one or more Clients fall below B2.2 but be above or equal to C1.2, the Margin will be increased by 1.00% (one per cent.) *per annum*;

“Material Adverse Effect” means, with respect to an event or a series of events that has already occurred, an effect which results in a material adverse change in: (i) the business, performance of the Issuer, financial conditions or the operation of any of the Projects; and/or (ii) the ability of the Issuer to perform any of its material obligations under the Finance Documents; and/or (iii) the validity or enforceability of the Finance Documents or the rights or remedies under the Finance Documents.

“Mid-Swap Rate” means the linear interpolation of EURO mid-swap rates, as displayed on the Bloomberg screen <ICAE> <GO> as soon as practicable after 11:00 am (London time) up to 5 (five) Business Days before the Issue Date, for terms of 5 (five) years, commencing on the Issue Date, with floating rate legs based on the 6-month EURIBOR rate, being equal to 0 (zero). In case the Mid-Swap Rate calculated pursuant to the present definition would be less than 0 (zero), it will be considered as being equal to 0 (zero).

“Minimum Denomination” has the meaning ascribed to it in Condition 2.1 (*Denomination and Price*).

“Minimum Positive Balance” means (A) until the end of the Availability Period, an amount equal to 50,000 (fifty thousand); and (B) thereafter, an amount equal to 50% of the Operating Costs expected to be paid by the Issuer in respect of the 12 months period beginning on such Calculation Date on the basis of the Updated Base Case and latest Operating Budget.

“Modified Following Business Day Convention – unadjusted” means, for the First Payment Date and any Payment Date that falls on a day that is not a Business Day, that any payment due on the First Payment Date or such Payment Date will be postponed to the next day that is a Business Day; provided that, if such day would fall in the next succeeding calendar month, the date of payment with respect to such Payment Date will be advanced to the Business Day immediately preceding such Payment Date.

“Monte Titoli” means Monte Titoli S.p.A., with registered office in Milano, Piazza degli Affari, 6.

“MRA Amount” means any amount to be determined from time to time by the Noteholder in consultation with the Technical Advisor and notified to the Issuer.

“MRA Pledge” means the pledge over the positive balance of the MRA having substantially same terms and conditions of the Pledge over Accounts.

“MSA Direct Agreement” means the direct agreement entered into between the Issuer and the Manager.

“Nominal Amount” means Euro 50,000 (fifty thousand/00).

“Noteholders” means the beneficial owner(s) of the Notes at any time.

“Noteholders’ Representative” has the meaning ascribed to it in Condition 12 (*Meetings of the Noteholders and appointment of the Noteholders’ Representative*).

“Notes” means the Euro 5,000,000.00 senior secured notes due December 2041, issued by the Issuer.

“Notes Amount” means Euro 5,000,000.00 (five million/00).

“Notes Subscription Agreement” means the agreement entered into between the Issuer and the Noteholders.

“Notes Subscription Price” means the net subscription price of the Notes received by the Issuer from the initial Noteholder under the Notes Subscription Agreement.

“O&M” means each operation and maintenance agreement for each of the Projects entered into

between the Issuer (or, with reference to the SGI FER Plants, the Issuer or SGI) and the O&M Contractor.

“O&M Contractor” means the Sponsor.

“O&M Direct Agreement” means each direct agreement entered into between the Issuer (or, with reference to the SGI FER Plants, the Issuer or SGI), the O&M Contractor and the Noteholders.

“Operating Budget” has the meaning ascribed to it in Annex F (*Operating Budget*).

“Operating Costs” means, following the end of the Availability Period, all costs and liabilities incurred by the Issued in connection with the operation, management, maintenance and repair of each of the Projects, including:

- (i) operating and maintenance costs and expenses (including costs and expenses for supply of the gas, energy costs, waste disposal costs), set out in the Operating Budget and approved by the Technical advisor;
- (ii) liabilities of the Issuer under any Project Contract (of an operating nature);
- (iii) *premia* payable in respect of Insurance Policies;
- (iv) costs for the availability of the roofs (if any);
- (v) any amount payable under any Authorisation;
- (vi) administrative, legal, notarial, management, accounting in respect of each of the Project;
- (vii) any capital expenditures detailed in the Operating Budget;
- (viii) taxes;
- (ix) except for the purposes of calculating the Base Case Ratio, VAT payable in respect of any of the items listed in paragraphs (i) to (iv) (inclusive), (vi) and (vii) above and paragraph (x) below, or payable to the competent Italian tax authority (*ufficio IVA*); and
- (x) all other costs and expenses which the Noteholders agree may be Operating Costs,

but excluding:

- (i) Financing Costs;
- (ii) any principal amount payable under the Notes Subscription Agreement;
- (iii) any payment in respect of any Quotaholder Subordinated Debt;
- (iv) any Distributions;
- (v) depreciation, other non-cash charges, reserves, amortisation of intangibles and similar book-keeping entries; and
- (vi) all reinstatement or repair work that is paid for by physical damage insurance proceeds.

“Operating Report” has the meaning ascribed to it in Annex B (*Financial and Reporting Undertakings*).

“Optional Early Redemption Date” has the meaning ascribed to it in Condition 6.4 (*Optional Early Redemption*).

“Oromare PV Plant” means the photovoltaic plant having a nominal power of 999,40 kWp which will be located in the Municipality of Marcianise (CE), in the Campania Region in Italy.

“Paying Agent” means Banca Finanziaria Internazionale S.p.A., with registered office at via Vittorio Alfieri 1, Conegliano Veneto (TV), VAT no. 04040580963.

“Payment Date” has the meaning ascribed to it in Condition 5 (*Interest*).

“Performance and Warranty Guarantee” means any of the guarantees regarding defects and performances of the Projects under the relevant EPC.

“Permitted Financial Indebtedness” means any Financial Indebtedness of the Issuer which is:

- (i) incurred under the Finance Documents;
- (ii) incurred under the Quotaholder Subordinated Debt;
- (iii) in an aggregate amount non exceeding Euro 50,000 (fifty thousand) at any time;
- (iv) related to any guarantee, bond, standby or documentary letter of credit or any other instrument issued in connection with the Project as provided for under the applicable law up to Euro 50,000 (fifty thousand).

“Permitted Security” means any securities under the Security Documents, and any other security granted by the Issuer with the prior written consent of all the Noteholders, also through the Noteholders’ Representative.

“Person” means any individual, company, corporation, firm, partnership, Joint Venture, association, organization, state or agency of a state or other entity, whether or not having separate legal personality.

“Pledge over Accounts” means the pledge over the Project Accounts (other than the Distribution Account).

“Pledge over Quotas” means the pledge over the quotas of the Issuer.

“Potential Event of Default” means any of the events listed in Condition 8 (*Events of Default*) that, following to (i) a resolution approved by the Noteholders under Condition 12 (*Meetings of the Noteholders and appointment of the Noteholders’ Representative*), (ii) expiration, or (iii) the fulfilment of other condition, would result in an Event of Default.

“PPA” means each power purchase agreement for the sale of energy to be entered into between the Issuer and the relevant Client with reference to a Project in a satisfactory form and substance for the Noteholders.

“Principal Amount Outstanding” means, at any relevant date, with respect to a Note, the Minimum Denomination *minus* the aggregate of all repayments of principal which have been made on such relevant Note up to such date.

“Proceeds Account” means the bank account having IBAN IT 33 N 03266 61620 000014070197 opened by the Issuer with the Account Bank.

“Projects” means the following renewable energy projects to be developed (or, in case of the SGI FER Plants, acquired) by the Issuer:

- 1. Crotone Pv Plant;
- 2. Roma 1 Pv Plant;
- 3. Roma 2 PV Plant;
- 4. SC Tannery PV Plant;
- 5. the FER Projects; and
- 6. any additional Eligible Project.

“Project Accounts” means each of:

- (a) the Proceeds Account;
- (b) the Debt Service Reserve Account;
- (c) the Cash Trap Lockup Account;
- (d) the Escrow Account;
- (e) the Maintenance Reserve Account;
- (f) the Distribution Account; and
- (g) any other account opened in accordance with the relevant Condition.

“Project Connection” has the meaning ascribed to *“Entrata in Esercizio”* under each EPC.

“Project Contracts” means any and all of the contracts relating to the Projects, including, without limitation, (i) each Transfer Agreement, (ii) each Tariff Agreement, (iii) each EPC, (iv) each O&M, (v) each PPA, (vi) the MSA; (vii) the Direct Agreements, (viii) the Loan For Use Agreements and any other contract creating the right to build on the soil where each Plant will be mounted; and (ix) any associated parent company guarantee (where required by the Noteholders’ Representative), (x) any Performance and Warranty Guarantee, (xiii) any document replacing the foregoing.

“Project Revenues” means, in relation to any period, (without double counting) all amounts to be paid to or received by the Issuer (to be considered on a cash basis), in connection with the Projects, including:

- (i) any proceeds (including liquidated damages) arising from the Project Contracts (or any guarantee, bond or other security in respect of any of them);
- (ii) the PPA price to be paid by each Client;
- (iii) the Tariff for the FER Projects and the White Certificates;
- (iv) any positive interest on the Project Accounts;
- (v) any business interruption insurance proceeds (excluding physical damage insurance proceeds and insurance proceeds in respect of liabilities);
- (vi) all refunds of Tax of any kind, but excluding any VAT refunds;
- (vii) any proceeds of any claims of a revenue nature of the Issuer;
- (viii) any other revenues that may arise in connection with each of the Project,
- (ix) revenues arising from the project owned by Foresight Seu Italy S.r.l. to the extent transferred to the Issuer in compliance with the Terms and Conditions;

but excluding, in any event:

- (i) any compensation, including any tax credits and deductions related to the Projects and or the Sponsor;
- (ii) any amount paid to the Issuer under the Finance Documents;
- (iii) the performance liquidated damages and delay liquidated damages.

“Purchase Period” means, with reference to each SGI FER Plant, the period commencing on

5 (five) Business Days after the date in which a Tariff Agreement is entered into by SGI with reference to such SGI FER Plant and 15 Business Days thereafter;

“Qualified Investors” means the subjects listed in annex II, part I and II of the directive 2014/65/UE (**“Mifid II”**). These subjects are “qualified investors” (*investitori qualificati*) as described in article 100 of the Italian Consolidated Financial Act which, considering the reference to article 34-ter of Consob Regulation No. 11971 dated 14 May 1999 and article 35 of Consob Regulation No. 20307 dated 15 February 2018, are equivalent to “*professional clients*” (*clienti professionali*) under the provisions of Mifid II.

“Quotaholder” means the Sponsor and any subsequent quotaholder of the Issuer from time to time.

“Quotaholders Loan” means any loan by any Quotaholder to the Issuer.

“Quotaholder Subordinated Debt” means any amounts lent by the Sponsor to the Issuer which are subordinated (as to principal, interest and all other amounts) to amounts outstanding under the Notes on terms satisfactory to the Noteholders.

“Release CPs” means all of the following events, to be verified by the Noteholders with reference to each and every Project:

- (i) the amount of Equity indicated in the Updated Base Case has been injected by the Sponsor in the Issuer and certified by the Technical Advisor;
- (ii) The outcome of the legal due diligence in relation to each and every Project being satisfactory to the Noteholders;
- (iii) The outcome of the insurance due diligence in relation to each and every Project being satisfactory to the Noteholders;
- (iv) The outcome of the technical due diligence in relation to each and every Project being satisfactory to the Noteholders;
- (v) No Potential Event of Default or Event of Default having occurred;
- (vi) Execution of relevant: (i) EPC, (ii) O&M, (iii) PPA or the incentives provided for by the FER Decree and any other necessary Project Document, (iv) applicable Security Documents, (v) amendment of Financial Documents (if required by the Noteholders);
- (vii) Issuance of an amendment version of Legal Opinion;
- (viii) Updated Base Case including the Economic Assumptions and Technical Assumptions verified by the Technical Advisor;
- (ix) The project is an Eligible Project;
- (x) The Availability Period is not expired and/or the Long Stop Date of the Project does not exceed the Availability Period;
- (xi) in addition to the above conditions, (a) for the release of each Advance Payment only, evidence in form and substance acceptable to the Noteholder of the execution of the relevant Transfer Agreement; and (b) for the release of each Balance Payment only, (i) execution of the final transfer of the relevant SGI FER Plant in favour of the Issuer in compliance with the provisions of the Transfer Agreement; and (ii) the Noteholders having received satisfactory evidence that the Ancillary Activities have been duly carried out with reference to each of the SGI FER Plants;

each of the above as confirmed in writing by the Noteholders to the Account Bank.

“Reference Banks” means IntesaSanpaolo S.p.A., Unicredit S.p.A, and Banca Nazionale del Lavoro S.p.A.

“Reference Rate” means, as calculated by the Calculation Agent (or, upon failure by this latter to calculate, by the Noteholders and proposed to the Issuer, which shall not unreasonably contest it), (A) with respect to each Interest Period other than the First Interest Period, (a) the interbank offered rate for six month deposits in Euro, as obtained by the Euribor Panel Steering Committee, which appears at or about 11:00am (Brussels Time) of the Interest Rate Fixing Date on Reuters page EURIBOR01, (ACT/360) or (b) if no rate is available at such time on page EURIBOR01 for the purposes of paragraph (a) above, the rate, offered for six-month Euro deposits, corresponding to the arithmetic mean (rounded up to the next sixteenth of a per cent.) of the rates offered by at least two of the Reference Banks of major banks in the Euro-zone inter-bank market at 11:00 (Brussels Time) of the Interest Rate Fixing Date; or (B) with respect to the First Interest Period, the linear interpolation between the two interbank offered rates for deposits in Euro having the closest standard durations by rounding up and down with respect to the duration of the relevant Interest Period, obtained (a) by the Euribor Panel Steering Committee which appears at or about 11.00 a.m. Brussels time of the relevant Interest Rate Fixing Date on Reuters or (b) if no rate is available at such time on Reuters, the rate corresponding to the arithmetic mean (rounded up to the next sixteenth of a per cent.) of the rates offered by at least two of the Reference Banks at 11:00 (Brussels Time) of the relevant Interest Rate Fixing Date; provided that, if any of the above interbank rates shall be substituted by any other rate, such substituting rate will apply. In case the EURIBOR calculated pursuant to the present definition would be less than 0 (zero), it will be considered as being equal to 0 (zero).

“Roma 1 Pv Plant” means the photovoltaic plant having a nominal power of 130.00 kWp which will be located in the Municipality of Rome in the Lazio Region in Italy.

“Roma 2 Pv Plant” means the photovoltaic plant having a nominal power of 199.50 kWp which will be installed on the roof of the TVB Service S.r.l. plant in Via delle Cosmee, Rome.

“Satisfactorily Subordinated” means that:

- C. the relevant Quotaholders Loan is subordinated to the Notes and the quotaholder(s) providing such Quotaholders Loan has confirmed to the Noteholders that its indebtedness is subordinated to the Notes;
- D. the quotaholder(s) providing such Quotaholders Loan has no contractual right to bring any claim of any nature against the Issuer, instigate any proceedings of any nature against the Issuer, or accelerate payment; and
- E. the quotaholder(s) providing such Quotaholders Loan shall not create, incur, assume or permit to exist any Lien thereon, nor dispose of it in favour of any third party different from another quotaholder.

“SC Tannery PV Plant” means the photovoltaic plant having a nominal power of 99,63 kWp which will be located in the Municipality of Santa Croce sull’Arno (CE), in the Toscana Region in Italy;

“Security Documents” means each of the following security documents whereby the relevant security is granted to the Noteholders to secure the payments of the Issuer under the Notes:

- (i) the Pledge over Quotas;
- (ii) each Special Privilege;
- (iii) the Pledge over Accounts;
- (iv) the MRA Pledge;
- (v) each Assignment of Claims;
- (vi) each Assignment of Energy Claims;
- (vii) each Irrevocable Mandate to Collect;
- (viii) the SGI Pledge over Quotas;
- (ix) the SGI Pledge over Accounts;

“SGI” means Servizi Gestione Impianti S.r.l. with registered office at Via Oberdan n.43, 80021 – Afragola (NA), VAT number and registration number with the Company Register of Naples no. 07709701218, REA No. NA – 904606,

“SGI FER Plants” means the following Projects:

- (i) the Sparanise Pv Plant;
- (ii) the Istrana Pv Plant; and
- (iii) the Crotone 2 Pv Plant.

“SGI Pledge over Accounts” means the pledge over the bank accounts held by SGI.

“SGI Pledge over Quotas” means the pledge over the quotas of SGI.

“Single Project Debt Ratio” means the ratio between (i) the portion of the Notes Subscription Price to be utilized to cover the constructions and development costs of a single specific Project or the consideration of each SGI FER Plant as indicated (a) in Annex A (*Project costs/ SGI FER Plant consideration/Projects Long Stop Date*) with reference to each Project other than the Eligible Project; and (b) by the Technical Advisor with reference to each Eligible Project and (ii) the entire amount of the Notes Subscription Price.

“Sparanise Pv Plant” the photovoltaic plant having a nominal power of 793,40 kWp which will be located in the Municipality of Sparanise (Province of Caserta) in the Campania Region in Italy;

“Special Privileges” means each of the special privilege pursuant to article 46 of Legislative Decree No. 385/93 to be created over certain components of the Plants.

“Sponsor” means Gaia Energy S.r.l., with registered office at Gricignano di Aversa , VAT number and registration number with the Company Register of Caserta no. 04874961214, REA No. CE-275244.

“Target Ratio Condition” means the condition which will be met with respect to an ADSCR Trigger and a LLCR Trigger on the earlier date to occur (i) the ADSCR and the LLCR are greater than 1.35.1 for two consecutive Calculation Dates falling after such ADSCR Trigger and/or LLCR Trigger occurred, or (ii) the aggregate balance standing to the credit of the Debt Service Reserve Account and the Cash Trap Lockup Account is equal to or greater than the Principal Amount Outstanding of the Notes on the then most recent Calculation Date.

“Tariff” means the incentive tariff to be granted under the FER Decree.

“Tariff Agreement” means the agreement to be entered into with the *Gestore dei servizi energetici GSE S.p.A.* (“GSE”) in relation to the Tariff.

“Tax” means any present or future tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) and wherever imposed, in each case levied, collected, withheld or assessed by a taxing authority.

“Technical Advisor” means Duff & Phelps Italia S.r.l. *a socio unico*, with registered office at Via Monte Rosa 91, 20149 Milan, Italy, VAT no. 12950820154 or any other technical advisor appointed from time to time by the Issuer upon instruction of the Noteholders.

“Technical Advisor Construction Report” means the report to be delivered by the Technical Advisor in accordance with para. 6 (*Technical Advisor Reports*) of Annex B (*Financial and Reporting Undertakings*).

“Technical Advisor Operating Report” means the report to be delivered by the Technical Advisor in accordance with para. 6 (*Technical Advisor Reports*) of Annex B (*Financial and Reporting Undertakings*).

“Technical Assumptions” means the technical assumptions incorporated in the Base Case.

“Terms and Conditions” means the terms and conditions of the Notes.

“Textile PV Plant” means the photovoltaic plant having a nominal power of 999,40 kWp which will be located in the Municipality of Pignataro Maggiore (CE), in the Campania Region in Italy.

“Transaction Costs” means any cost (other than any cost under the Fee Letter), including any taxes, levies and VAT applicable thereto, sustained by the Issuer for the arranging, signing and issuance of the Notes including, *inter alia*, upfront fees, taxes, advisory fees, notarial costs, and any other pre-agreed costs.

“Transaction Documents” means the Finance Documents, the Project Contracts, and any other document entered into by the Issuer in the context of the issuance of the Notes.

“Transfer Agreement” means each agreement, in form and substance acceptable to the Noteholders, to be entered into by and between the Issuer and SGI whereby the Issuer will undertake to purchase from SGI, by entering into a definitive going concern sale and transfer agreement during the relevant Purchase Period, subject to certain conditions precedent being met, each of the SGI FER Plants and relevant going concern for a price equal to the sum of (i) the Advance Payment and (ii) the Balance Payment.

“Usury Law” means Italian Law No. 108 of March 7, 1996, as subsequently amended and supplemented.

“White Certificates” means trading certificates issued by GSE as per Ministerial Decree 11 January 2017, as subsequently amended by the Ministerial Decree 10 May 2018, with the aim of promoting energy efficiency.

References to laws and regulations shall include amendments and supplements thereto.

2. NOTES

2.1 Denomination and Price

The Notes will be issued by the Issuer on the Issue Date and each Note will have a minimum denomination of Euro 50,000 (fifty thousand/00) (the **“Minimum Denomination”**).

The Notes will be issued for a price equal to 100.00% (one hundred per cent.), i.e. for a price equal to Euro 50,000 (fifty thousand/00) for each Note (the “**Issue Price**”).

2.2 Form and Title

The Notes are issued in certificated form and will be wholly and exclusively deposited with Monte Titoli. The Notes will at all times be evidenced by book-entries in accordance with the provisions of articles 83-bis et seq. of the Italian Consolidated Financial Act and Regulation 13 August 2018 jointly issued by CONSOB and Bank of Italy, both as amended from time to time.

Any transaction regarding the Notes (including transfers of the securities created under the Security Documents), as well as the exercise of any proprietary, economic or other administrative rights, may only be made in accordance with the provisions of articles 83-bis et seq. of the Italian Consolidated Financial Act and Regulation 13 August 2018 jointly issued by CONSOB and Bank of Italy (as amended and supplemented). The Noteholders will not be able to request delivery of the documents representative of the Notes as no such documents will be issued, save for the right to request the certification referred to in articles 83-*quinquies* and 83-*sexies* of the Italian Consolidated Financial Act.

2.3 Status and guarantees

The Notes are senior secured obligations solely of the Issuer. In respect of the obligation of the Issuer to repay principal, pay interest and pay any Make-Whole Amount on the Notes, the Notes will rank as senior secured obligations and *pari passu* and without any preference or priority among themselves and any other obligation of the Issuer, except for those obligations of the Issuer, which are preferred according to the mandatory provisions of law.

The Notes are fully, unconditionally and irrevocably secured by the security created under the Security Documents that are incorporated in the Notes and will, therefore, circulate together with the Notes.

The Notes have not been and will not be convertible into shares or participation rights in the share capital of the Issuer nor any other company.

3. SUBSCRIPTION AND TRANSFER OF THE NOTES

The Notes shall be exclusively subscribed for by Qualified Investors subject to prudential supervision pursuant to special legislation as per article 2483 of the Italian Civil Code.

Any subsequent secondary market transfer of the Notes can only be executed in favor of Qualified Investors.

The Notes are issued with exemption from the obligation to publish a prospectus for the purposes of article 100 of the Italian Consolidated Financial Act and article 34-*ter* of the Regulation adopted by CONSOB Resolution no. 11971/1999, as subsequently amended and supplemented.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as subsequently amended or supplemented, or any other applicable securities law in force in Canada, Australia, Japan or any other country in which the transfer and/or the subscription of the Notes is not permitted under the applicable laws.

Notwithstanding the foregoing, any transfer of the Notes to any of abovementioned countries, or in countries other than Italy and to non-residents or entities not incorporated in Italy, will be allowed only under the following circumstances: (i) to the extent which is expressly permitted by the laws and regulations applicable in the country in which it is intended to transfer the Notes, or (ii) if the applicable laws and regulations in force in these countries provide for specific exemptions that allow the transfer of the Notes.

The transfer of the Notes will be made in compliance with all applicable regulations, including the provisions relating to anti-money laundering referred to in Italian Legislative Decree No. 231, of 21st November 2007, as amended by decree No. 90, of 25th May 2017, as subsequently amended and supplemented.

4. **ISSUE DATE AND FINAL MATURITY DATE**

The Notes will be issued for an amount equal to the Nominal Amount, on 18 December 2020 (the “**Issue Date**”).

The final maturity date (save for what otherwise provided herein under Condition 8 (*Events of Default*)) will fall on the Payment Date falling in December, 2041 (the “**Final Maturity Date**”).

5. **INTEREST**

Interest will accrue on the Principal Amount Outstanding of the Notes from the Issue Date (included) up to the earlier of (a) an Early Redemption Date (being such date excluded) and (b) the Final Maturity Date (being such date excluded).

The Principal Amount Outstanding of the Notes shall accrue Interest Amounts being the product of (a) the Principal Amount Outstanding of each Note and (b) the Interest Rate, calculated by the Calculation Agent, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

Interest Amounts will be due and payable in Euro in arrears (i) on the First Payment Date, and thereafter (ii) semi-annually on June 30 and December 31 of each year, and (iii) on the Final Maturity Date (each a “**Payment Date**”).

If any Payment Date, Optional Early Redemption Date or the Final Maturity Date falls on a day other than a Business Day, payments thereon will be made according to the Modified Following Business Day Convention – unadjusted.

Interest shall cease to accrue on any part of the Principal Amount Outstanding of the Notes from (and including) the due date for redemption of such part.

Should the Issuer fail to pay any amount payable by it in relation to the Notes, it shall pay the Interest Rate on the overdue amount plus an additional margin of 1,50% (one point fifty per cent.) *per annum*, in accordance with the applicable regulation (the “**Default Interest Rate**” and the relevant interest amount, the “**Default Interest**”), to be calculated by the Calculation Agent from the date on which this payment should have been made (including) until the date of actual payment (excluded). Default interest arising on overdue amount will not be compounded with such overdue amount and will remain immediately due and payable.

Should the Interest Rate, the Default Interest Rate and other fees or costs or other payments applicable under the Conditions exceed the limits provided by the Usury Law, they shall be deemed automatically reduced (for the period strictly necessary) to the maximum interest rate allowed by such law. The Calculation Agent is responsible for the verifying the rate of Usury Law limit.

6. REDEMPTION, PURCHASE AND CANCELLATION

6.1 Redemption

Unless previously redeemed in full and cancelled, the Notes will be redeemed, on each Payment Date in 40 (forty) consecutive instalments, as per the attached Annex C (*Redemption schedule of the Notes*), (i) starting from and including the Payment Date which falls on 31st December 2022 and (ii) ending on and including the Final Maturity Date.

6.2 Mandatory Early Redemption

6.2.1 The Issuer shall apply 100% of the positive balance standing to the credit of the Escrow Account, to the prepayment of the Principal Amount Outstanding of the Notes.

6.2.2 In case, on any Calculation Date following a Calculation Date on which a ADSCR Trigger and/or LLCR Trigger has occurred, the Target Ratio Conditions are not met, the Issuer shall apply, on the immediately following Payment Date, an amount equal to the lower of:

- (i) 100% of the amounts standing to the Cash Trap Lockup Account; and
- (ii) the amount required to cure, respectively, the ADSCR Trigger and/or the LLCR Trigger;

to prepay the Principal Amount Outstanding of the Notes on such Payment Date.

6.2.3 The Issuer shall apply any Insurance Proceeds (other than Insurance Proceeds in relation to physical damage and liabilities against third parties) and Liquidated Damages (after Tax, if any, is deducted) received by it to the repayment of the Principal Amount Outstanding of the Notes in an amount equal to such Insurance Proceeds or Liquidated Damages, on the Payment Date immediately following the relevant receipt thereof; provided that the Issuer shall not be required to apply to the repayment of the Principal Amount Outstanding of the Notes such Insurance Proceeds if, and to the extent that, the Noteholders are satisfied that relevant Insurance Proceeds are to be or were applied for the repair or reinstatement of a Project in compliance with advise of Technical Advisor.

6.2.4 In case the Technical Advisor has not confirmed in writing to the Noteholders, by 45 (forty five) Business Days prior to the Long Stop Date relating to each Project, that the relevant Project Connection (and, in case of SGI FER Plants, the execution of the Tariff Agreement) will occur by the relevant Long Stop Date (such Project, an “**Affected Project**”), the Issuer shall be required to receive an Equity injection from the Sponsor, on the immediately following Payment Date, for an amount equal to the product of (i) the Principal Amount Outstanding of the Notes; *multiplied by* (ii) the Single Project Debt Ratio of such Affected Project, which shall be applied by the Issuer to the prepayment of the Principal Amount Outstanding of the Notes;

6.2.5 In case any of the Clients defaults in the payment (in whole or in part) of six or more installments as due under the relevant PPA and/or a PPA is terminated and/or the Tariff Agreement is terminated and/or the Tariff is revoked or reduced for any reasons whatsoever and/or the Issuer ceases to have a valid right on the location where a Plant is located, the Issuer shall be required to receive an Equity injection from the Sponsor, on the immediately following Payment Date, for an amount equal to the product of (i) the Principal Amount Outstanding of the Notes; *multiplied by* (ii) the Single Project Debt Ratio of the Project/s which is affected by any of the above, which shall be applied by the Issuer to the prepayment of the Principal Amount Outstanding of the Notes;

- 6.2.6 The Issuer shall apply any proceeds deriving from the sale or any different disposal of one or more Projects (including as a consequence of the exercise of any call option rights attributed to the Client under any PPAs) received by it to the repayment of the Principal Amount Outstanding of the Notes in an amount equal to such proceeds, on the Payment Date immediately following the relevant receipt thereof.

6.3 Early redemption application

- 6.3.1 Any redemption of the Notes under Conditions 6.2 (Mandatory Early Redemption) will reduce, *pro rata* and *pari passu*, the Principal Amount Outstanding of each Note, rounded up or down, as the case may be, to one Euro; and shall apply to the instalments in inverse order of maturity.
- 6.3.2 A 5 (five) Business Days prior written notice will be given by the Issuer to the Noteholders in accordance with the applicable provisions of law and according to the ExtraMOT PRO³ Regulation.

6.4 Optional Early Redemption

Starting from and the including the Payment Date falling on December 2022 and on any Payment Date thereafter (each of such date, the “**Optional Early Redemption Date**”), the Issuer shall have the right to early redeem the Notes, in full but not in part, by serving a 21 (twenty one) Business Days prior written notice to the Noteholders in accordance with the applicable provisions of law and according to the ExtraMOT PRO³ Regulation.

On any Optional Early Redemption Date and provided that (i) written notice has been served to the Noteholders within the timeframe indicated above; (ii) no Default Early Redemption Request has been served, and (iii) the Issuer has provided the Noteholder with satisfactory evidence that, on the Optional Early Redemption Date, it will have the necessary funds to repay in full the Principal Amount Outstanding of the Notes any interest accrued thereon and any Make Whole Amount, if any, the Issuer shall pay to the Noteholders, on the relevant Optional Early Redemption Date, in addition to the Principal Amount Outstanding of the Notes on such date, in accordance with the provisions of article 1386 of the Italian Civil Code, the following amounts as calculated by the Calculation Agent:

- A. in case the Optional Early Redemption Date falls on or before 31 December 2025 (included), an amount equal to the product of (x) the then Principal Amount Outstanding of the Notes, *multiplied by* (y) the Make-Whole Percentage, as calculated by the Calculation Agent (the “**Make Whole Amount**”); or
- B. in case the Optional Early Redemption Date falls after 31 December 2025, an amount equal to the product of (x) the then Principal Amount Outstanding of the Notes, *multiplied by* (y) the Interest Rate then applicable in accordance with the provisions of this Terms and Conditions,

provided that if any of the above amounts exceed the limits provided by the Usury Law, it shall be deemed automatically reduced to the maximum amount allowed by such law. No other penalty or damage costs shall apply.

7. COVENANTS BY THE ISSUER

As long as any Note remains outstanding and unless a waiver is approved by a resolution of the Noteholders under Condition 12 (*Meetings of the Noteholders and appointment of the Noteholders' Representative*), the Issuer shall:

- (i) maintain its status, and remain duly incorporated and validly operating in accordance with the Italian law;
- (ii) not to approve or carry out, extraordinary transactions of any kind, including without limitation special transactions on its quota capital, corporate transformations (*trasformazioni*), merger (*52ertif*) or spin-off (*scissioni*);
- (iii) (A) not to enter, and procure that the Sponsor does not enter, into a single transaction or a series of transactions (whether related or not) and, to sell, lease, transfer, discount, factor, assign (including under article 1977 of the Italian Civil Code) or otherwise dispose (a) any of its rights arising from the Project Contracts; (b) each of the Projects or its rights thereon; (c) its rights under the Authorizations; or (d) any other present or future undertakings, rights, revenues or Assets (including the quotas of Foresight Seu Italy S.r.l.);
- (iv) not to form, acquire, make, any acquisition of, or investment in, companies or other entities;
- (v) other than the Transaction Documents to which it is a party, the Project Contracts and the expenses specified in the relevant Funds Flow Memo, not enter into any agreements or obligation whereby the Issuer would incur in annual, aggregate costs or expenses higher than Euro 10,000 (ten thousand);
- (vi) open the MRA Account with the Account Bank within 10 Business Days from the request by the Noteholder, and procure that MRA Amount due from time to time is credited to the MRA Account;
- (vii) enter into the MRA Pledge within 10 Business Days from the opening of the MRA;
- (viii) have as its sole business activity the operation of the Projects (together with any activities ancillary thereto);
- (ix) not to amend its by-laws (*atto costitutivo* and *statuto*) in any material respect;
- (x) procure that its financial statements:
 - (i) will be prepared in compliance with law in all material respect;
 - (ii) will provide a true, complete and accurate financial position and the results of its financial operations, as on the date on which they were prepared and for all its reporting period;
 - (iii) will contain no significant errors or omissions of material facts that would make such documents misleading; and
 - (iv) will be audited;
- (xi) not to change the date of its financial year's end;
- (xii) not to reduce, and procure that the Sponsor does not reduce, its fully paid share capital below the minimum amounts required by applicable law, except for the mandatory cases provided for by law; and, in the event that the share capital is reduced due to losses pursuant to applicable laws, ensure that, no later than 60 (sixty) Business Days

from the resolution approving such reduction, the Issuer's, as applicable, share capital required by applicable laws is restored;

- (xiii) not pay any Distribution other than when permitted under the Conditions;
- (xiv) without prejudice to the provision of article 7.2 of Annex D (Project Accounts Management), procure that all existing and future Quotaholder(s) Loans be at all times Satisfactorily Subordinated;
- (xv) make all payments due in connection with the Notes without any deduction or withholding on taxes or otherwise, unless is required by law. In such case:
 - (a) the Issuer shall procure that the deduction or withholding shall not exceed the minimum amount required by law; and
 - (b) the amounts due by the Issuer to the Noteholders shall be increased of an additional amount (the “**Additional Amount**”) to allow that the amount to be paid, excluding the relevant deduction or withholding, is equal to the amount that would be due to the Noteholders without any such deduction or withholding;

provided that, no such Additional Amount shall be payable (i) to a non-Italian resident legal entity or non-Italian resident individual, which is resident in a country that does not allow for a satisfactory exchange of information with the Republic of Italy or (ii) in the event the Noteholders have transferred the Notes or made other changes to the shareholding structure which according to the Law in force when such transfer or change has been performed will generate a Tax on the payments received under the Notes; and

provided further that, in the event the Noteholders have the right to benefit in any way from any deduction or withholding on taxes or otherwise, in whole or in part, according to the applicable laws (i) no Additional Amount shall be due in the portion covered by any such deduction or withholding on tax benefits, or (ii) should such Additional Amount have already been paid by the Issuer, it will be paid back by the Noteholders to the Issuer;
- (xvi) promptly notify to the Noteholders the occurrence of any failure by the Issuer to fulfill its obligations under the present Terms and Conditions or any event which may cause an Event of Default;
- (xvii) procure that the DSRA Balance Target is met on each Payment Date, as verified on the immediately following Calculation Date;
- (xviii) undertake it: (A) has the full legal capacity, Authorizations, licenses and permits necessary to carry out the Projects, (B) completes the Projects within the timeframe specified in the relevant Project Contracts, except for delays due to force majeure, (C) maintains any material intellectual property necessary for managing the Projects; and (D) manages the Projects in accordance with the applicable laws and Project Contracts' provisions, and in a safe, efficient and business-like manner and preserve it from any material damage;
- (xix) undertake to maintain the Insurance Policies (also, but not limited to, by paying the relevant premia), refrain from modifying or amending any material provision thereof and from any action or omission that would reduce or avoid the liability of the relevant insurance company;
- (xx) build, maintain and operate the Projects in accordance with the applicable laws and Project Contracts' provisions, and in a safe, efficient and business-like manner and preserve it from any damage;
- (xxi) ensure that a representative of the Noteholders, also through a Technical Advisor, is given reasonable access to inspect the Projects on 5 (five) Business Days prior notice

- to the Issuer, and to inspect and take copies of the Issuer's records on 5 (five) Business Days prior notice to the Issuer;
- (xxii) diligently fulfill all the obligations undertaken by the Issuer towards Monte Titoli and the Italian Stock Exchange, in relation to the centralized management of the Notes;
 - (xxiii) other than any Permitted Indebtedness, not to incur, into any Financial Indebtedness;
 - (xxiv) other than the Security Documents, not to create, incur, assume or permit to exist any Lien on any of the Issuer's Assets;
 - (xxv) comply with the provisions of Annex B (Financial and Reporting Undertakings);
 - (xxvi) comply in all material respect with all laws, regulations and tax provisions applicable to them and will make regular and timely liquidations and payments required and due with respect to taxes, and charges of a similar nature and their withholding taxes, except taxes that:
 - (i) are contested in good faith by the Issuer and for which appropriate reserves have been allocated in accordance with the accounting principles; and
 - (ii) for which payment may be legitimately subordinated, without giving rise to the payment of any penalty or pre-emption rights of a competent tax authority on the assets of the Issuer;
 - (xxvii) not to hire, any employee;
 - (xxviii) promptly communicate to the Noteholders and to the market according to the rules of ExtraMOT PRO³, upon becoming aware of any Potential Event of Default or Event of Default, by delivering a communication via registered letter or registered e-mail (*posta elettronica 54ertificate*) specifying such Potential Event of Default or Event of Default and what action the Issuer is taking or proposes to take with respect thereto;
 - (xxix) at any time, within 10 (ten) Business Days from the reasonable request by the Noteholders, appoint the relevant Technical Advisor;
 - (xxx) within 30 days from the Issue Date, deliver to the Noteholders' Representative the evidence that the Notes are traded in the "green bonds" sector of the Italian Stock Exchange;
 - (xxxi) procure that all amounts to be paid by the GSE in accordance with any Tariff Agreement and/or by a Client under a PPA and/or under the White Certificates will be paid on the Proceeds Account;
 - (xxxii) procure that, within 30 (thirty) Business Days of the date of termination of any PPA a new PPA approved in writing by the Noteholders' Representative is entered into at equivalent or better economic conditions;
 - (xxxiii) in case a new PPA is executed, within 10 (ten) Business Days from the execution, to assign the claims arising from it in favour of the Noteholders;
 - (xxxiv) procure that each of the FER Projects (other than the SGI FER Plants) enters into operation within 19 or 24 months, depending on whether they are admitted to Group A or Group A-2 respectively, from the date of publication of the ranking set forth by the FER Decree and are, in any case, awarded with the Tariff;
 - (xxxv) promptly procure the closing of the Escrow Account upon full application of the positive balance thereof;
 - (xxxvi) within 10 (ten) Business Days from the execution of the final transfer of the relevant SGI FER Plant in compliance with the Transfer Agreement, send to the Noteholders' Representative an updated land register excerpt (*visura catastale*) giving evidence of registration of each SGI FER Plant in favour of the Issuer;

- (xxxvii) within 10 Business Days following the date on which the final transfer of the relevant SGI FER Plant is executed in compliance with the Transfer Agreement, procure that, (i) each relevant agreement conferring to SGI the right to build and maintain the relevant SGI FER Plant on the rooftops where each relevant SGI FER Plant is built, is duly transferred in favor of the Issuer; (ii) each relevant CILA Transfer is duly carried out by the Transferor in favor of the Issuer; (iii) each relevant Tariff Convention is duly transferred in favor of the Issuer; (iv) each contract with ENEL Distribuzione for the interconnection to the grid of the SGI FER Plant is duly assigned in favor of the Issuer and (v) any other authorization, permit, license or document required to transfer full and good title on the relevant SGI FER Plant to the Issuer and to allow this latter to operate it has been duly carried out (each of the activities under (i) to (v) above, the “**Ancillary Activities**”);
- (xxxviii) procure that Foresight Seu Italy S.r.l. (as renamed after the acquisition to be made by the Sponsor) transfers any free cashflow available after payment of the operating costs of the relevant plant held by it to the Proceeds Account, every month.

8. EVENTS OF DEFAULT

The Noteholders shall have the right to request the early redemption of the Notes upon the occurrence of any of the following events (each event below shall be treated as an “**Event of Default**”), provided that, these are not remedied from the Issuer within the later of, 30 (thirty) calendar days from the date on which the Issuer is aware of such circumstance, or 30 (thirty) calendar days from the date of occurrence of an Event of Default:

- (a) **Payment Default:** any failure of the Issuer to pay any principal or Interest Amounts payable on the Notes, unless such failure is due to an administrative or technical error which is not due to willful misconduct (*dolo*) or gross negligence (*colpa grave*) of the Issuer or is due to a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for such payments to be made and the relevant payment is performed within 5 (five) Business Days of the relevant discovery of the administrative or technical error or material disruption.
- (b) **Insolvency Proceedings of the Issuer or the Sponsor:** (i) judicial steps have been taken against the Issuer, or the Sponsor aimed at commencing any Insolvency Proceedings; and/or (ii) the Issuer or the Sponsor is subject to any Insolvency Proceedings or has entered into any of the agreements provided for by article 182 *bis* or article 67 paragraph 3 (d) of the Italian Bankruptcy Law or the applicable foreign legislation; provided that the above subparagraphs (i) and (ii) shall not apply to any proceeding which is discharged, stayed or dismissed within 180 (one hundred and eighty) calendar days from its commencement; and/or (iii) the Issuer, or the Sponsor is subject to any of the situation described in articles 2445, 2446, 2447 or 2482, 2482-*bis*, 2482-*ter*, as applicable, of the Italian Civil Code or the applicable foreign legislation, save for what provided under Condition 7 (xii); (iv) the Issuer or the Sponsor is unable, or admits its inability, to pay its debts as they fall due, ceases or threatens to cease to carry on business or substantially the whole of its business.
- (c) **Liquidation:** the adoption of a resolution of the competent body of the Issuer whereby it is resolved the winding up of the Issuer.
- (d) **Litigation:** (A) (a) any claim or investigation in relation to the Issuer and/or the Sponsor and/or a Client that if adversely determined would have a Material Adverse Effect or (b) the filing against the Issuer and/or the Sponsor and/or a Client of any civil, criminal, labour, environmental, tax or other litigation, arbitration, or administrative or regulatory proceeding, claim or action (including any dispute with any statutory or governmental authority) for an aggregate amount exceeding Euro 25,000 (twenty five thousand); provided that subparagraphs (a) and (b) shall not apply

to any litigation, arbitration or administrative proceedings which is (i) discharged, stayed or dismissed within 60 (sixty) calendar days of its commencement or (ii) frivolous, vexatious, or remotely able to produce a Material Adverse Effect, in the Noteholders' opinion (acting in good faith, in accordance with the provisions of article 1375 of the Italian Civil Code); or (B) the Issuer **and/or the Sponsor and/or a Client** settles any civil, criminal, labour, tax or other litigation, arbitration, or administrative or regulatory proceeding, claim or action (including any dispute with any statutory or governmental authority); provided that the Issuer may enter into one or more settlements whereby it undertakes solely payment obligations for an aggregate, yearly amount not higher than Euro 25,000 (twenty five thousand).

- (e) **Covenants:** any of the covenants under Condition 7 (*Covenants by the Issuer*) is not complied with by the Issuer.
- (f) **Cross default of the Issuer and/or the Sponsor and/or a Client:** (a) the Issuer **and/or the Sponsor and/or a Client** fails to pay any amount due under any Financial Indebtedness, incurred in without breaching Condition 7 (xxiii) (other than payment obligations arising from the Notes); (b) the Issuer fails to pay any amount (other than payment obligations arising from the Notes) within 10 (ten) calendar days of its due date or within any grace period agreed with the relevant creditor; (c) any amount becomes due and payable prior to its specified maturity date as a result of an event of default (or the relevant creditor becomes entitled to make a declaration to that effect) or (d) any facility or commitment, incurred into without breaching Condition 7 (xxiii), is cancelled or suspended by the relevant creditors as a result of an event of default, in each case save where the aggregate amount of all amounts under (b), (c) and (d) above at that time is less than Euro 25,000 (twenty five thousand).
- (g) **Transaction Documents:** (i) any Transaction Document becomes invalid, null, void, unenforceable or is terminated, in full or in any material part thereof unless that relevant Transaction Document is replaced by an agreement which is in form and substance satisfactory to the Noteholder, within the earlier of (a) 15 Business Day after the date on which the Noteholder has given notice thereof to the Issuer and (b) 30 Business Days after the occurrence of such event; (ii) the Issuer or any relevant party to a Transaction Document fails to comply with its material obligations thereunder; (iii) the Issuer fails to enforce its rights (other than its termination rights) under any Transaction Document; (iv) the Issuer assigns or transfers any of its rights under the Transaction Documents; (v) any action is taken (including, but not limited to giving notice) by the Issuer or any relevant party to a Transaction Document to terminate the relevant Transaction Document or the relevant Transaction Document terminates by law; or (vi) it is or becomes unlawful for any party to perform any of its obligations under the Transaction Documents.
- (h) **Material Adverse Effect:** a Material Adverse Effect occurs.

- (i) **Force Majeure Events:** the occurrence of force majeure events, such as wars, revolutions, embargos, actions by civil and/or military authorities, earthquakes, floods, droughts, water pollution, epidemics, pandemics, power lines breaks that persist for a period exceeding 90 (ninety) nonconsecutive calendar days in the same solar year and from which on the expiry of the 90 (ninety) days derives an Event of Default.
- (j) **Authorizations:** save for the CILA Transfer, any Authorization is transferred, or otherwise disposed of, by the Issuer, or is revoked, annulled, cancelled, terminated, or otherwise ineffective (also temporarily) so that such events result in Material Adverse Effect.
- (k) **Design, building and operation of the Projects:** each of the Projects has not been designed or built, or was or is not operated in compliance with the applicable Project Contracts, Authorization and applicable laws (including, but not limited to, any Environmental Law), provided that such non-compliance results in Material Adverse Effect.
- (l) **Compulsory nationalization of any Project:** nationalization, expropriation or dispossession by a government, public or regulatory body of any of the Projects.
- (m) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its material obligations under the Transaction Documents to which it is a party or any of such material obligations conflicts with the by-laws (*atto costitutivo* and *statuto*) or contractual obligations of the Issuer.
- (n) **Validity and enforceability of the Security Documents:** (A) the formalities in relation to the effectiveness towards third parties of any document of the Security Documents, are not fulfilled within 30 (thirty) Business Days as of the execution of the relevant document, and (B) any agreement constituting the Security Documents becomes null, void or unenforceable for any reason, other than by waiver (*rinuncia alle garanzie*) by the Noteholders.
- (o) **Change of Control:** an event or circumstance of Change of Control occurs; provided that, any transfer of the participation in the Issuer will be permitted solely if the Noteholders notified to the Issuer that the relevant transferee(s) comply with their *know your customer* requirements.
- (p) **Information:** any information or document provided to the Noteholders by or on behalf of the Issuer or the Sponsor, in relation to the Projects, the transaction in general or to any party involved is misleading untrue or incorrect in any material respect.
- (q) **Compliance with laws:** the Issuer fails to comply in any material respect with any applicable Anti-Corruption Laws, Anti-Money Laundering Laws, Environmental Laws, any employment law provisions, any collective bargaining labour contract provisions, any law provision (including any EU law provisions) for the specific field of operation of the Projects, or building laws (*norme edilizie, urbanistiche*).
- (r) **Illegality and increased costs:** the Noteholders notify the Issuer that (a) is or becomes contrary to any law or regulation for the Noteholders to maintain the Notes; or (b) as a result of any change in (or in the interpretation, administration or application of), or to the generally accepted interpretation or application of, or the introduction of, any law or regulation, any amounts payable in respect of the Notes would be subject to 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 the Republic of Italy or any political or administrative subdivision thereof or any authority thereof or therein and no Additional Amount shall be paid by the Issuer to compensate such withholding or deduction.
- (s) **Accounts:** the Issuer opens any bank or deposit account other than the Projects Accounts, except for the bank account of the Issuer existing with Intesa Sanpaolo

S.p.A., Sant'Antimo (NA) branch, having IBAN IT79 Z030 6940 2041 0000 0006 038, that shall be closed by the Issuer within 60 Business Days from the Issue Date.

- (t) **Centre of main interest:** the Issuer (i) fails to have its “centre of main interest” in Italy, pursuant to article 3(1) of the EU Insolvency Regulation or (ii) establishes any “establishment”, pursuant to article 2(1) n. 10 of the EU Insolvency Regulation, outside the Republic of Italy or maintains its central management and that of its business outside the territory of the Republic of Italy.
- (u) **Change in law:** any law or regulation is enacted or issued to change, repeal or replace the energy regulatory legal framework which results in a Material Adverse Effect.
- (v) **ADSCR and LLCR:** on any Calculation Date, the ADSCR and/or the LLCR fall below the Default Ratio.
- (w) **Transfer Agreement:** the final transfer of the relevant SGI FER Plant executed in compliance with the Transfer Agreement is not entered into, in a form satisfactory to the Noteholders, within 30 (thirty) Business Days after the execution of the relevant Tariff Agreement;
- (x) **Rating trigger:** at any time the Cerved Rating of one or more Clients is equal to or lower than C2.1. or the Cerved Rating of all the Clients (calculated on a weighted average basis of the debt allocated to the relevant Project to which each such Client refer over the total Principal Amount Outstanding) is equal to or lower than C1.2.

Following a resolution approved under Condition 12 (*Meetings of the Noteholders and appointment of the Noteholders' Representative*) requesting the early redemption of the Notes, on the first Business Day following a 30 (thirty) calendar days prior request (the “**Default Early Redemption Request**”) of early redemption (the “**Default Early Redemption Date**”) by the Noteholders to the Issuer, to be sent according to the applicable provisions of law and as requested by the Italian Stock Exchange, the amounts payable by the Issuer to the Noteholders shall become immediately due and payable with respect to the then Principal Amount Outstanding, *plus* interest accrued and unpaid thereon.

The Issuer shall promptly notify to the Italian Stock Exchange, Monte Titoli and the Noteholders of the receipt of the Default Early Repayment Request together with (i) detailed information of the Event of Default and (ii) the relevant Default Early Repayment Date.

The Noteholders may approve a resolution in accordance with Condition 12 (*Meetings of the Noteholders and appointment of the Noteholders' Representative*) to waive an existing Event of Default or Potential Event of Default and its consequences.

9. PAYMENTS

Payments of principal and interests in respect of the Notes will be credited, according to the instructions of Monte Titoli, by authorized intermediaries.

Payments of principal and interests in respect of the Notes are subject in all cases to any fiscal or other applicable laws and regulations.

10. ADMISSION TO TRADING

The Issuer has filed the Notes with the Italian Stock Exchange for admission to trading on the ExtraMOT PRO³.

The decision of the Italian Stock Exchange and the date of commencement of trading of the Notes on the ExtraMOT PRO³, together with the functional information to trading shall be communicated by the Italian Stock Exchange with a notice, pursuant to Sec. 224.6 of the guidelines contained in the regulation for the management and operation of the ExtraMOT issued by the Italian Stock Exchange, and effective from June 8, 2009 (as amended and supplemented from time to time).

The Notes are not traded in a regulated market (“*mercato regolamentato*”) therefore are not subject to the Commission Regulation (EC) No 980/2019.

11. RESOLUTIONS AND AUTHORIZATIONS RELATING TO THE NOTES AND THE SECURITY DOCUMENTS

The issuance of the Notes and the granting of the execution of the Security Documents and the granting of the securities under the Security Documents were approved by the resolution of the sole quotaholder of the Issuer taken on 11 December 2020 and registered in the relevant chamber of commerce of Caserta on 14 December 2020.

12. MEETINGS OF THE NOTEHOLDERS AND APPOINTMENT OF THE NOTEHOLDERS’ REPRESENTATIVE

Article 2415 of the Italian Civil Code will apply. Accordingly, the meeting of Noteholders is empowered to resolve upon the following matters: (i) the appointment and revocation of a Noteholders’ representative; provided that the first Noteholders’ representative will be Foresight Group S.à.r.l. (the “**Noteholders’ Representative**”), (ii) any amendment to these Terms and Conditions, agreed or to be agreed with the Issuer, (iii) motions by the Issuer for the composition with creditors (*amministrazione controllata* and *concordato*); (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.

Articles 2416, 2417, 2418 and 2419 of the Italian Civil Code will apply to the extent permitted by law.

As long as a Noteholders’ Representative is appointed, this latter:

(a) shall receive on behalf of the Noteholders from the Issuer any notice, proof, evidence and communication to be served or provided by the Issuer to the Noteholders under the Conditions; and

(b) may provide, on behalf and in the name of the Noteholders, consents, opinions and notifications that the Noteholders may provide to the Issuer under the Conditions.

13. STATUTE OF LIMITATION

Claims against the Issuer for payments in respect of the Notes will be barred and become void (*prescritti*) unless made within ten years in the case of principal or five years in the case of interest from the date the relevant payment are due.

14. TAXATION

Without prejudice to the provisions of Condition 7 (xv) (*Covenants by the Issuer*), any tax, levy, impost, duty or other charge of a similar nature, fee, present and future, applicable to the

Notes shall be borne by the Noteholders.

15. NOTICES

Notwithstanding any applicable provision to the contrary, all the communications from the Issuer to the Noteholders will be considered valid if made through publication on the website of the Issuer at the following address <https://www.gaiaenergy.it/investor-relations/>, and in compliance with the disclosure requirements of the ExtraMOT PRO³ Regulation and applicable laws; provided that, as long as the Notes are held on behalf of the beneficial owners through Monte Titoli, the Issuer shall maintain the right to notify certain communications to the Noteholders through Monte Titoli.

16. GOVERNING LAW AND JURISDICTION

The Notes are governed by, and shall be construed in accordance with, Italian law.

The Courts of Milan shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with these Notes.

ANNEX A		ALLEGATO A
<i>Project costs/ SGI FER Plant consideration/Projects Long Stop Date</i>		<i>Costi dei Progetti/ corrispettivo per gli Impianti SGI FER /Data Limite dei Progetti</i>
Project	Amount	Long Stop Date
Roma 2 PV Plant	167,000	30/06/2021
Crotone PV Plant	67,000	30/06/2021
Roma 1 Pv Plant	86,000	30/06/2021
Crotone 2 Pv Plant	655,000	30/06/2022
Istrana Pv Plant	452,000	30/06/2022
Sparanise Pv Plant	565,000	30/06/2022
SC Tannery PV Plant	55.700	30/06/2022
Oromare PV Plant	1.107.000	30/06/2022
Diemme Cucine PV Plant	334.100	30/06/2022
Textile PV Plant	911.200	30/06/2022
Eligibile Projects	600,000	30/06/2022
Total Amount	5,000,000	

ANNEX B

Financial and Reporting Undertakings

1. The Issuer will provide to the Noteholders all documents, confirmations and evidence required by the Noteholders to satisfy its "*know your customer*" requirements or similar identification checks in order to meet its obligations from time to time under applicable money laundering, or similar, laws and regulations;
2. the Issuer will provide the Noteholders with semi-annual and audited annual (as long as listed in ExtraMOT PRO³) financial statements for the Issuer at the earlier of (A) as regards the semi-annual consolidated financial statement, 90 (ninety) calendar days following each semester (starting from June 2021), (B) as regards the audited annual financial statement (i) the provision of such statements to any shareholder in the Issuer or (ii) within 180 (one hundred and eighty) calendar days of the end of the relevant fiscal year, in each case including a statement of operations, balance sheet, statement of cash flows and shareholders' equity.

3. Updated Base Case

- 3.1 No later than 5 (five) calendar days following the date on which a new Project or Eligible Project or SGI FER Plant will be proposed by the Issuer/Sponsor to the Noteholders for the purposes of financing part of the relevant development costs (or in case of a SGI FER Plant, acquisition costs), the Base Case will be updated by the Issuer to factor in (i) Technical Assumptions and Economic Assumptions provided by the Technical Advisor, and (ii) applicable Project Documents and Financial Documents with a re-run of the initial Base Case whereby the Base Case Ratios are met in order to identify: (a) the debt capacity of the new Project or Eligible Project or SGI FER Plant, (b) the amount of Equity to be injected considering the Equity as the difference of the capex and associated cost and VAT minus (a);
- 3.2 No later than 40 (forty) calendar days following each Calculation Date, the Base Case will be updated by the Issuer to factor in (i) the new projections of electricity price and gas price, to be calculated by the Technical Advisor, as requested by the Issuer or, in case of inaction of this latter, by the Noteholders and (ii) with respect to the update to be made with reference to 31 December of each year only, other standard assumptions (e.g. Operating Budget, white certificate, PPA price, inflation, tax regime, energy saving report etc.), provided that if a material change in a standard assumption has occurred and is likely to have a material adverse effect in the ADSCR and LLCR, such assumption will be factored in on the immediately following Calculation Date. The accounting and tax assumption shall reflect the accounting and tax principles used for the purposes of preparing the financial statements.
- 3.3 The Issuer will make such proposals in good faith after careful consideration and enquiry and such proposals will genuinely reflect views which it believes in good faith to be reasonable in the circumstances and will be consistent with the provisions of the Terms and Conditions.
- 3.4 Together with the updated Base Case, the Issuer shall provide the Noteholders with the relevant Technical Assumptions received from the Technical Advisor and Economic Assumptions.
- 3.5 Upon receipt of the updated Base Case, the Noteholders may propose changes in order to:
 - (i) correct any historical data known to be inaccurate; or
 - (ii) correct any manifest error.
 - (iii) incorporate any changes to the Technical Assumptions and/or Economic Assumptions agreed or determined according to the above.
- 3.6 The Noteholders may propose such a change by giving written notice to the Issuer setting out the proposed change and the reasons why it believes such a change is required.

- 3.7** The Noteholders can prepare the updated Base Case in the event that the Issuer: (i) fails to deliver the notice according to 3.1, or (ii) delivers an updated Base Case that has been proposed on the basis of assumptions or changes that have not been agreed or determined in accordance with the Annex B (*Financial and Reporting Undertakings*).
- 3.8** If any disagreement arises in relation to such changes to the updated Base Case, the Noteholders and the Issuer will negotiate in good faith for the purpose of agreeing changes to the updated Base Case.
- 3.9** If the Issuer and the Noteholders are unable to reach on agreement on the above changes within 20 (twenty) days from the relevant written notice, then either of them may refer the matter to an expert (the “**Expert**”) for resolution. The Expert shall be appointed jointly by the Issuer and the Noteholders or, if such agreement is not reached within 5 (five) Business Days of the proposal of either party, the Expert shall be the person nominated on the application of the Issuer or the Noteholders to the president for the time being of (i) the *Ordine dei Dottori Commercialisti e degli Esperti Contabili di Milano* in the case of any reference in respect of the Base Case or relating to taxation or (ii) to the *Ordine degli Ingegneri di Milano* in the case of any other matter, or if such entity has ceased to exist or in case of failure to nominate the Expert, such other entity or persons as may be reasonably selected by the Noteholders.
- 3.10** The costs of any Expert and the costs reasonably incurred in giving effect to any decision of the Expert, shall be entirely borne by the Issuer.
- 3.11** Any changes to the updated Base Case shall take effect and be binding on and from the date such changes are agreed or determined in accordance with the above provisions.
- 4. Operating Budget** Not less than 60 (sixty) calendar days and not more than 90 (ninety) calendar days before the end of each financial year (starting from 2022), the Issuer shall make available on its website and deliver to the Noteholders and/or the Noteholders’ Representative, and to the Technical Advisor a revised draft operating budget (the “**Operating Budget**”) for approval by the Noteholders, in accordance with Annex F (*Operating Budget*).
- 4.2** Each revised operating budget shall comprise an Operating Budget (together with a commentary thereon) for the next following 24 (twenty-four) months setting out costs and revenues for such 12 (twelve) months period on a monthly basis and setting out the costs and revenues for all subsequent financial years until the Final Maturity Date on a semi-annual basis. The Issuer shall also ensure that each revised Operating Budget is prepared using the same form as used for the initial operating budget and, in any event, consistent with the Base Case and sets out the costs and revenues in reasonable detail together with all related Technical Assumptions and Economic Assumptions.
- 4.2.1** Within 30 (thirty) calendar days of receipt of the revised Operating Budget, the Noteholders shall notify the Issuer whether the Operating Budget has been approved by the Noteholders.
- 4.2.2** If the Noteholders do not approve the Operating Budget, then: (i) the Noteholders shall provide the Issuer with reasonable details of the grounds for such disapproval; (ii) the existing Operating Budget shall continue in effect without any amendment; and (iii) the Issuer shall submit a further revised draft operating budget to the Noteholders.
- 4.2.3** Within 30 (thirty) calendar days of receipt of the revised draft Operating Budget, the Noteholders may: (i) notify the Issuer that the revised draft Operating Budget has been approved, or (ii) ask the Issuer for amendments to the revised draft Operating Budget. In such a case, the Noteholders and the Issuer may consult between themselves and with the Technical Advisor. If no agreement is reached within 20 (twenty) Business Days of the Noteholders request for amendments, the Expert shall apply provisions regarding the reference of the subject matter to on.

4.2.4 Upon the Expert having reached a decision in relation to a dispute over the revision of the Operating Budget, the draft Operating Budget as revised by the Expert shall become the Operating Budget.

4.2.5 Unless approved by the Noteholders, the Issuer shall not incur or pay any cost where that cost or payment (in aggregate with all other amounts incurred or paid in respect of that category of cost for the relevant half year period) exceeds the aggregate amount allowed for that category of costs for that half year period in the Operating Budget by more than 3% (three per cent.). This clause shall not restrict or prevent the Issuer from incurring or paying a particular cost to the extent that the relevant cost is a tax payment related to applicable law (including but not limited to Environmental Law).

5. Operating Report

5.1 The Issuer shall prepare, make available on its website and deliver to the Noteholders and the Technical Advisor an Operating Report for each semi-annual period from the Calculation Date falling in June 2022 until the Final Maturity Date. The second Operating Report shall be delivered by the Issuer not later than the first Calculation Date. Each other Operating Report shall be delivered by the Issuer at each Calculation Date

5.2 The Issuer will ensure that each Operating Report contains or encloses the following details: (i) the performance of the Projects during the semi-annual period ending on that Payment Date; (ii) actual expenditure for the relevant semi-annual period and a comparison of that expenditure against the corresponding figures in the Operating Budget; (iii) forecast expenditure for each of the next following two semi-annual periods together with a comparison of that forecast expenditure against the corresponding figures in the Operating Budget; (iv) any change, damage to or destruction of any part of any of the Projects; (v) copies of any certificates or reports provided to the Issuer under any O&M; (vi) cash balances of each of the Project Accounts as at the first day and the last day of the relevant semi-annual period; and (vii) any other or additional information that the Noteholders may reasonably request the Issuer to provide in relation to the operation of any of the Projects.

6. Technical Advisor Reports The Issuer shall ensure that the Technical Advisor delivers to the Noteholders a Technical Advisor Construction report and Technical Advisor Operating Report according to the below.

6.2 The Issuer shall ensure that (i) the Technical Advisor delivers to the Noteholders a Technical Advisor Construction Report within 10 (ten) Business Days from the end of each calendar month with respect to the construction work progress of the Projects with respect to the immediately prior calendar month, until the PAC and (ii) the relevant Technical Advisor Construction Report is published on the Issuer website pursuant to Condition 15 (*Notices*).

6.3 The Issuer will ensure that each Technical Advisor Construction Report contains or encloses the following details: (i) material delivered in situ, (ii) works (work progress); (iii) actual expenditure for the relevant period and a comparison of that expenditure against the corresponding figures in the construction budget; (iv) details of the status of the interconnection works carried out by the EPC Contractor including Project Connection, together with any information that indicates a delay or potential delay in such works; (v) the Issuer's opinion as to whether completion of the Project and, if the Issuer thinks that date is not achievable, the Issuer's best estimate of when completion will be achieved (together with reasons for that estimate); (vi) any material change, damage to or destruction of any material Project; (vii) any other material delay to the works or any extensions of time granted by the Issuer to any party carrying out construction related activities under the EPC; (viii) details of any delay liquidated damages or performance liquidated damages which have been paid to or received by the Issuer under the EPC; (ix) all change orders requested under the EPC, together with details of any action it proposes to take in relation to the same; and (x) any other or additional information that the might reasonably request the Issuer to provide in relation to the construction of the Projects.

- 6.4** The Issuer shall ensure that the Technical Advisor delivers to the Noteholders a Technical Advisor Operating Report for each semi-annual period from the Interest Payment Date falling in June, 30 2022 and, thereafter, for each annual period until the Final Maturity Date. The Issuer shall ensure that the first Technical Advisor Operating Report is delivered by the Technical Advisor not later than the Interest Payment Date falling in June 2022. The Issuer shall ensure that: (i) each other semi-annual Technical Advisor Operating Report shall be delivered by the Technical Advisor within 20 (twenty) Business Days after each Calculation Date and (ii) each annual Technical Advisor Operating Report shall be delivered by the Technical Advisor on each Calculation Date.
- 6.5** The Issuer will ensure that each Technical Advisor Operating Report contains or encloses the following details: (i) the performance of the Projects during the semi-annual period ending on that Calculation Date including but not limited to: (a) electricity generated, (b) self-consumption (c) electricity injected into the grid; (d) irradiance (DNI) measured using pyrheliometer; (e) global performance, (f) ORC performance; (g) performance solar field; (h) temperature and flow in and out of the solar field; (i) temperature and flow in and out of the storage system; (j) temperature and flow in and out of the heat exchanger upstream of the ORC; (k) gas price and quantity (m3) burnt; (l) Boiler efficiency (boiler), and (m) any other parameter deemed necessary by the Technical Advisor; (ii) actual expenditure for the relevant semi-annual period and a comparison of that expenditure against the corresponding figures in the Operating Budget; (iii) forecast expenditure for each of the next following two semi-annual periods together with a comparison of that forecast expenditure against the corresponding figures in the Operating Budget; (iv) the general status of the Projects, the extraordinary maintenance activity carried out, recommendations on the O&M activities and on the extraordinary maintenance to be carried out by, any change, damage to or destruction of any material of the Plant; (v) the MRA Amount necessary (if applicable); and (vi) any other or additional information that the Noteholders may reasonably request in relation to the operation of the Projects.
- 7. Environmental and social** No later than ten (10) calendar days after becoming aware of any social, labour, health and safety, security or environmental incident, accident or circumstance, of any material adverse effect or material adverse impact on the implementation or operation of each of the Projects' operations in compliance with the Environmental Law requirements, the Issuer shall notify the Noteholders thereof and shall in each case specify the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom, and the measures being taken, or plans to be taken to address them and prevent any future similar event; and keep the Noteholders informed of the on-going implementation of those measures. Without prejudice to the generality of the foregoing paragraph, if the Noteholders have ground to suspect that there is any material non-compliance with the Environmental Law requirements the Noteholders may request that the Issuer provide such information as necessary in order to assist the Noteholders with their enquiry into compliance with the Environmental Law requirements.
- 7.2** The Issuer shall make available to the Noteholders any additional information in its possession or which it can reasonably obtain and that the Noteholders may reasonably request from time to time concerning environmental or social matters regarding each Project.
- 7.3** The Issuer shall use its best efforts to cause each Project to continue to comply with relevant environmental and social requirements and encourage to work towards continuous improvements in environmental, social and governance matters.
- 7.4** The Issuer shall keep copies of the relevant documents collected during the due diligence process, concerning environmental or social matters regarding each Projects (including the documentation utilised for the due diligence process) for a period of not less than six (6) years.
- 7.5** The Issuer shall make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation, and on a timely basis in case of material

developments. The annual report shall include a list of the projects to which the proceeds of this Notes have been allocated, as well as a brief description of the projects and the amounts allocated, and their expected impact.

8. Margin Adjustment Criteria

The Issuer will provide the Noteholders, disclose to the market pursuant to the ExtraMOT PRO³ rules and publish on its website any Margin Adjustment Criteria.

9. Miscellanea

The Issuer will provide the Noteholders with:

- 9.1** available details of civil, criminal, labour, tax or other litigation, arbitration, or administrative or regulatory proceeding (including any GSE inspection), claim or action (including any dispute with any statutory or governmental authority) which takes place, is pending or threatened in writing against or involving the Issuer or to the extent it acquires knowledge in writing thereof, any of its counterparty under the Project Contracts;
- 9.2** without prejudice to the Conditions, a copy of any notice received or given by the Issuer constituting any step towards, or purporting or threatening default or, the rescission, termination or cancellation of any of the Project Contracts, together with details of any action proposed to be taken in relation to the same;
- 9.3** details of any claims in relation to any Insurance Policy; and
- 9.4** any other reasonable information requested by the Noteholders with the respect to the Issuer, its Assets and each Project.

10. Noteholders' Representative

From the date of appointment of the Noteholders' Representative, all reporting and undertakings to be provided or performed, as the case may be, to the Noteholders, shall be provided or performed, as the case may be, to the Noteholders' Representative.

ANNEX C <u>Redemption schedule of the Notes</u>	ANNEX C <u>Piano di Rimborso delle Obbligazioni</u>
---	---

Mandatory Scheduled Redemption				
Amount model	5.000.000			
Nominal Holding of	50.000			
Ratio	I	100,00		
Ratio Adjusted	I	100,00		
Amount model	5.000.000,00			
Last repayment Date	31/12/2041			
Note Interest Payment Date	Principal Due (per Nominal Holding of EUR 50000)	Principal Due (per Nominal Holding of EUR 50000)	Residual amount post repayment (per Nominal Holding of	Percentage
30-Jun-22	-	-	50.000,00	0,000%
31-Dec-22	815,00	81.500,00	49.185,00	1,630%
30-Jun-23	842,00	84.200,00	48.343,00	1,684%
31-Dec-23	1.494,00	149.400,00	46.849,00	2,988%
30-Jun-24	1.243,00	124.300,00	45.606,00	2,486%
31-Dec-24	1.523,00	152.300,00	44.083,00	3,046%
30-Jun-25	1.331,00	133.100,00	42.752,00	2,662%
31-Dec-25	1.561,00	156.100,00	41.191,00	3,122%
30-Jun-26	1.381,00	138.100,00	39.810,00	2,762%
31-Dec-26	1.606,00	160.600,00	38.204,00	3,212%
30-Jun-27	1.433,00	143.300,00	36.771,00	2,866%
31-Dec-27	1.652,00	165.200,00	35.119,00	3,304%
30-Jun-28	1.264,00	126.400,00	33.855,00	2,528%
31-Dec-28	1.700,00	170.000,00	32.155,00	3,400%
30-Jun-29	1.100,00	110.000,00	31.055,00	2,200%
31-Dec-29	1.731,00	173.100,00	29.324,00	3,462%
30-Jun-30	1.079,00	107.900,00	28.245,00	2,158%
31-Dec-30	1.670,00	167.000,00	26.575,00	3,340%
30-Jun-31	1.120,00	112.000,00	25.455,00	2,240%
31-Dec-31	1.704,00	170.400,00	23.751,00	3,408%
30-Jun-32	1.163,00	116.300,00	22.588,00	2,326%
31-Dec-32	1.743,00	174.300,00	20.845,00	3,486%
30-Jun-33	1.215,00	121.500,00	19.630,00	2,430%
31-Dec-33	1.609,00	160.900,00	18.021,00	3,218%
30-Jun-34	1.072,00	107.200,00	16.949,00	2,144%
31-Dec-34	1.359,00	135.900,00	15.590,00	2,718%
30-Jun-35	939,00	93.900,00	14.651,00	1,878%
31-Dec-35	1.360,00	136.000,00	13.291,00	2,720%
30-Jun-36	998,00	99.800,00	12.293,00	1,996%
31-Dec-36	1.263,00	126.300,00	11.030,00	2,526%
30-Jun-37	903,00	90.300,00	10.127,00	1,806%
31-Dec-37	1.249,00	124.900,00	8.878,00	2,498%
30-Jun-38	934,00	93.400,00	7.944,00	1,868%
31-Dec-38	1.270,00	127.000,00	6.674,00	2,540%
30-Jun-39	967,00	96.700,00	5.707,00	1,934%
31-Dec-39	1.291,00	129.100,00	4.416,00	2,582%
30-Jun-40	998,00	99.800,00	3.418,00	1,996%
31-Dec-40	1.315,00	131.500,00	2.103,00	2,630%
30-Jun-41	970,00	97.000,00	1.133,00	1,940%
31-Dec-41	1.133,00	113.300,00	-	2,266%
Check	50.000	5.000.000		1,000
	OK	OK		OK

ANNEX D
Project Accounts Management

1. The Issuer shall maintain the Project Accounts until the Final Maturity Date.
2. The Issuer shall not withdraw any amount from any Project Account if such withdrawal would cause such Project Account to become overdrawn.

3. Proceeds Account

The Issuer shall operate the Proceeds Account as follows:

3.1 Credits to the Proceeds Account

The Issuer shall procure that the following amounts are credited to the Proceeds Account:

- (i) all Project Revenues;
- (ii) the Equity;
- (iii) all monies received by the Issuer from any other source, which shall not be credited to a different Project Account pursuant to the provisions of the Finance Documents;
- (iv) in accordance with para. 4.2, item (ii) of this Annex, any amount by which any DSRA positive balance exceeds the relevant DSRA Balance Target;
- (v) if applicable, 15 (fifteen) Business Days prior to the Final Maturity Date or the Early Redemption Date (if any), credit the full positive balance of the MRA;
- (vi) 15 (fifteen) Business Days prior to the Final Maturity Date or the Early Redemption Date (if any), credit the full positive balance of the DSRA;
- (vii) Any amounts to be credited to the Proceeds Account in accordance with para. 6.2 of this Annex;
- (viii) any amount (other than those to be credited on any other Issuer's Account) due and paid to the Issuer not listed above.

3.2 Payments from the Proceeds Account

The Issuer shall only make withdrawals, payments or transfers from the Proceeds Account as follows, provided that the following order of priority will apply for payments due and payable on the same date:

- (i) pay all the due and payable Operating Costs;
- (ii) pay any Taxes payable or to be payable by the Issuer;
- (iii) on each Payment Date, pay, *pro rata*, all costs, charges, fees and expenses of the Noteholders' Representative;
- (iv) pay all costs, charges, fees and expenses (other than Interest Amounts, Default Interest and Principal Amount Outstanding) due and payable under the Notes or for the enforcement of any rights of the Noteholders under the Transaction Documents;
- (v) pay Interest Amounts and Default Interest (if any) due and payable under the Notes;
- (vi) repay the due and payable Principal Amount Outstanding of the Notes;
- (vii) any mandatory early redemption to be carried out under Condition 6.2 (*Mandatory Early Redemption*);

- (viii) if applicable, on each Calculation Date, credit the MRA with the MRA Amount;
- (ix) on each Calculation Date on which the DSRA Balance Target is not met, credit the DSRA with any amount necessary to restore the DSRA Balance Target;
- (x) on each Payment Date, make voluntary prepayment of the Principal Amount Outstanding of the Notes in accordance with Condition 6.4 (*Optional Early Redemption*);
- (xi) in the event an ADSCR Trigger and/or a LLCR Trigger occurs on any Calculation Date, credit the Cash Trap Lockup Account on the immediately following Payment Date with any remaining amount standing to the credit of the Proceeds Account;
- (xii) on each Calculation Date on which the Distribution Conditions are met, credit to the Distribution Account the positive difference (if any) between (a) the then positive balance of the Proceeds Account and (b) Minimum Positive Balance standing on the Proceeds Account;
- (xiii) upon service of a Default Early Redemption Request, apply the full balance thereon to repay the Principal Amount Outstanding, plus pay interest accrued and unpaid thereon.

4. Debt Service Reserve Account

The Issuer shall operate the Debt Service Reserve Account as follows:

4.1 Credits to the DSRA

The Issuer shall procure that the following amounts are credited to the Debt Service Reserve Account:

- (i) on or about the Issue Date, transfer from the Escrow Account to the Debt Service Reserve Account an amount equal to the DSRA Balance Target; and
- (ii) thereafter, on each Calculation Date transfer amounts from the Proceeds Account to the Debt Service Reserve Account, in accordance with para. 3.2, item (ix) of this Annex, up to the DSRA Balance Target;

4.2 Payments from the DSRA

The Issuer shall only make withdrawals, payments or transfers from the Debt Service Reserve Account as follows:

- (i) on each Payment Date, to pay any shortfall of the Issuer in paying any of the amounts referred to in para. 3.2, items (v) and (vi) of this Annex with the positive balance of the Proceeds Account;
- (ii) on each Payment Date, to credit the Proceeds Account with the excess (if any) of (a) the relevant DSRA positive balance over (b) the DSRA Balance Target;
- (iii) upon service of a Default Early Redemption Request, apply the full balance thereon to repay the Principal Amount Outstanding and paying interest accrued and unpaid thereon;
- (iv) 15 (fifteen) Business Days prior to the Final Maturity Date or the Early Redemption Date (if any), transfer on the Proceeds Account the full positive balance of the DSRA.

5. Maintenance Reserve Account

The Issuer shall operate the Maintenance Reserve Account as follows:

5.1 Credits to the MRA

The Issuer shall procure that:

- (i) within 5 (five) Business Days from the relevant Noteholders' Representative's instructions, the MRA Amount is credited into the MRA;
- (ii) on each Calculation Date thereafter, transfer the MRA Amount from the Proceeds Account to the MRA, in accordance with the para. 3.2, item (viii) of this Annex.

5.2 Payments from the MRA

The Issuer shall only make withdrawals, payments or transfers from the MRA Account as follows:

- (i) with the prior written consent of the Noteholders' Representative, for paying any maintenance expense of the Project which is not under the obligations of the O&M Contractor under any O&M or that remains unpaid for a period longer than 60 days by the O&M Contractor;
- (ii) 15 (fifteen) Business Days prior to the Final Maturity Date or the Early Redemption Date (if any), transfer on the Proceeds Account the full positive balance of the MRA.

6. Cash Trap Lockup Account

The Issuer shall operate the Cash Trap Lockup Account as follows:

6.1 Credits to the Cash Trap Lockup Account

The Issuer shall procure that, in the event an ADSCR Trigger and/or a LLCR Trigger occurs on any Calculation Date, the balance of the Proceeds Account exceeding the Minimum Positive Balance, is credited to the Cash Trap Lockup Account on the immediately following Payment Date in accordance with the para. 3.2, item (xi) of this Annex.

6.2 Payments from the Cash Trap Lockup Account

The Issuer shall only make withdrawals, payments or transfers from the Cash Trap Lockup Account as follows:

- (i) in case the Target Ratio Conditions are met on any Calculation Date, the balance of the Cash Trap Lockup Account shall be credited to the Proceeds Account on the immediately following Payment Date;
- (ii) In case, on any Calculation Date following a Calculation Date on which a ADSCR Trigger and/or LLCR Trigger has occurred, the Target Ratio Conditions are not met, the Issuer shall debit the Cash Trap Lockup Account, on the immediately following Payment Date, with an amount equal to the lower of:
 - a. 100% of the amounts standing to the Cash Trap Lockup Account; and
 - b. the amount required to cure, respectively, the ADSCR Trigger and/or the LLCR Trigger;

and transfer it to the Proceeds Account so that it is used to make payments under para. 3.2, item (vii) of this Annex.

7. Escrow Account

The Issuer shall operate the Escrow Account as follows:

7.1 Credits to the Escrow Account

The Issuer shall procure that, on the Issue Date, the Notes Subscription Price and the Base Equity is credited on the Escrow Account.

7.2 Payments from the Escrow Account

The Issuer shall only make withdrawals, payments or transfers from the Escrow Account as follows, with the prior written approval of the Noteholders:

- (i) on or after the Issue Date, perform any payment of Transaction Costs in accordance with the Funds Flow Memo;
- (ii) from the occurrence of the Release CPs with reference to each Project, perform any payments of construction costs of each relevant Project;
- (iii) upon service of a Default Early Redemption Request, apply the full balance thereon to repay the Principal Amount Outstanding, *plus* pay interest accrued and unpaid thereon;
- (iv) on the Business Day following the performance of the last payment due in accordance with the Funds Flow Memo applicable upon occurrence of the Release CPs relating to the last Plant, transfer the positive balance thereof (if any) on the Proceeds Account.

8. Distribution Account

The Issuer shall operate the Distribution Account as follows.

8.1 Credits to the Distribution Account

On each Calculation Date, from the Proceeds Account, if the Distribution Conditions are met.

8.2 Payments from the Distribution Account

Notwithstanding anything to the contrary under this Terms and Conditions, the Issuer may make payments or transfers from the Distribution Account without restrictions (including the repayment of any Quotaholder Loan, as an exception to their subordination to the Notes).

ANNEX E
Operating Budget

ALLEGATO E
Budget Operativo

		lug-22						gen-23											
YEAR	Supplier	7 month	8 month	9 month	10 month	11 month	12 month	IS VAT Incl.	IS VAT Excl.	1 month	2 month	3 month	4 month	5 month	6 month	2S VAT Incl.	2S VAT Excl.	Tot	
INCENTIVE																			
INSURANCE																			
All risk - RCT	[Spare]	18.963	-	-	-	-	-	18.963	18.963	-	-	-	-	-	-	0%	-	-	18.963
OPEX																			
O&M	GAIA	16.592			16.592			40.485	33.185	33.409			33.409			22%	81.518	66.818	122.003
Land agreement	[Spare]							-	-							22%	-	-	-
Others (Utilities and power supply, etc.)	[Spare]	4.678	4.678	4.678	4.678	4.678	4.678	34.240	28.066	9.499	9.499	9.499	9.499	9.499	9.499	22%	69.531	56.993	103.771
Insurance	[Spare]	18.963						23.134	18.963							22%	-	-	23.134
Vigilance	[Spare]							-	-							22%	-	-	-
[Spare]	[Spare]							-	-							0%	-	-	-
[Spare]	[Spare]							-	-							0%	-	-	-
OTHERS																			
ADVISORS																			
Asset Management	TA	877	877	877	877	877	877	5.264	4.314	877	877	877	877	877	877	22%	5.264	4.314	10.527
Technical Advisor Monitoraggio	[Spare]	1.726	1.726	1.726	1.726	1.726	1.726	10.359	8.491	3.476	3.476	3.476	3.476	3.476	3.476	22%	20.857	17.096	31.215
[Spare]	[Spare]							-	-							0%	-	-	-
[Spare]	[Spare]							-	-							0%	-	-	-
IMU																			
IMU		7.656						7.656	7.656	-					7.594	0%	7.594	7.594	15.250
[Spare]	[Spare]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	-	-
[Spare]	[Spare]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	-	-
[Spare]	[Spare]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	-	-
Totale		50.492	7.281	7.281	23.874	7.281	7.281	121.138	100.674	47.261	13.852	13.852	47.261	13.852	21.446		184.763	152.814	324.864

Operating Budget	2S - 2021	IS - 2023
INSURANCE	18.962,59	-
OPEX	97.860,22	151.048,67
OTHERS	15.622,07	26.120,49
IMU	7.656,01	7.593,80
Total	140.100,89	184.762,76

ANNEX F				ALLEGATO F			
Funds Flow Memo				Report dei Movimenti dei Fondi			
Sources and Uses							
Uses				Sources			
Funaro		264.2	8.97%	Bond		5,000.0	65.97%
Liquori carla		90.0	3.06%	Equity		2,579.3	34.03%
Lemonagro		0.0	0.00%				
Telecomponenti		550.0	18.68%				
Consorzio anno zero		147.0	4.99%				
Fincedi Campania		0.0	0.00%				
Gaia		0.0	0.00%				
Innoivazioni e Progetti		0.0	0.00%				
Azienda Agricola Cappa		869.5	29.53%				
Stocco		647.1	21.98%				
Sparanise		655.1	22.25%				
Capannone 13		0.0	0.00%				
SC Tannery		95.0	3.23%				
Oromare		1,150.0	39.06%				
Textile		1,013.0	34.40%				
DM Cucine		425.0	14.43%				
Cash in Balance		188.4	6.40%				
Upfront fees		125.0	4.25%				
IDC		364.9	12.39%				
DSRA funding		182.6	6.20%				
Imposta sostitutiva		12.5	0.42%				
Escrow Pipeline		600.0	20.38%				
Transaction Cost		200.0	6.79%				
Total Uses		7,579.3	100.00%	Total Funds		7,579.3	100.00%
VAT Credit		590.6		Equity		590.6	
Total Uses		8,169.9		Total Funds		8,169.9	

<p>ANNEX G</p> <p><u>Report Green Bond Principles</u></p>	<p>ALLEGATO G</p> <p><u>Report dei Principi Green Bond</u></p>
---	--



ROMA, DECEMBER 16th 2020

Index

1. Scope and objectives	1
2. Basis of SOGESA Consulting's opinion	2
3. Responsibilities of the Management of IRR Caserta and SOGESA Consulting	3
4. Work undertaken	3
5. Findings and SOGESA' opinion	4

1. SCOPE AND OBJECTIVES

IRR Caserta S.r.l. (the "Issuer" or "the Company" or "IRR") is an Italian company operating in the renewable energy industry which intends to develop, (a) a combined heat & power (CHP) plant and, (b) develop or acquire n. 10 photovoltaic (PV) plants to be built on the rooftops of various enterprises operating in other municipalities and regions.

Among those PV plants, four will operate under a "grid parity" scheme based on take or pay power purchase agreements that have been signed with the consumers/tenants and the revenues related to the plants will be then ensured by the energy consumed by the tenants themselves; the other six will benefit from GSE incentive tariffs. The CHP plant will also produce for self-consumption of the company where it will be installed.

The plants for self-consumption will sell the 100% of the power production to the purchasing companies (plus the thermal energy for the CHP) for a period ranging from 14 to 20 years depending on the project, at a lower price than the current one.

The company plans to develop the realization of the plants in two distinct phases in January and June 2021, once GSE confirms the contractual incentives according to the RES decree.

The eleven plants will have a combined capacity of about 5.5 MW electric power and 0.357 MW thermal with an estimated production at full capacity of approximately 8,135.00 MWh electric and 1,500 MWh thermal. The estimated annual electricity production of those plants, when fully operational, is equivalent to a lower quantity of emissions of approximately 3,000 CO₂/Tons (based on the average level of emissions of European thermoelectric power plants).

IRR Caserta S.r.l. is evaluating the issue of a Euro 5,000.00.00 bond (hereinafter referred to as "BOND") and would like to label it as "Green Bond" as defined in the Green Bond Principles (GBP) by ICMA - International Capital Market Association.

The Company intends to use the proceeds of the BOND to finance the construction or acquisition of the Plants; in particular, IRR will be directly responsible for the construction of eight plants while the other three will be purchased by a third party company which will be in charge of the realization.

SOGESA Consulting S.r.l. ("SOGESA") has been commissioned by IRR CASERTA to provide a Green Bond Second Party Opinion on the alignment with GBP. 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 BOND, 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 SOGESA opinion is limited to the Green Bond Principles by ICMA – International Capital Market Association – June 2018.

2 . BASIS OF SOGESA CONSULTING' S OPINION

To provide as much flexibility for the issuer IRR CASERTA, we have adapted our Green Bond Principles assessment methodologies, which incorporates the requirements of the Green Bond Principles, to create a IRR CASERTA - specific Green Bond Second Party Opinion Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin SOGESA' 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 for 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.

3. RESPONSIBILITIES OF THE MANAGEMENT OF IRR CASERTA AND SOGESA CONSULTING

The management of IRR CASERTA has provided the information and data used by SOGESA during the delivery of this review. Our statement represents an independent opinion and is intended to inform IRR CASERTA 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 the Company.

In particular, we examined the legal status of the authorization procedures required by environmental legislation and we point out that for several projects the authorization process is not over yet.

SOGESA 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, SOGESA shall not be held liable if any of the information or data provided by IRR CASERTA management and used as a basis for this assessment were not correct or complete.

4. WORK UNDERTAKEN

Our work constituted a desk top review of the available information, based on the understanding that all information was provided to us by IRR CASERTA 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 a IRR CASERTA Investments - specific Protocol, adapted to the purpose of the BOND, as described above;
- Assessment of documentary evidence provided by IRR CASERTA and supplemented by a desk high-level desktop research. Those checks refer to current assessment, best practices and standards methodologies;
- Discussions with IRR CASERTA 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.

5. FINDINGS AND SOGESA' OPINION

SOGESA' findings are listed below:

5.1 Principle One: Use of Proceeds

IRR intends to use the proceeds of BOND to finance the construction and/or acquisition and management of eleven PV power plants located in different Italian regions and built on industrial warehouses of small and medium-sized companies. In particular, for eight plants the construction activity will be managed directly by IRR while the other three will be purchased by a third party which will be in charge of the realization.

SOGESA has verified that the portfolio of Plants that will be owned by IRR will adopt state of the art, high-efficiency technological solutions that will allow a significant savings of greenhouse gas emissions compared to the production of an equivalent amount of energy using fossil fuels. Such Plants will meet the requirements for inclusion in the Green Bond principles as they will produce electricity from renewable sources and from an high-efficiency CHP plant.

According to the technical documentation provided by IRR, the eleven Plants will be able to reach an average annual production at full capacity of approximately 8,135.00 MWh electric and 1,500 MWh thermal.

On the basis of the information provided by IRR and the desktop review undertaken, it is SOGESA opinion that the BOND will meet the criteria established in the Protocol and that it is aligned with the stated definition of green bonds within the Green Bond Principles by ICMA, which is to "enable capital-raising and investment for new and existing projects with environmental benefits".

5.2 Principle Two: Process for Project Evaluation and Selection

IRR CASERTA is a new company established for the sole purpose of acquisition authorizations and subsequent construction and management of the 11 plants.

IRR may evaluate the realization of similar projects in the near future, as it has the necessary industrial and financial know-how.

IRR CASERTA will sign an EPC and an O&M agreement with Gaia Energy Srl for the construction and maintenance activities.

5.3 Principle Three: Management of Proceeds

SOGESA has reviewed evidence showing how IRR CASERTA plans to trace the proceeds from the BOND, from the time of issuance to the times of different disbursements.

The BOND will be disbursed at the issue of the bond entirely in an account opened in the name of IRR and released on a project-by-project basis upon the occurrence of a number of conditions such as, but not limited to, the

verification of the construction process, the payment of its share of the equity allocated to the specific project, the signing of the construction and maintenance contracts, the signing of the related guarantees, legal and technical and the verification of the receipt of incentives.

The 10% of the amount of capital raised by the BOND issuance (Euro 500.000) will be available for one more year should IRR wish to include new projects in its portfolio. Should such capital not be used for investment opportunities, will be returned to bondholders.

IRR will provide the Noteholders with semi-annual audited annual financial statements.

Every project concerning a Plant to be acquired or built will be timely proposed by IRR to the Noteholders by a base case investment scenario that could be updated following new industrial or financial assumptions or proposals made by noteholders.

As stated above, SOGESA provides no assurance regarding the financial performance of the BOND, the value of any investments in the BOND, or the effects of the transaction.

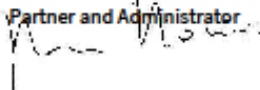
5.4 Principle Four: Reporting

IRR for each semi-annual period shall prepare and deliver to the Noteholders and make available on its website an Operating Report concerning the performance of the projects in that period.

5.5 Furthermore, no more than ten days after becoming aware of any social, labour, health and safety, security or environmental incident, accident or circumstance, of any material adverse effect on the implementation or operation of the Plant's operations in compliance with the Environmental Law requirements, IRR shall notify the Noteholders of and shall in each case specify the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom, and the measures being taken, or plans to be taken to address them and prevent any future similar event.

Roma, December 16th 2020

for SOGESA Consulting S.r.l.

Stefano Dionisio
Partner and Administrator


Pierluigi Pireddu
Partner and Technical Director


SOGESA Consulting Srl

Sede legale e operativa • Viale Giuseppe Mazzini, 6 • 00195 Roma • Tel. 06 86760968 • Fax 06 88652283
Ufficio di Milano • Via Cecilio S. Plinio, 74 • 20129 Milano • Tel. 02 84342339 • Fax 02 84342336
E-mail: info@sogesaconsulting.it • PEC: sogesaconsulting@gigapic.it • www.sogesaconsulting.com

P.IVA/Cod. Fisc. 09149841000 • CCIAA REA 1143178 • Organizzazione con certificazione di qualità ISO 9001:2015



Protocol: GREEN BOND ASSESSMENT SCHEME OF IRR CASERTA S.R.L.

1. USE OF PROCEEDS

Ref.	Criteria	Requirements	Work Undertaken	Findings
1a	Type of bond	<p>The bond must fall into one of the following categories, as defined by the Green Bond Principles by ICMA – International Capital Market Association – June 2018:</p> <ul style="list-style-type: none"> • Green Use of Proceeds Bond • Green Use of Proceeds Revenue Bond • Green Project Bond • Green Securitized Bond 	<p>Review of:</p> <ul style="list-style-type: none"> - BOND T&C. - Technical Due Diligence. - Legal Due Diligence. <p>Discussions with IRR CASERTA management</p>	<p>SOGESA has verified that the portfolio of Plants that will be owned by IRR will adopt state of the art, high-efficiency technological solutions that will allow a significant savings of greenhouse gas emissions compared to the production of an equivalent amount of energy using fossil fuels. Such Plants will meet the requirements for inclusion in the Green Bond principles as they will produce electricity from renewable sources and from an high-efficiency CHP plant.</p> <p>IRR intends to use the proceeds of BOND to finance the construction and/or acquisition and management of eleven PV power plants located in different Italian regions and built on industrial warehouses of small and medium-sized companies. In particular, for eight plants the construction activity will be managed directly by IRR while the other three will be purchased by a third party which will be in charge of the realization.</p>
1b	Green Project Categories	<p>The cornerstone of a Green Bond is the utilization of the proceeds of the bond, which should be appropriately described in the legal documentation.</p>	<p>Review of:</p> <ul style="list-style-type: none"> - BOND T&C. - Technical Due Diligence. - Legal Due Diligence. <p>Discussions with IRR CASERTA management</p>	<p>IRR Caserta S.r.l. (is an Italian company operating in the renewable energy industry which intends to develop, (a) a combined heat & power (CHP) plant and, (b) develop or acquire n. 10 photovoltaic (PV) plants to be built on the rooftops of various enterprises operating in other municipalities and regions.</p> <p>Among those PV plants, four will operate under a "grid parity" scheme based on take or pay power purchase agreements that have been signed with the consumers/tenants and the revenues related to the plants will be then ensured by the energy consumed by the tenants themselves; the other six will benefit from GSE incentive tariffs. The CHP plant will also produce for self-consumption of the company where it will be installed.</p>

Ref.	Criteria	Requirements	Work Undertaken	Findings
				<p>The plants for self-consumption will sell the 100% of the power production to the purchasing companies (plus the thermal energy for the CHP) for a period ranging from 14 to 20 years depending on the project, at a lower price than the current one.</p> <p>The company plans to develop the realization of the plants in two distinct phases in January and June 2021, once GSE confirms the contractual incentives according to the RES decree.</p>
1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the issuer.	<p>Review of:</p> <ul style="list-style-type: none"> - BOND T&C. - Technical Due Diligence. - Legal Due Diligence. <p>Discussions with IRR CASERTA management</p>	<p>The eleven plants will have a combined capacity of about 5.5 MW electric power and 0.357 MW thermal with an estimated production at full capacity of approximately 8,135.00 MWh electric and 1,500 MWh thermal. The estimated annual electricity production of those plants, when fully operational, is equivalent to a lower quantity of emissions of approximately 3,000 CO2/Tons (based on the average level of emissions of European thermoelectric power plants).</p>

2. PROCESS FOR PROJECT SELECTION AND EVALUATION

Ref.	Criteria	Requirements	Work Undertaken	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.</p> <p>This includes, without limitation:</p> <ul style="list-style-type: none"> • process to determine how the projects fit within the eligible Green Projects categories identified in the Green Bond Principles. • the criteria making the projects eligible for using the Green Bond proceeds. • and the environmental sustainability objectives. 	<p>Review of:</p> <ul style="list-style-type: none"> - BOND T&C. - Technical Due Diligence. - Legal Due Diligence. <p>Discussions with IRR CASERTA management</p>	<p>IRR CASERTA is a new company established for the sole purpose of acquisition authorizations and subsequent construction and management of the 11 plants.</p> <p>IRR may evaluate the realization of similar projects in the near future, as it has the necessary industrial and financial know-how.</p>

3. MANAGEMENT OF PROCEEDS

Ref.	Criteria	Requirements	Work Undertaken	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 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.	Review of: - BOND T&C. - Technical Due Diligence. - Legal Due Diligence. Discussions with IRR CASERTA management	SOGESA has reviewed evidence showing how IRR CASERTA plans to trace the proceeds from the BOND, from the time of issuance to the times of different disbursements. The BOND will be disbursed at the issue of the bond entirely in an account opened in the name of IRR and released on a project-by-project basis upon the occurrence of a number of conditions such as, but not limited to, the verification of the construction process, the payment of its share of the equity allocated to the specific project, the signing of the construction and maintenance contracts, the signing of the related guarantees, legal and technical and the verification of the receipt of incentives. The 10% of the amount of capital raised by the BOND issuance (Euro 300.000) will be available for one more year should IRR wish to include new projects in its portfolio. Should such capital not be used for investment opportunities, will be returned to bondholders. IRR Caserta will provide the Noteholders with semi-annual audited annual financial statements.

4. REPORTING

Ref.	Criteria	Requirements	Work Undertaken	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.	Review of: - BOND T&C. - Technical Due Diligence. - Legal Due Diligence. Discussions with IRR CASERTA management	IRR for each semi-annual period shall prepare and deliver to the Noteholders and make available on its website an Operating Report concerning the performance of the projects in that period. Furthermore, no more than ten days after becoming aware of any social, labour, health and safety, security or environmental incident, accident or circumstance, of any material adverse effect on the implementation or operation of the Plant's operations in compliance with the Environmental Law requirements, IRR shall notify the Noteholders of and shall in each case specify the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom, and the measures being taken, or plans to be taken to address them and prevent any future similar event.

10. USE OF PROCEEDS

The proceeds deriving from the issue of the Notes as at the Issue will be used by the Issuer to finance certain costs relating to the development and operation of the Projects and to purchase the SGI FER Plants from SGI.

In the opinion of the Issuer, its working capital is sufficient for its current needs.

11. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

11.1 Application for admission to trading

The Issuer has applied to the Italian Stock Exchange for admission of the Notes to trading on ExtraMOT PRO³. The decision of the Italian Stock Exchange and the date of commencement of trading of the Notes on ExtraMOT PRO³, together with the information required in relation to trading, shall be communicated by the Italian Stock Exchange by the issuance of a notice, pursuant to Section 224.3 of the guidelines contained in the ExtraMOT PRO³ Regulation.

11.2 Other regulated markets and multilateral trading facilities

At the date of this Admission Document, the Notes are not listed on any other regulated market or multilateral trading facility in Italy or elsewhere, nor does the Issuer intend to submit, for the time being, an application for admission to listing of the Notes on any other regulated market or multilateral trading facilities other than ExtraMOT PRO³.

11.3 Intermediaries in secondary market transactions

No entities have made a commitment to act as intermediaries on a secondary market.

12. SELLING RESTRICTIONS

According to the Notes Subscription Agreement, the Issuer has represented and warranted that and the Subscriber has acknowledged that:

- (i) in relation to the Notes, no action has been or shall be commenced by its affiliates or any other person acting on their behalf that allows a public offer of financial instruments in Italy or abroad. Single offers of the Notes or transfer thereof in Italy or abroad shall only be allowed in compliance with the relevant laws and regulations on financial instruments, taxes and other laws or regulations from time to time applicable;
- (ii) it has promoted no public offering of the Notes in CONSOB. Accordingly, the Issuer agrees that it has not offered, sold or placed, nor shall ever offer, sell or place, that they have not circulated, nor shall ever circulate, and that they have not made, nor shall ever make available in Italy any Notes or any other offering material of the Notes to entities or individuals other than the professional investors subject to prudential supervision pursuant to special legislation (as for the primary market) and Qualified Investors(as for the secondary market), in compliance with the applicable laws and regulations in Italy;
- (iii) the subscription of the Notes is reserved only for professional investors subject to prudential supervision pursuant to special legislation in compliance with article 2483 of the Italian Civil Code and any secondary market transaction concerning the Notes will only be allowed in favour of Qualified Investors; accordingly, the Notes will be issued with the exemption from the obligation to publish a prospectus for the purposes of article 100 of the Italian Consolidated Financial Act and article 34-*ter* of CONSOB Regulation no. 11971/1999.

Annex 1

The audited Issuer's economic financial plan

OMNIAREVI SRL
SOCIETA' DI REVISIONE

Sede legale : Via G. Oberdan, n° 43 - 80021 Afragola (NA)
Iscr. Reg. Rev. N. 178521 G.U. IV Serie Speciale N. 34 del 05/05/2017
P.iva 08567101210 - Tel/Fax. 0818513083
e-mail: omniarevi@gmail.com Pec: omniarevisas@pec.it

Alla IRR Caserta srl
Via Ferrovie dello Stato Zona Asi Aversa Nord
81030 Gricignano d'Aversa (CE)
P.L.: 04447850613
PEC: irrcasertasrl@pec.it

Lettera di asseverazione del piano economico – finanziario relativo al progetto **N.11 PHOTOVOLTAIC PLANTS IN ITALY**

Gentili Signori

in relazione al progetto "N.11 PHOTOVOLTAIC PLANTS IN ITALY", nonché alla relativa documentazione e ai dati che ci avete presentato in data 1/12/2021, vi facciamo presente quanto segue.

Premesso che:

- la Società ha emesso in data 18 dicembre 2020 titoli di debito per un ammontare pari ad Euro 5.000.000,00 ai sensi dell'art. 2483 del codice civile, ammessi sul segmento professionale ExtraMOT PRO³ gestito da Borsa Italiana, finalizzati alla realizzazione del Progetto;
- la Società, nell'ambito di alcune modifiche da apportare alla documentazione relativa alla suddetta emissione di titoli di debito, ha predisposto un PEF aggiornato che si allega alla presente, e lo ha sottoposto alla scrivente per il rilascio di una dichiarazione di asseverazione ai sensi dell'art. 183 D.Lgs n. 50/2016,

La nostra società assevera l'allegato piano economico e finanziario predisposto dalla vostra società attestandone la coerenza, la sostenibilità economico finanziaria e correttezza dei calcoli espressi nel PEF nel suo complesso sulla base:

- del valore complessivo dell'investimento;
- del tempo previsto per l'esecuzione dei lavori;
- della struttura finanziaria;
- dei costi/ricavi e dei tempi proposti e dei conseguenti flussi di cassa generati dal progetto;
- dei canoni di manutenzione ordinaria;
- della sostenibilità economica e finanziaria del Progetto.

Nello svolgimento dell'attività di cui sopra, la nostra società si è basata su dati e documentazione relativi al progetto da voi fornitici che non sono stati sottoposti a verifiche di congruità.

La vostra società si assume pertanto ogni responsabilità circa la veridicità e congruità dei suddetti dati e dei documenti presentati al riguardo nonché, più in generale, di qualsiasi altra informazione comunicata alla nostra società ai fini della redazione del presente documento.

Nell'ambito della presente asseverazione è esclusa qualsiasi attività di consulenza legale e pertanto la ogni responsabilità da tali consulenze derivante.

La presente asseverazione è resa alla vostra società con l'espresso avvertimento che:

1. la nostra società non svolge alcuna funzione di natura pubblica;
2. la presente asseverazione non costituisce attività sostitutiva della funzione di verifica e valutazione della proposta del promotore, di competenza della Pubblica Amministrazione.

OMNIAREVI S.r.l.
Società di Revisione
Via Oberdan, 43 - 80021 AFRAGOLA (NA)
C.F. 08567101210
Iscr. Reg. Rev. N. 178521 /
G.U. IV Serie Speciale N. 34 del 05/05/2017

Pag. 1