

Sachwertanleihe 3 | Telekia, Compartment 1

This is an additional Reference Portfolio Component as part of a notional Reference Portfolio prepared by the Reference Portfolio Advisor solely for the purposes of being used as underlying of the Sachwertanleihe 3 Notes due 2027.

This Section provides detailed description of an additional Reference Portfolio Component comprised in the Reference Portfolio as of 30th November 2022.

1.1 ACE Italy Projects II Bonds

The EUR 5,500,000 uncleared bearer bonds (the "ACE Italy Projects II Bonds") are issued by ACE Italy Projects II S.à r.l. ("ACE Italy Projects II"), incorporated as a private company with limited liability (société à responsabilité limitée) under the laws of the Grand Duchy of Luxembourg, with its registered office at 17, Am Scheerleck, L-6868 Wecker, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies (Registre de Commerce et des Sociétés) under number B 248082.

Issuer

The purpose of ACE Italy Projects II is to acquire participations in any form in commercial, industrial, financial or other companies or undertakings, in the Grand Duchy of Luxembourg or abroad; to acquire by subscription, purchase, exchange or in any other manner, in particular any shares, units and/or other equity securities, bonds, debentures, certificates of deposit and/or other debt instruments, and in general any securities and/or financial instruments issued by any public or private entity; to provide any assistance, loans, benefits or guarantees to companies or undertakings in which ACE Italy Projects II has an interest, or guarantees and, finally, to carry out any action directly or indirectly connected with this purpose. ACE Italy Projects II may carry out management activities in connection with commercial, industrial, financial or other companies or undertakings, in the Grand Duchy of Luxembourg or abroad.

Form and Denomination

The ACE Italy Projects II Bonds are issued by ACE Italy Projects II as uncleared bearer bonds without a fixed denomination.

Each ACE Italy Projects II Bonds is constituted by the execution by ACE Italy Projects II of a bearer bond certificate which embodies the rights arising out of such ACE Italy Projects II Bonds.

The nominal amount of each ACE Italy Projects II Bonds is stated on the relevant bearer bond certificate.

Transfer and Title

The ACE Italy Projects II Bonds are freely transferrable. Title to each ACE Italy Projects II Bonds passes by physical transfer of the relevant bearer bond certificate. Each ACE Italy Projects II Bonds may be transferred in whole but not in part.

The ACE Italy Projects II Bonds are not cleared.

Maturity

The scheduled maturity date of the ACE Italy Projects II Bonds is 01 September 2024.

Status and Ranking

The ACE Italy Projects II Bonds constitute direct, unsecured obligations of ACE Italy Projects II and rank pari passu and rateably, without any preference among themselves, with all other existing direct, unsecured obligations of ACE Italy Projects II arising under or in connection with any debt securities issued by ACE Italy Projects II. The ACE Italy Projects II Bonds rank junior to ACE Italy Projects II's obligations under any loans. In the event of ACE Italy Projects II's insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation), the ranking of the ACE Italy Projects II Bonds may be affected by the applicable laws relating to creditors' rights generally.

Interest / Coupon

Each ACE Italy Projects II Bonds bears interest on its outstanding nominal amount from and excluding the issue date at a fixed rate of 7.5 % per annum, accruing on a daily basis and payable in arrear, upon the redemption of such ACE Italy Projects II Bonds.

For the avoidance of doubt, the Notional Acquisition Cost of each ACE Italy Projects II Bond notionally added to the Reference Portfolio takes into account the outstanding nominal amount of such ACE Italy Projects II Bond and any interest accrued on such outstanding nominal amount up to (and including) the date on which such ACE Italy Projects II Bond is notionally added to the Reference Portfolio. Such accrued interest would be reflected in the Reference Portfolio Value. All interest accrued the ACE Italy Projects II Bonds would be payable in arrear, upon redemption of such ACE Italy Projects II Bonds, and would constitute a Notional Distribution Amount for the purposes of the Reference Portfolio.

Redemption Rights

ACE Italy Projects II is entitled to redeem each ACE Italy Projects II Bond in whole or in part without notice. ACE Italy Projects II shall redeem each ACE Italy Projects II Bond at the latest on the scheduled maturity date. Upon redemption, each holder of a ACE Italy Projects II Bond is entitled to receive from ACE Italy Projects II payment of a redemption amount equal to the outstanding nominal amount in respect of such ACE Italy Projects II Bond plus accrued interest. In case of redemption in part, the holder of each ACE Italy Projects II Bond is entitled to elect whether the amount payable by ACE Italy Projects II shall be treated as principal, interest or a combination of the two.

The holders of the ACE Italy Projects II Bonds do not have any ordinary termination, redemption or exercise rights.

Governing Law

The ACE Italy Projects II Bonds are governed by, and shall be construed in accordance with, Luxembourg law.

Originator

The Reference Portfolio Advisor is the originator of the ACE Italy Projects II Bonds. For the full name, address and significant business activities of the Reference Portfolio Advisor, see section "6.2 Reference Portfolio Advisor" of the Prospectus.

Source of Information

The information in respect of the ACE Italy Projects II Bonds contained in this section "1.1 ACE Italy Projects II Bonds" has been provided by ACE Italy Projects II in the terms and conditions of the ACE Italy Projects II Bonds and has been summarised and provided to the Issuer by the Reference Portfolio Advisor.

So far as the Issuer is aware and is able to ascertain from information published by ACE Italy Projects II no facts have been omitted which would render the reproduced information misleading.