

Prospectus



TPER S.p.A.

(incorporated as a joint stock company in the Republic of Italy)

€100,000,000 4.343 per cent. Senior Unsecured Amortising Fixed Rate Notes due 10 September 2029

The €100,000,000 4.343 per cent. Senior Unsecured Amortising Fixed Rate Notes due 10 September 2029 (the “Notes”) of TPER S.p.A. (the “Issuer”) are expected to be issued on 10 September 2024 (the “Issue Date”) at an issue price of 100 per cent. of their principal amount.

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed by the Issuer in instalments on each Amortisation Date in the relevant Amortisation Amount (each as defined in the Terms and Conditions of the Notes (the “Conditions”)) with the final Amortisation Date falling on 10 September 2029. The Notes are subject to early redemption at their principal amount as follows: (i) at the option of the Issuer in the event of certain changes affecting taxation in the Republic of Italy; and (ii) at the option of each holder of a Note upon the occurrence of a Put Event (as defined in the Conditions). See “*Terms and Conditions of the Notes - Redemption and Purchase*”.

The Notes will bear interest from (and including) the Issue Date at a rate of 4.343 per cent. per annum, which will be payable annually in arrear on 10 September each year commencing on 10 September 2025. Payments on the Notes will be made in Euros without deduction for or on account of taxes imposed or levied by the Republic of Italy, except as provided under “*Terms and Conditions of the Notes - Taxation*”.

This prospectus has been approved by the Central Bank of Ireland (the “Central Bank”) as competent authority under Regulation (EU) 2017/1129 (the “Prospectus Regulation”). The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin (“Euronext Dublin”) for the Notes to be admitted to its Official List and to trading on its regulated market. This Prospectus is available for viewing on Euronext Dublin’s website (<https://live.euronext.com>) and both this Prospectus and the information incorporated by reference herein may be accessed on the Issuer’s website (www.tper.it) (see “*Information Incorporated by Reference*”).

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any U.S. State securities laws, are subject to United States tax law requirements and may not be offered or sold in the United States, unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. For a description of further restrictions on offers and sales of the Securities, see “*Subscription and Sale*”.

Investing in the Notes involves risks. See “Risk Factors” beginning on page 10 of this Prospectus for a discussion of certain risks prospective investors should consider in connection with any investment in the Notes.

The Notes will be in bearer form and in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. The Notes will initially be in the form of a temporary global note (the “Temporary Global Note”), which will be deposited on or around the Issue Date with a common safekeeper for Clearstream Banking, S.A. and Euroclear Bank S.A./N.V. The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the “Permanent Global Note”) not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form. See “*Summary of Provisions relating to the Notes in Global Form*”.

Lead Manager

IMI - Intesa Sanpaolo

Co-Manager

Crédit Agricole CIB

The date of this Prospectus is 6 September 2024

IMPORTANT NOTICES

This document constitutes a prospectus for the purposes of Article 3(3) of the Prospectus Regulation, so as to provide information on the Issuer, the Notes and the reasons for the issue of the Notes, as required under Article 6 of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Prospectus and declares that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and makes no omission likely to affect its import.

The Issuer has confirmed to Intesa Sanpaolo S.p.A. (the “**Lead Manager**”) and Crédit Agricole Corporate and Investment Bank (as Co-Manager and, together with the Lead Manager, the “**Managers**”) that: (i) this Prospectus contains all material information regarding the Issuer, the Group (as defined in the “*Terms and Conditions of the Notes*” below) and the Notes (including the necessary information which, depending on the nature of the Issuer and the type of securities represented by the Notes, is material to investors for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Group, the rights attaching to the Notes, the reasons for the issue of the Notes and its impact on the Issuer); (ii) this Prospectus does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (iii) the statements of fact contained in this Prospectus relating to the Issuer, the Group and the Notes are in every material particular true and accurate and not misleading and there are no other facts in relation to the Issuer, the Group and the Notes the omission of which would in the context of the issue of the Notes make any statement in the Prospectus misleading in any material respect, (iv) the statements of intention, opinion, prediction, belief or expectation contained in this Prospectus are honestly and reasonably made or held and (v) all reasonable enquiries have been made to ascertain such facts and to verify the accuracy of all such statements.

This Prospectus is to be read and construed in conjunction with the information which is incorporated by reference in this Prospectus. See “*Information Incorporated by Reference*” below.

Investors should rely only on the information contained in this Prospectus. No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Managers. Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of the Notes through any financial intermediary, other than offers made by the Managers which constitute the final placement of the Notes contemplated in this Prospectus.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that the information contained herein concerning the Issuer or the Group is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same, or that there has been no adverse change, or any development or event reasonably likely to involve any adverse change, in the condition (financial or otherwise), prospects, results of operations or general affairs of the Issuer or the Group since the date of this Prospectus.

The Managers have not independently verified the information contained herein. Accordingly, the Managers do not make any representation, warranty or undertaking, express or implied, or accept any responsibility or liability, with respect to the accuracy or completeness of any of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the issue of the Notes. The Managers do not accept any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information

provided by the Issuer in connection with the Notes.

Neither this Prospectus, nor any information incorporated by reference herein, nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Managers to any person to subscribe for or to purchase any Notes. Neither is this Prospectus or any such information intended to provide the basis of any credit or other evaluation or be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus or any such information should purchase the Notes.

In making an investment decision, prospective investors must rely on their own independent examination of the condition (financial or otherwise), business, results of operations and prospectus of the Issuer and the Group, and their own appraisal of the Issuer's creditworthiness. Prospective Noteholders should not consider any information contained in this Prospectus to be legal, business, tax or investment advice. Prospective Noteholders should consider carefully all information contained in this Prospectus (including, without limitation, any documents incorporated by reference herein and the section headed "*Risk Factors*") and reach their own views, based upon their own judgment and upon advice from such financial, tax, legal and other professional advisers as they see fit, before making any investment decision in the Notes. Neither the Managers nor the Issuer make any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

The information set out in the sections of this Prospectus describing clearing arrangements is subject to any change or reinterpretation of the rules, regulations and procedures of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and, together with Euroclear, the "**Clearing Systems**"). If prospective investors wish to use the facilities of any of the Clearing Systems, they should confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The Issuer will not be responsible or liable for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such book-entry interests.

SUITABILITY OF INVESTMENT

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor must consider, either on its own or with the help of its financial and other professional advisers, whether it:

- has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Notes, unless the potential investor has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. This Prospectus may only be used for the purposes for which it has been published. Neither the Issuer nor the Managers represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, nor do they assume any responsibility for facilitating any such distribution or offering.

In particular, no action has been taken by the Issuer or the Managers which is intended to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 on insurance distribution (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail

investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET: Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

For a description of certain other restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

CERTAIN DEFINED TERMS

In this Prospectus, unless otherwise specified:

- (i) the "**Co-Manager**" means Crédit Agricole Corporate and Investment Bank;
- (ii) references to the "**Conditions**" are to the terms and conditions relating to the Notes set out in this Prospectus in the section "*Terms and Conditions of the Notes*" and any reference to a numbered "**Condition**" is to the correspondingly numbered provision of the Conditions;
- (iii) references to "**€**", "**EUR**" or "**Euro**" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended;
- (iv) references to "**IFRS**" are to International Financial Reporting Standards, as adopted by the European Union;
- (v) references to a "**Member State**" are references to a Member State of the European Economic Area; and
- (vi) "**Noteholder**" means a holder of any of the Notes.

The definition of Group used in the section headed "*Description of the Issuer*" has the meaning set forth therein in the sub-section headed "*Overview*" which is different to the definition of Group used elsewhere in this Prospectus and defined in the section headed "*Terms and Conditions of the Notes*".

The language of this Prospectus is English. 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. 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 this Prospectus.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

PRESENTATION OF FINANCIAL INFORMATION

Historic financial information

This Prospectus incorporates by reference the English translations of the Issuer's integrated annual

reports as at and for the years ended 31 December 2023 and 2022 (the “**Integrated Annual Reports**”). See “*Information Incorporated by Reference*”. The consolidated financial statements included in the relevant Integrated Annual Report (the “**Consolidated Financial Statements**”) have been prepared by the Issuer’s management in accordance with IFRS and have been audited by PricewaterhouseCoopers S.p.A.

Financial data of the Issuer included in this Prospectus have been derived from the Consolidated Financial Statements.

Alternative performance measures

This Prospectus and the documents incorporated by reference hereto contain certain alternative performance measures (“**APMs**”), as defined in the guidelines issued on 5 October 2015 by the European Securities and Markets Authority (“**ESMA**”) (ESMA/2015/1415 or the “**Guidelines**”) concerning the presentation of APMs disclosed in regulated information and prospectuses.

In line with the Guidelines, the criteria used to construct the APMs are as follows:

- Consolidated “**EBIT**” is calculated as profit or loss for the year adjusted by deducting the following line items: (i) tax income or charges, (ii) share of profit or loss on equity investments accounted for using the equity method, (iii) financial income and charges;
- Consolidated “**EBITDA**” is calculated as profit or loss for the year adjusted by deducting the following line items: (i) tax income or charges, (ii) share of profit or loss on equity investments accounted for using the equity method, (iii) financial income and charges, (iv) Amortisation and depreciation, (v) write-down or reversal of impairment losses; (vi) Change in funds for provisions, (vii) Change in operating funds;
- Consolidated “**EBITDA margin**” is expressed as a percentage and calculated by dividing consolidated EBITDA by consolidated Total revenues;
- Consolidated “**Net financial position**” is calculated by deducting consolidated Cash and cash equivalents from the sum of consolidated current and non-current financial liabilities and liabilities for leased assets including the related current portion; and
- Consolidated “**Net debt / EBITDA**” is expressed as a ratio and calculated by dividing consolidated Net financial position by consolidated EBITDA.

It should be noted that:

- APMs are based exclusively on the historical data and are not indicative of the future performance;
- APMs are not prepared in accordance with IFRS, and they have not been subject to audit or review;
- APMs are non-GAAP financial measures and are not recognised as measure of performance or liquidity under IFRS, and should not be recognised as an alternative to performance measure derived in accordance with IFRS or any other generally accepted accounting principles;
- APMs should be read with financial information of the Issuer taken from the Consolidated Financial Statements incorporated by reference in this Prospectus;
- since all companies do not calculate APMs in an identical manner, the presentation of the Issuer may not be consistent with similar measures used by other companies. Therefore, undue reliance should not be placed on these measures; and
- APMs and definitions used herein are consistent and standardised for all the period for which financial information in this Prospectus are included.

MARKET SHARE INFORMATION AND STATISTICS

This Prospectus contains statements regarding the Issuer's industry and its relative competitive position in the industry that are not based on published statistical data or information obtained from independent third parties, but are based on the Issuer's experience and its own investigation of market conditions, including its own elaborations of such published statistical or third-party data. Although the Issuer's estimates are based on information obtained from its customers, sales force, trade and business organisations, market survey agencies and consultants, government authorities and associations deemed to be reliable, there is no assurance that any of these assumptions are accurate or correctly reflect the Issuer's position in the industry. None of the Issuer's internal surveys or information have been verified by independent sources.

While the Issuer has compiled, extracted and, to the best of its knowledge, correctly reproduced market or other industry data from external sources, including third parties or industry or general publications, the Issuer has not independently verified such data. The Issuer cannot assure investors of the accuracy and completeness of, and takes no responsibility for, such data other than the responsibility for the correct and accurate reproduction thereof. The information in this Prospectus has been accurately reproduced, and so far as the Issuer is aware and is able to ascertain from information available from such external sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. Undue reliance should therefore not be placed on such information.

FORWARD LOOKING STATEMENTS

All statements other than statements of historical fact included in this Prospectus regarding the TPER Group's business, financial condition, results of operations and certain of the TPER Group's plans, objectives, assumptions, expectations or beliefs with respect to these matters or other future events or prospects are forward looking statements. These statements include, without limitation, those concerning: the TPER Group's strategy and its ability to achieve its aims under that strategy; expectations regarding revenues, profitability and growth; plans for the launch of new products; the Group's possible or assumed future results of operations; research and development, and financing plans. The words "aim", "may", "will", "expect", "anticipate", "believe", "future", "continue", "help", "estimate", "plan", "intend", "should", "could", "would", "shall" or the negative or other variations thereof as well as other statements regarding matters that are not historical fact, are or may constitute forward looking statements. In addition, this Prospectus includes forward looking statements relating to the TPER Group's potential exposure to various types of market risks, such as interest rate risks and other risks related to financial assets and liabilities. These forward looking statements have been based on the TPER Group's management's current view with respect to future events and financial performance. These views reflect the best judgment of the TPER Group's management but involve a number of risks and uncertainties which could cause actual results to differ materially from those predicted in such forward looking statements and from past results, performance or achievements.

Although the TPER Group believes that the estimates reflected in the forward looking statements are reasonable, such estimates may prove to be incorrect. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward looking statements. However, neither the Issuer nor the TPER Group undertakes any obligation to republish revised forward looking statements to reflect events or circumstances after the date hereof. Prospective investors are also urged to carefully review and consider the various disclosures made by the Issuer and the TPER Group in this Prospectus which attempt to inform interested parties of the factors that affect the Issuer, the TPER Group and their business, including the disclosures made under "*Risk Factors*" and "*Description of the Issuer*". The Issuer does not intend to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. All subsequent written or oral forward

looking statements attributable to the Issuer or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus. As a result of these risks, uncertainties and assumptions, investors should not place undue reliance on these forward looking statements as a prediction of actual results or otherwise.

STABILISATION

In connection with the issue of the Notes, Intesa Sanpaolo S.p.A. (the “**Stabilisation Manager**”) (or any person acting for the Stabilisation Manager) may over-allot Notes or effect transactions with a view to support the market price of the Notes at a level higher than that which might otherwise prevail in the open market. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but must end no later than the earlier of 30 after the issue of the Notes or 60 days after the date of allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or any person acting for the Stabilisation Manager) in compliance with all applicable laws, regulations and rules.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies that 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 that are material for the purpose of assessing the market risks associated with Notes are also described below.

An investment in the Notes involves risks. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes. However, the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons that may not be considered significant risks by the Issuer or which it may not currently be able to anticipate based on information currently available to it. In purchasing the Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. In addition, if any of the following risks, or any other risk not currently known, actually occur, the trading price of the Notes could decline and Noteholders may lose all or part of their investment.

The risks that are specific to the Issuer are presented in five categories and those specific to the Notes are presented in two categories, with the most material risk factor presented first in each category and the remaining risk factors presented in an order which is not intended to be indicative either of the likelihood that any particular risk will materialise or of the magnitude of their potential impact on the business, financial condition and results of operations of the Issuer and the Group.

Prospective Noteholders should read carefully all information contained in this Prospectus (including any documents incorporated by reference hereto) and consider carefully whether an investment in the Notes is suitable for them and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary, before making any investment decision, including the risks described below.

Words and expressions defined in “Terms and Conditions of the Notes” or elsewhere in this Prospectus have the same meaning in this section. References to a “Condition” is to such numbered condition in the Terms and Conditions of the Notes.

MATERIAL RISKS THAT ARE SPECIFIC TO THE ISSUER AND THAT MAY AFFECT THE ISSUER’S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES

The risks under this heading are divided into the following categories:

- *Regulatory risks;*
- *External risks;*
- *Strategic risks;*
- *Financial risks; and*
- *Operational risks.*

Regulatory risks

The Group is dependent on service contracts.

The Group is dependent on service contracts entered into between the competent contracting authority (*stazione appaltante*) (a “**Contracting Authority**”) and the relevant Group companies and/or consortia to which the relevant Group companies are party, including for the avoidance of doubt, TPB, TPF and Trenitalia TPER (each as defined in the “*Description of the Issuer*” below) (each, a “**Consortium**”) that allow the relevant Group company and/or Consortium to operate its road and railway public local transport, as well as its car and bike sharing services. As at 31 December 2023, the vast majority of the Group’s revenues were derived from activities awarded through public tender procedures and governed by service contracts. The contracts in force as at the date of this Prospectus are set to expire between 31 December 2026 and 31 May 2034. For

further information on the business activities carried out by TPER through its subsidiaries, joint ventures and other investee companies, see “*Description of the Issuer*” below.

No assurance can be given that the Group will be awarded the management of local public transport services and mobility services and, therefore will enter into new service contracts to permit it to carry on its core business after the expiry of each relevant service contract, or that any new service contract entered into or renewal of existing service contracts will occur and, if so, that they will be on terms similar to those of its current service contracts. The Group’s failure to enter into new service contracts or renew existing service contracts, in each case on similar or otherwise favourable terms, could have a material adverse effect on the Group’s business, financial condition and results of operations, and may affect the Issuer’s ability to fulfil its obligations under the Notes.

Risks relating to early termination or revocation of the service contracts.

The relevant Group company and/or Consortium that has entered into a service contract is required to comply with certain obligations pursuant to such service contract and applicable laws; analogous provisions are expected to be included in any future service contracts that may be entered into after the date of this Prospectus. Pursuant to the terms of the relevant service contract, such companies are subject to penalties or sanctions, which in certain cases can be significant, for non-performance of their obligations or default under the relevant service contract. Additionally, certain events or significant failure to fulfil material obligations arising under the relevant service contract could, if left un-remedied, lead to the early termination of the relevant service contract by the relevant Contracting Authority.

Furthermore, in accordance with general principles of Italian law, an award may be revoked – and the relevant service contract may be terminated – prior to their expiry date for reasons of public interests (for further information, see “*Description of the Issuer*”, below). In such an event, the relevant Group company and/or Consortium would be entitled to receive an amount determined in accordance with the terms of the relevant service contract. However, the determination of such compensation amount to which the relevant Group company and/or Consortium would be entitled could lead to protracted negotiations regarding the effective amount of compensation or indemnification due.

The termination of one or more of such service contracts, as well as the reduction or suspension of service contract fees, the application of penalties or sanctions for the Group’s non-performance of its obligations or default under the service contracts, the early termination of any of the service contracts and/or any dispute which might arise in connection with the negotiation of compensation matters, could have a material adverse effect on the Group’s business, financial condition and results of operations, and may affect the Issuer’s ability to fulfil its obligations under the Notes.

Risks relating to the assets regime under the Group’s service contracts

Pursuant to the applicable laws and regulations, including *inter alia* the Emilia Romagna Regional Law No. 30 dated 2 October 1998, as amended (“**Regional Law 30/1998**”), upon expiry of the relevant service contract, whether at its stated expiry date or in case of early termination, the relevant Group company and/or Consortium would be required to transfer the essential assets (*i.e.*, assets essential for the performance of a public service, such as rolling stocks and buses) to, and would be entitled, in certain cases, to receive payment for those assets, the Contracting Authority or the incoming operator, as the case may be. For further information, see the section “*Regulatory Framework*” of this Prospectus and “*Description of the Issuer – Business of the Group*” below). However, no assurance can be given in relation to the expected valuation of the assets, which will depend on the then residual value of the assets themselves and may not meet the relevant Group company’s and/or Consortium expectations. An assets appraisal significantly lower than the Group’s expectations could have a material adverse effect on the Group’s business, financial condition and results of operations and may affect the Issuer’s ability to fulfil its obligations under the Notes.

The Group's income could decline as a result of delays in disbursement of public contributions, a reduction of traffic volumes and passengers or other factors beyond the Group's control.

TPER and its subsidiaries currently receive their funding from public grants, revenues from ticket sales, service contract fees, vehicle passes and revenues arising out of related commercial activities, such as revenues from advertisements on vehicles.

The Group has assumed that a number of such projects will benefit at least in part from public contributions from the Italian Government and the Emilia Romagna Region. Although substantially all the governmental and regional contributions are provided for by law, on the basis of general principles, public contributions may be subject to revocation depending on their financial availability by the competent authorities. In connection with this, as provided under the relevant service contracts, the payment of service contract fees is subject to the availability of public funds. Although the coverage of the service contract fees is assured by the long-term budget commitment periodically approved by the Emilia Romagna Region, if public contributions are not sufficient to cover the payments due to the relevant Group company and/or Consortium, the Contracting Authority may terminate the relevant service contracts with no additional costs and obligations, without prejudice to any claim for payment for services performed and any claim for damages before the competent Italian Court. For further information see "*Description of the Issuer – Business of the Group*" below.

Sales revenues are by their nature uncertain and are subject to the determination of the levels of fares.

The lack of public contributions or delays in their disbursement as well as any decline in passengers could reduce the Group's revenues and have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

Risks related to the implementation of the investment plans required under the service contracts within the timeframe and budget expected and inability to recoup certain cost overruns.

Each service contract requires the relevant Group company and/or Consortium to carry out a number of significant investment projects, such as those referred to under "*Description of the Issuer – Business of the Group – Infrastructure*" below. TPER is therefore subject to certain risks inherent in investment projects. These risks may include: (i) delays in obtaining regulatory approval for a project (including, but not limited to, environmental requirements and planning approvals at national and local government levels); (ii) delays in obtaining approvals required for tariff increases; (iii) changes in general economic, business and credit conditions; (iv) non-performance or unsatisfactory performance by contractors and sub-contractors (where such work is performed by third parties); (v) commencement of bankruptcy proceedings with respect to contractors and reopening of public tender procedures; (vi) interruptions resulting from litigation, disputes, revocation of approvals or additional requests from local authorities, inclement weather and unforeseen environmental or engineering problems; (vii) delays in expropriation procedures including, *inter alia*, protests and/or public opposition to the expropriation of land needed for such developments (also known as "not-in-my-backyard" or "NIMBY" protests); (viii) shortages of materials and labour; (ix) unexpected construction issues not discovered during the planning phase of such projects, such as environmental or archaeological finds; (x) technical adjustments during the multi-year project terms; and (xi) increased costs of materials and labour.

Failure to complete projects within the planned timeframe and/or budget could affect the ability of the relevant Group company and/or Consortium to generate cash flow sufficient to finance its general corporate purposes, repay the indebtedness assumed to finance the project and to pay dividends to its shareholders, such as the Issuer, and may have a material adverse effect on the Group's results of operations or financial condition with a consequent negative impact on the Issuer's ability to fulfil its obligations under the Notes.

External risks

Risks relating to the general economic framework

The Group's profitability may be impacted by several external factors, including the economy (such as inflationary pressure) and political interventions (such as the adoption of unfavourable pricing policies by the regional Council leading to a consequent fall in revenues and substantial cuts to State-Region transfers). These factors could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

The Group is exposed to commodity price risk.

Procurement prices for commodities, energy and transport services may fluctuate depending on market conditions. The Group has exposure to electricity costs and other fuel costs as part of the operation of transport vehicles and such exposure may be proportionally greater than in some other industries. As such, it may not be possible (or may only be possible to a limited extent) to pass on higher costs to customers. In 2023, there was a reduction in fuel and electricity costs following the sharp increases in 2022, which were further exacerbated by heightened geopolitical tensions. Notwithstanding the actions undertaken to manage such risk, no assurance can be given that these measures will be sufficient to fully cover such risk. If are not, this could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

TPER's ordinary business operations are subject to extensive laws and regulations.

TPER, through its subsidiaries, joint ventures and other investee companies, operates in the local public transport sector, which is subject to several Italian local, regional, national and European laws and regulations. For further details on the relevant legislative and regulatory context, see also the section "*Regulatory Framework*" herein. Changes in applicable legislation and regulations, and the manner in which they are interpreted, could impact TPER's earnings and operations either positively or negatively. Such changes could include the methods of assigning services, tariffs, required quality levels and management results. As a consequence of a change in law, the relevant service contract may be amended, revised or suspended. No assurance can be given as to the impact of any possible change to the laws and regulations and/or to the service contracts.

In addition, TPER's activities are subject to a broad range of environmental laws and regulations enforced by regular governmental audits, the results of which may give rise to claims for damages and/or sanctions, resulting, *inter alia*, in potential damage to TPER's image and reputation (see also "*Reputational risk*" below). The cost of complying with such laws and regulations, including those related to health, safety and environment, could be onerous. For instance, local public transport companies (such as the Group's companies and/or Consortium) are required to renew their fleets to ensure they are sustainable or they have a reduced environmental impact. In this respect, the renewal of fleets has shown an international convergence towards rolling stock fuelled by renewable energy sources. Any failure to comply with such laws and regulations could result in the Group being subject to penalties for violations or incurring costs related to implementing mitigating measures. Furthermore, such laws and regulations are also vulnerable to complex unpredictable developments over which TPER has no control. Future changes in environmental, health, safety and planning laws, the imposition of more stringent requirements, more rigorous enforcement, or new interpretations of existing environmental laws may be time-consuming and interfere further with the existing activities and operations as well as significantly influence the investment plan due to the necessary adjustment.

Compliance with, changes in, or violations of, such laws and regulations and the introduction of additional laws and regulations, could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

Risk relating to the deregulation of the local transport sector

The sector in which TPER, through its subsidiaries, joint ventures and other investee companies, operates may be subject to a process of gradual liberalisation, in particular with respect to the regulated or licensed local public transport activities. As a result of such process, new competitors may enter the market in which TPER operates, leading to increased competition. The foregoing could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

Strategic risks

Risks relating to the implementation of the Issuer's strategic objectives.

The Issuer intends to pursue a strategic growth and development plan. Such strategic plan contains, and was prepared on the basis of a number of critical assumptions and estimates relating to future trends and events that may affect the sectors in which the Issuer operates, such as estimates of customer's demand and changes to the applicable regulatory framework. There can be no assurance that the Issuer will achieve the objectives under its strategic plan. For example, if any of the events and circumstances taken into account in preparing the strategic plan do not occur, the future business, financial condition, cash flow and/or results of operations of the Issuer could be different from those envisaged and the Issuer might not achieve its strategic plan, or not do so within the expected timeframe, which could adversely affect the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

Reputational risk

Reputational risks arise from a possible negative perception of TPER's image among customers, suppliers and supervisory bodies due to the spreading of damaging information. Although TPER has a good reputation for the quality of the service provided and for its efforts in making widespread improvements, TPER is exposed to such risks due to the nature of the service it provides. Should any reputational risk materialise, it could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

There are risks associated with acquisitions that the Issuer has already carried out and possible future acquisitions by the Issuer, including potential increases in leverage resulting from the financing of the transactions and the integration of new companies into the Group.

The acquisitions that TPER has already carried out and any future acquisitions may result in a significant expansion and increased complexity in TPER and its Group operations. Such acquisitions may have adverse consequences. Acquisitions require the integration and combination of different management, strategies, procedures, products, services, client bases and distribution networks, with the aim of streamlining the business structure and operations of the newly enlarged group. Although the Issuer assesses each investment based on financial and market analysis, which includes certain assumptions, existing and future acquisitions expose TPER and the Group to risks connected to the integration of new companies into the Group. These risks may include: (i) difficulties arising from managing a significantly broader and more complex organisation; (ii) problems resulting from the coordination and consolidation of corporate and administrative functions (including internal controls and procedures relating to accounting and financial reporting); (iii) the potential diversion of management's attention from the operation of existing businesses; (iv) substantial costs, delays or other operational or financial problems in integrating acquired businesses; (v) difficulties arising from unanticipated events, circumstances or legal liabilities; or (vi) the failure to achieve expected synergies. Furthermore, this integration process may require additional investments and expenses. There can be no assurance that TPER and the Group will be able to successfully integrate newly-acquired companies, or any companies acquired in the future, into the Group. Failure to successfully manage one or more of the foregoing circumstances, or the need for significant further investments in order to do so could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

There are risks associated with the participation in joint ventures.

Although the Issuer may aim to participate only in ventures in which it exercises a joint control (as the case of Trenitalia TPER), it cannot guarantee that its interests will remain so aligned. Furthermore, even though strategic joint ventures are intended to be stable operational structures, contracts governing such projects typically include provisions for terminating the venture or resolving deadlock. The dissolution of business ventures can be both lengthy and costly and the Issuer cannot give any assurance that any strategic alliances will endure for a period of time compatible with its strategy. This could have an adverse impact on the Issuer's business, financial position and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

Financial risks

The Group is subject to liquidity and funding risk.

The liquidity risk represents to the possibility that the available financial resources may be insufficient to cover the operational needs and the maturing financial debt. This risk is also attributable to the potential reduction in the creditworthiness, which allows TPER to access credit capital at favourable conditions and to secure medium/long-term resources to meet its investment needs. In addition to creditworthiness dynamics, the main factors that contribute to the Group's liquidity risk are, on the one hand, the generation or absorption of financial resources by operating and investment activities, and on the other, the maturities of financial payables and the use of liquidity. The foregoing may materially and adversely affect the Group's results of operations and financial condition if the Group is obliged to incur extra costs to meet its financial commitments or, in extreme cases threaten the Group's future as a going concern and lead to insolvency.

The Issuer funds its activities through, *inter alia*, bank loans and capital markets instruments (for further information, see "*Description of the Issuer – Financial liabilities*") and its ability to borrow from banks or in the capital markets to meet its financial requirements is dependent on favourable market conditions. If sufficient sources of financing are not available in the future for these or other reasons, the Issuer may be unable to meet its funding requirements, which could materially and adversely affect its results of operations and financial condition and may affect the Issuer's ability to fulfil its obligations under the Notes.

Risks relating to restrictive covenants under the Group's financing agreements.

The documentation of the existing indebtedness of the Group contains, and the documentation of any new indebtedness that the Group may incur, may contain restrictive covenants (subject to any exceptions agreed between the Issuer and its lenders), restricting, among other things, the Issuer's ability to: (i) make certain capital expenditures or investments; (ii) incur additional indebtedness or issue guarantees, including for the purpose of refinancing of existing indebtedness; (iii) sell, lease, transfer or dispose of certain assets; (iv) merge or consolidate with other companies; and (v) make a substantial change to the general nature of the Issuer's or the Group's business.

Furthermore, such documentation may also provide for financial covenants, the breach of which would lead to an event of default. Specifically, certain existing loan facilities provide for the obligation to maintain, for the entire duration of the debt, a ratio of consolidated net financial position to consolidated shareholders' equity not exceeding 1 and a ratio of consolidated net financial position to consolidated EBITDA not exceeding 3.5. Furthermore, such contractual documentation also contains other terms (including representations, covenants, mandatory prepayment provisions, trigger events and events of default), all of which are likely to be more restrictive than the Conditions.

The restrictions and limitations contained in the documentation of any existing and future borrowings, as well as those contained in the Conditions, could affect the Group's ability to operate its business, such as its ability to finance its operations, fund capital expenditure and implement its investment plans or finance its capital needs. Additionally, its ability to comply with these covenants and restrictions may be affected by events beyond its control, including, prevailing economic, financial and industry conditions. If the Group breaches any of these covenants or restrictions, it could result in a default under the relevant documentation

for its borrowings. If there were an event of default under any loans that is not cured or waived, the creditors could terminate their commitments and declare all amounts outstanding to be immediately due and payable.

Any triggering of an event of default and acceleration of payments could result in cross defaults under other indebtedness, including the Notes, and could force the Issuer into bankruptcy or liquidation.

The Group is subject to interest rate risk arising on its financial indebtedness.

Interest rate risk is linked to the uncertainty arising from the fluctuations in interest rates and can generally manifest itself in two ways: (i) cash flow risk, connected to financial assets or liabilities with flows indexed to a market interest rate and (ii) fair value risk, representing the risk of loss deriving from an unexpected change in the value of a financial asset or liability following an unfavourable change in the market rate curve. The exposure of the Group to interest rate risk varies depending on whether such indebtedness is fixed or floating rate. As at 31 December 2023, 56 per cent. of the Group's financial debt was at floating rate (for further information on the main Group's financing agreements in place as at the date of this Prospectus, see "Description of the Issuer – Financial liabilities" below). As at the date of this Prospectus the Issuer does not have any hedging policy in place to minimise the effects connected to fluctuations in interest rates. An increase in Euribor or any other index applicable to its financial indebtedness might therefore pose a risk to the Issuer's ability to fulfil its related payment obligations. To the extent that a hedging policy is not in place or if adopted does not prove to be adequate, this may have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

The Group is exposed to credit risk.

Credit risk represents the exposure to potential losses resulting from the failure of commercial and/or financial counterparties to meet their obligations. This risk can derive both from strictly technical-commercial or administrative-legal factors (disputes on the nature and/or quantity of the service, on the interpretation of contractual clauses, on supporting invoices, etc.), and from typically financial factors such as the "credit standing" of the counterparty, if in contracts and financial instruments entered into, the debtor is not able to honour all or part of its obligations towards the Group. The Group's counterparties are primarily composed of companies belonging to associates or joint ventures, public bodies such as the Municipality of Bologna, the Municipality of Ferrara, the Emilia-Romagna Region and their subsidiaries and financial counterparties in relation to deposits with banks. As regards users of LPT services, the Group operates by providing public services and the revenues deriving from the tariffs applied are essentially collected with the provision of the service. Notwithstanding the risk management policies applied by the Group, any failure by any significant counterparty of the Group to promptly and/or fully discharge all or part of its obligations could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

Operational risks

TPER is exposed to operational risks related to suppliers.

Major operational risks may arise from the Group's failure to comply with the contractual functional specifications of new rolling stocks, buses and trolleybuses being delivered by its suppliers with respect, *inter alia*, to quality of services and/or performance and sustainability standards. An additional risk may arise from the management of cleaning service contracts that could have an impact on the quality of the service rendered by the Group company and/or Consortium that has sub-contracted out such service. The above-mentioned risks, in case of inadequacy of precautionary and/or mitigation measures, may lead to operational difficulties that may have a material adverse effect on the Group's business, financial condition and results of operations and, in turn, affect the Issuer's ability to fulfil its obligations under the Notes.

TPER is subject to the risk of strikes and work stoppages.

Although the Group enjoys good relations with its employees, it may however experience strikes, lockouts or other significant work stoppages in the future. Labour unrest involving its own employees and those of

third parties may reduce the Group's revenues and, therefore, could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

TPER is subject to IT risks.

The Group relies heavily on its telecommunications network and computer systems for coordination of scheduling and other aspects of its transport operations as well as accounting, ticket sales for passengers, sharing mobility services, tracking cargo deliveries and other functions. Hardware and software used by the Group may be damaged by human error, natural disaster, power loss and other events. Notwithstanding the measures implemented by the Group to ensure continuous availability of IT operations, safeguard critical business and IT processes and prevent serious breakdowns, there can be no assurance that the implemented safeguard measures will be sufficient and/or be able to prevent any IT system failures.

Furthermore, the Group is subject to the regulations governing the protection, collection and processing of personal data and, therefore, it is exposed to the risk that the data could be damaged or lost, or removed, disclosed or processed (data breach) for purposes other than those authorised by the customer, including by unauthorised parties (such as third parties or Group employees). The possible destruction, damage or loss of customers, employees' or third parties' data, as well as its removal, unauthorised processing or disclosure, would have a negative impact on the Group's business and reputation, and could expose the Group to fines, litigation and potential liabilities, with consequent negative effects on the Group's business, results of operations or financial condition. In addition, changes to such regulation could impose more stringent sanctions for violations, could have a negative impact on the Group's business insofar as they lead the Group to incur additional compliance costs.

There are possible risks with regard to the reliability of the system (disaster recovery), the quality and integrity of the data managed and the threats to which IT systems are subject, as well as physiological risks related to the management of software changes (change management), which could have negative effects on the Group's operations, as well as on its capital and financial situation. Among the risks relating to the management of IT systems there is the risk of possible violations of the Group's systems due to unauthorised access to the Group's corporate network, IT resources, the introduction of viruses into computers or any other form of abuse committed via the internet. Like cyber-attacks, such violations have become more frequent over the years throughout the world and therefore can threaten the protection of information relating to the Group and its customers and can have negative effects on the integrity of the Group's IT systems, as well as on the confidence of its customers and on the Group's reputation.

Any of the foregoing circumstances could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

The Group is subject to legal proceedings which could adversely affect its consolidated revenues.

As part of the ordinary course of business, companies within the Group are parties to a number of administrative, civil and tax proceedings, including tax investigations and inspections by tax authorities and actions which are incidental to their business activities (for further information, see the section "*Description of the Issuer – Legal Proceedings*" of this Prospectus). As at 31 December 2023, the Issuer had a provision in its consolidated financial statements for legal proceedings which it considers to be adequate. In certain cases, where the Issuer believes that the adverse outcome of given litigation was merely possible or that such dispute may be resolved in a satisfactory manner and without significant impact on it, no specific provisions are made in its consolidated financial statements.

Notwithstanding the foregoing, TPER and the Group are not able to predict the ultimate outcome of any of the claims currently pending against it, or future claims or investigations that may be brought against it, which may be in excess of its existing provisions. In connection with this, it cannot be excluded that TPER and the Group may incur significant losses in addition to the amounts already provisioned in connection with pending legal claims and proceedings or future claims or investigations which may be brought owing to: (i) uncertainty regarding the final outcome of such proceedings, claims or investigations; (ii) the occurrence of new developments that management was unable to take into consideration when evaluating the likely

outcome of such proceedings, claims or investigations in order to make appropriate provisions as at the date of the latest financial statements; (iii) the emergence of new evidence and information; and (iv) the underestimation of probable future losses. To the extent that the Group is not successful in some or all of these matters, or in future legal challenges (including potential class actions), this could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

Customer fraud.

The Group is exposed to the risk of customer fraud. In particular, the Group is exposed to fraud in connection with ticket sales, thereby reducing revenues of the Group, and also to fraud in connection with procurement and management of contracts to which the Issuer and its subsidiaries are party. Notwithstanding the actions undertaken by the Issuer to manage and mitigate such risk, the nature and extent of such fraudulent practices may have a material adverse effect on the Group's business, financial condition and results of operations with a negative impact on the Issuer's ability to fulfil its obligations under the Notes.

The Group is exposed to risks related to health and safety

The Groups is exposed to risks related to health and safety. In particular such risks might arise both in transport through external events and accidental injuries to passengers or other individuals caused by vehicles and facilities, as well as in the workplace from injuries suffered by personnel that work in deposits, buildings and offices. Furthermore, there is a risk of third-party aggressions towards ticket inspectors. Notwithstanding the actions undertaken by the Issuer to manage and mitigate such risk, the nature and extent of such injuries may have a material adverse effect on the Group's business, financial condition and results of operations with a negative impact on the Issuer's ability to fulfil its obligations under the Notes.

Risks relating to business interruption.

The Group is continuously exposed to the risk of interruption of its activities due to the malfunctioning of infrastructure, including infrastructure owned by third parties resulting from events beyond the Group's control, such as extreme weather phenomena, natural disasters, fire, malicious damage, accidents, terrorism (see also "*Risks relating to accidents or acts of terrorism.*" below), labour disputes (see also "*The Group is subject to the risk of strikes and work stoppages.*" below), mechanical breakdown, damages to plants and equipment, as well as any failure by suppliers of goods and services used by the Group resulting in the non-availability of fuel, electricity, plant, equipment or services of critical importance for the provision of the public transport service, which may result in increased costs or impair the ability of the Group to provide local public transport services at acceptable standards. In addition, failure to tackle service interruption promptly and effectively could damage the Group's reputation. Any of the foregoing circumstances could adversely affect the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

The Group may be required to make significant payments for damages and its insurance coverage might not be adequate or available in all circumstances.

Although the Group holds risk, accident and civil liability insurance policies (for further information, see "*Description of the Issuer – Insurances*" below), there can be no assurance that such insurances cover all of the liabilities that may arise from third-party claims, or from any required reconstruction, or maintenance and operating losses. Insurance policies may not apply if a particular loss is not covered, or is specifically excluded, for example as a result of the application of deductibles, cover limits or excess levels, or if an insurer successfully relies on a defence available to it, such as a breach of disclosure obligations or conditions or misrepresentation. Moreover, there can be no assurance that if the insurance policy is terminated or not renewed, a new insurance policy will be available on reasonable commercial terms, or at all. Any failure to obtain or maintain an insurance policy, or to be covered for a loss thereunder, could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

Risks relating to accidents or acts of terrorism.

There is a risk that TPER's operations might be affected by major incidents including accidents or terrorism which could result in personal injury or loss of human life, damage to (and cost of repairing of) transport vehicles and/or infrastructures and thus lead to significant disruptions to the network and lack of passenger's confidence in the security of the network which may impact its revenue and/or require the Group to make significant alterations to its programme of work. In addition, any affected party who has suffered injury or loss as a result of an accident may seek compensation from the Group, and competent public authorities may hold an enquiry into the causes of the accident. Any such claim and/or enquiry could divert the efforts of the management personnel and result in fines or other forms of liability or otherwise damage the Group's reputation. Furthermore, any future legislation could result in the Group companies and/or Consortia having to take additional security measures, which could lead to increases in operating costs. Any of the foregoing circumstances, could have a material adverse effect on the Group's business, financial condition and results of operations and may affect the Issuer's ability to fulfil its obligations under the Notes.

MATERIAL RISKS THAT ARE SPECIFIC TO THE NOTES AND THAT ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES

The risks under this heading are divided into the following categories:

- *Risks relating to the Notes*
- *Risks relating to the market generally*

Risk relating to the Notes

The Notes are fixed-rate securities and are vulnerable to fluctuations in market interest rates

The Notes will bear interest at a fixed rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital markets ("**Market Interest Rate**"). While the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of such security changes in the opposite direction. If the Market Interest Rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the Market Interest Rate. Conversely, if the Market Interest Rate falls, the price of a security with a fixed interest rate typically increases, until the yield of such security is approximately equal to the Market Interest Rate. Movements of the Market Interest Rate could adversely affect the market price of the Notes.

The Notes are unsecured

The Notes constitute unsecured obligations of the Issuer and, save as provided in Condition 3 (Negative Pledge), do not contain any restriction on the amount of indebtedness of the Issuer and its Subsidiaries or on the giving of security by them over present and future indebtedness. Where security has been granted over assets of the Issuer to secure indebtedness, in the event of any insolvency or winding-up of the Issuer, such indebtedness will, in respect of such assets, rank in priority over the Notes and other unsecured indebtedness of the Issuer. This means that, in any distribution of the proceeds from the liquidation of the Issuer's assets over which security interests were created, secured creditors will be paid in full before any unsecured creditors (including Noteholders) and, as a result, Noteholders may not be paid in full or at all.

The Notes are not rated

Neither the Notes nor the long term debt of the Issuer are rated. To the extent that any credit rating agencies assign credit ratings to the Notes and/or the Issuer or any other senior unsecured indebtedness of the Issuer at any future date, such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating or the absence of a credit rating is not a recommendation to buy, sell or hold securities and, if assigned, it may be revised or withdrawn by the rating agency at any time.

Redemption prior to maturity for tax reasons.

In the event that the Issuer would be obliged to increase the amounts payable in respect of the Notes due to any withholding or reduction 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 or on behalf of the Republic of Italy or any political subdivision thereof or of any authority therein or thereof having the power to tax or in the interpretation or administration thereof, the Issuer may, under the option provided for in Condition 8.2 (*Redemption for taxation reasons*), redeem all outstanding Notes in accordance with the Conditions of the Notes. If this occurs, there can be no assurance that a Noteholder will be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes.

The Issuer may not have sufficient funds at the time of occurrence of a Put Event to redeem outstanding Notes

Upon the occurrence of certain events relating to the Issuer as further described in Condition 8.3 (*Redemption at the option of the Noteholders*), the Noteholders will have the right to require the Issuer to redeem their outstanding Notes at their outstanding principal amount plus any accrued and unpaid interest to the date of redemption. However, any exercise of that option by Noteholders in significant numbers could adversely affect the Issuer's financial position and, in a worst case scenario, the Issuer might not have sufficient funds to make the required redemption or repurchase of Notes.

Investors must rely on the procedures of the clearing systems

Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes and, as a result, the Notes will be represented by Global Notes (see "*Summary of provisions relating to the Notes in Global Form*"). These will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg, which will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

Similarly, while the Notes are in global form, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Furthermore, holders of beneficial interests in the Global Notes will only be able to exercise their right to vote at meetings of Noteholders to the extent that they are enabled by the procedures of Euroclear and Clearstream, Luxembourg.

Minimum denomination

The Notes will be issued in denominations of €100,000 or higher integral multiples of €1,000, up to and including a maximum denomination of €199,000. Although Notes cannot be traded in amounts of less than their minimum denomination of €100,000, they may nonetheless be traded in amounts that will result in a Noteholder holding a principal amount of less than €100,000. Any such principal amount would not be tradeable while the Notes are in the form of a Global Note and, if definitive Notes were issued, such Noteholder would not receive a definitive Note in respect of its holding and, consequently, would need to purchase a principal amount of Notes so as to increase such holding to €100,000. If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

Payments in respect of the Notes may in certain circumstances be made subject to withholding or deduction of tax

All payments in respect of Notes will be made free and clear of withholding or deduction of Italian taxation, unless the withholding or deduction is required by law. In that event, the Issuer will pay such additional

amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required. The Issuer's obligation to gross up is, however, subject to a number of exceptions under "*Terms and Conditions of the Notes – Taxation*", including withholding or deduction of Italian substitute tax (*imposta sostitutiva*), pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended or replaced from time to time, a brief description of which is set out below.

In particular, Italian substitute tax is applied to payments of interest and other income (including the difference between the redemption amount and the issue price) at a rate of 26 per cent. to (i) certain Italian resident Noteholders, (ii) Noteholders who are not resident in a country which allows for an adequate exchange of information with the Italian tax authorities, and (iii) non Italian resident Noteholders who do not qualify for exemption or have not filed in due time with the relevant depository a declaration (*autocertificazione*) stating, inter alia, that he/she/it is resident for tax purposes in a country which allows for an adequate exchange of information with the Italian tax authorities. See also "*Taxation – Italian Taxation*".

Prospective purchasers of Notes should consult their tax advisers as to the overall tax consequences of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws of any country or territory.

Italian tax changes may affect the tax treatment of the Notes

Italian Law No. 111 of 9 August 2023, published in the Official Gazette No. 189 of 14 August 2023 ("**Law 111**"), delegates power to the Italian Government to enact, within twenty-four months from its publication, one or more legislative decrees implementing the reform of the Italian tax system (the "**Tax Reform**"). According to Law 111, the Tax Reform could significantly change the taxation of financial incomes and capital gains and introduce various amendments to the Italian tax system at different levels. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with certainty at this stage and, as a result, the information provided in this Prospectus may not reflect the future tax landscape accurately.

The amendments that may be introduced to the tax regime of financial incomes and capital gains could increase taxation on interest, similar income and/or capital gains accrued or realised under the Notes and could result in a lower return on their investment.

Risks relating to change of law or administrative practices

The conditions of the Notes are based on English law in effect as at the date of this Prospectus, although certain provisions relating to the Notes are subject to compliance with certain mandatory provisions of Italian law, such as those applicable to Noteholders' meetings and to the appointment and role of the Noteholders' representative (*rappresentante comune*). No assurance can be given as to the impact of any possible judicial decision or change to English or Italian law or administrative practice after the date of this Prospectus. See also "*Noteholders' meeting provisions may change by operation of law or because of changes in the Issuer's circumstances*" below.

Decisions at Noteholders' meetings bind all Noteholders

Provisions for the holding of meetings of Noteholders are contained in the Agency Agreement and summarised in Condition 14.1 (*Meetings of Noteholders*). Noteholders' meetings may be called to consider matters affecting Noteholders' interests generally, including modifications to the terms and conditions relating to the Notes. These provisions permit defined majorities to bind all Noteholders, including those who did not attend and vote at the relevant meeting or who voted against the majority. Any such modifications to the Notes may have an adverse impact on Noteholders' rights and on the market value of the Notes, and may include, without limitation:

- lowering the ranking of the Notes;
- reducing the amount of principal and interest payable on the Notes;

- changing the time and manner of payment;
- changing provisions relating to redemption;
- limiting remedies on the Notes; and
- changing the amendment provisions.

In addition, the Issuer gives no assurance that the distribution of the Notes will be sufficiently wide, either upon issue or at any other time, to prevent a limited number of investors (or even just one or two investors) from determining the outcome of a vote at any such meeting.

Noteholders' meeting provisions may change by operation of law or because of changes in the Issuer's circumstances

As mentioned in “*Risks relating to change of law or administrative practices*” above, the provisions relating to Noteholders’ meetings (including quorums and voting majorities) are subject to compliance with certain mandatory provisions of Italian law, which may change during the life of the Notes. In addition, as currently drafted, the rules concerning Noteholders’ meetings are intended to follow mandatory provisions of Italian law that apply to Noteholders’ meetings where the issuer is an Italian unlisted company. As at the date of this Prospectus, the Issuer is an unlisted company but, if its shares were listed on a securities market while the Notes are still outstanding, then the mandatory provisions of Italian law that apply to Noteholders’ meetings would be different (particularly in relation to the rules relating to the calling of meetings, participation by Noteholders at meetings, quorums and voting majorities). Furthermore, certain Noteholders’ meeting provisions could change as a result of amendments to the Issuer’s By-laws. Accordingly, Noteholders should not assume that the provisions relating to Noteholders’ meetings contained in the Agency Agreement and summarised in the Conditions will correctly reflect mandatory provisions of Italian law applicable to Noteholders’ meetings at any future date during the life of the Notes. Any of the above changes could reduce the ability of Noteholders to influence the outcome of any vote at a Noteholders’ meeting and, as described in further detail in “*Decisions at Noteholders’ meetings bind all Noteholders*” above, the outcome of any such vote will be binding on all Noteholders, including dissenting and abstaining Noteholders, and may have an adverse impact on Noteholders' rights and on the market value of the Notes.

Risks related to the market generally

There is no active trading market for the Notes and one cannot be assured.

Application has been made for the Notes to be listed on the Official List of Euronext Dublin and admitted to trading on its regulated market. However, there can be no assurance that the Notes will be accepted for listing or, if listed, will remain listed. The Notes are new securities for which there is currently no market and there can be no assurance as to the liquidity of any market that may develop for the Notes, the ability of Noteholders to sell such Notes or the price at which the Notes may be sold. The liquidity of any market for the Notes will depend on the number of holders of the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and the Issuer’s financial condition, performance and prospects. In an illiquid market, the Noteholders might not be able to sell their Notes at any time at fair market prices.

There can be no assurance that an active trading market for the Notes will develop or, if one does develop, that it will be maintained. If an active trading market does not develop or cannot be maintained, this could have a material adverse effect on the liquidity and trading prices for the Notes.

The Notes may be delisted in the future

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and admitted to trading on its regulated market. The Notes may subsequently be delisted despite the best efforts of the Issuer to maintain such listing and, although no assurance is made by the Issuer as to the liquidity of the Notes as a result of listing, any delisting of the Notes may have a material effect on a Noteholder’s ability to resell the Notes on the secondary market.

Transfers of the Notes may be restricted, which may adversely affect the secondary market liquidity and/or trading prices of the Notes

The ability to transfer the Notes may also be restricted by securities laws or regulations of certain countries or regulatory bodies. The Notes have not been, and will not be, registered under the Securities Act or any state securities laws in the U.S. or the securities laws of any other jurisdiction. Noteholders may not offer the Notes in the United States to or for the account or benefit of a U.S. person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. It is the obligation of each Noteholder to ensure that offers and sales of Notes comply with all applicable securities laws. In addition, transfers to certain persons in certain other jurisdictions may be limited by law, or may result in the imposition of penalties or liability. For a description of restrictions which may be applicable to transfers of the Notes, see “*Subscription and Sale*”. Any restrictions on the ability of investors to sell or transfer their Notes in any jurisdiction may have an adverse effect on the liquidity of Notes on the secondary market and, consequently, on the market value of the Notes.

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.

INFORMATION INCORPORATED BY REFERENCE

The following documents, having previously been published and filed with the Central Bank, are incorporated in, and form part of, this Prospectus:

- (i) the Integrated Annual Report of the Issuer as at and for the year ended 31 December 2023 (the **2023 Integrated Annual Report**"); and
- (ii) the Integrated Annual Report of the Issuer as at and for the year ended 31 December 2022 (the **"2022 Integrated Annual Report"**),

in both cases together with the accompanying notes and auditors' reports.

Access to documents

The above documents can be accessed on the following addresses on the Issuer's website:

- 2023 Integrated Annual Report:
https://www.tper.it/sites/tper.it/files/_TPER%20integrated%20Report_2023_EN_compressed.pdf
- 2022 Integrated Annual Report:
https://www.tper.it/sites/tper.it/files/Bilancio_Tper%20integrato%20def_compl_EN.pdf

In addition, copies of those documents may be inspected free of charge at the specified offices of The Bank of New York Mellon, London Branch, in its capacity as Fiscal Agent.

Cross-reference lists

The following table shows where the information incorporated by reference in this Prospectus can be found in the above-mentioned documents. Information contained in those documents other than the information listed below does not form part of, and is not incorporated by reference in, this Prospectus. Any non-incorporated parts of those documents are either not relevant for an investor or covered elsewhere in this Prospectus.

Integrated Annual Reports	2023	2022
<i>Section</i>	<i>Page number(s)</i>	
Economic and financial performance (except for paragraph headed " <i>Business outlook</i> ")	12 – 42	14 – 40
Sustainability disclosure – Consolidated non-financial statement (Italian Legislative Decree 254/2016) NFS.....	43 – 172	41 – 157
Consolidated statement of financial position	174 – 175	159 – 160
Consolidated income statement	176	161 – 162
Consolidated comprehensive income statement.....	177	162
Statement of changes in consolidated shareholders' equity	178 – 179	163
Consolidated cash flow statement	180	164 – 165
Explanatory notes to the consolidated financial statements.....	181 – 239	165 – 219
Report by the Independent Auditors	317 – 323	290 (1–7)

This Prospectus should be read and construed together with the information incorporated by reference herein.

All information incorporated by reference in this Prospectus is current only as at the date of the document

that it has been taken from and its incorporation by reference does not give rise to any implication that there has been no change in the affairs of the Issuer or the Group since that date or that such information is current as at any time subsequent to that date.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes, which will be endorsed on each Note in definitive form. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to Notes in definitive form to the extent described in the section of this Prospectus entitled "Summary of Provisions relating to the Notes in Global Form".

The €100,000,000 4.343 per cent. Senior Unsecured Amortising Fixed Rate Notes due 10 September 2029 (the **"Notes"**, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 16 (*Further Issues*) and forming a single series with the Notes) of TPER S.p.A. (the **"Issuer"**) are issued subject to and with the benefit of a fiscal agency agreement dated 10 September 2024 (such agreement as amended and/or supplemented and/or restated from time to time, the **"Agency Agreement"**) made between the Issuer and The Bank of New York Mellon, London Branch as fiscal agent (the **"Fiscal Agent"** which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and as paying agent (in such capacity, the **"Paying Agent"** and, together with the Fiscal Agent, the **"Paying Agents"**, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).

Certain provisions of these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. The holders of the Notes (the **"Noteholders"**), the holders of the related instalment receipts (the **"Receipts"**) appertaining to the Notes in definitive form (whether or not attached to the relevant Notes) (the **"Receiptholders"**) and the holders of the related interest coupons (the **"Coupons"**) appertaining to the Notes in definitive form (whether or not attached to the relevant Notes) (the **"Couponholders"**) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection during normal business hours by the Noteholders, Receiptholders and Couponholders at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents.

Save as the context otherwise provides, any reference in these Conditions to a provision of law, decree or regulation is a reference to that provision as amended or re-enacted.

1. FORM, DENOMINATION AND TITLE

1.1 Form and denomination

The Notes are in bearer form, serially numbered and in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000, with Receipts and Coupons attached on issue. No Definitive Notes will be issued with a denomination above €199,000.

1.2 Title

Title to the Notes, the Receipts and the Coupons passes by delivery. The holder of any Note, Receipt or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

2. STATUS

The Notes, the Receipts and the Coupons constitute direct, unconditional, unsubordinated and (subject to Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank and will rank *pari passu*, without any preference among themselves. The payment obligations of the Issuer under the Notes, the Receipts and the Coupons shall, save for such exceptions as may be provided by applicable law and subject to Condition 3 (*Negative Pledge*), at all times rank at least equally with its other from time to time outstanding unsecured and unsubordinated obligations.

3. NEGATIVE PLEDGE

3.1 Present or future assets

So long as any Note remains outstanding (as defined in the Agency Agreement), the Issuer shall not, and shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Indebtedness (as defined below), without (a) at the same time or prior thereto securing the Notes, the Receipts and the Coupons equally and rateably therewith or (b) providing such other security for the Notes, the Receipts and the Coupons as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders.

3.2 Preservation of Termination Value

Without prejudice to the generality of Condition 3.1 (*Present or future*), so long as any Note remains outstanding, the Issuer shall not, and shall procure that none of its Subsidiaries will:

- (a) create any Security Interest over any present or future receivables represented by the termination payment (if any) due to any of the Issuer or TPB/TPF, as the case may be, upon occurrence of a Step-in Event (the “**Termination Value**”) to secure any Indebtedness; or
- (b) assume any obligation in respect of Indebtedness not subordinated to the Notes providing for a funnelling of flows (*canalizzazione dei flussi*) represented by the Termination Value specifically for the purposes of repayment of such Indebtedness, whether prior to its stated maturity or otherwise,

unless:

- (1) (x) the aggregate amount of all Indebtedness under (a) and (b) above (without double-counting), when added to the then outstanding principal amount of all the Indebtedness that is subject to any of the provisions under (a) and/or (b) above (including, without limitation, the Notes and the Indebtedness under the ISP Facility Agreement), does not exceed the then notional amount of the Termination Value, as calculated on the basis of the data set forth in the latest consolidated financial statements of the Issuer available as at each date on which such Security Interest or Indebtedness, as the case may be, is entered into and (y) confirmation of compliance with the threshold referred to under (x) above has been given by two Authorised Signatories at least 5 (five) Business Days prior to the incurrence of such Indebtedness setting out the notional amount of the Termination Value as at the relevant date calculated in accordance with this Condition 3.2; and
- (2) with respect to (b) above only, if such funnelling of flows (*canalizzazione dei flussi*) obligation relates to the Termination Value relating to a Step-in Event affecting the Ferrara Service Contract, the Issuer has assumed, at the same time or prior thereto, an analogous funnelling of flows (*canalizzazione dei flussi*) undertaking also in relation to the Notes, the Receipts and the Coupons equally and rateably with such other Indebtedness that has the benefit of such funnelling of flows (*canalizzazione dei flussi*).

4. DEFINITIONS

For the purposes of these Conditions:

“**2024 Notes**” means the “€95,000,000 1.85 per cent. Senior Unsecured Amortising Fixed Rate Notes due 15 September 2024” issued by the Issuer on 15 September 2017 (ISIN Code XS1668574061), listed on the regulated market The Irish Stock Exchange plc, trading as Euronext Dublin.

“**Authorised Signatories**” and each an “**Authorised Signatory**” means any person who is a director (*amministratore*), the general manager (*direttore generale*), the chief financial officer (*direttore*

amministrazione, finanza e controllo) or any attorney to whom a special power of attorney has been granted by any of the foregoing persons.

“Bologna Service Contract” means the service contract between SRM – Reti e Mobilità *società per azioni* (subsequently transformed into a limited liability company (*società a responsabilità limitata*)) and TPB dated 4 March 2011, governing the operation of local public transportation services in the Bologna area (*bacino Bolognese*), as extended pursuant to an extension agreement dated 2 August 2024 and as further extended or replaced, superseded, renewed, amended or supplemented in accordance with its terms from time to time.

“Business Day” means:

- (a) for the purposes of Condition 7.4 (*Payments on a Business Day*), any day on which T2 is open; and
- (b) for any other purpose:
 - (i) in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place; or
 - (ii) in the case of payment by credit or transfer to a Euro account, a T2 Settlement Day.

“Calculation Amount” means €1,000.

“Cash and Cash Equivalents” means the following:

- (a) available cash (*disponibilità finanziarie*) and cash equivalents (where **“cash equivalents”** means cash at banks and all assets that can be liquidated within one month); or
- (b) other financial assets represented by Italian government bonds; or
- (c) bonds having an investment grade rating to which the Issuer or any member of the Group is alone beneficially entitled at that time and which have been acquired for the Group's liquidity and treasury management purposes in accordance with the Group's internal policies which:
 - (i) mature within one year after the relevant date of calculation; and
 - (ii) are not convertible or exchangeable to any other security; and
 - (iii) are not issued or guaranteed by the Issuer or any member of the Group; and
 - (iv) are not subject to any Security Interest granted by the Issuer or any member of the Group.

“Certification Date” means a date falling not later than 45 calendar days after the approval by the Issuer's board of directors (or equivalent body) of the relevant consolidated financial statements of the Issuer and, in any event, no later than six months after the end of the Relevant Period.

“Change of Control” means the occurrence of any event or circumstance in which any Person or Persons acting in concert (in each case, other than one or more Permitted Holders) gains Control of the Issuer.

“Compliance Certificate” means a certificate of the Issuer duly signed by two Authorised Signatories, substantially in the form annexed to the Agency Agreement, confirming as at the Certification Date:

- (a) that its audited consolidated financial statements in respect of the last Relevant Period give a true and fair view of the financial condition of the Issuer and the Group as at the end of such Relevant Period and of the results of its operations during such period;

- (b) that it is in compliance with Condition 3.2 (*Preservation of Step-in Value*) and the covenants contained in Condition 5.2 (*Financial covenants*), setting out the amount of the Issuer's Consolidated Net Financial Debt-Consolidated Shareholders' Equity Ratio and its Consolidated Net Financial Debt-Consolidated EBITDA Ratio as at the relevant Determination Date;
- (c) that no Event of Default or Put Event has occurred during that Relevant Period and/or, in the case of an Event of Default, is continuing as at the date of the relevant certificate or (if an Event of Default is continuing) the steps, if any, being taken to remedy it;
- (d) that there have been no events, developments or circumstances that would materially affect its ability to certify such compliance on the basis of the Issuer's or the Group's financial condition as at the Certification Date and its results of operations since the relevant Determination Date; and
- (e) which of the Subsidiaries of the Issuer are Material Subsidiaries.

"Consolidated EBITDA" means, in respect of any Relevant Period, the operating profit of the Group before taxation, before deducting any net interest expense and extraordinary income/loss of such entity in respect of that Relevant Period and adding back depreciation, amortisation write-downs, and provisions each as shown in, or determined by reference to, the Issuer's audited consolidated financial statements in respect of such Relevant Period.

"Consolidated Net Financial Debt" means the sum of the following items:

- (a) total non-current financial liabilities; plus
- (b) total current financial liabilities; plus
- (c) total financial liabilities for leases; plus
- (d) the amount (being the amount financed) under factoring or securitisation programmes over trade receivables on a *pro solvendo* (with recourse) basis; less
- (e) Cash and Cash Equivalents,

in each case, as shown in, or determined by reference to, the Issuer's latest consolidated audited annual financial statements.

"Consolidated Net Financial Debt – Consolidated EBITDA Ratio" means the ratio of (i) Consolidated Net Financial Debt as at the Determination Date to (ii) Consolidated EBITDA for the Relevant Period.

"Consolidated Net Financial Debt – Consolidated Shareholders' Equity Ratio" means the ratio of (i) Consolidated Net Financial Debt as at the Determination Date to (ii) Consolidated Shareholders' Equity as at the Determination Date.

"Consolidated Shareholders' Equity" means the shareholders' equity of the Group, as shown in the Issuer's latest audited consolidated annual financial statements, less any dividends paid, declared, recommended or approved.

"Consolidated Total Assets" means the total assets of the Group as shown in, or determined by reference to, its then latest audited consolidated financial statements.

"Consolidated Total Revenues" means at any time, in respect of any Relevant Period, the total revenues of the Group.

"Control" means:

- (a) in respect of a Person which is a company or a corporation:
 - (i) the acquisition and/or holding of more than 50 per cent. of the share capital of such Person; or

- (ii) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a shareholders' or equivalent meeting of such Person; or
 - (B) appoint or remove all or a majority of the members of the board of directors (or other equivalent body) of such Person; or
- (b) in respect of any other Person (other than a company or a corporation), the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting rights, by contract or otherwise,

pursuant to Article 2359 of the Italian Civil Code and the expressions "controlling", "controlled" and "controlled by" shall be construed accordingly.

"Determination Date" means 31 December in each year.

"Euro" or **"euro"** or **"€"** means the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended.

"Euronext Dublin" means the Irish Stock Exchange plc, trading as Euronext Dublin.

"Event of Default" has the meaning given to that term in Condition 12 (*Events of Default*).

"Existing Security Interests" means the following security interests created pursuant to the following instruments:

- (a) with respect to the Prepayable Facility Agreement, (i) an assignment by way of security of receivables deriving from the cessation indemnities under the Bologna Service Contract entered into on 7 June 2023 as *"scrittura privata autenticata"* before the Public Notary Domenico Damascelli (*repertorio* n. 38063, *raccolta* 24532), (ii) an assignment by way of security of receivables deriving from the cessation indemnities under the Ferrara Service Contract entered into on 7 June 2023 as *"scrittura privata autenticata"* before the Public Notary Domenico Damascelli (*repertorio* n. 38067, *raccolta* 24533), (iii) a deed of pledge over a bank account into which the amounts referred to under (i) and (ii) above are to be deposited dated 7 June 2023, notarised as *"scrittura privata autenticata"* before the Public Notary Domenico Damascelli (*repertorio* n. 38079, *raccolta* 24536), (iv) several assignment by way of security of receivables represented by certain buses public funding entered into on 26 May 2023 as *"scritture private autenticare"* before the Public Notary Domenico Damascelli and (v) a deed of pledge over a bank account into which the amounts referred to under (iv) above are to be deposited dated 26 May 2023, notarised as *"scrittura privata autenticata"* before the Public Notary Domenico Damascelli (*repertorio* n. 37942, *raccolta* 24450);
- (b) with respect to the ISP Facility Agreement, (i) an assignment by way of security of receivables deriving from the cessation indemnities under the Bologna Service Contract entered into on 7 June 2023 as *"scrittura privata autenticata"* before the Public Notary Domenico Damascelli (*repertorio* n. 38055, *raccolta* 24528), (ii) an assignment by way of security of receivables deriving from the cessation indemnities under the Ferrara Service Contract entered into on 7 June 2023 as *"scrittura privata autenticata"* before the Public Notary Domenico Damascelli (*repertorio* n. 38057, *raccolta* 24529) and (iii) a deed of pledge over a bank account into which the amounts referred to under (i) and (ii) above are to be deposited dated 7 June 2023, notarised as *"scrittura privata autenticata"* before the Public Notary Domenico Damascelli (*repertorio* n. 38079, *raccolta* 24536); and

- (c) with respect to the 2024 Notes, (i) an assignment by way of security of receivables deriving from the cessation indemnities under the Bologna Service Contract entered into on 7 June 2023 as “*scrittura privata autenticata*” before the Public Notary Domenico Damascelli (*repertorio* n. 38071, *raccolta* 24534), (ii) an assignment by way of security of receivables deriving from the cessation indemnities under the Ferrara Service Contract entered into on 7 June 2023 as “*scrittura privata autenticata*” before the Public Notary Domenico Damascelli (*repertorio* n. 38075, *raccolta* 24535) and (iii) a deed of pledge over a bank account into which the amounts referred to under (i) and (ii) above are to be deposited dated 7 June 2023, notarised as “*scrittura privata autenticata*” before the Public Notary Domenico Damascelli (*repertorio* n. 38079, *raccolta* 24536).

“**Ferrara Service Contract**” means the service contract between Agenzia Mobilità e Impianti - AMI and TPF effective from 1 January 2011, governing the operation of local public transportation services in the Ferrara area (*bacino di Ferrara*), as the same may be extended, replaced, superseded, renewed, amended or supplemented in accordance with its terms from time to time.

“**Group**” means the Issuer and its Subsidiaries from time to time (if any).

“**IFRS**” means the international financial reporting standards promulgated by the International Accounting Standards Board or any successor board or agency as endorsed by the European Union and in effect from time to time.

“**Indebtedness**” means (i) any indebtedness from time to time outstanding (whether being principal, premium or interest) of any Person for or in respect of money borrowed or raised including (without limitation) any indebtedness for or in respect of amounts borrowed or raised under any transaction (including, without limitation, any forward sale or purchase agreement) having substantially the commercial effect of a borrowing or otherwise classified as borrowings in accordance with applicable law or generally accepted accounting principles applicable from time to time; and (ii) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraph (i) above.

“**Interest Payment Date**” means 10 September in each year.

“**Interest Period**” means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date up to the Maturity Date.

“**ISP Facility Agreement**” means the term credit facility agreement between the Issuer, as borrower, and Intesa Sanpaolo S.p.A., as lender, dated 26 May 2023, whose proceeds are aimed at financing certain projects aimed at pursuing environmental objectives, entered into as “*scrittura privata autenticata*” before the Public Notary Domenico Damascelli (*repertorio* n. 37929, *raccolta* 24437).

“**Issue Date**” means 10 September 2024.

“**Italian Civil Code**” means the Italian civil code, enacted by Royal Decree No. 262 of 16 March 1942, as subsequently amended and supplemented.

“**Material Adverse Effect**” means any event, circumstance or matter which has or is reasonably likely to have a material adverse effect on:

- (a) the business, assets or financial condition of the Issuer and/or the Group (taken as a whole); or
- (b) the ability of the Issuer to perform its payment or other obligations under the Notes; or
- (c) the validity and enforceability of the Notes.

“Material Subsidiary” means, at any time, any Subsidiary of the Issuer which accounts for 5 per cent. or more of the Issuer's Consolidated EBITDA, Consolidated Total Revenues or Consolidated Total Assets, and, for these purposes:

- (a) the Issuer's Consolidated EBITDA, Consolidated Total Revenues and Consolidated Total Assets will be determined by reference to its then latest audited consolidated annual financial statements prepared in accordance with IFRS (the **“Relevant Financial Statements”**); and
- (b) the EBITDA, revenues and total assets of each Subsidiary will be determined by reference to the annual financial statements (whether or not audited) of such Subsidiary and those of its own Subsidiaries (if any), in each case upon which the Relevant Financial Statements have been based,

provided, in respect of (b) above, that:

- (i) if a Person has become a Subsidiary of the Issuer after the date on which the Relevant Financial Statements have been prepared, the EBITDA and total assets of that Subsidiary will be determined by reference to its latest annual financial statements (whether or not audited) and will be consolidated if that Subsidiary itself has Subsidiaries;
- (ii) the Relevant Financial Statements and the corresponding financial statements of each relevant Subsidiary will be adjusted (where appropriate) to reflect fairly the Consolidated EBITDA, Consolidated Total Revenues and Consolidated Total Assets of, or represented by, any Person, business or assets subsequently acquired or disposed of; and
- (iii) where a Subsidiary (the **“Intermediate Holding Company”**) has one or more Subsidiaries at least one of which, under this definition, is a Material Subsidiary, then such Intermediate Holding Company will be deemed to be a Material Subsidiary.

“Maturity Date” means 10 September 2029.

“Permitted Holders” means the Emilia Romagna Region, the Municipality of Bologna, the Metropolitan City of Bologna and any municipality, province or consortium of the Republic of Italy incorporated pursuant to Article 31 of Legislative Decree No. 267 of 18 August 2000, as amended, or any Persons controlled individually or acting in concert by any of the foregoing (or capable of being controlled by any of the foregoing if acting in concert), in each case either directly or indirectly through one or more intermediate Persons.

“Permitted Reorganisation” means:

- (a) in the case of any Material Subsidiary or TXT any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind or restructuring or other similar transaction (including, without limitation, any leasing of assets or of a going concern), in each case whilst solvent whereby, in any one transaction or series of transactions, all or a substantial part of the assets and undertakings of such Material Subsidiary or TXT are transferred, sold, contributed, assigned or otherwise vested in the Issuer and/or another Subsidiary of the Issuer; or
- (b) in the case of the Issuer, any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind or restructuring or other similar transaction (including, without limitation, any leasing of assets or of a going concern), in each case whilst solvent whereby, in any one transaction or series of transactions, all or substantially all of the Issuer's assets and undertakings are transferred, sold, contributed, assigned or otherwise vested in a body corporate that is in good standing, validly organised and existing under the laws of the Republic of Italy, and such body corporate (A) assumes all obligations hereunder as principal debtor in respect of the Notes and (B) continues to carry on all or substantially all of the business of the Issuer as conducted as at the date of such reorganisation; or

- (c) the Permitted TPL Consolidation, *provided that* all or substantially all of the Issuer's assets and undertakings are transferred, sold, contributed, assigned or otherwise vested in the Relevant Consolidating Person that is in good standing, validly organised and existing under the laws of the Republic of Italy, and such body corporate (A) assumes all obligations hereunder as principal debtor in respect of the Notes and (B) continues to carry on all or substantially all of the business of the Issuer as conducted as at the date of such Permitted TPL Consolidation; or
- (d) any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind or restructuring whilst solvent or other similar arrangement on terms previously approved by an Extraordinary Resolution of the Noteholders.

“Permitted Security Interest” means:

- (a) any Security Interest arising by operation of law in the ordinary course of business of the Issuer or a Subsidiary; or
- (b) any Security Interest created by a Person which becomes a Subsidiary after the Issue Date, where such Security Interest already exists at the time that Person becomes a Subsidiary provided that (A) such Security Interest was not created in connection with or in contemplation of that Person becoming a Subsidiary, (B) the aggregate principal amount of Indebtedness secured by such Security Interest is not increased and no additional assets become subject to such Security Interest, in both cases either in connection with or in contemplation of that Person becoming a Subsidiary or at any time thereafter; or
- (c) any Security Interest (a **“New Security Interest”**) created in substitution for any existing Security Interest permitted under paragraph (b) above (a **“Substituted Security Interest”**), provided that (A) the principal amount secured by the New Security Interest does not at any time exceed the principal amount secured by the Substituted Security Interest, and (B) other than by reason of general market trends beyond the control of the Issuer or the relevant Subsidiary, the value of the assets over which the New Security Interest subsists does not at any time exceed the value of the assets over which the Substituted Security Interest subsisted; or
- (d) any Security Interest created over public funding for the purchase of buses, trains, cars and/or land transport systems related to the business of the Group (and, if any, the related deeds of pledge) provided that the aggregate principal amount of Indebtedness secured by such Security Interest does not exceed the lower of (i) €10,000,000 and (ii) the nominal value of such public funding;
- (e) any Security Interest which is created in connection with, or pursuant to, a factoring, securitisation or like arrangement entered into in the ordinary course of business of the Issuer or the relevant Subsidiary and for reasons different from new investments whereby (i) the payment obligations in respect of the Indebtedness secured by the relevant Security Interest are to be discharged solely from the revenues generated by the assets over which such Security Interest is created (including, without limitation, any receivables other than any present or future receivables represented by the Termination Value) and (ii) the relevant creditors have no recourse in relation to such Indebtedness against any assets of any member of the Group; or
- (f) any Security Interest created to secure Project Finance Indebtedness; or
- (g) subject to Condition 5 (*Refinancing of Refinancing Indebtedness*), the Existing Security Interests; or
- (h) any Security Interest other than Security Interest permitted under paragraphs (a) to (g) above directly or indirectly securing Indebtedness, where the principal amount from time to time

of such Indebtedness (taken on the date such Indebtedness is incurred) which is secured or is otherwise directly or indirectly preferred to other general unsecured Indebtedness of the Issuer or any of its Material Subsidiaries, as the case may be, does not exceed in aggregate €10,000,000.

“Permitted TPL Consolidation” means any transaction combining all or part of the local public transport service in the territory of the Emilia Romagna Region that may be approved by the Emilia Romagna Region, *provided that*, following such transaction, the providers of such combined service are:

- (a) TPER; and/or
- (b) other companies which TPER controls, either individually or acting in concert with other Permitted Holders; and/or
- (c) other companies in which (i) TPER holds at least 30 per cent. of the voting rights normally exercisable at the ordinary and extraordinary meetings of shareholders (or equivalent holders of equity interests), (ii) TPER and Permitted Holders together hold more than 50 per cent. of such voting rights and (iii) no other Person or Persons acting in concert have a share of the voting rights at such meetings that is equal to or greater than the share held by TPER,

in the case of (b) and (c) above, such control being exercised or such voting rights being held by TPER, either directly or indirectly through intermediate companies (any of the foregoing, a **“Relevant Consolidating Person”**).

“Person” means any individual, company, corporation, firm, partnership, joint venture, consortium, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

“Prepayable Facility Agreement” means the revolving credit facility agreement among the Issuer, as borrower, and Intesa Sanpaolo S.p.A., BPER Banca S.p.A. and Cassa depositi e prestiti S.p.A., as lenders, dated 26 May 2023, providing an advance on public funding for the purchase of buses, entered into as *“scrittura privata autenticata”* before the Public Notary Domenico Damascelli (*repertorio n. 37928, raccolta 24436*).

“Project” means the ownership, acquisition (in each case, in whole or in part), development, restructuring, leasing, maintenance and/or operation of assets (excluding, for the avoidance of doubts, any asset which is already owned by the Group), and the equity participations in the company(ies) holding, directly and/or indirectly, such asset or assets and/or operating the relevant business.

“Project Finance Indebtedness” means any present or future Indebtedness of an aggregate principal amount from time to time of up to €10,000,000, which is incurred to finance or refinance a Project, whereby the recourse of the creditors under such Indebtedness is limited to (i) the amount of cash flow or net cash flow generated by and through the Project during the tenor of such Indebtedness and/or (ii) the amount of proceeds deriving from the enforcement of any Security Interest given by the relevant debtor over the Project to secure such Indebtedness (including, for the avoidance of doubt, any interest or equity participations in the relevant Person or Persons holding, directly and/or indirectly, the relevant assets or Concession(s) and/or operating the relevant business) and/or (ii) other credit support (including, without limitation, completion guarantees and contingent equity obligations) customarily provided in support of such Indebtedness.

“Put Event” means the occurrence of (i) a Change of Control or (ii) a Step-in Event or (iii) a Service Contract Event.

“Put Event Notice” means a notice from the Issuer of the occurrence of a Put Event, which notice shall (i) refer specifically to Condition 8.3 (*Redemption at the option of the Noteholders*), (ii) describe in reasonable detail the event or circumstances resulting in the Put Event, (iii) specify the Put Option

Redemption Date and (iv) offer to redeem or purchase, on the Put Option Redemption Date, all Notes at their principal amount together with interest accrued thereon to the Put Option Redemption Date.

“Put Option” has the meaning given to it in Condition 8.3 (*Redemption at the option of the Noteholders*).

“Put Option Exercise Period” means the period of 30 calendar days from the giving of the corresponding Put Event Notice to the Noteholders.

“Put Option Notice” means, for the purposes of exercising the Put Option, a notice of exercise from a Noteholder in the form (for the time being current and which, if such Notes are held in a clearing system, may be in any form and be delivered in any manner acceptable to such clearing system) obtainable from the Specified Office of any Paying Agent;

“Put Option Redemption Date” means the date specified in the corresponding Put Event Notice, being a date not less than 15 nor more than 30 calendar days after the expiry of the Put Option Exercise Period.

“Refinancing Indebtedness” means the following indebtedness of the Issuer:

- (a) indebtedness under the 2024 Notes of a principal amount of €31,666,668 as at the Issue Date; and
- (b) indebtedness from the Prepayable Facility Agreement of a principal amount of €14,046,531.49 as at the Issue Date,

in each case together with any interest accrued from time to time and any other sums due from the Issuer under the 2024 Notes or the Prepayable Facility Agreement (as the case may be).

“Refinancing Indebtedness Refinancing Date” means:

- (a) in relation to the 2024 Notes, its original stated maturity date, being 15 September 2024; and
- (b) in relation to the Prepayable Facility Agreement, no later than the Issue Date.

“Regional Rail Service Contract” means the service contract dated 5 December 2019 granted by Ferrovie Emilia Romagna S.r.l. and pursuant to which TXT carries out the planning and operation of the supply of local rail public transport services in the Emilia Romagna Region as from 1 January 2020, as the same may be extended, replaced, superseded, renewed, amended or supplemented in accordance with its terms from time.

“Relevant Date” means whichever is the later of (A) the date on which a payment first becomes due and (B) if the full amount payable has not been received in by the Fiscal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect is given to the Noteholders and Couponholders in accordance with Condition 13 (*Notices*).

“Relevant Jurisdiction” means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax or such other tax jurisdiction to which the Issuer becomes subject at any time in place of the Republic of Italy.

“Relevant Period” means a 12-month period ending on a Determination Date, the first such period being the 12-month period ending 31 December 2024.

“Relevant Portion of the Step-in Value” means a *pro rata* share of the Step-in Value to be calculated as follows:

- (a) by adding the then outstanding principal amount of the Notes to the principal amount of any other Indebtedness of the Issuer which (a) provides for the funnelling of flows (*canalizzazione dei flussi*) represented by the Step-in Value upon occurrence of a Step-in

Event and (b) is not subordinated to the Notes (including, without limitation, the ISP Facility Agreement);

- (b) by dividing the then outstanding principal amount of the Notes by the sum thereby obtained; and
- (c) by multiplying the Step-in Value by the fraction thereby obtained.

“Security Interest” means any mortgage, charge, pledge, lien, other encumbrance or other form of security interest including, without limitation, anything substantially analogous to any of the foregoing under the laws of any jurisdiction.

“Service Contract Event” means at any time from the Issue Date up to (but excluding) the Maturity Date any of the following events:

- (a) TXT (i) ceases to operate, in whole or in part, the local rail public transport services in the Emilia Romagna Region as a consequence of the Regional Rail Service Contract being terminated, revoked or withdrawn prior to its stated maturity date or for any other reason or (ii) ceases, threatens to cease or announces that it shall cease to carry, in whole or in part, its business, save for the purposes of a Permitted Reorganisation; or
- (b) the Issuer ceases to hold, directly or indirectly, at least 20 per cent. of the share capital of TXT.

“Step-in Event” means at any time from the Issue Date up to (but excluding) the Maturity Date any of the following events:

- (a) TPB ceasing to operate the local public transportation services in the Bologna area (*bacino Bolognese*) as a consequence of both (i) the expiry of the Bologna Service Contract (expected to be 29 February 2028), subject to any extension thereof in accordance with its terms and applicable laws) or its termination, revocation or withdrawal prior to its stated maturity date and (ii) the final awarding of the concession operated by it pursuant to the Bologna Service Contract to an entity other than the Issuer, TPB and/or any consortium or analogous Person to which the Issuer is a party and in which it owns at least 75% of such Person, which allocates its activities among its members, and such entity commencing to operate the local public transportation services in the Bologna area;
- (b) TPF ceasing to operate the local public transportation services in the Ferrara area (*bacino di Ferrara*) as a consequence of both (i) the expiry of the Ferrara Service Contract (expected to be 31 December 2026), subject to any extension thereof in accordance with its terms and applicable laws) or its termination, revocation or withdrawal prior to its stated maturity date; and (ii) the final awarding of the concession operated by it pursuant to the Ferrara Service Contract to an entity other than the Issuer, TPF and/or any consortium or analogous Person to which the Issuer is a party and in which it owns at least 75% of such Person, which allocates its activities among its members, and such entity commencing to operate the local public transportation services in the Ferrara area, provided that at the time of occurrence of both the events under (i) and (ii) above the business operated by TPF accounts for more than 7% of the Consolidated EBITDA,

provided that, for the avoidance of doubt, the occurrence of the Permitted TPL Consolidation, subject to the same conditions set out in paragraph (c) of the definition of “Permitted Reorganisation”, will not constitute a Step-in Event.

“Step-in Value” means any amount due to any of the Issuer or TPB, as the case may be, in accordance with article 11(3)-(5) of the Bologna Service Contract, as well as with the relevant regulation from time to time applicable in connection with the Bologna Service Contract.

“**Step-in Value Payment Account**” means a bank account opened by the Issuer in accordance with, and subject to, Condition 5.6 (*Payment of Step-in Value*);

“**Subsidiary**” means, in respect of the Issuer at any particular time, any *società controllata*, as defined in Article 2359, first paragraph, No. 1 and No. 2 of the Italian Civil Code.

“**T2**” means the Trans-European Automated Real-time Gross settlement Express Transfer system (commonly known as TARGET or T2) or any successor or replacement system.

“**T2 Settlement Day**” means any day on which T2 is open for the settlement of payments in euro.

“**TPB**” means Trasporto Pubblico Bolognese – *società consortile a responsabilità limitata*.

“**TPF**” means Trasporto Pubblico Ferrarese – *società consortile a responsabilità limitata*.

“**TXT**” means Trenitalia TPER S.c.a.r.l., a consortium incorporated under the laws of Italy and registered at the Companies’ Registry of Bologna (registration number, tax code and VAT number 03553671201).

5. COVENANTS

5.1 Information covenants

For so long as any Notes remain outstanding, the Issuer will:

- (a) inform the Noteholders immediately by means of a notice given in accordance with Condition 13 (*Notices*) of the occurrence of any Event of Default or a Put Event;
- (b) no later than each Certification Date, deliver to the Fiscal Agent an electronic copy of the Issuer's consolidated annual financial statements translated into English. The Issuer shall ensure that each set of such financial statements is:
 - (i) audited by independent auditors; and
 - (ii) accompanied by a Compliance Certificate.

So long as any of the Notes remains outstanding, the Issuer shall make such audited consolidated financial statements and the accompanying Compliance Certificate for the Relevant Period available for inspection free of charge by any Noteholder on its website (www.tper.it), at its own registered office and at the specified office of the Fiscal Agent.

5.2 Financial covenants

So long as any Note remains outstanding, the Issuer shall ensure that, as of each Determination Date:

- (a) its Consolidated Net Financial Debt-Consolidated Shareholders' Equity Ratio is no more than 1.0 to 1.0; and
- (b) its Consolidated Net Financial Debt-Consolidated EBITDA Ratio is no more than 3.7 to 1.0.

So long as any Note remains outstanding, the financial ratios set out in this Condition 5.2 shall be tested as at each Determination Date following approval by the Issuer's board of directors (or equivalent body) of the Issuer's consolidated annual financial statements, so that the financial ratios will be tested once in each financial year based on the previous Relevant Period, as evidenced by the Compliance Certificate in relation to such Relevant Period delivered pursuant to Condition 5.1 (*Information covenants*) and for the first time in respect of the 12-month period ending 31 December 2024.

5.3 Listing

The Issuer shall, for so long as any Notes remain outstanding, use all reasonable endeavours to maintain a listing of the Notes on the regulated market of Euronext Dublin or another regulated market on a stock exchange in the European Economic Area *provided, however, that*, if it is

impracticable or unduly burdensome to maintain such admission, the Issuer shall use all reasonable endeavours to procure and maintain admission to trading of the Notes on a major securities market which is either a regulated market or a multilateral trading platform for the purposes of the Markets in Financial Instruments Directive 2014/65/EU situated or operating in the European Economic Area.

5.4 Accounting policies

The Issuer shall ensure that each set of financial statements delivered pursuant to Condition 5.1 (*Information covenants*) is prepared using accounting policies, practices and procedures consistent with those applied in the preparation of the immediately preceding annual financial statements of the Issuer unless, in relation to any such set of financial statements, the Issuer provides the Fiscal Agent, for inspection by the Noteholders, with:

- (a) a description of any material changes in accounting policies, practices and procedures; and
- (b) sufficient information to make an accurate comparison between such financial statements and the previous financial statements.

5.5 Refinancing of Refinancing Indebtedness

- (a) No later than the relevant Refinancing Indebtedness Refinancing Date, the Issuer shall repay in full the 2024 Notes and cancel and repay in full the Refinancing Indebtedness under the Prepayable Facility Agreement.
- (b) No later than 5 October 2024, the Issuer shall cancel the Existing Security Interests other than those in respect of the ISP Facility Agreement.

5.6 Payment of Step-in Value

Without prejudice to Condition 3.2 (*Preservation of Step-in Value*), upon the occurrence of a Step-in Event, the Issuer shall:

- (a) immediately open the Step-in Value Payment Account;
- (b) give (or procure the giving of) irrevocable instructions to the Person responsible for the payment of the Step-in Value to make all and any payment of the Relevant Portion of the Step-in Value directly into the Step-in Value Payment Account;
- (c) if such amount or any part thereof is paid into any other account, forthwith deposit (or procure the deposit of) such amount (or part thereof) in the Step-in Value Payment Account; and
- (d) ensure that all funds represented by the Relevant Portion of the Step-in Value in the Step-in Value Payment Account are:
 - (i) held on terms by which no such amounts may be withdrawn or transferred out of such account until the earlier of (A) the relevant Put Option Redemption Date and (B) the expiry of the Put Option Exercise Period in the event that no Put Option Notice has been sent; and
 - (ii) utilised to redeem the relevant Notes pursuant to Condition 8.3 (*Redemption at the option of the Noteholders*).

6. INTEREST

6.1 Interest rate and payment dates

The Notes bear interest on their principal amount outstanding from and including the Issue Date at the rate of 4.343 per cent. per annum, payable annually in arrear on each Interest Payment Date, subject as provided in Condition 7 (*Payments*). The first interest payment (representing a full year's interest) shall be made on 10 September 2025.

Interest in respect of any Note shall be calculated per Calculation Amount. The amount of interest payable per Calculation Amount for any Interest Period shall be equal to €43.43 per Calculation Amount.

6.2 Interest accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such events, it shall continue to bear interest at the rate specified in Condition 6.1 (*Interest rate and payment dates*) (both before and after judgment) until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note are received by or on behalf of the relevant Noteholder; and
- (b) the day falling seven calendar days after the Fiscal Agent has notified the Noteholders of receipt of all sums due in respect all Notes up to that seventh calendar day (except to the extent that there is any subsequent default in payment in accordance with these Conditions) in accordance with Condition 13 (*Notices*).

6.3 Calculation of broken interest

When interest is required to be calculated in respect of any Note for a period which is shorter than an Interest Period, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount.

For the purposes of this Condition 6.3, the “**Day Count Fraction**” means (a) the actual number of days in the period from and including the date from which interest begins to accrue (the “**Accrual Date**”) to but excluding the date on which it falls due, divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

7. PAYMENTS

7.1 Payments in respect of Notes

Payments of principal and interest in respect of each Note, Receipt or Coupon will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Notes or the appropriate Receipt or the appropriate Coupons (as the case may be) at the Specified Office of any Paying Agent by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with a bank in a city in which banks have access to T2. Payments of principal or interest due in respect of any Note other than on presentation and surrender of matured Receipts or Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Note.

7.2 Payments subject to applicable laws

All payments in respect of principal and interest on the Notes made in accordance with these Conditions shall be subject to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or (without prejudice to the provisions of Condition 9 (*Taxation*)) any law implementing an intergovernmental approach thereto (“**FATCA**”).

7.3 Surrender of unmatured Receipts and Coupons

Each Note should be presented for redemption together with all unmatured Receipts and Coupons relating to it, failing which the amount of any such missing unmatured Receipt and/or Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Receipt and/or Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender (or, in the case of part payment only, endorsement) of the relevant missing Receipt or Coupon at any time before the expiry of ten years after the Relevant Date in respect of the relevant Note (whether or not the relevant Receipt or Coupon would otherwise have become void pursuant to Condition 10 (*Prescription*) or, if later, five years after the date on which the relevant Receipt or Coupon would have become due, but not thereafter).

7.4 Payments on a Business Day

A Note, Receipt or Coupon may only be presented for payment on a day which is a Business Day in the place of presentation. If the due date for payment of any amount in respect of any Note, Receipt or Coupon is not a Business Day, the holder shall not be entitled to payment of the amount due until the next succeeding Business Day and no further interest or other payment will be made as a consequence of the day on which the relevant Note, Receipt or Coupon may be presented for payment under this Condition 7 (*Payments*) falling after the due date.

7.5 Paying Agents

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent, appoint additional or other Paying Agents and appoint a successor fiscal agent, provided it will at all times maintain:

- (a) a Fiscal Agent;
- (b) a Paying Agent having specified offices in a member State of the European Union other than the Relevant Jurisdiction; and
- (c) for so long as the Notes are listed on any stock exchange or admitted to trading by any relevant authority, a Paying Agent (which may be the Fiscal Agent) having its Specified Office in such place as may be required by applicable laws and regulations or the rules and regulations of the relevant stock exchange.

Notice of any change in the Paying Agents or their Specified Offices will promptly be given to the Noteholders in accordance with Condition 13 (*Notices*).

7.6 Partial payments

If a Paying Agent makes a partial payment in respect of any Note, Receipt or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

8. REDEMPTION AND PURCHASE

8.1 Redemption by amortisation and final redemption

Unless previously redeemed, or purchased and cancelled as provided below, the Notes will be redeemed by the Issuer on each amortisation date specified in column A below (each an “**Amortisation Date**”, with the final Amortisation Date being the Maturity Date) in an aggregate principal amount equal to the amount specified in column B below (each an “**Amortisation Amount**”), subject as provided in Condition 7 (*Payments*).

The principal aggregate amount outstanding of the Notes shall be reduced, *pro rata* with respect to each outstanding Note, by the Amortisation Amount for all purposes with effect from the relevant Amortisation Date such that the aggregate principal amount outstanding of the Notes following such

reduction shall be as specified in column C below, unless, upon due presentation of the relevant Note or Receipt, the payment of the relevant Amortisation Amount is improperly withheld or refused or unless default is otherwise made in respect of payment. In such events, Condition 6.2 (*Interest accrual*) will apply. For the avoidance of doubt, any Amortisation Amount indicated in the table below shall be reduced *pro rata* by any amount of the Notes which is redeemed in accordance with Condition 8.3 (*Redemption at the option of the Noteholders*) below.

(A)	(B)	(C)
Amortisation Date	Amortisation Amount	Resulting aggregate principal amount of outstanding Notes
10 September 2027	€33,300,000	€66,700,000
10 September 2028	€33,300,000	€33,400,000
10 September 2029	€33,400,000	Nil

In these Conditions, unless the context requires otherwise, references to:

- (a) "principal" are deemed to include any Amortisation Amount;
- (b) the "due date" for payment are deemed to include any Amortisation Date; and
- (c) the "principal amount outstanding" of a Note on any date shall be to its original principal amount less the aggregate of all principal payments made in respect of such Note in accordance with this Condition 8.1.

8.2 Redemption for taxation reasons

If:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 10 September 2024, on the next Interest Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 9 (*Taxation*); and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount outstanding together with interest accrued to but excluding the relevant date of redemption, *provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts, were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 8.2, the Issuer shall deliver to the Fiscal Agent to make available at its Specified Office to the Noteholders (i) a certificate signed by two Authorised Signatories of the Issuer stating the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change or amendment.

8.3 Redemption at the option of the Noteholders

If a Put Event occurs, then the Noteholders shall have the option (a "Put Option") within the Put Option Exercise Period to give to the Issuer through a Paying Agent a Put Option Notice requiring the

Issuer to redeem or purchase Notes held by such Noteholder on the Put Option Redemption Date. The Issuer will, on such Put Option Redemption Date, redeem or repurchase at their principal amount outstanding, all, but not part only, of the Notes which are the subject of the Put Option Notice, together with interest accrued and unpaid to but excluding the Put Option Redemption Date.

Promptly (and in any event within 45 calendar days) upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give a Put Event Notice to the Principal Paying Agent and to the Noteholders in accordance with Condition 13 (*Notices*). For so long as the Notes are listed on the regulated market of Euronext Dublin and the rules of such exchange so require, the Issuer shall also notify Euronext Dublin promptly of any Put Event. The Issuer shall redeem or purchase on the Put Option Redemption Date all of the Notes held by Noteholders that require the redemption at the price specified above. If any holder does not require early redemption during the Put Option Exercise Period, such holder shall be deemed to have waived its rights under this Condition 8.3 to require early redemption of all Notes held by such holder in respect of such Put Event but not in respect of any subsequent Put Event.

To exercise the Put Option, the holder of the Notes must deliver at the Specified Office of any Paying Agent, on any Business Day during the Put Option Exercise Period, a duly signed and completed Put Option Notice, specifying a bank account to which payment is to be made under this Condition 8.3 accompanied by such Notes or evidence satisfactory to the Paying Agent concerned that such Notes will, following the delivery of the Put Option Notice, be held to its order or under its control. Upon delivery of a Put Option Notice and up to and including the Put Option Redemption Date, no transfer of title to the Notes for which the Put Option has been delivered will be allowed. A Put Option Notice given by a holder of any Note shall be irrevocable except where, prior to the Put Option Redemption Date, an Event of Default has occurred and is continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Put Option Notice.

8.4 No other redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 8.1 (*Redemption by amortisation and final redemption*) to 8.3 (*Redemption at the option of the Noteholders*).

8.5 Purchases

The Issuer or any of its Subsidiaries may at any time purchase Notes in any manner and at any price, in the open market or otherwise, *provided that* all unmatured Receipts and Coupons appertaining to the Notes are purchased with such Notes). Where permitted by applicable laws and regulations, all Notes purchased pursuant to this Condition 8.5 may be cancelled or held, reissued or resold at the discretion of the relevant purchaser.

8.6 Cancellations

All Notes which are (i) purchased by the Issuer or any of its Subsidiaries and not held, reissued or resold to the extent permitted by applicable laws and regulations or (ii) redeemed and any unmatured Receipts and Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold. Any Notes so purchased, while held by or on behalf of the Issuer or any of its Subsidiaries, shall not entitle the holder to vote at any meeting of Noteholders in accordance with Condition 14.1 (*Meetings of Noteholders*) and the Agency Agreement. All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 8.5 (*Purchases*) and any unmatured Receipts and Coupons shall not be reissued or resold.

8.7 Final notices

Upon the expiry of any notice as is referred in Conditions 8.2 (*Redemption for taxation reasons*) and 8.3 (*Redemption at the option of the Noteholders*), the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such Conditions. If a notice of redemption is

given by the Issuer pursuant to these Conditions and a Noteholder delivers a Put Option Notice pursuant to Condition 8.3 (*Redemption at the option of the Noteholders*), the first in time of such notices shall prevail.

9. TAXATION

9.1 Payment without withholding

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed or levied by or on behalf of any Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders, the Receiptholders and Couponholders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, the Receipts or the Coupons in the absence of such withholding or deduction; except that no additional amounts shall be payable in respect of any Note, Receipt or Coupon:

- (a) presented for payment by, or by a third party on behalf of, the holder who is liable to such Taxes in respect of such Note, Receipt or Coupon by reason of it having some connection with the Relevant Jurisdiction other than a mere holding of the Note, the Receipt or the Coupon; or
- (b) presented for payment in the Relevant Jurisdiction; or
- (c) presented for payment by or on behalf of a holder of Notes, Receipts or Coupons who would have been able to avoid such withholding or deduction by making a declaration of residence, non-residence or other similar claim for an exemption; or
- (d) requested more than 30 days after the Relevant Date except to the extent that a holder of such Note, Receipt or Coupon would have been entitled to such additional amounts on presenting such payment Note, Receipt or Coupon for payment on the last day of the period of 30 days (assuming that day to have been a Business Day in accordance with Condition 7.4 (*Payments on a Business Day*)); or
- (e) in relation to any payment or deduction on principal, interest or other proceeds of any Note on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended or supplemented from time to time, or related implementing regulations (the “**Decree No. 239**”); or
- (f) in circumstances in which the formalities to obtain an exemption from *imposta sostitutiva* under Decree No. 239 have not been complied with, except where such formalities have not been complied with due to the actions or omissions of the Issuer or its agents; or
- (g) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts are paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian tax authorities; or
- (h) where such withholding or deduction is required to be made pursuant to FATCA if the withholding is imposed under those rules as a result of the failure by any person other than the Issuer to establish that they are able to receive payments free of such withholding.

9.2 Additional amounts

Any reference in these Conditions to any amounts of principal and interest in respect of the Notes, the Receipts and the Coupons shall be deemed also to refer to any additional amounts which may be payable under this Condition 9.

10. PRESCRIPTION

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 7 (*Payments*) within a period of ten years in the case of principal and five years in the case of interest from the date on which the relevant payment first becomes due, subject to provisions of Condition 7 (*Payments*).

11. REPLACEMENT OF NOTES, RECEIPTS AND COUPONS

If any Note, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the Specified Office of the Fiscal Agent, subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes, Receipts or Coupons must be surrendered before replacements will be issued.

12. EVENTS OF DEFAULT

If any of the following events occurs:

- (a) *Non-payment*: if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of five Business Days in the case of principal or seven Business Days in the case of interest; or
- (b) *Breach of other obligations*: if the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 calendar days following the service by any Noteholder, either to the Issuer or to the Specified Office of the Fiscal Agent, of written notice addressed to the Issuer requiring the same to be remedied; or
- (c) *Cross-acceleration*: if (i) any Indebtedness (other than Project Finance Indebtedness) of the Issuer or any of its Material Subsidiaries is declared (or is capable of being declared) to be due and repayable prior to its stated maturity by reason of any actual or potential event of default (however described); or (ii) the Issuer or any of its Material Subsidiaries fails to make any payment in respect of any Indebtedness (other than Project Finance Indebtedness) on the due date for payment as extended by any applicable grace period or any waiver previously granted to the Issuer or any of its Material Subsidiaries; or (iii) any security given by the Issuer or any of its Material Subsidiaries for any Indebtedness (other than Project Finance Indebtedness) becomes enforceable or is enforced; or (iv) default is made by the Issuer or any of its Material Subsidiaries in making any payment when due or (as the case may be) within any originally applicable grace period or any waiver previously granted to the Issuer or any of its Material Subsidiaries under any guarantee and/or indemnity given by it in relation to any Indebtedness (other than Project Finance Indebtedness), *provided that* the aggregate amount of the Indebtedness, guarantees and/or indemnities in respect of which one or more of the events mentioned in this paragraph (c) have occurred individually or in the aggregate equals or exceeds €5,000,000 (or its equivalent in any other currency or currencies); or
- (d) *Winding up, etc*: if an order is made by any competent court or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries save for the purposes of (a) a solvent reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by an Extraordinary Resolution of the Noteholders, or (b) or pursuant to a Permitted Reorganisation; or

- (e) *Cessation of business*: if the Issuer or any of its Material Subsidiaries ceases, threatens to cease or announces that it shall cease to carry on the whole or a substantial part of its business, save for the purposes of a Permitted Reorganisation and *provided that*, for the avoidance of doubt, the occurrence of a Step-in Event or a Service Contract Event shall not also give rise to an Event of Default pursuant to this paragraph; or
- (f) *Insolvency/Composition*: if the Issuer, any of its Material Subsidiaries or TXT:
 - (i) is or becomes insolvent or unable to pay its debts as they fall due; or
 - (ii) stops or suspends (or threatens to stop or suspend) payment of all or a part of, or admits in writing its inability to pay, its debts; or
 - (iii) becomes subject to any liquidation, insolvency, composition, reorganisation or other similar proceedings (including without limitation *amministrazione straordinaria, amministrazione straordinaria delle grandi imprese in stato di insolvenza, liquidazione coatta amministrativa*) or application is made for the appointment of an administrative or other receiver, administrator, liquidator or other similar official (and such application for any such appointment is not discharged within 45 calendar days) or an administrative or other receiver, administrator, liquidator or other similar official is appointed in relation to the Issuer, any of its Material Subsidiaries or TXT or, as the case may be, in relation to the whole or a substantial part of the business or assets of any of them; or
 - (iv) takes any action for a general readjustment or deferment of all of (or of a particular type of) its debts or proposes or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors or any class of its creditors; or
 - (v) declares or proposes a moratorium in respect of or affecting all or any part of its Indebtedness; or
- (g) *Enforcement proceedings*: if a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a substantial part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries and is not discharged or stayed within 45 calendar days; or
- (h) *Security enforced*: if any Security Interest created or assumed by the Issuer in respect of all or a substantial part of the undertaking, property, assets or revenues of the Issuer or any of its Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and such enforcement or any step taken to enforce it are not discharged or stayed within 60 calendar days; or
- (i) *Unsatisfied judgment*: if one or more judgment(s) or order(s) for the payment of any amount in excess of €5,000,000 (or its equivalent in other currencies), whether individually or in aggregate, is rendered against the Issuer or any of its Material Subsidiaries, becomes enforceable in a jurisdiction where the Issuer or any of its Subsidiaries are incorporated and continue(s) unsatisfied and unstayed for a period of 45 calendar days after the date(s) thereof or, if later, the date therein specified for payment; or
- (j) *Material litigation*: if any litigation, arbitration, administrative or regulatory proceeding or action or labour claim is commenced by or against the Issuer or any of its Subsidiaries or any of their respective assets which, if adversely determined, has or would be expected to have a Material Adverse Effect; or
- (k) *Analogous event*: if any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in this Condition,

then any Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further action or formality.

13. NOTICES

Notices to Noteholders will be valid if published in a reputable leading English language daily newspaper published in London with an international circulation (which is expected to be the *Financial Times*) and (so long as the Notes are listed on a securities market of Euronext Dublin and it is a requirement of applicable laws and regulations or the rules of Euronext Dublin) a leading newspaper having general circulation in the Republic of Ireland or on the website of Euronext Dublin (<https://live.euronext.com>) or, if such publication is not practicable, in a leading English language daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, the first date on which publication is made. Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition 13 (*Notices*).

14. MEETING OF NOTEHOLDERS, NOTEHOLDERS' REPRESENTATIVE; MODIFICATION

14.1 Meetings of Noteholders

Subject to compliance with mandatory provisions of Italian law and the Issuer's by-laws applicable from time to time, the Agency Agreement contains provisions for convening meetings of Noteholders to consider any matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, Receipts or Coupons.

All meetings of the Noteholders will be held in accordance with applicable provisions of Italian law in force at the time. The Issuer, through the Board of Directors and/or the Noteholders' Representative may convene a meeting of Noteholders at any time at their discretion and the Issuer and the Noteholders' Representative shall be obliged to do so upon request in writing of the Noteholders holding at least one-twentieth of the aggregate principal amount of the Notes for the time being outstanding. If the Issuer or the Noteholders' Representative defaults in convening such a meeting following such request or requisition by the Noteholders representing not less than one-twentieth of aggregate principal amount of the Notes outstanding, the statutory auditors (or analogous body or supervisory body) shall do so, or if they so default, the same may be convened by decision of the competent court upon request by such Noteholders in accordance with the provisions of Article 2367 of the Italian Civil Code.

A meeting of Noteholders will be validly held if (i) in case of a first meeting, there are one or more persons present that hold or represent holders of at least 60 per cent. of the aggregate principal amount of the outstanding Notes; (ii) in case of second meeting, there are one or more persons present that hold or represent holders of more than one third of the aggregate principal amount of the outstanding Notes; and (iii) in case of any further meeting (if provided by the Issuer's by-laws), there are one or more persons present that hold or represent holders of more than one third of the aggregate principal amount of the outstanding Notes, *provided, however, that* Italian law and/or the by-laws of the Issuer in force as at the Issue Date may require a different quorum and further provided that Italian law and/or the by-laws of the Issuer may from time to time (to the extent permitted under applicable Italian law) require a different quorum at any of the above meetings (also depending on the matter to be transacted at such meeting).

The majority required to pass an Extraordinary Resolution will be:

- (a) in case of a first meeting, one or more persons that hold or represent holders of at least 60 per cent. of the aggregate principal amount of the outstanding Notes;

- (b) in case of second meeting, one or more persons that hold or represent holders of at least two thirds of the aggregate principal amount of outstanding Notes represented at the meeting; and
- (c) in case of any further meeting (if provided by the Issuer's by-laws), one or more persons that hold or represent holders of at least two thirds of the aggregate principal amount of outstanding Notes represented at the meeting,

provided that certain proposals listed in the Agency Agreement (including without limitation modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons) may only be sanctioned by a resolution passed at a meeting of Noteholders with a majority of at least one-half of the aggregate principal amount of the outstanding Notes, also for adjourned meetings as provided under Article 2415 of the Italian Civil Code, unless a higher majority is required pursuant to Articles 2368 and 2369 of the Italian Civil Code and the Issuer's by-laws then in force.

It remains understood that in each case Italian law and/or the by-laws of the Issuer may from time to time (to the extent permitted under applicable Italian law) require a larger and/or different majority.

Officers and statutory auditors of the Issuer shall be entitled to attend the Noteholders' meetings but not vote with reference to the Notes held by the Issuer or its Subsidiaries. Any resolution duly passed at any such meeting shall be binding on all the Noteholders and on all Receiptholders and Couponholders, whether or not they are present at the meeting or voted in favour or against the resolution.

14.2 Noteholders' Representative

Pursuant to Articles 2415 and 2417 of the Italian Civil Code, a representative of the Noteholders (*rappresentante comune* or the "**Noteholders' Representative**") may be appointed, *inter alia*, to represent the interests of Noteholders, such appointment to be made by an Extraordinary Resolution or by an order of a competent court at the request of one or more Noteholders or of the directors of the Issuer. Each such Noteholders' Representative shall have the powers and duties set out in Article 2418 of the Italian Civil Code.

14.3 Modification

The Notes, the Receipts, the Coupons and these Conditions may be amended without the consent of the Noteholders, the Receiptholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is not materially prejudicial to the interests of the Noteholders. In addition, the parties to the Agency Agreement may agree, without the consent of the Noteholders, to modify any provision thereof in order to comply with mandatory laws, legislation, rules and regulations of the Republic of Italy and the Issuer's by-laws (to the extent permitted under applicable Italian law) in force from time to time applicable to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution.

15. ROUNDING

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions), all figures resulting from such calculations will be rounded, if necessary, to the nearest euro cent (with half a euro cent being rounded upwards).

16. FURTHER ISSUES

The Issuer may from time to time, create and issue further notes to be consolidated and form a single series with the Notes (the “**Further Notes**”) up to an aggregate nominal amount together with the Notes of €100,000,000 (the “**Maximum Issue Amount**”) without the consent of the Noteholders, provided that any issue of Further Notes in excess of the Maximum Issue Amount shall be subject to the Noteholders having provided their consent pursuant to an Extraordinary Resolution in accordance with the Agency Agreement. Any Further Notes issued shall have the same terms and conditions as those of the Notes in all respects (or in all respects except in relation to the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding Notes.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons are governed by, and construed in accordance with, English law. Condition 14 (*Meeting of Noteholders, Noteholders' Representative; Modification*) and the provisions of the Agency Agreement concerning the meetings of Noteholders are subject to compliance with mandatory provisions of Italian law.

18.2 Submission to jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Notes, the Receipts or the Coupons (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Condition 18.2 is for the benefit of each of the Noteholders, Receiptholders and Couponholders and shall not limit the right of any of them, to the extent this is allowed by law, to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

18.3 Agent for service of process

The Issuer irrevocably appoints Law Debenture Corporate Services Limited of 8th Floor, 100 Bishopsgate, London EC2N 4AG as its agent in England to receive service of process in any Proceedings in England based on any of the Notes, the Receipts or the Coupons. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment in accordance with Condition 13 (*Notices*). The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

The Temporary Global Note and the Permanent Global Note (each, a “**Global Note**”) contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the Terms and Conditions of the Notes. Beneficial interests in the Global Notes will be shown on the records maintained in book-entry form by the Clearing Systems (namely Euroclear and/or Clearstream, Luxembourg) and transfers of those interests will be effected only through the Clearing Systems.

The following is a summary of certain of those provisions:

Exchange for Permanent Global Note and definitive Notes

- (i) The Temporary Global Note will be exchangeable, in whole or in part, for the Permanent Global Note not earlier than 40 days after the Issue Date (the “**Exchange Date**”) upon certification as to non-U.S. beneficial ownership.
- (ii) The Permanent Global Note is exchangeable in whole, but not in part, for definitive bearer Notes in denominations of €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000 each, only if (a) it is held on behalf of Euroclear or Clearstream, Luxembourg, and any such Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so and no successor clearing system is available; or (b) an Event of Default (as defined in Condition 12 (*Events of Default*)) occurs.

The Issuer will promptly give notice to Noteholders if any such circumstances arise. Whenever a Permanent Global Note is to be exchanged for definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such definitive Notes, duly authenticated and with the relevant Receipts and Coupons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of such Permanent Global Note against the surrender of such Permanent Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

If:

- (i) definitive Notes have not been delivered by 5 p.m. (London time) on the forty-fifth day after the bearer has duly requested exchange of a Permanent Global Note for definitive Notes; or
- (ii) a Permanent Global Note (or any part of it) has become due and payable in accordance with the relevant terms and conditions or the date for final redemption of the relevant Bonds has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the relevant Permanent Global Note on the due date for payment,

then such Permanent Global Note (including the obligation to deliver definitive Notes) will become void at 5 p.m. (London time) on such thirtieth day (in the case of (i) above) or at 5 p.m. (London time) on such due date (in the case of (ii) above) and the bearer of such Permanent Global Note will have no further rights thereunder, but without prejudice to the rights which the bearer of such Permanent Global Note or others may have under a deed of covenant relating to the Notes dated 10 September 2024 (the “**Deed of Covenant**”) executed by the Issuer. Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to an interest in such Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before such Permanent Global Note became void, they had been the holders of definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or (as the case may be) Clearstream, Luxembourg.

Payments

No payment will be made on the Temporary Global Note on or after the Exchange Date unless exchange for an interest in the Permanent Global Note is improperly withheld or refused, *provided that*, in the case of an

improper withholding of, or refusal to exchange, an interest in the Permanent Global Note, a certificate of non-U.S. beneficial ownership has been properly provided.

Payments of principal and interest in respect of Notes represented by the Permanent Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of the Permanent Global Note to or to the order of any Paying Agent as shall have been notified to the Noteholders for such purpose, and may be made, at the direction of the holder of the Permanent Global Note, to the relevant Clearing Systems for credit to the account or accounts of the accountholder or accountholders appearing in the records of the relevant Clearing System as having Notes credited to them. The Issuer shall procure that a record of each payment made in respect of the Permanent Global Note shall be made by the relevant Clearing Systems.

Payments on Business Days

In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note, “business day” means any day on which T2 is open for settlement of payments in euro.

Notices

Notices shall be given as provided in Condition 13 (*Notices*), save that so long as the Notes are represented by the Temporary Global Note or Permanent Global Note and the Temporary Global Note or Permanent Global Note is held on behalf of a Clearing System, notices to Noteholders may be given by delivery of the relevant notice to the relevant Clearing System for communication to the relevant Accountholders (as defined below) rather than by publication as required by Condition 13 (*Notices*), *provided, however, that* so long as the Notes are admitted to trading on Euronext Dublin and the rules of Euronext Dublin so require, such notices will also be published in a leading newspaper having general circulation in the Republic of Ireland or be published on the website of Euronext Dublin (<https://live.euronext.com>). Any notice delivered to Euroclear and/or Clearstream, Luxembourg shall be deemed to have been given to Noteholders on the date on which such notice is delivered to the relevant Clearing System.

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through the applicable clearing system's operational procedures approved for this purpose and otherwise in such manner as the Fiscal Agent and the applicable clearing system approve for this purpose.

Purchase and Cancellation

Cancellation of any Note to be cancelled following its purchase by the Issuer will be effected by a reduction in the principal amount of the relevant Global Note.

Prescription

Claims against the Issuer in respect of principal, premium and interest on the Notes while the Notes are represented by the Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and 5 years (in the case of interest) from the date on which the payment first becomes due.

Put Option

The Noteholders' option in Condition 8.3 (*Redemption at the option of the Noteholders*) may be exercised by the holder of the Permanent Global Note giving notice to the Fiscal Agent in respect of the principal amount of Notes in respect of which the option is exercised within the time limits specified in Condition 8.3 (*Redemption at the Option of the Noteholders*).

Authentication and Effectuation

Neither the Temporary Global Note nor the Permanent Global Note shall become valid or enforceable for any purpose unless and until it has been authenticated by or on behalf of the Fiscal Agent and effectuated

by the entity appointed as Common Safekeeper by Euroclear and/or Clearstream, Luxembourg.

Accountholders

For so long as any of the Notes is represented by the Permanent Global Note or by the Permanent Global Note and Temporary Global Note and such Global Note(s) is/are held on behalf of the relevant Clearing Systems, each person (other than a relevant Clearing System which is an account holder of any other relevant Clearing System) who is, for the time, being shown in the records of a relevant Clearing System as the holder of a particular principal amount of Notes (each an “**Accountholder**”) (in which regard any certificate or other document issued by a relevant Clearing System as to the principal amount of such Notes standing to the account of any person shall, save in the case of a manifest error, be conclusive and binding for all purposes) shall be treated as the holder of that principal amount for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notice to the Issuer pursuant to Condition 8.3 (*Redemption at the option of the Noteholders*) or Condition 12 (*Events of Default*)) other than with respect to the payment of principal and interest on the Notes, the right to which shall be vested, as against the Issuer, solely in the bearer of the Permanent Global Note in accordance with and subject to its terms. Each Accountholder must look solely to the relevant Clearing Systems for its share of each payment made to the bearer of the Permanent Global Note.

New Global Note form and Eurosystem eligibility

The Notes are issued in new global note (“**NGN**”) form and intended to be held in a manner which will allow Eurosystem eligibility. See “*General Information – Eligibility of the Notes for Eurosystem Monetary Policy*” below.

USE OF PROCEEDS

The net proceeds of the issue of the Notes, which are estimated to be in the sum of €99,570,000, will be used by the Issuer for general corporate purposes, including, *inter alia*, (i) to fund investments in accordance with the Group's investment plan for an amount at least equal to €25,000,000 and (ii) to refinance the Refinancing Indebtedness.

SELECTED FINANCIAL INFORMATION

The following tables contain consolidated statement of financial position and consolidated income statement information of the Issuer as at and for the years ended on 31 December 2023 and 2022, derived from the Issuer's audited consolidated financial statements as at and for the year ended on 31 December 2023.

Copies of the above-mentioned annual financial statements of the Issuer are incorporated by reference in this Prospectus, as set forth under "Incorporation by Reference" above, and are available for inspection by Noteholders, as described in "General Information - Documents on Display".

TPER S.P.A.

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2023	2022
<i>(thousands of Euro)</i>		
Assets		
Non-Current Assets		
Intangible assets	12,952	16,277
Tangible assets	193,261	183,133
Assets for rights of use	9,362	8,861
Non-current financial assets	38,283	35,290
Equity investments	24,151	17,274
Deferred tax assets	3,453	2,823
Total Non-Current Assets	281,462	263,658
Current Assets		
Inventories	25,416	24,659
Trade and other receivables	64,270	64,016
Cash and cash equivalents	70,497	60,387
Financial assets	11,415	6,908
Assets for income taxes	-	2,543
Other current assets	17,272	24,339
Total Current Assets	188,870	182,852
Total Assets	470,332	446,510

TPER S.P.A.

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2023	2022
<i>(thousands of Euro)</i>		
Liabilities and shareholders' equity		
Shareholder's Equity		
Capital issued	68,493	68,493
Treasury shares	(189)	(189)
Reserves and profits carried forward	102,338	101,327
Profit/(Loss) for the year	8,582	1,524
Group shareholders' equity	179,224	171,155
Capital and reserves attributable to non-controlling interests	3,139	3,073
Profit for the year attributable to non-controlling interests	(102)	81
Shareholders' equity attributable to Minority interests	3,037	3,154
Total Shareholders' Equity	182,261	174,309
Non-current liabilities		
Trade liabilities	1,242	1,556
Funds for provisions		
<i>Provisions for employee benefits</i>	<i>12,334</i>	<i>13,520</i>
<i>Other provisions</i>	<i>38,471</i>	<i>33,668</i>
Total Funds for provisions	50,805	47,188
Non-current financial liabilities		
<i>Bond loans</i>	<i>0</i>	<i>31,429</i>
<i>Medium/long-term loans</i>	<i>24,232</i>	<i>25</i>
<i>Other non-current financial liabilities</i>	<i>392</i>	<i>1,459</i>
Total Non-current financial liabilities	24,624	32,913
Liabilities for leased assets	5,893	4,572
Other non-current liabilities	17,811	23,469
Total non-current liabilities	100,375	109,698
Current liabilities		
Trade liabilities	58,872	66,706
Current portion of funds for provisions		
<i>Provisions for employee benefits</i>	<i>833</i>	<i>1,072</i>
<i>Other provisions</i>	<i>5,007</i>	<i>5,020</i>
Total Current portion of funds for provisions	5,840	6,092
Current financial liabilities		
<i>Current portion of bond loans</i>	<i>31,779</i>	<i>32,053</i>
<i>Current portion of medium/long-term loans</i>	<i>1,935</i>	<i>21</i>
<i>Short-term loans</i>	<i>27,018</i>	<i>0</i>
<i>Other current financial liabilities</i>	<i>0</i>	<i>0</i>
Total Current financial liabilities	60,732	32,074
Current portion of liabilities for leased assets	3,747	3,318
Current income tax liabilities	254	0
Other current liabilities	58,251	54,313
Total current liabilities	187,696	162,503
Total Shareholders' Equity and Liabilities	470,332	446,510

TPER S.P.A.
AUDITED CONSOLIDATED INCOME STATEMENT

	As at 31 December	
	2023	2022
<i>(thousands of Euro)</i>		
Revenue		
LPT line services	207,991	186,160
Railway line services	27,549	28,223
Parking and car sharing	2,256	2,062
Other revenues	56,230	73,989
Total revenues	294,026	290,434
Costs		
Personnel costs	107,752	106,902
Costs for services	92,293	92,431
Costs for materials	48,045	54,699
Use of third-party assets	4,553	2,952
Other operating costs	5,093	5,941
Amortisation/depreciation	20,064	21,137
Write-downs/(reversals) of impairment losses	4,889	2,840
Change in funds for provisions	5,993	1,653
Total costs	288,682	288,556
OPERATING RESULT	5,344	1,878
Financial income	3,851	2,496
Financial charges	7,461	2,496
FINANCIAL INCOME/(CHARGES)	(3,610)	(0)
Share of profit/(loss) on equity investments accounted for using the equity method	7,162	(357)
PROFIT FROM OPERATING ACTIVITIES BEFORE TAXES	8,896	1,521
Tax income/(charges)	(416)	84
PROFIT/(LOSS) FOR THE YEAR	8,480	1,605
of which:		
Profit/(loss) for the year attributable to the Group	8,582	1,524
Profit/(loss) attributable to minority interests	(102)	81

DESCRIPTION OF THE ISSUER

TPER S.p.A. (“**TPER**” or the “**Issuer**”) is a joint stock company limited by shares (*società per azioni*) incorporated on 1 February 2012 in the Republic of Italy and operates in accordance with the laws of the Republic of Italy. Its registered office and principal place of business is at Via di Saliceto 3, 40128 Bologna, Italy and it is registered with the Companies' Register of Bologna under fiscal code 03182161202 and VAT number 03182161202. TPER may be contacted by telephone on +39 051 350123 and by e-mail at tperspa@legalmail.it.

In accordance with its by-laws, the duration of TPER is until 31 December 2050, subject to extension.

The corporate objects of TPER, as provided by Article 4 of its by-laws, are: the exercise, directly and/or through investee companies or entities, of the activities related to the organisation and management of systems for the transport of people and/or goods by any means and, in particular, by rail, bus lines, tramways, cable-cars, means of navigation and any other vehicles, as well as bus hire with drivers and the hire of railway rolling stock.

Within the specific context of the construction of the Regional Railway Service of Competence, TPER is aware that in the strategic planning of its activities, the issues relating to passenger transport in connection with the metropolitan railway service, and to freight transport in the territories in which it carries out its activities and which have this orientation, are of key importance.

TPER, directly and/or through investee companies or entities, may also manage all other activities that are complementary or similar to those that constitute the corporate purpose, including activities relating to the design and construction of infrastructure (transport and refuelling systems), the maintenance and renovation of means of transport, railway rolling stock and systems.

TPER may carry out activities that are similar or complementary to the main purpose and in particular: (i) the surveillance of the lanes and stops reserved for public transport; (ii) the development of projects and supervision of works and infrastructure to be implemented on their own behalf or commissioned to/from third parties; (iii) consulting, assistance and services in the field of transport; (iv) organisation and management of traffic-related services such as on-road parking, car removal, parking lots, traffic lights, road signs, access and transit control systems; (v) construction and management of systems and maintenance and repair services; (vi) organisation and management of training activities for the dissemination and application of scientific, technological, management and organisational knowledge in fields of its interest; and (vii) organisation of tourist and travel agency services.

In order to achieve the corporate purpose as well as to better manage its resources, especially financial resources, TPER may also carry out, incidentally and not predominantly, all commercial, industrial, movable and real estate transactions that are appropriate and necessary for this purpose, including the provision of sureties, endorsements and any guarantee in general, both personal and collateral, including in favour of third parties; it may also establish or acquire, either directly or indirectly, interests or equity investments in other companies or businesses having a purpose that is the same or similar or connected or instrumental to its own, without prejudice to the mandatory competence of the Shareholders' Meeting in the cases provided for by Article 2361 of the Italian Civil Code.

As at 31 December 2023, TPER had a share capital of Euro 68,492,702 divided into 68,492,702 ordinary shares having a nominal value of Euro 1.00 each. Since 31 December 2023, there have been no changes to the Issuer's share capital. TPER's shares are not listed on any regulated market. For further information on TPER's shareholders, see “*Corporate Governance – Shareholders*” below.

TPER, through its subsidiaries, joint ventures and other investee companies (collectively, the “**Group**”), operates mainly in the sector of local public transport of passengers and freight in the Emilia-Romagna Region and companies which supply ancillary services.

In particular, the Group operates the local road public transport in the areas of Bologna and Ferrara, the railway local public transport in the Emilia-Romagna Region through a joint venture with Trenitalia S.p.A. and,

since May 2014, sharing mobility services in the Municipality of Bologna, Ferrara and Imola. In addition, the Issuer, directly and indirectly, holds equity interests in the entities managing bus transport in the provinces of Modena, Reggio Emilia, Piacenza, Forlì-Cesena, Ravenna and Rimini (for further information, see “*Business of the Group*”, below).

History

TPER is the entity resulting from the merger, which became effective on 1 February 2012, between (i) ATC Trasporti S.p.A. (“**ATC Trasporti**”), which was created through a partial proportional demerger of the transport business unit of Azienda Trasporti Consorziali di Bologna S.p.A. (a company operating public transport in the areas of Bologna and Ferrara (“**ATC**”)), and (ii) Fer Trasporti S.r.l. (“**Fer Trasporti**”), which was created through a partial proportional demerger of the transport business unit of Ferrovie Emilia Romagna S.r.l. (“**FER**”).

ATC was incorporated on 1 January 1975 as a consequence of the merger between the companies operating public transport in the district of Bologna. In 2001, it was transformed into a joint stock company.

On 14 April 2009, ATC merged with Azienda Consorziale Ferrarese Trasporti S.p.A., a joint stock company that, in temporary association of enterprises (*associazione temporanea di imprese*) with other companies operating in the same sector, was awarded with the management of local public transport in the area of Ferrara until 31 December 2010.

Following the merger between ATC Trasporti and Fer Trasporti, ATC continued to manage parking services and car and bike sharing services in the Municipality of Bologna until 5 May 2014, when such services were awarded to the Issuer. On 30 June 2014, ATC shareholders’ meeting resolved upon the voluntary liquidation of the company.

FER is the entity resulting from the merger, effective in 2001, of four railway companies under government administrative management (*Gestione commissariale governativa*), namely Ferrovia Bologna-Portomaggiore, Ferrovie Padane, Ferrovie Venete and Ferrovia Suzzara-Ferrara. In 2003, the railway business unit of ATC was transferred to FER and in the 2008–2009 period, the Region’s project for the unification of all of the regional railway companies was completed with the transfer to FER of the railway business units of, respectively, ATCM Modena and ACT Reggio Emilia and the transfer of the railway infrastructure managed by ATC.

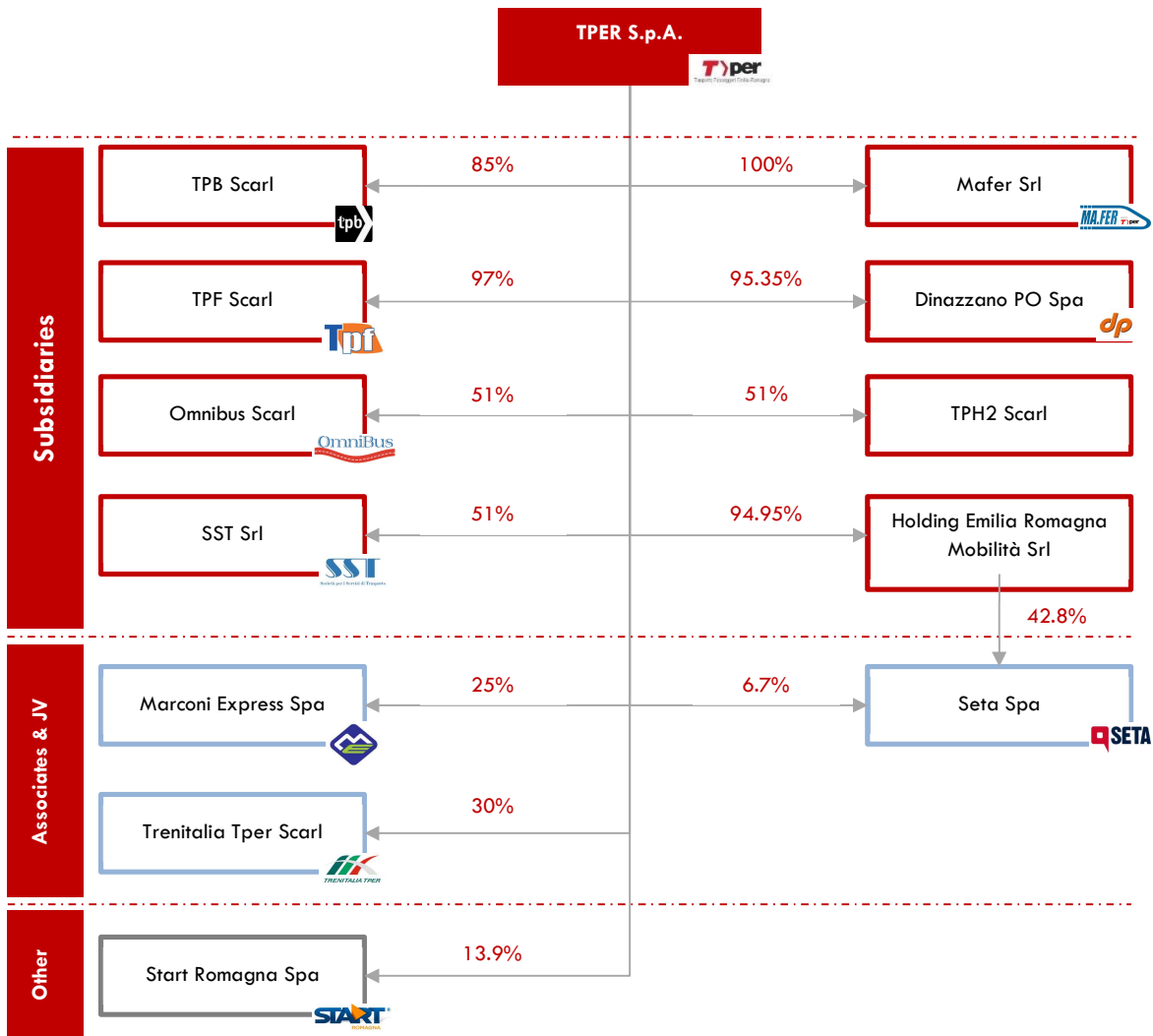
In 2010, FER’s shareholders resolved upon the demerger of FER into two companies: the first, Fer Trasporti, managing local public transport (which was merged with ATC Trasporti in 2012) and the second managing railway infrastructure.

As at the date of this Prospectus, FER is a limited liability company entirely owned by the Emilia-Romagna Region that manages the regional railway network.

The Group

The Issuer holds equity interests in thirteen companies, eight of which are fully consolidated subsidiaries and five of which are affiliate companies.

The following diagram sets forth the structure of the Group as at the date of this Prospectus.



Strategy

The main strategic objective of the Group is to be the preferred choice for sustainable and accessible public transportation, enhancing mobility and connectivity within the community and providing safe, reliable, and environmentally friendly transportation services that meet the diverse needs of passengers while contributing to the overall well-being and vitality of the region.

To this end, the Group has identified the following goals and strategies.



GOALS

Enhance Service Quality

Continuously improve the quality and reliability of public transportation services to meet or exceed passenger expectations.

Increase Ridership

Expand the reach and accessibility of public transportation services to attract new riders and increase overall ridership levels.

Promote Sustainability

Reduce environmental impact and promote sustainable transportation practices through the adoption of clean energy technologies and eco-friendly initiatives.

Foster Innovation

Embrace innovation and technology advancements to enhance operational efficiency, customer experience, and service delivery.

Strengthen Community Engagement

Foster strong partnerships and engage with stakeholders to address community needs, enhance service responsiveness, and build trust and confidence in the public transportation system.



STRATEGIES

- Invest in fleet modernisation to introduce newer, more energy-efficient vehicles with enhanced amenities and accessibility features.
- Upgrade infrastructure and facilities to improve passenger comfort, safety, and convenience.

- Develop targeted marketing campaigns to raise awareness of public transportation services and highlight key benefits, such as affordability, convenience, and environmental sustainability
- Offer promotional fares, discounts, and incentives to attract new riders and encourage mode shift from private vehicles to public transit.

- Transition to cleaner energy sources and alternative fuels, such as electric or hydrogen-powered vehicles, to reduce greenhouse gas emissions and environmental impact.
- Implement eco-friendly practices, such as recycling programs, energy efficiency, and paperless ticketing options.

- Organise community events, outreach programs, and educational initiatives to promote public transportation usage and civic engagement.
- Invest in data analytics, A.I. and predictive modelling tools to optimise service planning, resource allocation, and decision-making processes.

- Establish collaborative partnerships with local governments, transit agencies, businesses and community organizations to align service priorities, leverage resources, and address shared transportation challenges.
- Organise community events, outreach programs, and educational initiatives to promote public transportation usage and civic engagement.

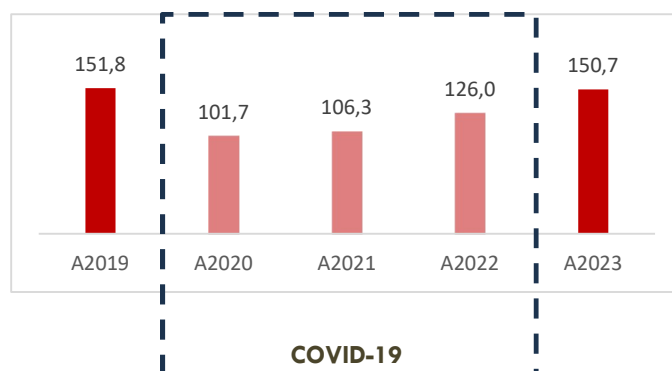
For further information, see also “ – Investments” below.

Strengths

Resilient Demand

Public transportation volumes in the Emilia-Romagna Region have grown in the past years until 2020, due to the Issuer’s continuous focus on quality and new services that cope with favourable demographic evolution and economic growth of reference area, which is above national average. After the sharp phase of Covid-19 pandemic, the number of passengers recovered slightly from 2020 volumes as shown in the graph below.

Millions of Passengers



In particular, in 2023 an increase of passengers of 19.6% has been recorded compared to 2022 approaching the level of 2019.

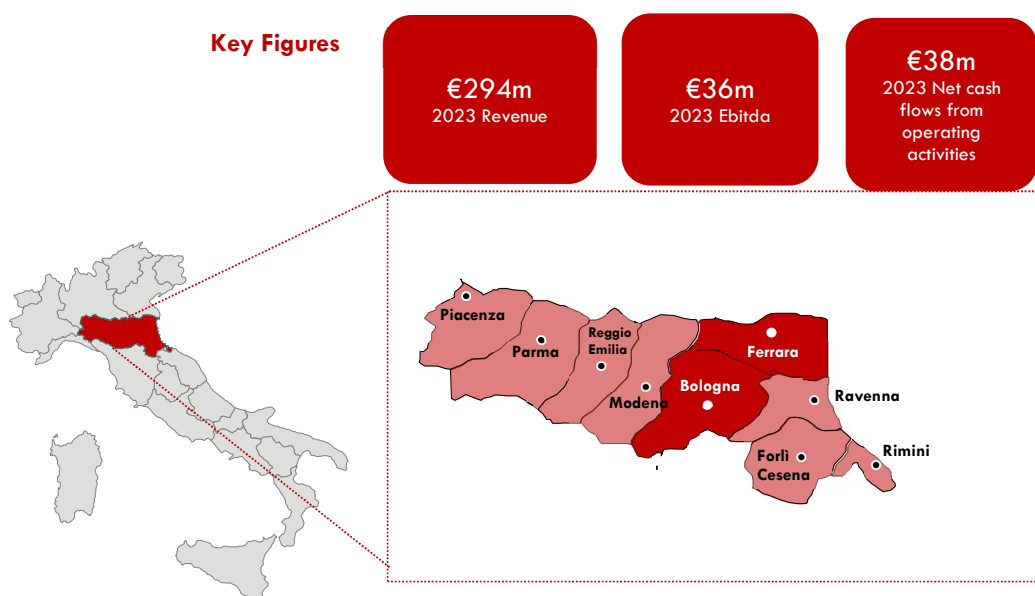
Over time, the Issuer has proven its ability to implement ticket price increases while preserving volume and increasing the quality perceived by its customers.

Geographical area of operation

TPER is the largest company operating in the transport sector in the Emilia-Romagna Region and one of the leading Italian companies in the public transport sector by revenue¹. The Group operates in one of the wealthiest areas of Italy and, in particular, the Bologna city area is one of the significant transportation hubs in North-Central Italy.

The Group has an extensive bus network with 324 bus lines in the provinces of Bologna and Ferrara (approximately 6,335 square kilometres where approximately 1.4 million residents are concentrated).

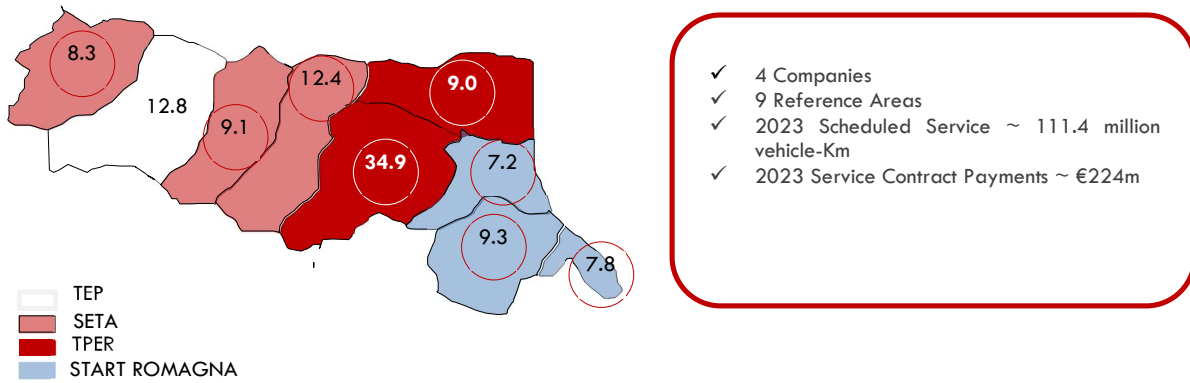
The chart below shows the area in which the Issuer operates.



¹ Source: TPER's elaboration based on publicly available data.

The chart below shows a breakdown of the assignment of transport service contracts in the Emilia Romagna Region by reference to the company holding the contract.²

Minimum services - Million vehicle-km



Ticket Trends

TPER and its subsidiaries currently receive funding from public contributions, revenues from ticket sales, service contract fees, vehicle passes, the issuance of parking cards and revenues arising out of related commercial activities, such as revenues deriving from the posting of third parties' advertisements on vehicles.

Since the main Group's service contracts are on a net-cost basis and public contributions have steadily declined over the years, TPER has increased its commercial efforts to increase revenue contribution from ticket sales in order to couple with reduced funding from public authorities.

Despite tariff adjustments in 2011 and 2013 (based on inflation trends), the improvement was due mainly to: (i) the increase in the number of tickets sold, (ii) the retention of clients (higher increase of monthly and annual passes) and (iii) a specific program launched by the Issuer to increase revenues from tickets by reducing non-paying passengers.

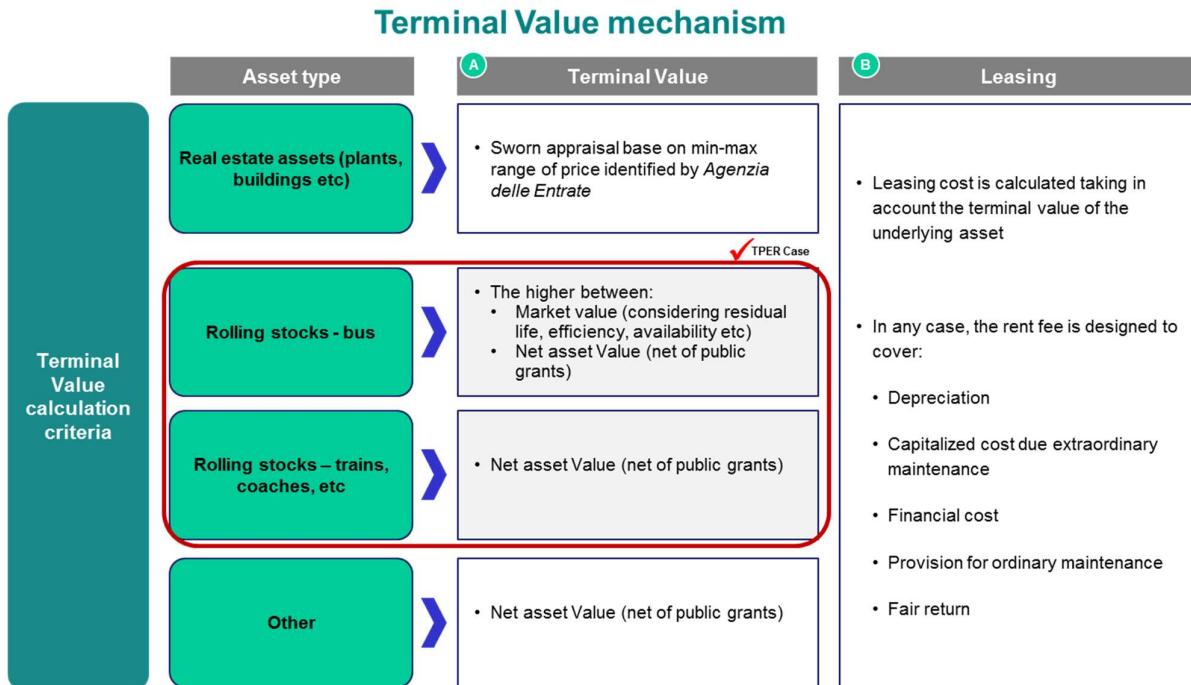
In this context, the contribution of travel ticket revenues, equal to Euro 70,475 thousand, accounted for 24.0% of TPER's total revenues in 2023.

Strong regulatory framework

The terminal value mechanism in place provides the Issuer with the possibility of cashing in the residual value of its investments.

² Source: Transport Annual Monitoring Report – Emilia Romagna.

The calculation criteria of the terminal value mechanism are substantially those summarised below as envisaged in the ART Resolution 154/2019 (for further information, see also “Regulatory Framework” below):



Business of the Group

Overview

TPER is an integrated mobility provider putting the highest sustainability standards at the centre. It operates, through subsidiaries, joint ventures and other investee companies, as the case may be, primarily in:

- the **road transport sector** (i) in the area of Bologna through TPB S.c.a r.l. (“**TPB**”) and Omnibus Soc. Cons. a r.l. (“**Omnibus**”) and (ii) in the area of Ferrara through Trasporto Pubblico Ferrarese – Società Consortile a responsabilità limitata (“**TPF**”) and Società per i Servizi di Trasporto S.r.l. The Issuer also holds, directly and indirectly, an equity interest in Seta S.p.A. (a company providing bus transport services in the provinces of Modena, Reggio Emilia and Piacenza) and Start Romagna S.p.A., a company that provides transport services in the Romagna area (“**Start**”);
- the **railway transport sector** in the Emilia-Romagna Region through (i) Trenitalia TPER Soc. Consortile a r.l. (“**Trenitalia TPER**”), a company jointly controlled by TPER and Trenitalia S.p.A. that operates the local train transport of passengers and (ii) Dinazzano PO S.p.A. (“**Dinazzano**”), a company that provides freight railway transport services and railway services for freight transport and manages shunting activities and integrated transport terminals;
- the **sharing mobility sector**, offering free-flowing car and scooter-sharing services with a fleet of exclusively electric vehicles, in the municipalities of Bologna, Ferrara and Imola through the Issuer;
- the **maintenance sector** through MA.FER S.r.l., a company that operates the ordinary, extraordinary and scheduled maintenance activities on railway rolling stocks and vehicles;
- the **infrastructure sector** in the Municipality of Bologna through, *inter alia*, Marconi Express S.p.A., a company incorporated for the purpose of the construction and management of the rapid mass link between Marconi Airport and the Municipality of Bologna; and

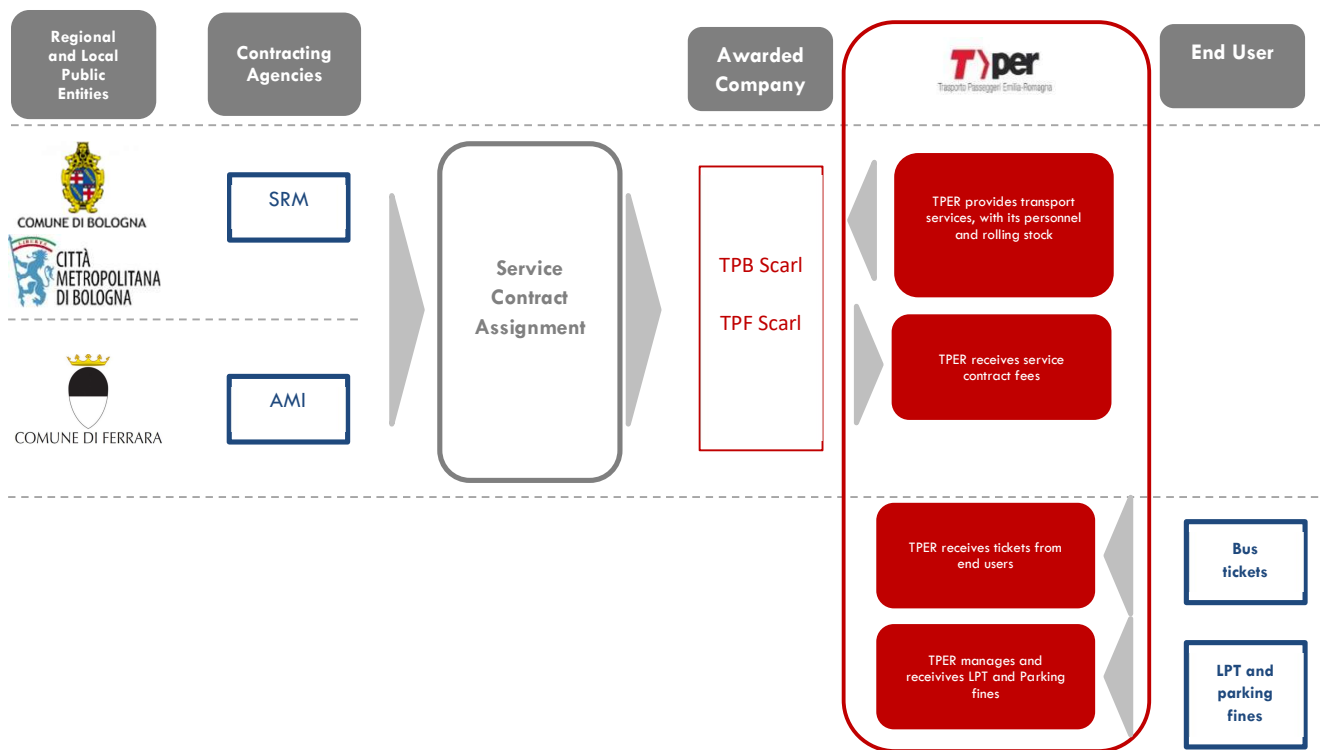
- the **demand responsive transportation services**, through Società per i Servizi di Trasporto S.r.l., that manages school transport services, transport in general and mobility services in the Bologna and Ferrara areas.

How TPER Group works

The Group operates with an industrial approach according to market rules as defined by the regional Italian legislation for the sector and as required by the company’s founding shareholders. It is structured with an organisation that stems from specific needs for the performance and development of services and the choice to operate through industrial agreements with private and public partners, geared towards the development of mobility.

Road transport sector

The Group operates in both urban and extra-urban road transport. The structure of the road transport is summarised in the chart below.



The Group operates in a catchment area of approximately 6,337 square kilometres across the areas of Bologna and Ferrara where approximately 1.3 million residents are concentrated. As at 31 December 2023, the Group’s bus network consisted of 1,192 buses covering over 4,427 kilometres (of which 561 kilometres constitute the urban network). In particular, the Group’s fleet is made up of 516 buses fuelled with diesel, 436 buses fuelled with natural gas, 83 hybrid buses, 102 electric buses and 68 trolley buses, the average life of which is 10.7 years.

In 2023, approximately 150.7 million passengers were served, compared to approximately 126 million in 2022, up by 19.6% and almost completely recovering the gap from the 2019 data.

The table below shows a breakdown of the passengers served for the years ended 31 December 2023 and 2022.³

³ Source: TPER’s elaboration based on internal data.

Passenger numbers	Years ended 31 December	
	2023	2022
Bologna:		
- Urban service	112,285,720	93,455,698
- Bus service to airport	257,722	169,870
- Sub urban / Extra urban service	22,911,575	19,883,527
- Special / reserved services	67,067	68,064
Total of Bologna Area	135,522,084	113,577,159
Ferrara:		
- Urban service	10,684,446	8,614,770
- Sub urban service	4,496,859	3,762,294
Total of Ferrara Area	15,181,305	12,377,064

The table below shows a breakdown of the kilometres travelled for the years ended 31 December 2023 and 2022.⁴

Kilometres travelled	Years ended 31 December	
	2023	2022
Bologna:		
Urban service	17,671,170	17,541,772
Municipalities services	684,529	688,846
Sub urban / Extra urban service	17,040,864	17,627,756
Special / reserved services and rentals	90,002	88,373
Total of Bologna Area	35,486,565	35,946,747
Ferrara:		
Urban service	2,469,674	2,526,279
Extra-urban service	6,424,681	6,560,489
Special / reserved services and rentals	1,017	1,241
Total of Ferrara Area	8,895,372	9,088,009

Road transport – Bologna area

The Group operates 117 lines in the urban area of Bologna consisting of 87 urban lines, 18 sub urban lines, 139 extra-urban lines, of which 12 lines are with a taxibus call service. In 2023, 135.5 million passengers were transported in the Bologna area.

Companies operating in the sector

As at the date of this Prospectus, road transport in the area of Bologna is managed through TPB and Omnibus.

TPB S.c.a r.l.

TPB is a consortium company with limited liability (*società consortile a responsabilità limitata*) incorporated in 2011 under the laws of the Republic of Italy following the public tender for the management of public transport in the area of Bologna. TPB is subject to direction and coordination of the Issuer and has its registered office at Via di Saliceto 3, 40128 Bologna, Italy and is registered with the Companies' Register of Bologna under number 03090291208, fiscal code and VAT number 03090291208.

⁴ Source: TPER's elaboration based on internal data.

TPB is 85% owned by TPER, 10% owned by Omnibus, while the remaining 5% is held by Autoguidovie S.p.A. Autoguidovie S.p.A. is a private capital entity that operates, directly and/or indirectly, in local public transport.

Its corporate purpose comprises local public transport and all related activities in the area of Bologna, where TPB manages, pursuant to the Bologna Service Contract (as defined in “*The Bologna Service Contract*” below), urban and inter-urban road transport, allocating activities among the consortium members.

As reported in the standalone financial statements of the company prepared in accordance with the Italian GAAP, in 2023 TPB recorded operating revenues of Euro 102,645,842 and a profit for the year of Euro 208.

Omnibus Società Consortile a r.l.

Omnibus is a consortium company with limited liability (*società consortile a responsabilità limitata*) incorporated under the laws of the Republic of Italy, having its registered office at Via di Saliceto 3, 40128 Bologna, Italy. Omnibus is registered with the Companies’ Register of Bologna under number 01901501203, fiscal code and VAT number 01901501203.

It is 51% held by TPER, 17% held by each of Cosepuri S.c.p.a. and Saca Società Consortile a r.l., while the remaining 15% is owned by CO.E.R.BUS Società Consortile a r.l. (“**CO.E.R.BUS**”). CO.E.R.BUS is a private capital entity that operates, *inter alia*, the local public transport service.

The corporate purpose of Omnibus is the management transport and mobility services in general, in the interest of its consortium members.

As reported in the standalone financial statements of the company prepared in accordance with the Italian GAAP, in 2023, Omnibus recorded operating revenues of Euro 29,054,202 and a profit for the year of Euro 1,379.

The Bologna Service Contract

TPB has managed bus public transport in the province of Bologna since 4 March 2011 pursuant to a service contract entered into with SRM – Reti e Mobilità S.p.A. (now SRM – Reti e Mobilità S.r.l.) (“**SRM**”), a company 61.63% held by the Municipality of Bologna and 38.37% held by the Metropolitan City of Bologna in its capacity as contracting authority (the “**Bologna Service Contract**”). TPB acts in the interest and on behalf of the consortium members by using their facilities in carrying out its activities.

The Bologna Service Contract operates on a “net costs” basis, meaning that the operator bears both the industrial operating and commercial risks, and also benefits from revenues from ticket sales and receives a fee to cover production costs from the awarding authority.

According to Article 3 of the Bologna Service Contract, the concession period is six years starting from the effective date of the Bologna Service Contract (i.e., 1 March 2011). However, following TPB’s request submitted pursuant to Article 3 paragraph 2 of the Bologna Service Contract, with a letter dated 28 February 2017, SRM authorised a three-year-extension of the maturity date of the Bologna Service Contract up to 29 February 2020. On 14 November 2019, SRM sent to, among others, TPB a notice of extension of the entrustment under the Bologna Service Contract until 31 August 2024.

On 25 November 2022 TPB requested SRM to extend the Bologna Service Contract until 31 December 2026. Following this request by decision of the Municipal Council of Bologna No. DC/PRO/2024/41 of 6 May 2024 and the Council of the Metropolitan City of Bologna decision No. 15 of 24 April 2024, the Municipality of Bologna authorised SRM to extend the term of the Bologna Service Contract until 29 February 2028. Consequently, an extension agreement to the Bologna Service Contract was entered into on 2 August 2024 between, inter alios, SRM, TPER and TPB with validity until 29 February 2028.

On 4 March 2011, TPB and SRM entered into an agreement for the lease of the going concern regarding management of the facilities and infrastructure networks relating to public transport services (the “**Bologna Lease Agreement**”). On 4 March 2011, following SRM’s authorisation, TPB assigned to TPER (at that time, ATC) the Bologna Lease Agreement pursuant to Article 1406 of the Italian Civil Code.

On expiration of the term of the Bologna Service Contract, TPB is expected to continue to operate on the same terms and conditions applicable at that time until a new incoming operator steps in.

The Bologna Service Contract – Main terms

(a) Main obligations

Pursuant to the Bologna Service Contract, TPB must, *inter alia*:

- (i) provide public transport services with no interruptions or suspensions (save for interruptions or suspensions caused by force majeure events, natural disasters or public authority's orders due to public order, safety and health reasons) in accordance with annual planning and inform the customers of any change thereto;
- (ii) bear the costs of maintenance and repair works in order to ensure the perfect state of the assets necessary for the supply of the service, including without limitation, infrastructure networks, plants, depots and validation devices;
- (iii) ensure the quality of the public transport services by implementing monitoring activities, promoting a customer survey and elaborating an improvement plan;
- (iv) comply with the relevant obligations to the customers as specified in the applicable EU regulation, Italian laws, regional law and implementing rules and elaborate a public transport services charter (*Carta dei servizi*);
- (v) ensure the presence of qualified personnel in a number appropriate to ensure the provision of the service and bear the related costs, as well as regularly promote personnel training;
- (vi) ensure that the service is provided with an adequate number and type of means of transport subject to regular maintenance works in accordance with maintenance planning and replacement on a regular basis;
- (vii) comply in full with the obligations deriving from the Bologna Lease Agreement.

(b) Remuneration

The Bologna Service Contract is a "net-cost" contract, meaning that TPB must bear both the risk of profitability of the performance of the public transport services and of the sale of the tickets as well as all the industrial risks which are connected to TPB's activity (for further information, see "*Regulatory Framework*" below).

The remuneration for the supply of public transport services derives from:

- (i) revenues deriving from ticket sale. The fares applicable to public transport services are the ones provided under the schedules and the regulations indicated in tender documentation. Pursuant to Article 12-*bis* of the Bologna Service Contract, an increase of the fares is envisaged subject to SRM's authorisation upon the achievement of specific service quality targets;
- (ii) any other revenues deriving from the performance of the activities connected to the Bologna Lease Agreement; and
- (iii) the consideration paid by SRM:
 - as remuneration for the provision of the minimum services (*servizi minimi*), SRM pays to TPB a fixed amount per year (to be adjusted according to inflation and other available funds, as provided for regional transfers) plus VAT, 95% of which is payable by SRM in monthly instalments upon transfer of the relevant Region's contributions; the remaining 5% is paid annually upon satisfaction of certain conditions related to the periodic audit regarding the public transport services;

- as remuneration for the provision of the additional services (*servizi aggiuntivi*) which have been regulated by an *ad hoc* agreement (*contratto integrativo*) entered into on 15 May 2013 between TPB and SRM, SRM pays a fixed amount per year plus VAT for the additional services so-called T-Days.

(c) Penalties, sanctions and bonus

TPB may be required by SRM to pay penalties and sanctions in the case of delays or a breach of the obligations arising from the Bologna Service Contract.

Pursuant to Article 21 of the Bologna Service Contract, in case of achievement of specific targets listed in the Bologna Service Contract, SRM grants a bonus to TPB.

(d) Sub-contract

Pursuant to Article 20 of the Bologna Service Contract, TPB must request in writing SRM's authorisation to any sub-concession to be granted subject to verification of compliance with applicable laws, including without limitation, laws on public contracts and the presence of titles and licenses as road passengers transport operators in accordance with Regional Law No. 30/1998.

The sub-concession contract is expected to provide for all of the obligations related to the performance of transport services as provided under the Bologna Service Contract, with particular reference to the regulations for safety, quality standards, information obligations and fare system.

Additionally in the case of sub-concession, TPB has joint and several liability with the sub-concessionaire with respect to the obligations under the Bologna Service Contract.

The termination for any reason of the Bologna Service Contract causes the automatic termination of any sub-concession agreement, without any responsibility or obligation of SRM with respect to any possible claims of the sub-concessionaire.

(e) Assets regime under the provisions of the Bologna Service Contract and the Bologna Lease Agreement

TPB has the right to use the essential assets for the performance of the public transport services, including those to be acquired at any title from the previous operator, as indicated in the original public tender documentation.

According to Article 11.3 of the Bologna Service Contract, at the expiration of the Bologna Service Contract or in the case of early termination, TPB has to assign in favour of the incoming operator, the assets which SRM recognised as "essential assets" and acquired with public funds during the exercise of public transport services. Terms and conditions of the transfer of the above mentioned assets are regulated in preliminary agreements to be executed at least 12 months prior to the expiration of the Bologna Service Contract.

In addition, the incoming operator has the right to exercise an option in order to purchase the assets not considered as "essential assets" and acquired by TPB during the performance of the Bologna Service Contract.

Article 8.2 of the Bologna Lease Agreement provides the commitment of TPB to transfer to SRM, at the expiration of the contract or in the case of early termination, the title of the assets acquired by TPB during the performance of the contract and considered as assets of the going concern as per SRM's authorisation. The value of those assets are taken into account for the purposes of the calculation of the stock of inventory and the value of the going concern.

Pursuant to Article 8.3 of the Bologna Lease Agreement, the parties are expected to calculate the final value of the business unit on the expiration date. If the final value exceeds the initial value of the business unit, SRM must pay compensation to TPB equal to the difference between the two values

within 90 days of the date of return of the assets. On the contrary, if the final value is lower than the initial value, TPB must pay compensation to SRM.

(f) Personnel

Personnel are to be procured by TPB and, upon termination of the Bologna Service Contract, are transferred to the incoming contractor.

(g) Termination of the Bologna Service Contract

Expiration of the Bologna Service Contract at its stated maturity date

Upon expiration of the Bologna Service Contract, TPB must continue to operate the public transport services until the succession by the new incoming contractor selected through tender procedures. Should the continuation of the service proceed for more than one year after the expiration of the Bologna Service Contract, or the termination of its effectiveness, TPB and SRM must agree to make the amendments to the Bologna Service Contract that they deem necessary.

Upon termination of the Bologna Service Contract, TPB is not entitled to receive a compensation payment (*indennizzo*) from SRM.

Early termination due to TPB

The Bologna Service Contract:

- (i) is terminated *ipso iure* and the deposit guarantee is enforced, *inter alia*, in the event of: (a) cessation or unjustified suspension of the service for a period longer than 24 hours; (b) non-compliance with mandatory law provisions and regulations; (c) TPB being subject to bankruptcy or any other insolvency/winding-up proceedings; (d) TPB no longer meeting the moral, technical and financial standing criteria required by applicable laws; (e) application of penalties by SRM of more than Euro 4,000,000 per year; and
- (ii) may be terminated by SRM due to TPB's fault in cases of serious breaches of its contractual obligations,

provided that, in each case under (i) and (ii) above, TPB is expected to not be entitled to receive a compensation payment (*indennizzo*) by SRM and must compensate SRM for the damages and the major costs incurred for the re-award of the service.

Early termination due to lack of regional contributions

If contributions from the Region and other entities do not allow SRM to pay the consideration due to TPB, SRM may terminate the Bologna Service Contract and revoke the award with no additional costs, obligations and liabilities.

Revocation of the award

Pursuant to Article 24 of Bologna Service Contract, SRM may revoke the award with a reasoned notice and the Bologna Service Contract is terminated *ipso iure, inter alia*: (a) if, following amendments to the planning instrument, public needs no longer exist; (b) if needs of public interest, on the basis of which the act has been issued, no longer exist or new and prevailing needs of public interest have arisen; (c) if the transport service is inadequate for the supervening customers' needs; and (d) in all of the other cases provided by the Bologna Service Contract and the applicable legislation.

In such cases, SRM must pay compensation (*indennizzo*) to TPB to be determined by SRM and which in any event will not exceed Euro 4,000,000.

Road transport – Ferrara

The Group operates 80 lines in the area of Ferrara consisting of 21 urban lines, 44 extraurban lines and 15 taxibus lines and in 2023 15.2 million passengers were transported in the Ferrara area.

Companies operating in the sector

As at the date of this Prospectus, road transport in the area of Ferrara is managed through TPF and Società per i Servizi di Trasporto S.r.l.

Trasporto Pubblico Ferrarese – Società Consortile a responsabilità limitata

TPF is a consortium company with limited liability (*società consortile a responsabilità limitata*) incorporated in 2006 under the laws of the Republic of Italy following the completion of the public tender for the management of public transport in the area of Ferrara. TPF is subject to direction and coordination of the Issuer and has its registered office at Via Stefano Trenti 35, 44122 Ferrara, Italy and is registered with the Companies' Register of Ferrara under number 01680680384, fiscal code and VAT number 01680680384.

TPF is 97% owned by TPER, while the remaining 3% is held by FE.M. Soc. Consortile a r.l. ("**FEM**"), which is a private capital entity that operates, *inter alia*, the local public transport service.

Its corporate purpose comprises local public transport services and all related activities in the area of Ferrara, where TPF operates, pursuant to a service contract, urban and inter-urban road transport, allocating the activities among the consortium members.

As reported in the standalone financial statements of the company prepared in accordance with the Italian GAAP, in 2023 TPF recorded operating revenues of Euro 22,369,690 and a profit for the year of Euro 360.

The Ferrara Service Contract and the relevant sub-contract

TPF manages bus public transport in the area of Ferrara and school transport service in certain Municipalities within the district of Ferrara pursuant to a service contract dated 27 January 2006 entered into with Agenzia Mobilità Impianti Ferrara S.r.l., in its capacity as contracting authority ("**AMI**"). As of 1 January 2009, this agreement became a net-cost agreement, meaning that TPF must bear both the risk of profitability of the performance of public transport services and of the sale of the tickets as well as all of the industrial risks which are connected to TPF's activity (for further information, see "*Regulatory Framework*", below).

The expiry date of the service contract was originally set at 31 December 2010. However, on 13 December 2010, AMI passed a resolution for the extension of the expiry date to 31 December 2013, which was documented in a service contract dated 1 January 2011 (the "**Ferrara Service Contract**").

Upon expiry of the Ferrara Service Contract on 31 December 2013, TPF continued to operate the road transport service in a *prorogatio* regime until April 2014, when AMI resolved to extend the maturity date of the agreement for the year 2014. In May 2015, the expiration deadline of the Ferrara Service Contract was further extended to 31 December 2019 or another date compatible with the public tender procedures, with the aim of adjusting such date to the maturity date of the Bologna Service Contract, *i.e.* February 2020.

Since 2006, TPF has entrusted certain transport activities to FEM in accordance with the provisions of a service contract entered into with AMI. With a sub-service contract entered into on 28 April 2016, TPF has entrusted the minimum and additional services of public local scheduled transport (*servizio pubblico locale di linea*) in the area of Ferrara until 31 December 2019.

On 28 November 2019, the AMI shareholders' meeting approved the extension of the Ferrara Service Contract until 16 December 2023, with Resolution No. 8/2019.

On 25 November 2022 TPF requested AMI to extend the Ferrara Service Contract until 31 December 2026. On 18 December 2023 TPF and AMI signed an agreement pursuant to which the duration of the Ferrara Service Contract has been extended until 31 December 2026.

FEM's consideration for the service provided is paid by TPF, subject to the payment of the sums owed to it under the Ferrara Service Contract.

The marketing and sale of tickets and the management of the sale network are operated by TPER, which also collects the revenues arising from ticket sales.

The Ferrara Service Contract – Main terms

(a) Main obligations

Pursuant to the Ferrara Service Contract, TPF must, *inter alia*:

- (i) provide public transport service with no interruptions or suspensions (save for interruptions or suspensions caused by force majeure events, natural disasters or public authority's orders due to public order, safety and health reasons) in accordance with annual planning and inform the customers of any change thereto;
- (ii) bear the costs of maintenance and repair works in order to ensure the perfect state of the assets necessary for the supply of the service, including without limitation, infrastructure networks, plants, depots and validation devices;
- (iii) prepare on an annual basis the public transport service charter (*Carta dei servizi*);
- (iv) ensure compliance with the minimum standard quality in accordance with the Region and AMI's targets, implement monitoring activities and regularly assess the levels of customer satisfaction;
- (v) ensure the presence of qualified personnel in a number appropriate to ensure the provision of the service and bear the related costs, as well as regularly promote personnel training; and
- (vi) ensure that the service is provided with an adequate number and type of means of transport subject to regular maintenance works in accordance with maintenance planning and replacement on a regular basis.

(b) Remuneration

TPF remuneration for the supply of public transport services derives from:

- (i) tariff revenues arising from the sale of tickets (which are collected by TPER (for further information, see "*The Ferrara Service Contract and the relevant sub-contract*" above)); and
- (ii) the consideration paid by AMI:
 - as remuneration for the provision of minimum services (*servizi minimi*) and the taxibus call service, AMI pays to TPF a fixed amount per year (to be adjusted according to inflation and other available funds, as provided for regional transfers) plus VAT, 95% of which is payable by AMI in monthly instalments upon transfer of the relevant Region's contributions; the remaining 5% is paid annually upon satisfaction of certain conditions;
 - upon satisfaction of certain parameters in terms of customer satisfaction, fare-dodging prevention and the number of passengers served by the call service per year, TPF is entitled to an additional consideration equal to 1% of the fixed amount referred to above, 95% of which is payable in half-yearly instalments; the remaining 5% is paid annually upon satisfaction of certain conditions; and
 - as consideration for the school transport service, AMI transfers to TPF the sums owed to it under the agreements entered into with the relevant Municipalities.

(c) Penalties, sanctions and bonuses

TPF may be required by AMI to pay penalties and sanctions in the case of delay or a breach of the obligations arising from the Ferrara Service Contract.

The maximum amount of penalties in any reference year of the Ferrara Service Contract cannot exceed 8% of the annual consideration due to TPF.

Upon repeating the above delays or breaches, AMI may suspend the remuneration payment, revoke the award and terminate the Ferrara Service Contract, as well as enforce the deposit guarantee.

In the case of achievement of specific targets of quality of public transport services, AMI grants a bonus to TPF.

(d) Sub-contract

Subject to AMI's prior authorisation, the Ferrara Service Contract allows TPF to entrust the management of road transport service to subcontractors authorised as road passengers transport operators pursuant to Ministerial Decree No. 448/1991 and to holders (either individuals or entities) of permits for car hire with driver service in accordance with Regional Law No. 30/1998.

The sub-contractor so selected must enter into a sub-service contract with TPF whereby it assumes all of the obligations undertaken by TPF pursuant to the Ferrara Service Contract, provided however that TPF must remain the holder of the road transport service and must retain all of the undertakings and obligations arising under the Ferrara Service Contract. TPF must pay the consideration due to the subcontractor so selected and must provide AMI with proof of payment thereof.

The service sub-agreement must expire upon termination of the Ferrara Service Contract.

(e) Assets regime

Pursuant to an agreement (*contratto di concessione in uso*) entered into with AMI, TPF is entitled to use the assets which are instrumental for the supply of the service, to be returned to AMI upon termination of the Ferrara Service Contract.

Personnel and means of transport are procured by TPF. Upon termination of the Ferrara Service Contract, personnel hired and the means of transport owned by TPF are expected to be handed over to the incoming contractor.

For this purpose, pursuant to Article 17 of the Ferrara Service Contract, TPF is expected to provide, within six months prior to the expiry date or the early termination of the Ferrara Service Contract, a list indicating the vehicles to be transferred to the incoming operator.

(f) Termination of the Ferrara Service Contract

Expiration of the Ferrara Service Contract at its stated maturity date

Upon expiration of the Ferrara Service Contract, TPF must continue to operate the road transport service until the succession by the new incoming contractor selected through tender procedures, for a maximum period of twelve months, pursuant to Article 3, paragraph 3, of the Ferrara Service Contract.

Upon termination of the Ferrara Service Contract, TPF is not entitled to receive a compensation payment (*indennizzo*) from AMI.

Early termination due to TPF

Pursuant to Article 23, the Ferrara Service Contract:

- (i) is terminated *ipso iure* and the deposit guarantee is enforced, *inter alia*, in the event of: (a) cessation or unjustified suspension of the service; (b) serious and unjustified irregularities in the supply of the service or repeated or permanent irregularities that prejudice the regular and safe supply of the service; (c) non-compliance with mandatory law provisions and regulations; (d) TPF being subject to bankruptcy or any other insolvency/winding-up proceedings; (e) TPF no longer meeting the moral, technical and financial standing criteria required by applicable laws; (f) enforcement, whether in whole or in part, of the guarantee deposit, in the event that it is not restored within thirty days; or (g) serious breaches, in the context of the performance of the supervisory activities, of the dispositions issued by the competent entity; and

- (ii) may be terminated by AMI due to TPF's fault in cases of serious breaches of its contractual obligations,

provided that, in each case under (i) and (ii) above, TPF must not be entitled to receive a compensation payment (*indennizzo*) and must compensate AMI for the damages and the major costs incurred for the re-award of the service.

Early termination due to lack of regional contributions

If contributions from the Region and other entities do not allow AMI to pay the consideration due to TPF, AMI may terminate the Ferrara Service Contract and revoke the award with no additional costs, obligations and liabilities.

Revocation of the award

AMI may revoke the award with a reasoned notice and the Ferrara Service Contract is terminated *ipso iure, inter alia*: (a) if, following amendments to the planning instrument, public needs no longer exist; (b) if needs of public interest, on the basis of which the act has been issued, no longer exist or new and prevailing needs of public interest have arisen; (c) if the transport service is inadequate to the supervening customers' needs; and (d) in all of the other cases provided by the Ferrara Service Contract and the applicable legislation.

In such cases, AMI pays compensation (*indennizzo*) to TPF to be determined by AIM and which in any event will not exceed 4% of the annual consideration due to TPF.

Road transport – West-Emilia area and Romagna area

As at the date of this Prospectus, TPER holds, directly and indirectly, equity interests in the entities managing local transport in other areas of the Emilia-Romagna Region.

In particular, it directly holds 6.7% of the share capital of Seta S.p.A. ("**Seta**"), a company resulting from the aggregation of the companies managing public transport in Modena, Reggio Emilia and Piacenza and operating, *inter alia*, the urban and extra-urban bus transport in such provinces, as well as the maintenance of buses. On 28 December 2022 the Reggio Emilia Mobility Agency (*Agenzia per la mobilità*) and on 30 December the Mobility Agency of Modena and Piacenza, notified the extension of their respective service contracts with Seta until 31 December 2026.

In addition, TPER holds 42.841% of the share capital of Seta through Holding Emilia Romagna Mobilità S.r.l. ("**Herm**"), a limited liability company (*società a responsabilità limitata*) incorporated under the laws of the Republic of Italy, having its registered office at Via di Saliceto 3, 40128 Bologna, Italy and registered with the Companies' Register of Bologna under number 02935001202, fiscal code and VAT number 02935001202.

Herm is 94.95% held by TPER, while the remaining 5.05% is held by Nuova Mobilità Soc. Consortile a r.l.

TPER also holds a 13.9% equity interest in Start, which manages transport services in the Romagna area pursuant to the terms of service contracts whose expiration date, originally set at December 2013, has been extended several times, lastly to 31 December 2026 for the Forlì-Cesena, Ravenna and Rimini areas, pursuant to extension agreements entered into in 2023.

Railway transport sector

The Group operates in the railway transport and management through (i) Trenitalia TPER and (ii) Dinazzano.

The Group's rail fleet consists of 14 electric trains, and two diesel trains. The average life of trains owned by TPER is nine years.

The rail service is also managed using new technologies that favour sustainability. Since 2017, seven new ETR 350 (from the new series) have been in service, in addition to the 19 ETR 350 (including seven from the new series) already in service. Each ETR has around 270 seats but can carry a total of around 600 passengers. The service improvements made to the 14 new ETR trains include an additional toilet on board. The ETR trains

were purchased in advance of the expiries set forth in the contract linked to the regional railway service tender precisely to guarantee in advance new trains with positive impacts on service quality as well as in terms of emissions.

Companies operating in the sector

Trenitalia TPER Soc. Consortile a r.l.

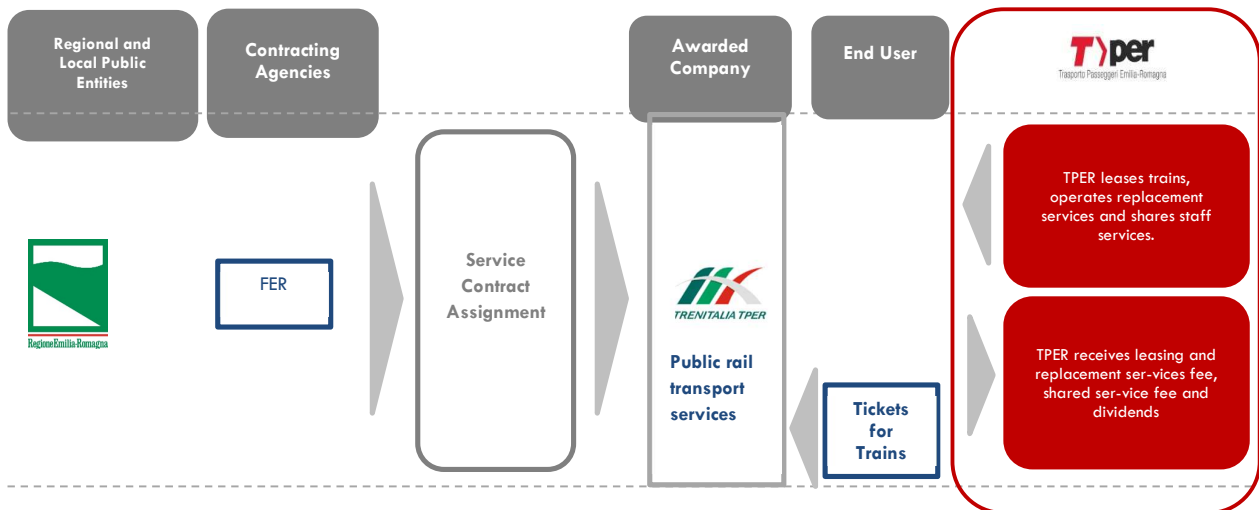
The Group operates the railway transport of passengers through Trenitalia TPER, a consortium company with limited liability (*società consortile a responsabilità limitata*) incorporated under the laws of the Republic of Italy, 70% held by Trenitalia S.p.A. and 30% held by TPER which jointly control Trenitalia TPER by virtue of a shareholders agreement entered into on 11 December 2017. Trenitalia TPER has its registered office at Via del Lazzaretto 16, 40131 Bologna, Italy and it is registered with the Companies’ Register of Bologna under number 03553671201, fiscal code and VAT number 03553671201.

Trenitalia TPER operates the transport of passengers in the national and regional railways of the Emilia-Romagna Region, allocating the activities awarded to it between the consortium members. In particular, the Issuer leases trains, operates replacement services and shares staff services, receiving leasing and replacement services fee, shared service fee and dividends. In particular, the Issuer leases approximately 19 trains per year to Trenitalia TPER and provides the following services:

- purchases for substitute autoservices, computer equipment and phone equipment;
- video surveillance;
- legal support in relation to public tenders, privacy, transparency and anti-bribery, 231 model and supervisory body, litigation, legal issues on civil and administrative law;
- human resources support;
- service activities in the area of administration, finance and management control;
- commercial support activities; and
- IT support activities.

These activities, in 2023 accounted for 3.2% of the Group’s revenues.

The chart below summaries how TPER operates through Trenitalia TPER.



Dinazzano

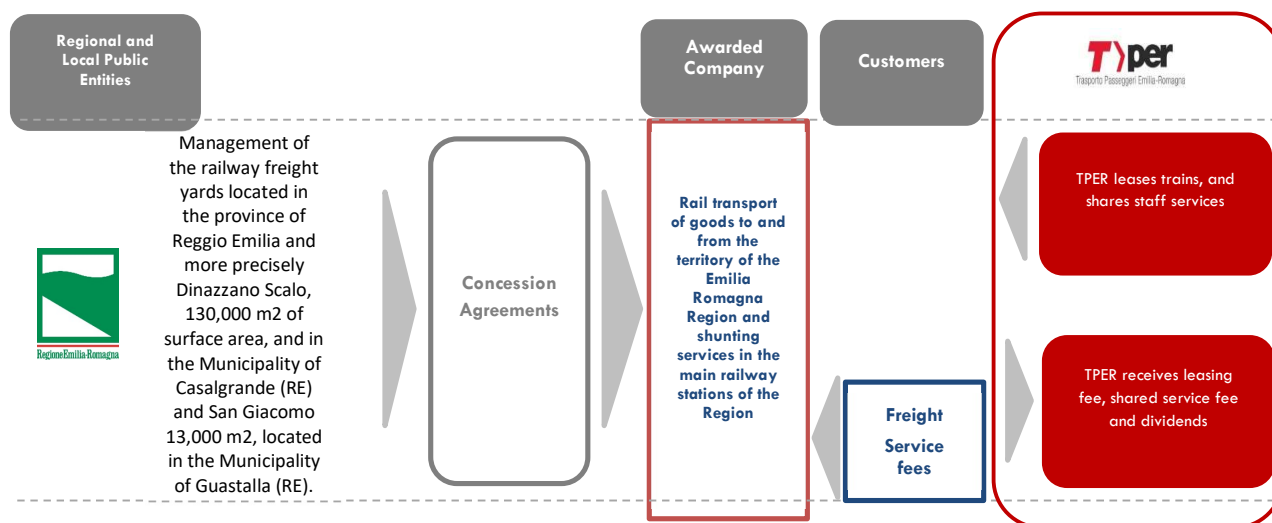
Dinazzano is a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office at Piazza Guglielmo Marconi, 11 Reggio nell'Emilia, Italy and it is registered with the Companies' Register of Reggio Emilia under number 02000240354, fiscal code and VAT number 02000240354.

Dinazzano is 95.35% held by TPER, while the remaining part is held by Azienda Consorziale Trasporti (Reggio Emilia), the Ravenna Port Authority and Porto Intermodale di Ravenna S.p.A., each of which holds a 1.55% equity interest.

Dinazzano operates in the railway lines in the Emilia-Romagna Region, in the sector of intermodal terminals management, handling intermodal units and in general the logistics of freight leaving and arriving at railway stations.

As reported in the standalone financial statements of the company prepared in accordance with the Italian GAAP, in 2023 Dinazzano recorded operating revenues of Euro 24,849 thousand and a loss for the year of Euro 3,445 thousand.

The chart below summaries how TPER operates through Dinazzano.



Sharing mobility sector

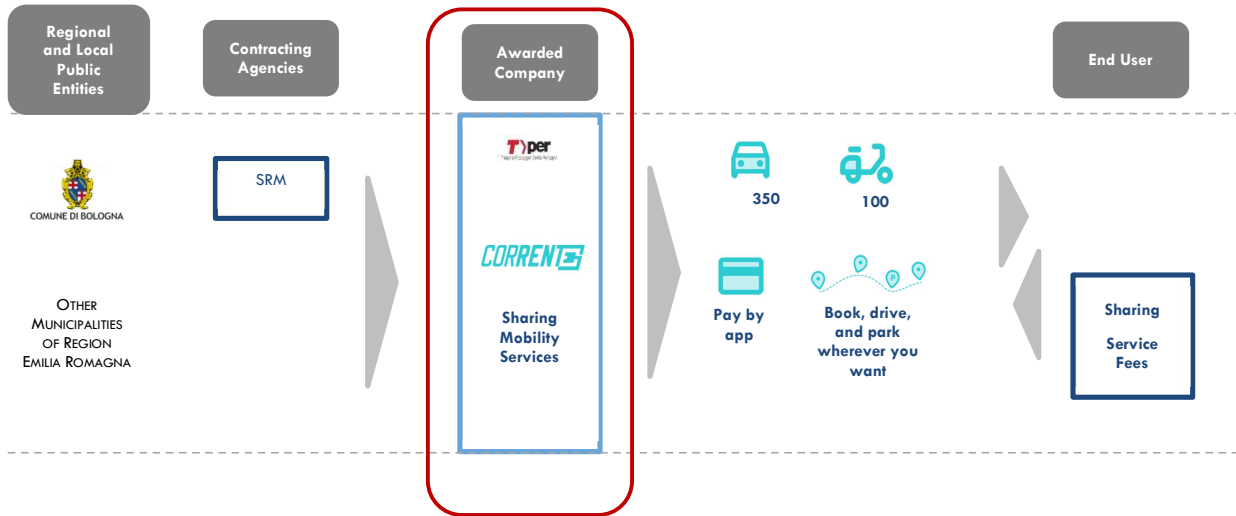
Since 5 May 2014, following the completion of a tender procedure held by the Municipality of Bologna, TPER has operated road parking and parking facilities services, the car-sharing service, the vehicle passes service and the management of passes for occasional access to the historic city centre in accordance with the terms of a service contract entered into with the Municipality of Bologna.

In 2021 TPER divested the car and bike parking service to a new awarding operator.

As at the date of this Prospectus, TPER manages only the sharing mobility services (car and scooter), in accordance with the terms of a service contract originally entered into between SRM and Omnibus and subsequently transferred to TPER pursuant to an agreement entered into between TPER, SRM and Omnibus on 21 November 2023 with retroactive effect since 1 January 2023.

For the financial year ended 31 December 2023, revenues arising from sharing mobility accounted for 0.8% of the Group's revenues.

The chart below summaries how TPER operates in the sharing mobility sector.



Car sharing

The growing awareness of traffic congestion problems and environmental issues has led to the development of efficient, comfortable and fast solutions, such as the car sharing service.

TPER manages such service in the context of the “*Io Guido*” consortium, making available 60 vehicles to customers, 93% of which are hybrid vehicles or vehicles powered with methane or GPL. In order to access the service, users must register and log-in on the Issuer’s website or on the relevant call centre and pick up and return the vehicles in one of the 46 dedicated parking areas. The sum due from users as consideration for the service is proportional to the time of use of the vehicle and the kilometres travelled.

Furthermore, since October 2018, TPER has been running the “*Corrente*” service, a car sharing service with electric vehicles, accessible through an application. It is the only car sharing service in Italy with a fleet of exclusively electric vehicles, enabling users to start their journey in one city and complete it in another. The service is currently provided in the areas of Bologna, Ferrara, Casalecchio di Reno and Imola.

As at 31 December 2023, there were 81,728 subscribers to the service (compared to 66,745 in 2022) and 135,260 journeys were made (compared to 192,939 in 2022) for a total of over 2,793,032 kilometres travelled (compared to over 3,750,036 kilometres in 2022).

In January 2024, an awareness campaign for the “*Corrente*” service was launched, through an agreement, that is expected to introduce 350 new 100% electric cars, on the road. With its 82,000 users, “*Corrente*” now has a cross section of users across different age groups, partly because since summer of 2023 electric scooters have been introduced in the city of Bologna. The new fleet upgrade of electric scooters is made available to companies that offer their employees and collaborators the possibility of using a dual profile, both personal and corporate. As at 31 December 2023, in the field of electric scooters, “*Corrente*” totalled 23,936 trips, 7,349 hours of use and 103,996 kilometres travelled.⁵

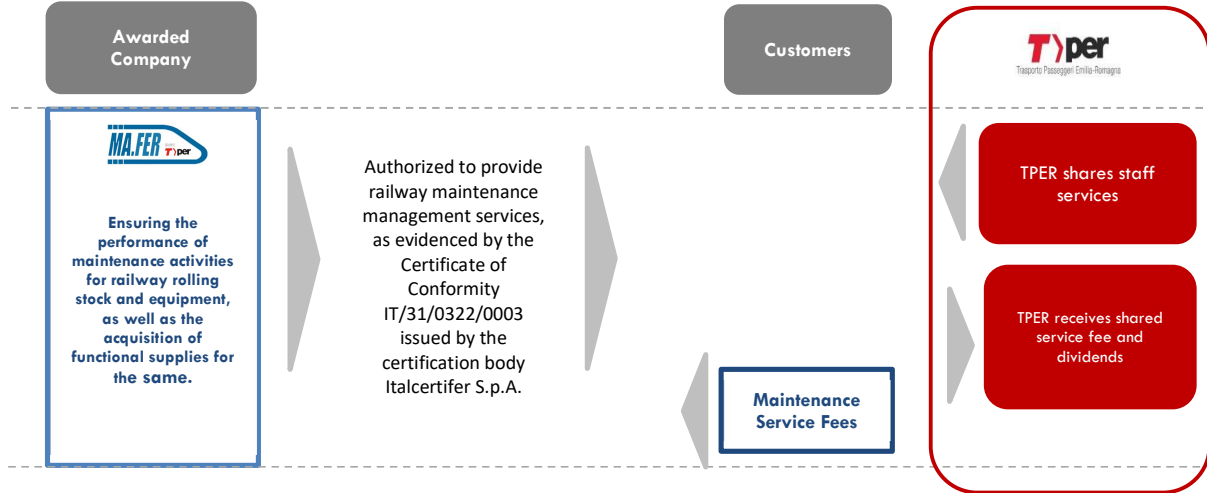
Maintenance sector

MA.FER S.r.l. (“**MAFER**”) is a limited liability company (*società a responsabilità limitata*) with a sole quotaholder incorporated under the laws of the Republic of Italy, having its registered office at Via di Saliceto 3, 40128 Bologna, Italy. MAFER is registered with the Companies’ Register of Bologna under number 02892571205, fiscal code and VAT number 02892571205. MAFER is 100% held by TPER and its main activity is the maintenance of TPER railway rolling stocks. It also carries out works commissioned by third parties.

⁵ Source: TPER’s elaboration based on internal data.

As reported in the standalone financial statements of the company prepared in accordance with the Italian GAAP, in 2023 MAFER recorded operating revenues of Euro 23,755 thousand and a profit of Euro 18 thousand.

The chart below summaries how TPER operates in the maintenance sector.



Infrastructure sector

The Group carries out complex projects for mobility, which are designed to reduce the overall environmental impact of transport, reinforce interchange and improve the transport service offering. In particular, the projects are expected to enhance the integration of rail-bus services and hubs and the renewal of the fleet with low-emission vehicles.

Project "Pimbo"

"Pimbo" is the acronym of "*Progetto Integrato della Mobilità Bolognese*". The object of "Project Pimbo" is the completion of the intermodal urban stops of the Bologna metropolitan area railway system (SFM) and the creation and development of trolleybus electric lines and services on main urban public transport lines.

The implementation of the planned interventions is expected to guarantee a strong and widespread connection system for public transport powered by electricity, with significant consequences in terms of reduction of road congestion, air pollution and noise pollution, in line with the planning tools of all local authorities involved in the "Pimbo" project.

The "Pimbo" project envisages:

- the restructuring and strengthening of the urban public transport network through the development of the existing trolley bus system, and the integration with the railway system and with the new tramway projects in Bologna;
- the completion of the SFM with the construction of the last four stops inside the Municipality of Bologna (Prati di Caprara, Zanardi, Borgo Panigale Scala, San Vitale-Rimesse), with the adaptation of the San Ruffillo and Fiera stops and the multi-modal connection with the urban fabric, through the implementation of a series of works to improve accessibility;
- the "branding" of SFM stations and the modernisation and completion of the network; and
- the purchase of rolling stock for trolley bus and railway lines.

Project "People Mover"

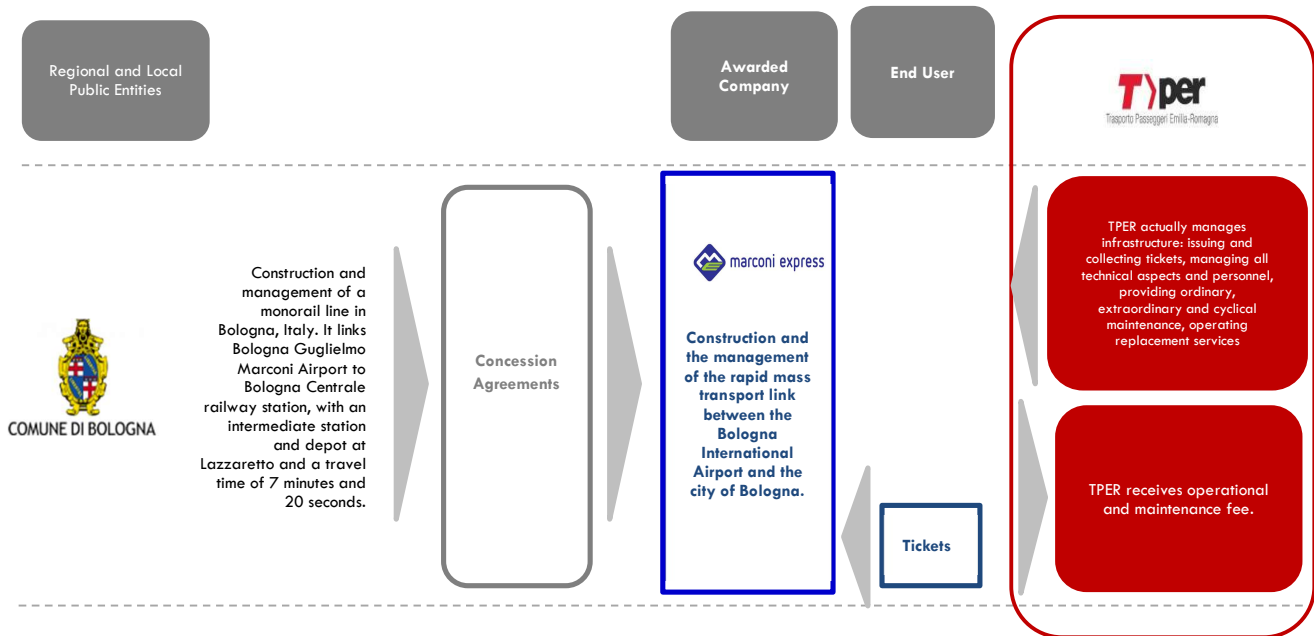
"Project People Mover" consists of a single rail transportation system which connects Marconi Airport and the Bologna central train station. People Mover is realised through the special purpose vehicle Marconi

Express S.p.A., a joint stock company (*società per azioni*) ("**Marconi Express**") incorporated in 2010 pursuant to Italian law, with registered office at Via Marco Emilio Lepido 182/2, 40132 Bologna, Italy and is registered with the Companies' Register of Bologna under number 02997301201, fiscal code and VAT number 02997301201.

Marconi Express is 75% owned by Consorzio Integra Società Cooperativa and 25% owned by TPER. It holds the concession for the construction and management of the rapid mass link between Marconi Airport and the city of Bologna for 40 years starting from the date of the signing of the concession agreement, i.e. until June 2049.

The service started on 18 November 2020. In the context of the project, TPER manages the service on behalf of Marconi Express and handles the ordinary management and maintenance of the new system, while Marconi Express, which carried out the construction, is in charge of extraordinary and corrective maintenance.

The chart below summaries how TPER operates with respect to the "*Project People Mover*".



Demand responsive transportation services

Società per i Servizi di Trasporto S.r.l.

Società per i Servizi di Trasporto S.r.l. ("**SST**") is a limited liability company (*società a responsabilità limitata*) incorporated under the laws of the Republic of Italy, having its registered office at Via Stefano Trenti 35, 44122 Ferrara, Italy and is registered with the Companies' Register of Ferrara under number 01439560382, fiscal code and VAT number 01439560382. SST is 51% held by TPER and 49% owned by FEM.

SST was established on 17 June 1998 to provide school services in the province of Ferrara.

Since 2008, it has also provided on-demand public transportation services, known as the "*Taxi Bus*" service, entrusted by TPER. Starting in 2010, the company has gradually expanded its operations to include scheduled bus services, also entrusted by TPER.

As at the date of this Prospectus SST operates public transportation services in the Ferrara area (as well as in the Bologna area), including tourist and school transportation, as well as rental services with a driver.

In 2023, SST developed the following production volumes, expressed in line bus kilometres, net of empty runs and out-of-service routes.⁶

Kilometres	Years ended 31 December	
	2023	2022
Taxibus	958,272	943,477
TPL	351,464	464,697
Substitute train service	187,130	189,891
Total TPL	1,496,866	1,598,065
School bus service	519,455	542,364
R.E. services	760,483	13,703
Total	2,776,804	2,154,132

The total production for 2023 increased by 622,674 bus kilometres (+22.42%), almost entirely attributable to the services carried out in the Reggio Emilia area for Seta, starting from 21 December 2022, amounting to 760,483 bus kilometres. This increase was partially offset by the reduced public transportation distances in the Ferrara area, due to the complete cessation of COVID-related services.

As reported in the standalone financial statements of the company prepared in accordance with the Italian GAAP, in 2023 SST recorded operating revenues of Euro 6,263 thousand and a profit for the year of Euro 213 thousand.

Investments

The table below sets out the investment strategies of TPER.

INVESTMENT STRATEGIES

- Allocate funds for strategic investments aimed at enhancing the overall quality and attractiveness of the public transportation service.
- Prioritise investments in fleet modernisation, including the procurement of new vehicles with advanced features such as improved comfort, accessibility, and environmental sustainability.
- Invest in the upgrade of infrastructure and facilities to improve passenger convenience, safety, and accessibility.
- Explore opportunities for technology investments, such as real-time passenger information systems, mobile ticketing solutions, onboard amenities and artificial intelligence, to enhance the passenger experience and operational efficiency.
- Consider investments in alternative transportation modes or services, such as bike-sharing programmes or micro-transit initiatives, to complement existing public transit options and address specific mobility needs within the community.
- Evaluate potential partnerships or collaborations with private investors, government agencies, or public-private partnerships to leverage additional funding sources and accelerate the implementation of key investment projects.
- Establish clear investment criteria and performance metrics to evaluate the effectiveness and return on investment of capital expenditures, ensuring alignment with strategic objectives and priorities for service improvement and growth.

⁶ Source: TPER's elaboration based on internal data.

Insurance

The Group maintains various insurance policies as protection against certain risks associated with the activities which are required to be performed pursuant to the service contracts entered into by the relevant Group company, as well as in relation to the activity of subsidiaries.

In particular, pursuant to the service contracts, the companies belonging to the Group are required to take out insurance policies to cover, *inter alia*, damages arising out of circulation of vehicles pursuant to Article 2054 of the Italian Civil Code, personal injury and damage to property, including those caused by personnel during the performance of their tasks pursuant to Article 2049 of the Italian Civil Code and damages caused by fires, riots, acts of vandalism and terrorist attacks.

Financial Liabilities

As at 31 December 2023, TPER Group's financial liabilities were equal to Euro 85,356 thousand while at 31 December 2022 TPER Group's financial liabilities were equal to Euro 64,987 thousand.

TPER Group's financial liabilities as at 31 December 2023 were as follows:

- Revolving credit facility (RCF) of maximum Euro 65,000,000 expiring on May 2027, of which as 31 December 2023 Euro 17,018 thousand was drawn;
- Term loan, guaranteed by a "SACE green" guarantee, of Euro 15,000,000 at a floating rate and expiring on 2031, of which as at 31 December 2023 Euro 14,033 thousand of the principal amount was outstanding;
- Term loan, guaranteed by a "SACE green" guarantee, of Euro 12,136,000 at a floating rate and expiring on 2033, totally outstanding as at 31 December 2023;
- Euro 95,000,000 1.85 per cent. senior unsecured amortising fixed rate notes due 15 September 2024, of which as at 31 December 2023 Euro 31,667 thousand nominal value of the principal amount was outstanding.

On 18 June 2024 TPER entered into a term loan facility of Euro 10,800,000 at a floating rate and expiring on 31 March 2029. As at the date of this Prospectus, such term loan facility has been drawn from the lender, Intesa Sanpaolo S.p.A., for an amount equal to Euro 8,700,000. The availability period of the facility will expire on 30 September 2024. The proceeds arising from the facility are aimed at financing the purchase of vehicles to be used in the context of the sharing mobility activities and the related infrastructure. In this respect, see paragraph "*How TPER Group works – Sharing mobility sector*" above. See also "*General Information – Potential conflicts of interest*".

Employees

As at 31 December 2023 the Group had 2,346 employees, while at 31 December 2022 the Group had 2,345 employees.

Sustainability

In light of the significant impact of transport on the environment and on people's quality of life, the Group aims at reaching sustainable mobility in order to allow people to move freely and comfortably and, on the other hand, reduce the negative impact of emissions from private vehicles. The Group is indeed structuring its action with the aim of (i) minimising the environmental impact deriving from management of mobility services and the construction of infrastructure and, consequently, decarbonising TPER's footprint following best practice; (ii) ensuring the highest quality and safety standard; (iii) enhancing people strategy with clear focus on diversity, equity and inclusion and development; and (iv) adopting a responsible business model, preventing any violation of the Group's ethics code across the company and its suppliers.

To this end, TPER's activity is focused on three areas of operation:

- urban: activities in this area are aimed at enhancing safety in mobility, giving more urban spaces to citizens, and reducing levels of road congestion;
- environmental: activities in this area are aimed at addressing climate change, reducing CO₂ emissions, and, consequently, obtaining benefits for citizen's health;
- socio-economic: activities in this area are aimed at generating wealth, creating jobs position and reaching a greater social cohesion.

In addition, the graph below shows the closing remarks on sustainability and investment.



Legal Proceedings

As part of the ordinary course of business, TPER and its subsidiaries are subject to a number of civil, administrative and tax proceedings, including tax investigations and inspections by tax Authorities, arising from the conduct of their corporate activities, including, without limitation, employee disputes, and may from time to time be subject to inspections by taxation and other authorities. TPER has carried out a review of the on-going litigation and provisions in the consolidated financial statements were made where the disputes were likely to result in a negative outcome and a reasonable estimate of the amount involved could be made. As at 31 December 2023, TPER had provisions in its consolidated financial statements amounting to Euro 56,645 thousand (including Euro 13,167 thousand of provisions for employee benefit). In this respect, see the paragraph headed "*Funds for provisions – Other provisions*" of the notes relating to the consolidated financial statements as at and for the financial year ended 31 December 2023. Notwithstanding the foregoing, TPER believes that none of these proceedings, individually or in the aggregate, will have a material adverse effect on its or the Group's business, financial condition or prospects.

In other cases, where the adverse outcome of given litigation was merely possible or the dispute could be resolved in a satisfactory manner and without significant impact, no specific provisions were made in the Issuer's consolidated financial statements.

For information on the most significant legal proceedings involving the companies belonging to the Group, see (i) the paragraph headed "*Dispute with ATC S.p.A. in liquidation*" of the Directors' Report relating to the consolidated financial statements as at and for the financial year ended 31 December 2023; and (ii) the paragraph headed "*IRAP tax dispute 2011*" of the Directors' Report relating to the consolidated financial statements as at and for the financial year ended 31 December 2022.

On 11 June 2024 a procedure for access to documents of the Issuer ("*accesso agli atti*") was completed by the Italian customs agency ("*Agenzia delle Dogane*"), with respect to public funds obtained by the Issuer. TPER proposed observations and/or comments in relation to such procedure. In any event, TPER has made a "*provision for excise duties*" to deal with any potential charges in its consolidated financial statements related

to the outcome of such procedure. In this respect, see the paragraph headed “*Funds for provisions – Other provisions*” of the notes to the consolidated financial statements as at and for the financial year ended 31 December 2023.

Corporate Governance

Corporate governance rules for Italian non-listed companies, such as TPER, are provided in the Italian Civil Code and, where applicable, in Legislative Decree No. 58 of 24 February 1998, as amended, and the relevant implementing regulations.

TPER has adopted a traditional system of corporate governance, which includes a shareholders’ meeting, a board of directors and a board of statutory auditors.

Pursuant to its by-laws, the management of TPER is entrusted to a collective body made up of five members appointed by the shareholders’ meeting (collectively the “**Board of Directors**”, each a “**Director**”).

Directors are appointed by the shareholders for a term determined at the relevant shareholders’ meeting, provided that such term cannot exceed three financial years. Directors can be reappointed following the expiry of their term. The by-laws of TPER provide for a voting list system for the appointment of all of the members of the Board of Directors.

The Board of Directors has broad powers to carry out the management of TPER and is authorised to take all of the steps necessary in order to achieve TPER’s aims and corporate objectives.

Pursuant to TPER’s by-laws, the board of statutory auditors is composed of three auditors and two alternate auditors, each of which must meet the requirements provided for by applicable law and TPER’s by-laws (collectively the “**Board of Statutory Auditors**”). The alternate auditors will replace any statutory auditor who resigns, or is otherwise unable to continue to serve as an auditor. The members of the Board of Statutory Auditors are appointed by the shareholders at a shareholders’ meeting.

The members of the Board of Statutory Auditors are appointed for three financial years and may be re-elected. They may be removed only upon the occurrence of a just cause (*giusta causa* pursuant to Italian law) and with the approval of the competent Court. The by-laws of TPER provide for a voting list system for the appointment of all of the members of the Board of Statutory Auditors.

The Board of Statutory Auditors is the corporate body that, *inter alia*, must oversee TPER’s compliance with applicable laws and by-laws as well as proper administration and verify the adequacy of internal controls and accounting reporting systems.

Board of Directors

The shareholders’ meeting held on 29 July 2022 appointed TPER’s Board of Directors for a period of three years. The current Board of Directors is made up of five members for a period of three financial years. Unless there is a cause for early termination, all of the members will hold office until the shareholders’ meeting convened to approve TPER’s financial statements for the financial year ending on 31 December 2024.

The following table sets out the current members of TPER’s Board of Directors.

Name	Position
Giuseppina Gualtieri.....	Chairperson and Chief Executive Officer
Maria Elisabetta Tanari.....	Director
Alessandro Albano	Director
Salvatore Fallica	Director
Eva Coisson	Director

For the purposes of their function as members of the Board of Directors, the business address of each of the members of the Board of Directors is TPER’s registered office at Via di Saliceto 3, 40128 – Bologna, Italy.

Other offices held by members of the Board of Directors

The table below sets forth the positions on the boards of directors, boards of statutory auditors, supervisory committees or other positions, other than those within the Group, held by the members of TPER's Board of Directors.

Name	Main positions held outside the TPER Group
Giuseppina Gualtieri.....	Member of the Board of Directors of SETA S.p.A.; Member of the General Council of Confindustria Emilia; Vice-president of ASSTRA Executive Council.
Maria Elisabetta Tanari.....	/
Alessandro Albano.....	Member of the Board of Directors of Fondazione Carisbo; Contract professor in the University of Bologna; Sole-member supervisory body of Fashion Research Italy Foundation; Chairman of the Supervisory Board and Chairman of the Board of Statutory Auditors of CAE S.p.A.; Member of the National Association of Italian Taxation Lawyers (<i>ANTI - Associazione nazionale tributaristi italiani</i>); Member of the Study Commission on Insolvency and Crisis of Bologna Bar Association; Alternate auditor of Aequafin S.p.A.; Auditor of Genus Bononiae - Musei della Città S.r.l.; Chairman Board of Directors of Melamangio S.p.A.; Chairman Board of Statutory Auditors of Airplus International S.r.l.; Alternate auditor of Cosmint – S.p.A.; Auditor of Alpi S.p.A.; Auditor of Finalpi S.p.A.; Chairman of the Board of Statutory Auditors of Annovi Reverberi S.p.A.; Chairman of the Board of Statutory Auditors of Masterwood S.p.A.
Salvatore Fallica	/
Eva Coisson	Councillor for private construction, territorial planning, public works, integrated mobility at the Municipality of Sant'Ilario d'Enza (RE); Director of interdepartmental research centres at University of Parma; Member of Scientific Committee of "Italian Earthquake Engineering"; Engineer registered in the Register of Engineers of the Reggio Emilia Province, without VAT number and therefore not practicing professional activity.

Senior Management

The following table sets forth the members of TPER's senior management, together with their current positions.

Name	Position
Paolo Paolillo.....	General Manager
Fabio Teti.....	Chief Financial Officer

Supervisory Board

In order to implement the provisions of Legislative Decree No. 231 of 8 June 2001 (“**Decree 231**”), TPER has established a Supervisory Board, which is currently chaired by Alessio Totaro and composed of Najah Zeilah and Valentino Di Leva.

Board of Statutory Auditors

The shareholders’ meeting held on 01 July 2024 appointed TPER’s Board of Statutory Auditors for a period of three financial years, until the shareholders’ meeting convened to approve TPER’s financial statements for the financial year ending 31 December 2026.

The following table sets out the current members of the Board of Statutory Auditors.

Name	Position
Fabio Ceroni	Chairperson
Isabella Boselli	Statutory Auditor
Alberto Camellini	Statutory Auditor
Patrizia Preti	Alternate Auditor
Tommaso Mele	Alternate Auditor

For the purposes of their function as members of the Board of Statutory Auditors, the business address of each of the members of the Board of Statutory Auditors is the Issuer’s registered office at Via di Saliceto 3, 40128 - Bologna, Italy.

Other offices held by members of the Board of Statutory Auditors

The table below sets forth the positions on the boards of directors, boards of statutory auditors, supervisory committees or other positions, other than those within the Group, held by the members of TPER’s Board of Statutory Auditors.

Name	Main positions held outside the TPER Group
Fabio Ceroni	Sole Statutory Auditor of Babbi S.r.l.; Standing Auditor of Green S.p.A.; Statutory Auditor of Greenbone Ortho S.p.A.; Sole Statutory Auditor of L’Inedito S.r.l.; Chairman of the Board of Statutory Auditors of Polynt S.p.A.; Standing Auditor of Ponzi S.r.l., with audit; Standing Auditor of Varvel S.p.A.; Sole Director of ABMG Private Equity S.r.l.; Sole Director of Grow Your Business S.r.l.; Chairman of the Board of Directors of Studio Palmeri Business S.T.P. a r.l.; Managing Partner of - Studio Palmeri Commercialisti Associati (Professional Association).
Isabella Boselli	Sole Auditor of Formindustria Emilia-Romagna S.c. a r.l.; Sole Auditor of G.A.L. dell’Appennino Bolognese – S.c. a.r.l.; Sole Auditor of Vivi Lo Sport SSD S.r.l.; Alternate Auditor of Crotone Development S.p.A. in house providing “in liquidation”; Sole Auditor Commissioner of Quantavis – S.r.l.;

Name	Main positions held outside the TPER Group
Alberto Camellini	<p>Liquidating Commissioner of Team Logistica Production Società Cooperativa;</p> <p>Solicitor of Allrevision S.R.L.;</p> <p>Sole Auditor of National Institute for Cardiovascular Research – INRC;</p> <p>Member of the Board of Auditors of Cassa di Assistenza di Banco Popolare Group.</p> <p>Alternate Auditor of S.I.F.E.L. S.p.A.;</p> <p>Director and member of Executive Committee of Cooperativa per la Costruzione ed il Risanamento di case per lavoratori in Bologna, Società Cooperativa;</p> <p>Alternate Auditor of CassaCoop dipendenti servizi pubblici mobilità integrata Emilia Romagna Società Cooperativa;</p> <p>Partner with limited liability of Investimenti e partecipazioni di Camellini Germano e C. S.A.S.;</p> <p>Chairman of the Board of Statutory Auditors of Enoil Bioenergies Italia S.p.A.;</p> <p>Liquidator of Gruppo Ecologia ed Ambiente Venturi S.r.l.;</p> <p>Statutory Auditor of Vivaevents S.r.l.;</p> <p>Alternate Auditor of Costruzioni linee ferroviarie S.p.A.;</p>
Patrizia Preti	<p>Standing auditor of SRM Società Reti e Mobilità S.r.l.;</p> <p>Standing Auditor of AFM S.p.A.;</p> <p>Standing auditor of Autostazione di Bologna S.r.l.,</p> <p>Standing Auditor of Fondazione del monte di Bologna e Ravenna;</p> <p>Chairman of the Board of Statutory Auditors of Istituto Scientifico Romagnolo per lo studio e la cura dei Tumori Dino Amadori I.R.S.T S.R.L. - I.R.C.C.S.;</p> <p>Standing Auditor of B.R.T. S.p.A.;</p> <p>Auditor of INRC - National Institute for Cardiovascular Research;</p> <p>Chairman of the Board of Statutory Auditors Interporto Bologna S.p.A.;</p> <p>Standing Auditor of Centergross S.r.l..</p>
Tommaso Mele.....	<p>Member of the Board of Auditors of the Municipality of Imola;</p> <p>Director of Agameda S.r.l.;</p> <p>Member of the Board of Auditors of Interporto S.p.A.;</p> <p>Chairman of the Board of Auditors of the Municipality of Castel Maggiore.</p>

Conflicts of Interest

There are no potential or existing conflicts of interest between the duties of the members of the Board of Directors and the Board of Statutory Auditors of the Issuer and their private interests or other duties.

Code of Ethics and Model pursuant to Decree 231/2001

TPER has adopted a code of ethics (the “**Code of Ethics**”), which was first approved by the Board of Directors on 13 June 2013 and subsequently updated, lastly on 29 May 2023. The aim of the Code of Ethics is identifying and defining the set of values, fundamental principles and standard of behaviour that constitute the essential precondition for the correct performance of corporate activities.

In addition, TPER has also adopted an Organisation Management and Supervision Model (the “**Model**”) to ensure conditions of fairness and transparency in the conduct of its business and corporate activities, according to Decree 231/2001, which was approved by the Board of Directors on 13 June 2013 and subsequently updated, lastly in 2023. The Model provides guidelines to prevent management and employees committing offences which may make the company liable pursuant to the above-mentioned legislative decree. The Code of Ethics is an essential part of the Model.

Shareholders

The following table shows the main shareholders of TPER as at the date of this Prospectus, based on TPER's shareholders register and publicly available information.

Shareholders	Ownership Interest
Region of Emilia Romagna.....	46.13%
Municipality of Bologna.....	30.11%
Metropolitan City of Bologna.....	18.79%
ACT Reggio Emilia.....	3.06%
Province of Ferrara.....	1.01%
Municipality of Ferrara.....	0.65%
Province of Parma.....	0.04%
Ravenna Holding.....	0.04%
Treasury shares.....	0.16%
Total	100.00%

The Issuer is not subject to the direction and coordination (*direzione e coordinamento*) of any entity pursuant to Articles 2497 and seq. of the Italian Civil Code.

Independent Auditors

The independent auditors ascertain whether the accounting records are properly maintained and record faithfully the results of operations. They also determine whether the statutory financial statements and the consolidated financial statements are consistent with the data contained in the accounting records and the results of their audits and whether they comply with the requirements of the applicable statutes. They may also perform additional reviews required by industry regulations and provide additional services that the board of directors may ask them to perform, provided that they are not incompatible with their audit assignment.

The Issuer's current independent auditors are PricewaterhouseCoopers S.p.A., with its registered office at Piazza Tre Torri 2, Milan, Italy (the “**Independent Auditors**”).

The Independent Auditors is authorised and regulated by the Italian Ministry of Economy and Finance (“**MEF**”) and registered under No. 43 in the special register of auditing firms held by MEF in compliance with the provisions of the Legislative Decree of 27 January 2010, No. 39, as amended and is also a member of ASSIREVI (*Associazione Italiana Revisori Contabili*). The Independent Auditors have no material interest in the Issuer. The Independent Auditors' appointment was conferred for the period 2018-2026 by the shareholders' meeting held on 29 May 2018 and will expire at the date of the shareholders' meeting convened to approve TPER's financial statements as at and for the financial year ending on 31 December 2026.

Recent Developments

On 2 August 2024, the extension of the Bologna Service Contract was formalised, pursuant to the extension agreement signed on 2 August 2024. For further information, see “– How TPER Group works – The Bologna Service Contract” above.

REGULATORY FRAMEWORK

Although this summary contains all the information that the Issuer considers material in the context of the issue of the Notes, it is not an exhaustive account of all laws and regulations applicable to the business of its Group (as defined under the section headed “Description of the Issuer – Overview”). Prospective investors and/or their advisers should make their own analysis of the legislation and regulations applicable to the Group and of the impact they may have on the Issuer and any investment in the Notes and should not rely on this summary only.

INTRODUCTION

The transport sector in which the Issuer is mainly active is governed by several European directives, regulations and decisions, Italian laws, ministerial decrees and resolutions of the Italian Interministerial Committee for Economic Planning and Sustainable Development, formerly the *Comitato interministeriale per la programmazione economica* (CIPE), resolutions of the *Autorità di Regolazione dei Trasporti* (the “Transport Regulatory Authority”), as well as by generally applicable laws and special legislation (such as, *inter alia*, where applicable, the road traffic code), including environmental laws and regulations which have been issued and amended over time.

SERVICE OF GENERAL ECONOMIC INTEREST AND UNIVERSAL SERVICES

TPER is active in business sectors which are deemed as services of general economic interest (“SGEI”) and, in particular, road and railway public local transport and management of public parking areas.

Pursuant to Article 106 of the Treaty on the functioning of the European Union, a SGEI is a commercial service of general economic utility subject to public-service obligations. This means that such kind of service must be provided to the final users in any case (i.e. even when there is no economic profitability to provide the service), as it is considered as necessary to meet essential needs of final users. Therefore, public service obligations may be imposed by the public authorities on the entity providing such a service, either nationally or regionally. In this connection, it is worth noting that in the Republic of Italy the interruption or the trouble in the provision of such kind of public services is subject to the application of a criminal sanction (imprisonment up to one year).

A SGEI may be also deemed as a “universal service”, which concept refers to the set of general interest demands services to which all users should be entitled to have access to, at a certain quality and at an affordable price.

According to the applicable EU rules, free market and competition rules apply to undertakings responsible for managing SGEIs so long as these rules do not prevent them from accomplishing their tasks in the general interest. This means that a SGEI must be provided by an entity that has to be distinct and separate from the competent authority who is entitled to award the SGEI itself.

DIFFERENT LAYERS OF REGULATION

European regulation

At the European level, Regulation No. 1370/2007, as amended, sets out the general principle according to which the competent authorities (even local) have to ensure the provision of services on a continuous basis by entering into public service agreement with economic operators – selected by means of non-discriminatory procedures – aiming at providing sufficient level of public transport services. According to such pieces of legislation, the competent authorities compensate transport operators public service for the costs incurred and/or grant them exclusive rights in exchange for fulfilling public service obligations.

Article 5 of Regulation No. 1370/2007 outlines three possible methods for awarding the service effective from 3 December 2019: by tender, through direct management by the competent local authorities, or by direct assignment to a separate entity (wholly owned by a public administration), known as in-house awarding.

Efforts continue at European level to accelerate the transition to zero-emission mobility, focusing on decarbonising the transport sector and enhancing energy efficiency. The Commission's communications 'European Strategy for Low Emission Mobility' of July 2016 and 'Europe on the Move' of May 2017 point in this direction. The EU Commission is imposing increasingly stricter regulatory limits for motor vehicle emissions and has introduced new Real Driving Emissions (RDE) test procedures as of 1 September 2017.

The Italian legislature, with Article 61 of Law No. 99/2009, permits the use of all three awarding methods outlined in European regulations, explicitly empowering competent authorities to award service contracts directly, even deviating from sector regulations, by making use of the provisions of Article 5, paragraphs 2, 4, 5 and 6, and Article 8, paragraph 2, of Regulation (EC) No. 1370/2007.

Main Italian legislation

Awarding of a public transport service and service agreements

At the national level, the public transport framework regulation has been set forth with Legislative Decree 422/1997 (the so called Burlando Decree), as amended by the Decree – Law No. 50 of 24 April 2017, regarding the general *criteria* for the awarding of a public transport service.

Article 27 of Decree – Law No. 50 of 24 April 2017 promotes the use of public procedures, with consequences for the allocation of the Local Public Transport (LPT) Fund. In particular, the public services can be granted by a public tender in which the participants have to satisfy, *inter alia*, moral, financial and professional requirements as specified by Legislative Decree 422/1997 and by the call for tender.

Article 27, paragraph 11-*quinquies* did not affect the procedures for the selection of the contractor that had already been started before the entry into force of the Law No. 96 of 21 June 2017, which converted by the Decree – Law No. 50 of 24 April 2017. In particular, it provides that the contracts for regional and local transport entered into after 21 June 2017 must provide that the charges for the maintenance and renewal of the rolling stock and facilities, excluding extraordinary maintenance of publicly owned facilities and infrastructures, are to be borne by the entrusted companies. The provision also stipulates that companies are bound on the basis of the same service contracts to allocate at least 10% of the contractual fee to the renewal of the vehicle fleet on the basis of an economic and financial plan prepared by them.

Paragraph 12-*quater* of Article 27 provides for a separation of the functions of regulation, policy, organisation and control from those of managing local and regional public transport services. Furthermore, paragraph 6 thereto provides for appropriate standards for local and regional public transport services by road and rail, which also serve as criteria for distributing LPT Fund.

The legal instrument used to award the carrying out of a local public transport service is a service agreement, to be entered into by and between a regulatory authority/public entity and an operator.

According to paragraphs 11-*bis* and 11-*ter* of the Article 27 of the Decree – Law No. 50 of 24 April 2017, service contracts entered into after 31 December 2017 must not include the operation of regional and local public transport motor vehicles classified as M2 or M3 that run on petrol or diesel with Euro 0 or Euro 1 anti-pollution standards. Additionally, these contracts must ensure that regional and local public transport vehicles are equipped with electronic passenger counting systems or other technologies that facilitate demand detection and electronic service monitoring.

The regulatory authority/public entity has the faculty to choose among different kind of service agreements, that may be distinguished depending on the costs and the risks (industrial and commercial) sharing method, between the operator and the authority. In particular the possible methods are the following:

- (i) net cost (*i.e.* both the industrial and the commercial risks have to be borne by the operator, who is paid with a fee agreed in advance and equal to the difference between the exercise costs and the expected revenues);
- (ii) gross-cost (*i.e.* only the industrial risk has to be borne by the operator, who is paid with a fee exclusively depending on the costs on the basis of a certain revenues generated); or

- (iii) management agreement (*i.e.* both the industrial and the commercial risks have to be borne by the authority, who pays the operator for the management on its behalf of the service).

The service agreement discipline may regard as well the transfer of public functions and, in certain cases, of assets which are functional to the service itself. Pursuant to Article 18, paragraph 2, lett. e) of Decree 422/1997, the outgoing operator has the obligation to transfer the essential assets (*i.e.*, assets used and essential for the performance of a public service; the qualification as “essential” is attributed to the relevant asset by the awarding authority when it decides to award the service on the market because the list of assets qualified as essential is determined *ex ante*) to the incoming operator, who is obliged to purchase them and pay for them, at their market value. In this respect, it is worth to note that since such assets are used for the performance of a public service, they may not be distracted from the operation of the services, until the awarding authority will not consider such assets as no more essential for the operation of the service and approve the transfer at issue. For assets and goods not qualified as “essential” on the contrary, the outgoing operator has the faculty (and not the duty) to make them available to the incoming operator, who may at its discretion purchase them or not.

Sustainable mobility

The 2017 Italian budget law introduced the “Strategic Plan for Sustainable Mobility”. This plan aims to renew the bus fleet for local and regional public transport services, promote and improve air quality through innovative technologies, and implement international agreements on emission reduction, along with European guidelines and regulations.

Also in this context, on 30 December 2015, the then Ministry of the Environment, the Conference of Regions and the National Association of Municipalities (ANCI) signed the so-called anti-smog protocol with the aim of improving air quality, encouraging the shift to low-emission public transport modes, discouraging the use of private vehicles, reducing emissions, and promoting measures to increase energy efficiency.

National funding for the sector

With reference to the regulatory framework concerning national funding for the sector, the resources allocated to the National Transport Fund have been confirmed with adjustments for the three-year period 2022-2024. On this issue, the necessity for an adjustment of the Fund became evident in 2023, due to significant cost increases associated with inflation trends. The issue is currently under consideration by various institutional stakeholders. This includes discussions at the Ministry/Government level, as well as at the Conference of Regions and ANCI, especially in light of regulatory forecasts related to fiscal federalism and fund allocation rules.

Public local transport operators’ remuneration

The provider of a SGEI is not entitled to be fully reimbursed by the public authorities of the costs borne to provide the service (so called subsidy cap), but has the right to be partly repaid by applying tariff (so called tariff cap, that has significant consequences on the economic and financial balance).

Pursuant to Article 17 of Legislative Decree 422/1997, economic compensations paid by the public authorities to the service providers are determined on the basis of the standard costs criterion, that has to be taken into consideration also by the awarding authorities in order to define the price in the awarding documents considering also the income from tariffs and those deriving from the possible management of further complementary services. This rule aims at limiting public expenses.

In light of the structural difficulty in self-financing the service, also demonstrated by all the international analysis (not only regarding the Republic of Italy), given the social nature of the service as well, it is necessary to consider also the rule of public financing that impact the disbursement of grants to cover costs. With the establishment of the National Fund for Government Contribution to Local Public Transport Costs (Article 16-bis of Law Decree 95/2012, as replaced by Article 1, paragraph 301 of the Stability Law 2013), financed by the co-participation in the proceeds deriving from excise duties on transport diesel and on petrol, was

intended to provide financial stability and cover 75% of the sectors needs, leaving the remaining 25% to be covered by the Regions, also by using a portion of the equalisation fund that they benefit from.

In this field, Law Decree No. 50 dated 24 April 2017 (converted in law No. 96 dated 21 June 2017 published in the Italian Official Gazette on 23 June 2017) was issued, regarding investments and financing of the public transport sector and, particularly, the accessibility to the national fund for the contribution of the State in the financing of the public local services, provided that the public local service has been awarded by means of a public tender procedure.

The Transport Regulatory Authority

Moreover, at the national level, Law Decree No. 201/2011 (converted into Law No. 214/2011) and Law Decree No. 1/2012 (converted into Law No. 27/2012) are applicable to the public transport sector, regarding the establishment of an independent supervisory authority in the transportation sector in Italy (the “**Transport Regulatory Authority**” or “**ART**”, acronym of “*Autorità di Regolazione dei Trasporti*”).

ART is an independent administrative authority and operates in full autonomy, in accordance with the EU legislation and in compliance with the subsidiarity principle and with the powers of regions and local authorities. It operates as a collegial body composed of the President and two Commissioners designated by Decree of the President of the Republic, upon decision of the Council of Ministers and proposal of the competent Minister, and voted in by at least two-thirds of the members of the competent parliamentary committees. The President and the Commissioners have a seven-year non-renewable mandate.

Paragraph 6 of Article 48 of Decree Law No. 50/2017 assigned the Transport Regulatory Authority the responsibility of establishing general rules for the procedures used to select contractors for local and regional public transport services. This includes, in particular, the following tasks:

- defining criteria for determining exceptions to the principle of smaller territorial extension of tender lots compared to planning areas, considering actual and potential demand, as well as economies of scale and service integration;
- defining the outline of service contracts exercised in-house by public companies or companies with a majority public shareholding, as well as for those entrusted directly;
- determining, for both calls for tender and for in-house or directly entrusted service contracts, the ‘type of effectiveness and efficiency targets to be met by the operator’, as well as the financial balance targets.

The Authority reports annually to the Parliament highlighting the state-of-the-art of the liberalisation measures which have been already adopted and those which remain to be defined.

In 2015, the ART issued regulatory measures aiming at defining tenders’ criteria and mechanism for the assignment of local transport service concessions and assets (“**ART Resolution 49/15**”). In particular, the ART issued the guidelines for the drafting of the tender documentation and relevant service contracts relating to the tenders for the awarding of local transport services. ART Resolution 49/15 provides specific indications as to: (i) the criteria to identify the assets that are to be considered as “instrumental” to the service, which include, inter alia, the rail network, infrastructures, equipment, rolling stock, as well as all hardware and software necessary for the control and management of the network; (ii) the criteria to be applied in order to qualify the assets as essential, indispensable or commercial; (iii) the way the assets qualified as essential and indispensable are to be made available to the awarded service operator; (iv) the criteria to determine the termination value to be paid to the outgoing concessionaire by the new service operator in relation to the indispensable assets owned by the outgoing concessionaire and that must be made available to the new operator; (v) the time to be granted to the new operator to obtain the rolling stock from the relevant manufacturers; (vi) the treatment applicable to the employees of the outgoing concessionaire.

With resolution No. 154/2019 of 28 November 2019 (“**ART Resolution 154/19**”), the ART approved the complete revision of ART Resolution 49/15 regarding “*drafting of notices and agreements relating to tenders for the assignment of local public passenger transport services carried out by road and rail*”. Consequently,

starting from 28 November 2019, the regulatory measures referred to in Annex A to ART Resolution 49/15 have been replaced by the regulatory measures referred to in Annex A to ART Resolution 154/19.

Subsequently, with resolution No. 113/2021 of 29 July 2021 ("**ART Resolution 113/21**"), the ART has approved some amendments to Annex "A" to ("**ART Resolution 154/19**") effective from 1st January 2022. In particular, such amendments include the replacement of Measure 12 and Annex 3 and the modification of letters o), cc) and dd) of the "*Definitions*".

Then, with resolution No. 64/2024 of 15 May 2024 ("**ART Resolution 64/24**"), the ART has approved the revision of some regulatory measures (and related Annexes) of Annex A to ART Resolution 154/19, in compliance with the provisions of Legislative Decree 201/2022, effective from 15 May 2024.

The revised Annex A to ART Resolution 154/19 sets forth the current "*Measures for drafting of notices and agreements relating to tenders for the assignment of services local public passenger transport carried out by road and rail and for the definition of criteria for the appointment of the awarding commissions, as well as for the definition of schemes of service contracts entrusted directly or exercised by in-house companies or by companies with prevalent public participation*". Therefore, this act identifies the regulatory measures relating to assignment, according to the different methods permitted by law, of TPL passenger services on the road and by rail. The provisions of this act applies both to contract assignments and to concession assignments, as specified in the synoptic table in Annex 1 thereto.

The Measures referred to thereto, with the exception of Measure 12, apply to: a) open procedures, the tender notice for which is published after the date of entry into force of this regulatory act and to the restricted procedures, whose invitation letters are sent after that date; b) direct or in-house assignment procedures whose provision of approval of the act of assignment is published on a date subsequent to the date of entry into force of this regulatory act; and c) the service contracts in force, on the occasion of the review of the economic financial plans ("**PEF**") at the end of the regulatory period and, in any case, during the contractual review of the service contracts with simultaneous review of the PEF. Measure 12 regarding regulatory accounting and accounting separation applies to LPT companies on road entrusted to service contracts starting from 1st January 2021, accounting for it with the publication of the financial statements relating to the same financial year.

Legislation on public companies

In 2015, services of general interest were subject to a reform aiming at creating a single system of reference rules (Consolidated Law on Government-Owned Companies and Consolidated Law on Local Public Services – known as the Madia reform). The decree, though approved by the Council of Ministers, was then not promulgated awaiting targeted audits also following the ruling of the Constitutional Court No. 251/2016 on the Delegation Law No. 124/2015. Thus, the main reference rules in the public service sector remain Decree 422/1997 (also known as the Burlando Decree) and EU Regulation 1370/2007.

With reference to the provisions regarding investees, subsidiaries and in-house units of local institutions, Italian Legislative Decree No. 175 dated 19 August 2016 (the "**Decree 175/2016**", known as "Decreto Madia" or "*Testo Unico in materia di società a partecipazione pubblica*") was issued in 2016 and subsequently amended.

Publicly held non-controlling companies and companies, listed companies and that have issued financial instruments listed on a regulated market pursuant to Article 26, paragraph 5, of Decree 175/2016 are excluded from the scope of application of such law provisions Decree as well as, partially, from the scope of application of the transparency obligations provided for by Italian Legislative Decree No. 33/2013.

Legislation on strikes on public transport services

The nation legislation regulates also the strikes in essential services (see Law 146/1990 on strikes in essential public services). The mentioned regulation aims to regulate the exercise of the right to strike, limits the harmful consequences for citizens and ensures their right to mobility.

For this purpose, Italian legislator states that every strike in essential services must be announced in writing at least 10 days in advance, and that methods, times and reasons must be communicated. The employer also has the duty to alert and inform the public at least five days before the strike. To ensure a balance between the opposing interests of citizens and workers, it was created a so-called Guarantee Commission (*Commissione di Garanzia*) required to ascertain the legitimacy of strike. In general terms, in case of strikes, transport operator has to guarantee the provision of minimum transport services as a result of agreements with trade unions and in the terms considered appropriate by the Guarantee Commission. In particular, for regional and local transport, essential services have been planned for the peak time-bands, as well as from 6:00 am to 9:00 am and from 6:00 pm to 9:00 pm during working days. Some long-distance trains are also guaranteed on all days including holidays.

According to Article 4 of Law 146/1990, disciplinary sanctions (except the disciplinary dismissal) are applicable to the workers who strike without respecting the measures aimed at enabling the provision of the public services, as described above. The sanctions are set forth by the Guarantee Commission and applied by the employer. Moreover, pecuniary sanctions may be imposed against the trade union organisations that proclaim or join a strike in violation of the above provisions.

Environmental regulation

The Issuer is subject to a broad range of environmental laws and regulations both in Italy and the European Union, including those governing the discharge of pollutants into the air or water, the uses, transport, storage, processing, discharge, management and disposal of hazardous substances and wastes and the responsibility to investigate and clean-up contaminated sites that are or were owned, leased, operated or used by the Issuer. Such laws and regulations impose increasingly stringent environmental obligations regarding, among other things, zoning, the protection of employees and health and safety.

Responsibility for contamination

The main piece of EU legislation dealing with environmental liability in respect of damage to site conditions is Directive 2004/35/CE on environmental liability with regard to the prevention and remediation of environmental damage ("**Environmental Liability Directive**"), which establishes a framework based on the "polluter pays" principle to prevent and remedy environmental damage. The "*polluter pays*" principle is set out in the Article 191(2) of the Treaty on the Functioning of the European Union. As the Environmental Liability Directive deals with the "*pure ecological damage*", it is based on the powers and duties of public authorities ("*administrative approach*") as distinct from a civil liability system for "*traditional damage*" (damage to property, economic loss, personal injury).

The Environmental Liability Directive has been implemented in Italy by Legislative Decree No. 152, dated 3 April 2006, as amended (the "**Environmental Code**"), pursuant to which the polluter is legally responsible to prevent and remedy any environmental damage caused by its activities. As a result, any costs for remediation of a site must be borne by the polluter, while the landowner or any other person who is not responsible for the pollution cannot be required to carry out, or bear liability, for any clean-up activity.

Under the Environmental Code, for liability purposes the actual polluter is the person responsible for the activity which caused the pollution, regardless of whether he holds any interest in the land which has been polluted. Therefore, if an action by a third party caused pollution without the owner or user of the affected land being aware of that activity, or being able to prevent the activity, that owner or user cannot be held responsible (Article 245.1 of the Environmental Code). Remediation may only be carried out by the competent public authority if the person responsible for contamination cannot be identified or is unable to perform the clean-up (for example, as a result of its corporate insolvency). The competent authority may not direct the current owner or user of the affected land to carry out any remediation work, if that owner or user is not responsible for the contamination; however, if the subject responsible for the contamination does not carry out the necessary remedial actions (or this subject is not identifiable) and neither the site owner nor other interested parties carry out the necessary remedial measures, the interventions must be executed by the competent authority. In this case, the same area is assumed as a guarantee of the costs borne by the authority, within the limit of market value of the area, which is determined after the execution of the works.

As an alternative, to avoid such scenario, a landowner may carry out any required remediation itself and subsequently seek reimbursement from the polluter under Italian civil laws.

With respect to any remediation required in the execution of public works, if the contamination has not been caused by the contractor but is pre-existing on the site, a variation may be requested and approved. On the other hand, to the extent that pollution has been caused by the activities of that contractor, or is attributable to its sub-contractors, the contractor must bear the costs of remediation.

Lastly, non-compliance with the legislation on clean-up procedure referred to in the Environmental Code might involve criminal liability. Moreover, in more serious cases, environmental contamination might involve major criminal sanctions, e.g. when the crime of “environmental pollution” (art. 452-*bis* of the Italian Criminal Code) and the crime of “omitted clean-up” (art. 452-*terdecies* of the Italian Criminal Code) are committed.

In addition, in case of non-compliance with the obligations concerning the clean-up or in case the crime of “environmental pollution” is committed, administrative sanctions for the corporate entity can be applied pursuant to Decree 231/2001 (including pecuniary sanctions that can also be particularly burdensome and the suspension of the activities).

Environmental protection management system compliant (ISO 14001:2015). UNI EN ISO 14001:2015 are standard published on 15 September 2015. The Environmental Management Systems standard falls under the ISO standards on Management Systems, the primary objective of which is to create a common "High Level Structure" among the standards.

The standard involves planning, execution and control phases and improvement actions. The application of ISO 14001 defines the most important requirements to identify, control and monitor the environmental aspects of any organisation with an environmental policy. The immediate advantages of adopting an ISO 14001 Environmental Management System are:

- greater trust from customers, investors, the public and the community, thanks to the guaranteed reliability of the commitment demonstrated;
- better control of costs and savings on raw materials and energy consumption;
- transparent management and facilitation in obtaining environmental permits and authorisations;
- reduction in insurance premiums linked to the possibility of environmental accidents;
- reduction in the financial guarantees required under current legislation.

Health and safety

In compliance with Italian, regional and EU laws and regulations, the Issuer has implemented health and safety rules that are applicable to its operations.

In particular, Legislative Decree No. 81, dated 9 April 2008, as amended (Consolidated Act on occupational health and safety protection at workplaces, implementing, inter alia, Directives 89/391/ECC, 89/654/ECC, 89/655/ECC, 89/656/ECC, 90/269/EC, 90/270/ECC, 90/394/ECC, 90/679/ECC, 93/88/ECC, 95/63/ECC, 97/42/ECC, 98/24/ECC, 99/38/ECC, 99/92/ECC, 2001/45/ECC, 2003/10/ECC, 2004/40/ECC as well as 92/57/EEC on temporary or mobile construction sites) (“**Decree 81/2008**”) sets out health and safety requirements at workplaces as well as at temporary or mobile construction sites.

Under Article 2 of Decree 81/2008, the Issuer, as employer, is the subject who retains the responsibility to organise the activities to be carried out at the workplace, having the relevant decision and spending powers.

Furthermore, in case construction works are to be carried out, Title IV of Decree 81/2008 (Articles 88 – 160) sets out specific health and safety requirements to be complied with in case works are carried out at temporary or mobile construction sites. To this end, Article 89.1.a) of Decree 81/2008 defines as construction site any site where building works or civil engineering activities (as listed in Annex X) are carried out. In turn, Annex X provides a very broad list of activities that are to be regarded as building works or civil engineering.

Under Article 89.1.b) of Decree 81/2008, the subject who bears the overall liability for health and safety compliance at construction sites is the client, identified as the subject on behalf of which the works are carried out, independently from any fragmentation of their realisation. In light of the above, the Issuer – in addition to its obligation as employer – could also be deemed as client for the purpose of application of Article 89.1.b) of Decree 81/2008.

In order to specifically address the above risks relating to health and safety burdens connected with the different segments of its activities, the Issuer has enacted specific quality standards in compliance with those set out under ISO 45001 “Occupational health and safety management systems – Requirements with guidance for use”.

In addition, periodic audits are put in place in order to monitor the effectiveness of the implemented system as well as to promptly put in practice any improvement which may be required. Furthermore, the ISO 45001 system, if effectively implemented by the Issuer, is able to constitute an adequate Model under Decree 231/2001 for the purpose of preventing its liability as a result of the perpetration of crimes related to breach of health and safety burdens.

Public procurement and traceability regime pursuant to the Italian “Public Contract Code”

Given its status of company wholly owned by public entities and carrying out public services, the Issuer is to be regarded as a public authority/public entity for the purpose of the new Legislative Decree No. 36 of 31 March 2023 “Public Contracts Code in implementation of Article 1 of Law No. 78 of 21 June 2022, delegating the Government on public contracts” (the “**Public Contracts Code**”) that with effect from 1st July 2023 has replaced Legislative Decree No. 50 of 18 April 2016 (the “**Former Public Contracts Code**”). In light of the above, the Issuer must, inter alia, comply with the public procurement rules under the Public Contracts Code when contracting out to third parties works, supply and services contract (with particular reference to the regulation relating to the special sectors as referred to in Articles 141 et seq. of the Public Contract Code).

Traceability of any financial flows

Furthermore, the Issuer is also subject to specific obligations to ensure traceability of any financial flows relating to the activities necessary for the carrying out of its activities. In particular, in order to ensure full traceability of any financial flows and to prevent criminal infiltrations, Article 3 of Law No. 136, dated 13 August 2010, as amended (“**Law 136/2010**”) provides that all contractors, sub-contractors and concessionaires in relation to public works, services or supplies must use dedicated bank accounts to receive and/or make any payments relating to the performance of the activities under the relevant public contract. Furthermore, all such sums must be moved by wire transfers (which are traced and registered on the bank account) and include the tender identification code (*codice identificativo gara* - CIG) identified by the relevant awarding authority.

Regional regulation

The applicable regional regulation is Regional Law 30/1998, regulating the regional system of public transport and aiming at ensuring to users and citizens a better accessibility and usability of services. Regional Law 30/1998 began the implementation of the mandates set out in Legislative Decree 422/1997 and the subsequent transfer from the State to the Region of the railway lines formerly under Government Commission Management, assigning to the Emilia-Romagna Region the railway services pertaining to the Region. Moreover the applicable regional law focuses on containment of energy consumption, pollution and public health. Specifically, the Regional Law 30/1998 organically governs the regional and local public transport systems in line with the responsibilities assigned by the Constitution.

The principles underlying the regional rules include reducing energy consumption, reducing causes of environmental pollution and protection from atmospheric pollution, also to safeguard individuals.

The regional principles intend to ensure that individuals and businesses have the best accessibility and usability of the services performed in the local areas, promote a central role of regional local public transport

as a driver for economic development and social cohesion, provide incentives for the rational organisation of traffic and circulation and promote the culture of sustainable mobility.

Moreover, at the regional level specific official guidelines about the trolleybus sector and urban mobility, issued by the Emilia Romagna Legislative Assembly, set the lines of action regarding the planning and administration of regional public transport. The most recent official guideline was issued on 3 August 2015 and sets the main sources of financing for the industry, envisaging:

- a. regional resources that mainly derive from the National Fund for Government Contribution to Local Public Transport Costs, including the railway business;
- b. regional resources and other sources (European, government, provincial, municipal and also private) for investments and infrastructure works, which are used to purchase buses and trolleybuses, for bicycle and pedestrian mobility and, more generally, for sustainable mobility and air quality.

The division of services and contributions between the provincial councils was approved by the Regional Council with the "Resolution of minimum local public transport services for 2016- 2018" of 16 May 2016, subsequently updated with the addendum to the 2019-2020 guidelines.

TAXATION

The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

This overview will not be updated to reflect changes in laws and if such a change occurs the information in this overview could become invalid.

*Law No. 111 of August 2023 delegated to the Italian Government the ability to enact, within the next twenty-four months, one or more legislative decrees to reform the Italian tax system (the “**Tax Reform**”). According to this law, the Tax Reform could significantly change the taxation of financial income and capital gains and introduce several amendments in the Italian tax system that may impact on the current tax regime applicable to Notes, as summarised below. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with any certainty at this stage.*

In any case, Italian legal or tax concepts may not be identical to the concepts described by the same English term as they exist under terms of different jurisdictions and any legal or tax concept expressed by using the relevant Italian term shall prevail over the corresponding concept expressed in English terms.

ITALIAN TAXATION

Tax treatment of the Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (“**Decree 239**”), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes issued, *inter alia*, by Italian listed companies, falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by I

Italian resident companies whose shares are not listed, provided the Notes are listed on a regulated market or on a multi-lateral trading platform of any EU or EEA Member State which allows a satisfactory exchange of information with the Italian tax authorities as listed in the Italian Ministerial Decree of 4 September 1996, as amended by Ministerial Decree of 23 April 2017 and possibly further amended or superseded by future decree issued pursuant to Article 11(4)(c) of Decree 239 (as amended by Legislative Decree No. 147 of 14 September 2015) (“**White List**”), or, if not listed in the aforementioned market or multilateral trading facility, when such Notes are held by “qualified investors” (*investitore qualificato*) as defined in Article 2, letter e) of Regulation (EU) 2017/1129, pursuant to Article 1, fourth paragraph, letter a) thereto and pursuant to article 100 of the Legislative Decree 24 February 1998, No. 58.

For this purpose, bonds and debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value and which do not grant the holder any direct or indirect right of participation to (or control of) management of the Issuer or of the business in relation to which the securities are issued.

Italian resident Noteholders

Where an Italian resident Noteholder is:

- (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected; or
- (b) a non-commercial partnership, pursuant to Article 5 of the Italian Tax Code (“**ITC**”) (with the exception of general partnership, a limited partnership and similar entities); or

- (c) a non-commercial private or public institution; or
- (d) an investor exempt from Italian corporate income taxation,

interest, premium and other income relating to the Notes, are subject to a withholding tax, referred to as '*imposta sostitutiva*', levied at the rate of 26 per cent. (unless the Noteholder has opted for the application of the *risparmio gestito* regime - see under "*Capital gains tax*" below). In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets all the requirements from time to time applicable set forth by the applicable law.

Where an Italian resident Noteholder is a company or similar commercial entity, a commercial partnership, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation ("**IRES**"), generally applying at the ordinary rate of 24 per cent. (and, in certain circumstances, depending on the 'status' of the Noteholder, also to the regional tax on productive activities ("**IRAP**"), generally applying at the rate of 3.9 per cent.).

Where an Italian resident Noteholder is an individual engaged in an entrepreneurial activity to which the Notes are connected, interest, premium and other income relating to the Notes, are subject to *imposta sostitutiva* and will be included in its relevant income tax return. As a consequence, interests, premium and other income will be subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into Law No. 410 of 23 November 2001 ("**Decree 351**"), Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, Italian real estate investment funds established under Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 and Italian real estate SICAFs (the "**Real Estate SICAF's**") and together with Italian real estate investment funds, the "**Real Estate Funds**") are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Funds, *provided* that the Notes are timely deposited with an authorised intermediary but a withholding or substitute tax of 26 per cent. will apply, in certain circumstances, to income realised by unitholders or shareholders in case of distributions, redemption or sale of the units. Moreover, subject to certain conditions and depending on the status and percentage of participation held, income realised by Real Estate Funds is attributed to the relevant investors and subject to tax in their hands irrespective of its actual collection and in proportion to the percentage of ownership of units/shares on a tax transparency basis.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF (an Italian investment company with fixed share capital) or a SICAV (an investment company with variable capital) established in Italy (the "**Fund**") and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority, and the relevant Notes are deposited with an authorised intermediary, interest, premium and other income accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a withholding or a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the "**Collective Investment Fund Tax**").

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005 – the "**Pension Fund**") and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during

the holding period will not be subject to *imposta sostitutiva* but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets all the requirements from time to time applicable set forth by the applicable law.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (“SIM”), fiduciary companies, *società di gestione del risparmio* (“SGR”), stockbrokers and other entities identified by a decree of the Ministry of Finance (each an “Intermediary”).

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary paying interest, premium and other income to a Noteholder or, absent that, directly by the Issuer.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a White List country; or (b) an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) an institutional investor which is resident in a country included in the White List, even if it does not possess the status of taxpayer in its own country of residence.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement (*autocertificazione*) of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement (*autocertificazione*), which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended. Additional requirements are provided for institutional investors.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. to interest paid to Noteholders who do not qualify for the exemption or do not timely and properly satisfy the relevant conditions and procedural requirements provided for the exemption to apply (including the procedures set forth under Decree 239 and in the relevant implementing rules). Noteholders who are subject to the *imposta sostitutiva* might, nevertheless, be eligible for a total or partial reduction (generally to 10 per cent.) of the *imposta sostitutiva* under certain applicable double tax treaties entered into by Italy, if more favourable, subject to timely filing of required documentation.

Capital gains tax

Italian resident Noteholders

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable business income subject to IRES (and, in certain circumstances, depending on the 'status' of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Noteholders may set off losses with gains.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian Noteholders under (i) through (iii) above, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the relevant Noteholder pursuant to all sales or redemptions of the Notes carried out during any given tax year. The relevant Noteholder must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian Noteholders under (i) through (iii) above holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (b) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth.

Any capital gains realised by Italian Noteholders under (i) through (iii) above who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called '*risparmio gestito*' regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Subject to certain limitations and requirements (including a minimum holding period), capital gains realised upon sale or redemption of the Notes may be exempt from any income taxation (including the *imposta sostitutiva*) if the Noteholders are Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of June 30, 1994 and Legislative Decree No.

103 of February 10, 1996 and the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements from time to time applicable set forth by the applicable law.

Any capital gains realised by a Noteholder who is a Real Estate Fund will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the Real Estate Fund. However, a withholding tax or a substitute tax at the rate of 26 per cent. will apply, in certain circumstances, to income realised by unitholders or shareholders in case of distributions, redemption or sale of the units or shares. Subject to certain conditions and depending on the status and percentage of participation held, income realised by a Real Estate Fund is attributed to the relevant investors and subject to tax in their hands, irrespective of its actual collection and in proportion to the percentage of ownership of units on a tax transparency basis.

Any capital gains realised by Noteholders which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the management results of the Fund. Such result will not be subject to taxation at the level of the Fund, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a Noteholder who is an Italian Pension Fund will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets all the requirements from time to time applicable set forth by the applicable law.

Non-Italian resident Noteholders

Capital gains realised by non-Italian-resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes issued by an Italian resident issuer, which are traded on regulated markets (and, in certain cases, subject to filing of required documentation) are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country included in the White List; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is resident in a country included in the White List, even if it does not possess the status of taxpayer in its own country of residence.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. On the contrary, should the Notes be traded on regulated markets, capital gains realised by non-Italian resident Noteholders would not be subject to Italian taxation.

In the case of non-Italian resident Noteholders not having a permanent establishment in Italy to which the Notes are effectively connected, the *imposta sostitutiva* may be reduced or eliminated under certain applicable tax treaties entered into by Italy, if more favourable, subject to timely filing of the required documentation.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of death or donation are taxed as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, Euro 1,000,000;

- (ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, Euro 100,000; and
- (iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (i), (ii) and (iii) on the value exceeding, for each beneficiary, Euro 1,500,000.

With respect to Notes listed on a regulated market, the value for inheritance and gift tax purposes is the average trading price of the last quarter preceding the date of the succession or of the gift (including any accrued interest).

The *mortis causa* transfer of financial instruments included in a long-term savings account (*piano di risparmio a lungo termine*) – that meets the requirements applicable from time to time set forth by the applicable law – is exempt from inheritance tax.

Transfer tax

Contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) executed in Italy are subject to fixed registration tax at a rate of €200; (ii) private deeds (*scritture private non autenticate*) are subject to registration tax only in the case of voluntary registration or if the so-called ‘*caso d’uso*’ or ‘*enunciazione*’ occurs at a fixed amount (€200).

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (“**Decree 201**”), as subsequently amended and supplemented by Law No. 147 of 27 December 2013, a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Notes deposited in Italy. The stamp duty applies at a rate of 0.2 per cent. and cannot exceed €14,000, for taxpayers different from individuals; this stamp duty is determined on the basis of the market value or - if no market value figure is available - the nominal value or redemption amount of the Notes held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

The communication is deemed to be sent to the customers at least once a year, even for instruments for which it is not mandatory.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of ITC) resident in Italy for tax purposes, holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.2 per cent. Such tax is due only in cases where the stamp duty described in the previous paragraph (Stamp Duty) is not due. Article 1(91) of Law 30 December 2023, No. 213 provided for an increase of the rate from 0.20 per cent. to 0.40 per cent., only in the circumstance that the Notes are held in black list countries, listed in the Ministerial Decree No. 107 of 4 May 1999.

For taxpayers different from individuals, the wealth tax cannot exceed €14,000 per year.

This tax is calculated on the market value of the Notes at the end of the relevant year or - if no market value figure is available - the nominal value or the redemption value of such financial assets held outside the Italian

territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Tax monitoring

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990, as amended by Law No. 97 of 6 August 2013, individuals, non-profit entities and certain partnerships resident in Italy which, in the course of the fiscal year, have held investments abroad or financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return).

Such obligation is not provided for, inter alia, foreign investments or financial activities in case (a) such investments/activities are held in portfolio regimes with Italian resident intermediaries and incomes deriving from such investments/activities are subject in Italy to a withholding/substitutive tax or (b) are only composed by deposits and/or bank accounts having an aggregate value not exceeding a €15,000 threshold throughout the year.

U.S. Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as “**FATCA**”, a “**foreign financial institution**” (as defined by FATCA) may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Republic of Italy) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding. According to the intergovernmental agreement (“**IGA Italy**”) signed by the United States of America and the Republic of Italy on January 10, 2014 and implemented in Italy by Law No. 95 of June 18, 2015, a FFI is not generally subject to withholding under FATCA on any payments it receives. Further, a FFI is not required to withhold from payments it makes (unless it has agreed to do so under the U.S. “qualified intermediary,” regime, according to which, in certain cases, a 30 per cent. withholding tax is applied on the payments from sources within the United States).

Certain aspects of the application of these rules to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

The Managers have, in a subscription agreement dated 6 September 2024 (the “**Subscription Agreement**”) and made between the Issuer and the Managers upon the terms and subject to the conditions contained therein, agreed to subscribe for the Notes at their issue price of 100 per cent. of their principal amount less the commission specified therein. The Issuer has also agreed to reimburse the Managers for certain of their expenses incurred in connection with the management of the issue of the Notes. The Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (“**Regulation S**”).

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to, or for the account of, a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Accordingly, the Notes are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance with, Regulation S.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Prohibition of sales to EEA retail investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Each Manager has represented and agreed that:

- (a) *No sales to retail investors*: it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom and, for the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of United Kingdom domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA;
- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
 - (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation. Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes, nor may copies of this Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined under Article 2, paragraph 1, letter e) of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998 (as amended, otherwise known as the *Testo Unico della Finanza* or the “**TUF**”) and/or Italian CONSOB regulations and/or any other applicable provision of Italian laws and regulations; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of the TUF, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended, and in accordance with any other applicable Italian laws and regulations.

Any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy must be made in compliance with the selling restriction under points (a) or (b) above and must be made:

- (i) by *soggetti abilitati* (including investment firms, banks or financial intermediaries), as defined by Article 1, first paragraph, letter r), of the TUF, permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the TUF, CONSOB regulation No. 20307 of 15 February 2018, as amended, and Legislative Decree No. 385 of 1 September 1993 (as amended, otherwise known as the *Testo Unico Bancario* or the “**TUB**”) and any other applicable laws and regulations; and
- (ii) in compliance with any applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy and/or any other competent Italian authority, including with Article 129 TUB and the implementing guidelines of the Bank of Italy issued on 25 August 2015 and amended on 10 August 2016 and on 2 November 2020, as further amended, pursuant to which the Bank of Italy may request periodic reporting, data and information on the issue or the offer of securities in the Republic of Italy.

General

Each Manager has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither

the Issuer nor the Managers shall have any responsibility therefor.

Neither the Issuer nor the Managers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The creation and issue of the Notes has been authorised by a resolution passed by the Issuer's extraordinary shareholders' meeting on 31 July 2024, notarised by public notary Federico Tassinari (*repertorio* 80324, *raccolta* 52190), registered with the competent companies' register on 27 August 2024, and a decision (*determina*) by the Chairman and Chief Executive Officer of the Issuer dated 4 September 2024, notarised by public notary Federico Tassinari (*repertorio* 80460, *raccolta* 52273), registered with the competent companies' register on 5 September 2024.

Legal Entity Identifier (LEI)

The Issuer's Legal Entity Identifier (LEI) is 815600BBB58D86A66492.

Listing and admission to trading

Application has been made for the Notes to be admitted to the Official List of Euronext Dublin and admitted to trading on its regulated market. Admission is expected to take effect on or about the Issue Date. The total expenses related to the admission of the Notes to trading on Euronext Dublin's regulated market are expected to amount to approximately €7,240.

Eligibility of the Notes for Eurosystem Monetary Policy

The Notes are issued in NGN form and intended to be held in a manner which would allow Eurosystem eligibility. This simply means that the Notes are intended upon issue to be deposited with either Euroclear or Clearstream, Luxembourg, acting as common safekeeper, but does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem, either upon issue of the Notes or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. As at the date of this Prospectus, neither the Issuer nor the Notes have an investment grade rating assigned to them and, accordingly, the Notes do not satisfy the eligibility criteria.

Clearing systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Notes have the following International Securities Identification Number and Common Code assigned to them:

ISIN: XS2894847289

Common code: 289484728

The CFI Code for the Notes is DBFXFB and the FISN for the Notes is EUR 4,343 TRASPORTO PAS (REGS) 24-2029.

The address of Euroclear is 1 Boulevard du Roi Albert II, B 1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L 1855 Luxembourg, Grand Duchy of Luxembourg.

No significant / material adverse change

There has been no significant change in the financial position or performance of the Group and no material adverse change in the prospects of the Issuer since 31 December 2023.

Legal and arbitration proceedings

Save as disclosed in "*Description of the Issuer – Legal Proceedings*", neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Independent auditors

The Issuer's current independent auditor is PricewaterhouseCoopers S.p.A., with registered office at Piazza Tre Torri 2, 20145 Milan, Italy ("**PwC**"). PwC has been appointed for the period 2018-2026, expiring on the date of the shareholders' meeting convened to approve the Issuer's financial statements as at and for the year ending 31 December 2026.

PwC is registered under No. 119644 in the Register of Independent Auditors (*Registro dei Revisori Legali*) maintained by the Ministry of the Economy and Finance (*Ministero dell'Economia e delle Finanze*) and is a member of the Italian association of auditing firms (*Associazione Italiana Revisori Contabili* or Assirevi).

Documents on display

For so long as the Notes remain outstanding, the following documents may be viewed on the Issuer's website at the following address:

<https://www.tper.it/issuerdocuments>

- (a) an English translation of the By-laws (*statuto*) of the Issuer;
- (b) a copy of this Prospectus;
- (c) the Agency Agreement; and
- (d) the 2023 Integrated Annual Report and 2022 Integrated Annual Report.

A copy of this Prospectus will also be electronically available for viewing on the website of Euronext Dublin (<https://live.euronext.com>).

In addition, for so long as any of the Notes are outstanding, copies of the above documents may be inspected in electronic format during normal business hours at the specified office of the Fiscal Agent at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom.

Legend concerning US persons

The Notes and any Coupons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

Indication of yield

Based on the issue price of 100 per cent. of the principal amount of the Notes, the gross yield on the Notes is 4.343 per cent. on an annual basis. The yield is calculated as the yield to maturity as at the Issue Date on the basis of the Issue Price and is not an indication of future yield.

Irish Listing Agent

Walkers Listing Service Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission to the Official List or trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Regulation.

Potential Conflicts of Interest

In the ordinary course of business, the Lead Manager, a member of the Intesa Sanpaolo Group, and the Co-Manager have engaged, and may in the future engage, in lending, investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates and with companies involved directly or indirectly in the sectors in which the Issuer and its affiliates operate and/or competitors of the Issuer interested in carrying out transactions of a similar nature for which they have received, and in the future may receive, customary fees, commissions and expenses. The Lead Manager has acted as mandated lead arranger and/or lender under the ISP Facility Agreement and the Prepayable Facility

Agreement and will receive customary fees for his services in such capacities. In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates or any entity related to the Notes.

The Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistently with their customary risk management policies. Typically, the Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Furthermore, one or more of the companies that are members of the Lead Manager:

- (a) is the lender under the Repayable Indebtedness represented by the Repayable Facility Agreement which, under Condition 5.5 (*Repayment of Repayable Indebtedness*), the Issuer has undertaken to repay no later than the Repayable Indebtedness Early Repayment Date;
- (b) is or are among the main financial lenders and have granted significant other financing to the Issuer and its parent and group companies; and
- (c) will subscribe and pay for the Notes.

In this sub-section of the Prospectus, "**affiliates**" means, in relation to a specified person (the "**first person**"), another person who, either directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the first person.

REGISTERED OFFICE OF THE ISSUER

TPER S.p.A.
Via di Saliceto, 3
40128 Bologna
Italy

FISCAL AGENT

The Bank of New York Mellon
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

LEAD MANAGER

Intesa Sanpaolo S.p.A.
Divisione IMI Corporate & Investment Banking
Via Manzoni, 4
20121 Milan
Italy

CO-MANAGER

**Crédit Agricole Corporate and
Investment Bank**
12, Place des Etats-Unis, CS 70052
92547 Montrouge CEDEX
France

LEGAL ADVISERS

To the Issuer as to Italian law
Legance - Avvocati Associati
Via Broletto, 20
20121 Milan
Italy

To the Managers as to English and Italian law

Gianni & Origoni	Gianni & Origoni	Gianni & Origoni
6-8 Tokenhouse Yard	Piazza Belgioioso 2	Via delle Quattro Fontane, 20
London EC2R 7AS	20121 Milan	00184 Rome
United Kingdom	Italy	Italy

AUDITORS

PricewaterhouseCoopers S.p.A.
Piazza Tre Torri 2
20145 Milan
Italy

LISTING AGENT

Walkers Listing Services Limited

5th Floor, The Exchange

George's Dock, IFSC

Dublin 1

D01 W3P9

Ireland