

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

# ALERION GREEN BOND 2022-2028

## REPORT YEAR 2023

Use of Proceeds

# ALERION GREEN BOND 2022-2028 REPORT

## ANNUAL REPORT "USE OF PROCEEDS"

### INTRODUCTION

ALERION CLEAN POWER S.p.A. (hereinafter "ALERION") placed on May 17<sup>th</sup> 2022 its third green bond ("ALERION Green Bond 2022 - 2028") in accordance with the "Green Bond Principles" developed in line with ICMA's Green Bond Principles 2021 edition (GBP) ("International Capital Market Association"). ALERION Green Bond 2022 - 2028 listed on Dublin Stock Exchange (ISIN: XS2455938212) for a total amount of Euro 100 million, with a maturity date falling on 17<sup>th</sup> May 2028.

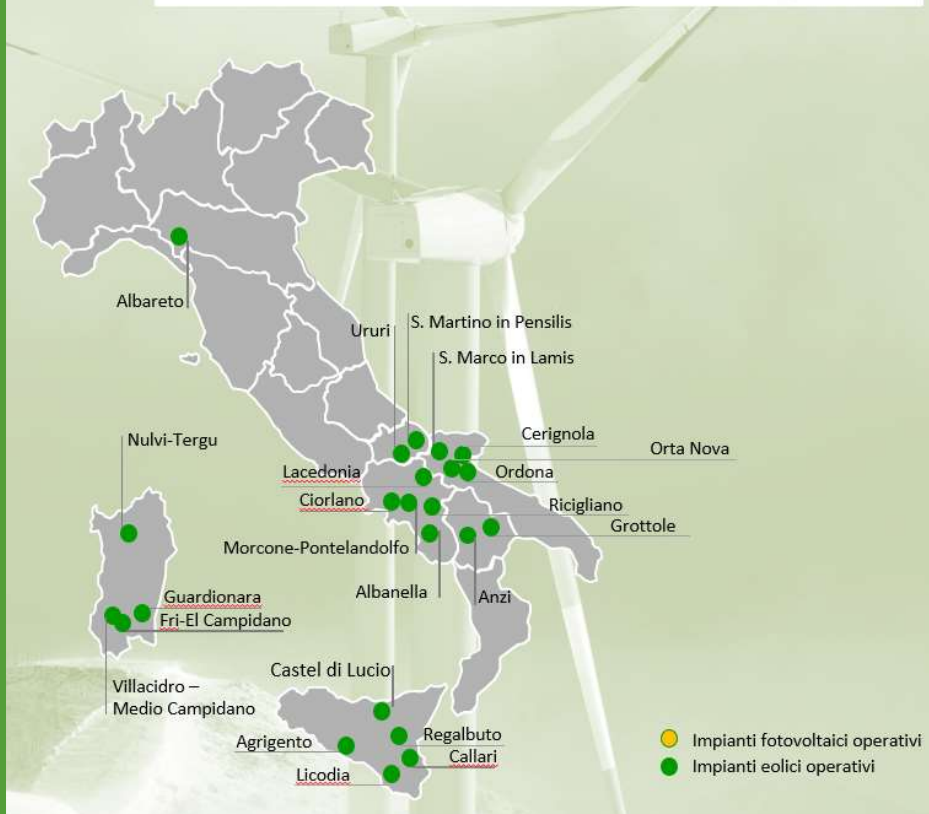
**ALERION CLEAN POWER**  
THE WIND ENERGY COMPANY



### 1- Overview of Alerion's Sustainable Business Model

Alerion Clean Power S.p.A. ("Alerion") is one of the main independent Italian operators specialized in the production of renewable energies. Alerion currently manages 24 wind farms (of which 22 in Italy, one in Spain and one in Bulgaria), and 9 solar farms in Romania, with a total gross installed capacity of approximately 876 MW, and plans to expand further in Europe, both in wind and solar sector.

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



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

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

## **2- GREEN BOND FRAMEWORK**

In order to increase transparency of the Alerion Green Bond 2022 - 2028, Alerion has published the "Alerion 2022 Green Bond Framework" in line with ICMA's Green Bond Principles 2021 edition ("GBP"). The GBP core components are described as follow:

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

### **2.1- "ALERION GREEN BOND 2022 – 2028"- USE OF PROCEEDS**

Alerion intends to use the proceeds of the Green Bond 2022 – 2028 to finance in whole or in part future investments in Eligible Green Projects, as defined below.

"Eligible Green Projects" will include:

- new wind and/or solar farms project design, development, manufacture and construction;
- acquisition of operating wind and/or solar farms.

The acquisition of operating wind farms and/or solar farms includes both the acquisition of operating assets as well as the acquisition of companies owning authorized and / or operating assets. Eligible Green Projects will be located in Europe, in particular in Italy, Romania and Spain and are expected to be constructed or acquired during the 24 months following the issuance of the Green Bond.

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

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

contribute to the UN Sustainable Development Goals number 7 (“Affordable and Clean Energy”), 9 (“Industry Innovation and Infrastructure”) and 13 (“Climate Action”).

## 2.2- Process for Project Evaluation and Selection

Alerion’s Green Bond 2022 – 2028 Framework is for the financing of wind and/or solar power generation projects, as previously described.

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

The Committee will be chaired by the Chairman of the Board of Directors, and composed of the other Board Executive Directors, together with the Chief Financial Officer and Chief Operating Officer.

The Committee will be in charge of monitoring the selection and allocation of funds to Eligible Green Projects and will be responsible for the following:

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

## 2.3-Management of proceeds

Upon receipt, the net proceeds from the Green Bond 2022 – 2028 issuance will be managed by Alerion’s Treasury Department and invested in cash or cash equivalents until allocation to Eligible Green Projects. Alerion will aim at achieving complete allocation of the proceeds from the Green Bond is within 24 months from the issuance date, and no later than the maturity of the bond.

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

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

## 2.4- Reporting

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

In particular, this report will include the following information:

### *Allocation information:*

- The total amount of investments and expenditures in Eligible Green Projects
- The balance of unallocated proceeds
- A brief description of the projects financed or refinanced with the Green Bond

### *Impact metrics:*

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

The relevant metrics<sup>1</sup> will include:

- Installed renewable energy capacity in MW
- Expected or actual annual renewable energy generation in MWh or GWh
- Estimated annual GHG emissions avoided (in tCO<sub>2</sub>e)

## 2.5- External review – Annual Assurance Report

An external independent auditor confirmed that the allocation of the Green Bond is done in accordance with Alerion's 2022 Green Bond Framework and will provide, starting one year after issuance and on an annual basis until all the proceeds of the Green Bond have been allocated, a limited assurance report.

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

## 3-Reporting criteria

Allocation: The amount of the "Green Bond 2022 - 2028 Proceeds" have been approved by Alerion's Green Bond Committee on the meeting held on March 12, 2024.

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

#### 4-ALLOCATION SUMMARY

ALERION GREEN BOND 2022 – 2028” proceeds were allocated as detailed in the tables below “Allocation of proceeds”:



1) The financing in whole or in part future investments in Eligible Green Projects. “Eligible Green Projects” will include:

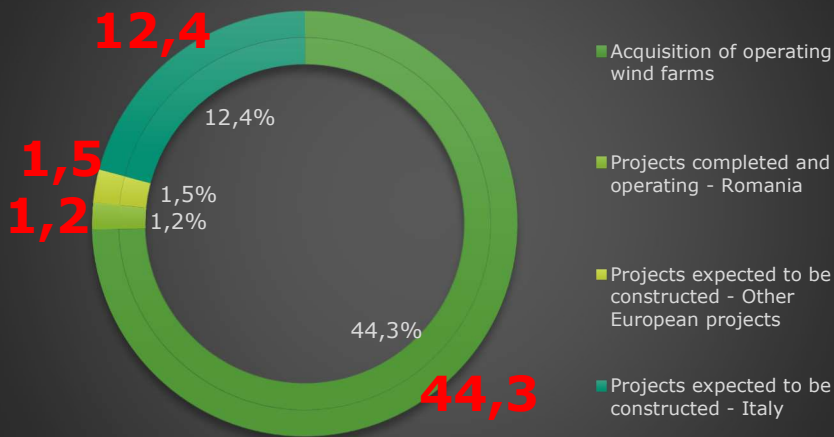
- new wind and/or solar farms project design, development, manufacture and construction;
- acquisition of operating wind and/or solar farms.

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

Eligible Green Projects will be located in Europe, in particular in Italy, Romania and Spain and are expected to be constructed or acquired during the 24 months following the issuance of the Green Bond.

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

## Proceeds allocated in eligible projects in 2023



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

**59,4%** of the proceeds of the Alerion Green Bond 2022 - 2028 (Eur 59,4 mln) were allocated in 2023.

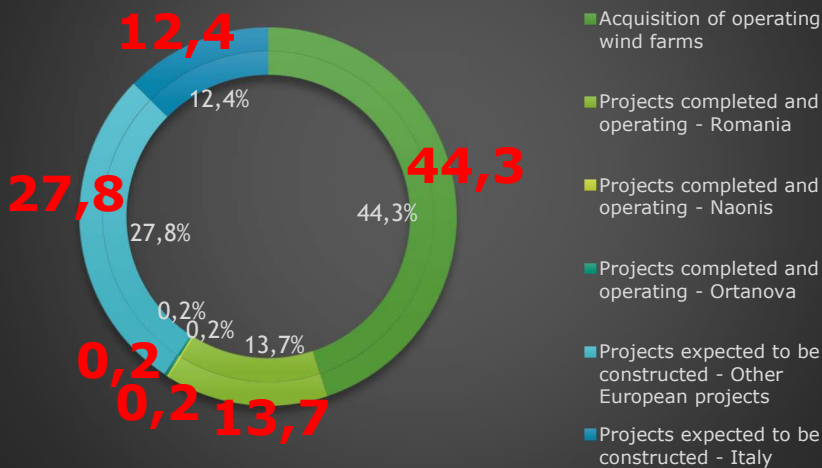
**44,3%** of the proceeds of the ALERION Green Bond 2022 - 2028 (Eur 44,3 mln) were allocated to the acquisition, during 2023, of the 51% share capital of the two operating Italian wind farms of Fri-el Anzi and Fri-el Guardionara (of which Alerion itself already held the remaining 49% stake).

**12,4%** of the proceeds of the ALERION Green Bond 2022 - 2028 (Eur 12,4 mln) were allocated to the purchase, development and construction of the new Italian solar power plant project of Alerion Seddanus.

**1,5%** of the proceeds of the ALERION Green Bond 2022 - 2028 (Eur 1,5 mln) were related to design, construction, development, installation, maintenance or acquisition of new wind and solar power generation projects located in Italy, Romania and Spain.

**1,2%** of the proceeds of the ALERION Green Bond 2022 - 2028 (Eur 1,2 mln) were allocated to the development and construction of four new Romanian solar power plant projects, that are completed and operating as at 31 december 2023.

## Cumulated Allocation Proceeds allocated in eligible projects in 2022 and in 2023



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

**44,3%** of the proceeds of the ALERION Green Bond 2022 - 2028 (Eur 44,3 mln) were allocated to the acquisition, during 2023, of the 51% share capital of the two operating Italian wind farms of Fri-el Anzi and Fri-el Guardionara (of which Alerion itself already held the remaining 49% stake).

**27,8%** of the proceeds of the ALERION Green Bond 2022 - 2028 (Eur 27,8 mln) were related to design, construction, development, installation, maintenance or acquisition of new wind and solar power generation projects located in Italy, Romania and Spain.

**13,7%** of the proceeds of the ALERION Green Bond 2022 - 2028 (Eur 13,7 mln) were allocated to the development and construction of eight new Romanian solar power plant projects, that are completed and operating as at 31 december 2023.

**12,4%** of the proceeds of the ALERION Green Bond 2022 - 2028 (Eur 12,4 mln) were allocated to the purchase, development and construction of the new Italian solar power plant project of Alerion Seddanus.

**0,4%** of the proceeds of the ALERION Green Bond 2022 - 2028 (Eur 0,4 mln) were allocated to the development and construction of the two Italian new wind power plant projects of Ortanova (Eur 0,2 mln) and Naonis (Eur 0,2 mln), that are completed and operating as at 31 december 2023.

## Allocation and Impact details at the project level

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

<b>ELIGIBLE PROJECTS ALLOCATION - 2023</b>  Plant Region Country Total Capacity in MW Equity Participation % Total Capacity in MW (Consolidated) Date of entry in operation Acquisition Date Production actual 2023 (MWh) Eligible Category Eligibility Criteria Emission Factor (g CO2/kWh)*	New wind/solar farms project design, development, manufacture and construction					Acquisition of operating wind farms		
	ALERION SEDDANUS SRL	SOLAR LIVE ENERGY SRL	FRASINET	CAVIGNON SRL	CEVEDALE SRL	Assets under construction	FRI-EL ANZI SRL	FRI-EL GUARDIONARA SRL
	Villacidro (SU)	Sadova	Frasinet	Gradinari	Bordusani	Other wind and solar power generation projects under construction located in Europe, in particular in Italy, Romania and Spain.	Anzi (CB)	Guardionara (CA)
	Sardegna	Dolj	Calarasi	Olt	Ialomita		Basilicata	Sardegna
	Italy	Romania	Romania	Romania	Romania		Italy	Italy
	n.a.	3,6	53,3	5	4,5		16	24,7
	100%	100%	100%	100%	100%		100%	100%
	n.a.	3,6	53,3	5	4,5		16	24,7
	n.a.	n.a.	n.a.	n.a.	n.a.		07/07/2011	23/04/2010
	30/03/2023	n.a.	n.a.	n.a.	n.a.		15/12/2020	15/12/2020
n.a.	4.719	34.306	2.054	48	35.879		40.610	
Renewable energy	Renewable energy	Renewable energy	Renewable energy	Renewable energy	Renewable energy		Renewable energy	
Solar Farm	Solar Farm	Solar Farm	Solar Farm	Solar Farm	Wind Farm	Wind Farm		
n.a.	700	700	700	700	472	472		
<b>Green Bond Proceeds allocated (Eur mln)</b>	<b>12,4</b>	<b>0,1</b>	<b>0,8</b>	<b>0,1</b>	<b>0,2</b>	<b>1,5</b>	<b>18,8</b>	<b>25,5</b>



**ELIGIBLE PROJECTS  
ALLOCATION - 2022**

New wind/solar farms project design, development, manufacture and construction								
	ENERMAC SRL	NAONIS WIND SRL	INSPIRE PARC SOLAR SRL	SOLAR LIVE ENERGY SRL	FRASINET	CAVIGNON SRL	GREEN FOTOVOLTAIC PARC SRL	Assets under construction
Plant	Ortanova e Stornarella (FG)	Cerignola (FG)	Dobresti	Sadova	Frasinet	Gradinari	Plesoi	Other wind and solar power generation projects under construction located in Europe, in particular in Italy, Romania and Spain.
Region	Puglia	Puglia	Dolj	Dolj	Calarasi	Olt	Dolj	
Country	Italy	Italy	Romania	Romania	Romania	Romania	Romania	
Total Capacity in MW	51	11	3,8	3,6	53,3	5	5,4	
Equity Participation %	100%	100%	100%	100%	100%	100%	100%	
Total Capacity in MW (Consolidated)	51	11	3,8	3,6	53,3	5	5,4	
Date of entry in operation	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Acquisition Date	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Production actual 2022 (MWh)	34.963	7.125	78	61	Completed	Completed	Completed	
Eligible Category	Renewable energy	Renewable energy	Renewable energy	Renewable energy	Renewable energy	Renewable energy	Renewable energy	
Eligibility Criteria	Wind Farm	Wind Farm	Solar Farm	Solar Farm	Solar Farm	Solar Farm	Solar Farm	
Emission Factor (g CO <sub>2</sub> /kWh)*	472	472	700	700	n.a.	n.a.	n.a.	

<b>Green Bond Proceeds allocated (Eur mln)</b>	<b>0,2</b>	<b>0,2</b>	<b>0,6</b>	<b>0,2</b>	<b>10,7</b>	<b>0,4</b>	<b>0,4</b>	<b>26,5</b>
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(\*) SOURCE: ENERDATA 2020 Note: the following specific emission coefficients referred to fuel consumption for thermoelectric production were used for the assessment of CO<sub>2</sub> emissions: 4.03 t / toe for coal, 3.27 t / toe for fuel oil and 2.35 t / toe for natural gas.



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## Independent auditors' report on the Green Bond Report 2022-2028

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

We have been engaged to perform a limited assurance engagement on the Eligible Projects and related reporting metrics data as of 31 December 2023 included in the section "4- Allocation Summary" (the "Allocation Summary"), presented in the attached Green Bond Report 2022-2028 of Alerion Clean Power S.p.A. (the "company") prepared on the basis of the Green Bond Framework dated April 2022 (the "Framework") and available on the company's website, developed by the company in accordance with the Green Bond Principles 2021 issued by the International Capital Market Association - ICMA (the "Principles") and related to the Green Bond issued on 17 May 2022 (the "Green Bond 2022").

### **Responsibilities of the company's directors for the report**

The directors are responsible for the preparation of the Green Bond Report 2022-2028 and of the Allocation Summary included therein in accordance with the Framework, developed by the company in accordance with the Principles. In particular, the directors are responsible for the preparation of the Eligible Projects and related reporting metrics data included in the Allocation Summary in accordance with the Framework.

The directors are also responsible for the internal control as they determine is necessary to enable the preparation of a Green Bond Report 2022-2028 and of an Allocation Summary included therein that are free from material misstatement, whether due to fraud or error. It also includes identifying the content of the Green Bond Report 2022-2028 and of the Allocation Summary included therein, selecting and applying policies, and making judgments and estimates that are reasonable in the circumstances.

### **Auditors' independence and quality control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In the reference year of this engagement our firm applied International Standard on Quality Control 1 (ISQC (Italia) 1) and, accordingly, maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Auditors' responsibility**

Our responsibility is to express a conclusion, based on the procedures performed, about the Eligible Projects and related reporting metrics data included in the Allocation Summary, presented in the Green



**Alerion Clean Power S.p.A.**

*Independent auditors' report on the Green Bond Report 2022-2028*

*31 December 2023*

Bond Report 2022-2028. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board ("IAASB") applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the Eligible Projects and related Reporting Metrics data included in the Allocation Summary are free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 Revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

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

Specifically, we carried out the following main procedures:

- analyzing the second party opinion which addresses the compliance of the Green Bond Report 2022-2028 to the voluntary guidelines of the Principles;
- interviewing relevant staff at corporate and business level responsible for the Report 2022-2028 management and reporting;
- interviewing relevant staff at corporate and business level responsible for providing and consolidating data related to EligibleProjects and related reporting metrics;
- evaluating the design and implementation of the reporting processes and the controls regarding the EligibleProjects and related reporting metrics data;
- evaluating a sample of internal and external documentation to determine whether data related to Eligible Projects and reporting metrics are supported by sufficient evidence in line with the Framework.

## **Conclusion**

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Eligible Projects and related reporting metrics data as of 31 December 2023 included in the Allocation Summary, presented in the Green Bond Report 2022-2028 of Alerion Clean Power S.p.A., are not prepared, in all material respects, in accordance with the Green Bond Framework dated April 2022.

Milan, 8 April 2024

KPMG S.p.A.

Silvia Di Francesco  
Director of Audit