

## **TELEKIA**

(an unregulated securitisation fund (*fonds de titrisation*)  
established under the laws of the Grand Duchy of Luxembourg and subject to the Luxembourg law on  
securitisation dated 22 March 2004 (as may be amended from time to time))

acting for and on behalf of its compartment 2

as Issuer

**Programme for the Issuance and Offer of up to 150,000**

### **Green Development Notes 2 due 2028**

**linked to the performance of a notional portfolio of renewable energy investments (the "Reference  
Portfolio")**

**dated 15 June 2023**

ISIN: XS2635169316, Common Code: 263516931

Telekia (an unregulated securitisation fund (*fonds de titrisation*), also the "**Securitisation Undertaking**") acting for and on behalf of its Compartment 2 (the "**Issuer**") will issue on the issue date ("**Issue Date**") up to 150,000 (in words: one hundred fifty thousand) Green Development Notes 2 due 2028 (each a "**Note**" and together the "**Notes**"). The scheduled Issue Date of the Notes is 31 July 2023, but the Issuer reserves the right to postpone the Issue Date for a maximum period of ten (10) weeks if market conditions so require. The Notes will be governed by the laws of the Grand Duchy of Luxembourg.

This document constitutes a prospectus (the "**Prospectus**") within the meaning of Article 6 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") of the Issuer. This Prospectus will be published in electronic form together with all documents incorporated by reference (if any) on the website of the Issuer (telekia.lu). This Prospectus has been approved by the Liechtenstein Financial Market Authority (the "**FMA**") in its capacity as competent authority under the Prospectus Regulation.

The FMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. 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.

The Issuer intends to apply to the Frankfurt Stock Exchange for the Notes to be admitted to trading on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange. The Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange is not a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and the Council of 15 May 2014 on Markets in Financial Instruments ("**MiFID II**"), as amended.

This Prospectus may be filed in Switzerland with a review body (*Prüfstelle*) licensed by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") as a foreign prospectus that is deemed approved according to Article 54(2) of the Swiss Federal Financial Services Act ("**FinSA**") for entry on the list of approved prospectuses according to Article 64(5) FinSA, deposited with this review body and published according to Article 64 FinSA. Notwithstanding anything else in this Prospectus, the Issuer and the financial intermediaries granted consent to use this Prospectus in Switzerland, to the extent and under the conditions specified under section "3.4 *Consent to use the Prospectus*" on page 60 of this Prospectus, may make offers

of Notes to the public in Switzerland other than pursuant to an exemption under Article 36(1) FinSA or where such offer does not qualify as a public offer in Switzerland (a "**Swiss Non-exempt Offer**") on the basis of and in accordance with this Prospectus. The Notes do not constitute a participation in a collective investment scheme in the meaning of the Swiss Federal Act on Collective Investment Schemes ("**CISA**") and are not subject to the supervision by the FINMA, and investors will not benefit from the specific investor protection under the CISA.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, (the "**Securities Act**"). The Notes are being offered outside the United States of America (the "**United States**" or "**U.S.**") in accordance with Regulation S under the Securities Act, and may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area and references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of 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.

**This Prospectus may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation.**

**The validity of this Prospectus will expire on 15 June 2024. After this date, the obligation to prepare a supplement in the event of significant new factors, material mistakes or material inaccuracies shall no longer apply.**

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## 1. SUMMARY (IN THE ENGLISH LANGUAGE)

### Section A – Introduction and warnings

#### Warnings

- a) The Summary should be read as an introduction to the Prospectus.
- b) Any decision to invest in the Securities should be based on a consideration of the Prospectus as whole by the investor.
- c) **The Notes are not capital protected and there is no minimum redemption amount.** Accordingly, the investor could lose all or part of the invested capital.
- d) Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.
- e) Civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only where the Summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Securities.
- f) You are about to purchase a product that is not simple and may be difficult to understand.

#### Introductory information

<b>Name and ISIN of the Securities:</b>	Green Development Notes 2 (ISIN: XS2635169316)
<b>Identity and contact details of the Issuer, including LEI:</b>	Telekia, acting for and on behalf of its Compartment 2; Address: 7, Grand Rue, L-6630 Wasserbillig, Grand Duchy of Luxembourg; Telephone: +352 (0) 267 04 21; LEI: 529900FA5S73TOYGJ376
<b>Identity and contact details of the offeror, including LEI:</b>	N/A, there is no single offeror. The Issuer has given its consent that any financial intermediary in the EEA may subscribe for and purchase Notes from the Issuer for subsequent resale or final placement of the Notes in Liechtenstein and the Federal Republic of Germany (general consent).
<b>Competent authority that approved the Summary and Prospectus:</b>	Liechtenstein Financial Markets Authority ( <i>Finanzmarktaufsicht Liechtenstein – "FMA"</i> ); Address: Landstrasse 109, Postfach 279, 9490 Vaduz, Liechtenstein; Telephone: +423 (0) 236 73 73
<b>Date of approval of the Prospectus:</b>	15 June 2023

### Section B – Key information on the Issuer

#### Who is the issuer of the securities?

The legal and commercial name of the Issuer is Telekia (also the "**Securitisation Undertaking**"), acting for and on behalf of its compartment 2 ("**Compartment 2**" or the "**Issuer**").

The Securitisation Undertaking has its registered office at 7, Grand Rue, L-6630 Wasserbillig, Grand Duchy of Luxembourg and is registered with the Register of Trade and Companies of Luxembourg (*Registre de Commerce et des Sociétés de Luxembourg*) under number O29. The Securitisation Undertaking's Legal Entity Identifier (LEI) is 529900FA5S73TOYGJ376.

The Securitisation Undertaking is a Luxembourg unregulated securitisation fund (*fonds de titrisation*), consisting of one or several co-ownerships (*copropriété*), within the meaning of, and governed by, the Luxembourg law of 22 March 2004 on securitisation, as amended (the "**Luxembourg Securitisation Law**").

In compliance with the Luxembourg Securitisation Law, the Securitisation Undertaking does not have legal personality and is managed by Isec S.A., a public limited liability company, incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 7, Grand Rue, L-6630 Wasserbillig, Grand Duchy of Luxembourg and registered with the Register of Trade and Companies of Luxembourg under the number B 220820 (the "**Management Company**"). The Securitisation Undertaking has no share capital and no employees.

The Securitisation Undertaking has no share capital and no employees. The Securitisation Undertaking has issued two units (the "**General Estate Units**") with a nominal amount of EUR 1,000 each and which are allocated to its general estate. Both General Estate Units are held by Aurebia II S.à r.l., a limited liability company, incorporated and existing under the laws of the Grand Duchy of Luxembourg, registered with the Register of Trade and Companies of Luxembourg under the number B 267257. In addition, the Securitisation Undertaking, acting for and on behalf of its Compartment 2 has issued two units (the "**Compartment 2 Units**") with a nominal amount of EUR 1,000 each and which are allocated to Compartment 2. Both Compartment 2 Units are also held by Aurebia II S.à r.l. In turn, Stichting Aurebia, a foundation (*Stichting*) under Dutch law, registered with the Netherlands Chamber of Commerce under number 86046926, directly holds the entire issued share capital of Aurebia II S.à r.l. Therefore, the Issuer is directly and indirectly (via Aurebia II S.à r.l.) owned or controlled by Stichting Aurebia. Stichting Aurebia is a foundation under Dutch law and, therefore, is not owned or controlled by any person.

The only activity of the Securitisation Undertaking is the issuance of financial instruments (including the Notes) whose value or yield is linked to the performance of the underlying assets, and / or allocated to specific compartments (including Compartment 2), assets or risks, or whose repayment is subject to the repayment of other instruments, certain claims or certain categories of shares.

The directors of the Management Company are: Béatrice Stülp, Flavius B. Igret, Alexander Nelke, Fabian Föhre and Moritz Hohenwarter.

The approved statutory auditor (*réviseur d'entreprises agréé*) of the Securitisation Undertaking is PricewaterhouseCoopers Société cooperative.

#### **What is the key financial information regarding the issuer?**

The first fiscal year in relation to the Securitisation Undertaking started on the date of its incorporation and ended on 31 December 2022.

The accounts of the Securitisation Undertaking for such financial year are in the process of being audited and the audited financial statements are expected to be published in June 2023. Therefore, as of the date of this Prospectus, the Securitisation Undertaking has no published audited financial statements.

#### **What are the key risks that are specific to the Issuer?**

**The Issuer is a securitisation fund subject to the Luxembourg Securitisation Law.** In compliance with the limited recourse and non-petition provisions in the Terms and Conditions of the Notes, the Noteholders shall only have recourse to the assets of Compartment 2, but not to the assets allocated to other compartments of the Securitisation Undertaking or any other assets of the Securitisation Undertaking.

**Changes in law / Re-qualification risk under AIFM Directive.** There is a risk that, due to a change in law or interpretation, the Issuer can no longer benefit from the exemption for securitisation special purpose entities and, therefore, the Notes are re-qualified as participations in an alternative investment fund under directive 2011/61/EU dated 8 June 2011 on Alternative Investment Fund Managers, as amended. Such re-qualification may require changes to and maybe also restructuring of the entire investment concept of the Notes, including changes and substitutions of the entities involved in the structure. Any such changes and restructuring may cause significant costs. Further, they may require consent from all Noteholders and may therefore be obstructed by a minority of Noteholders.

**Reliance of the Issuer on third party service providers.** Telekia has no employees and is therefore dependent on certain service providers to provide the services required in connection with the issue of the Notes and the transactions described in this Prospectus. All of the agreements entered into between Telekia or, as the case may be, the Issuer and certain service providers provide for a termination right of each party to the relevant agreement. There can be no assurance that an appropriate successor service provider will be

available and appointed at any time following any such termination. Service providers may also default on their obligations to the Issuer or make decisions which turn out to have been incorrect.

### Section C – Key information on the Notes

#### **What are the main features of the securities?**

##### ***Type and form of the Notes; Issue Date of the Notes***

The Notes offered under this Prospectus are the Green Development Notes 2 due 2028 (ISIN: XS2635169316) (each a "**Note**") issued in the size of up to 150,000 (in words: one hundred fifty thousand) Notes and with a nominal amount of EUR 1,000 (in words: one thousand Euros) per Note (the "**Nominal Amount**"). The Notes are issued as bearer securities under the laws of the Grand Duchy of Luxembourg. The Notes are not capital protected.

##### ***Term of the Notes***

The Notes are issued by the Issuer on the issue date ("**Issue Date**"). The scheduled Issue Date of the Notes is 31 July 2023, but the Issuer reserves the right to postpone the Issue Date for a maximum period of ten (10) weeks if market conditions so require. In such case the Issuer will notify the postponed Issue Date to the relevant financial intermediaries by not less than ten (10) Business Days' prior written notice. Notice of any postponement of the scheduled Issue Date will be made to investors by means of a notice published on the website of the Issuer (telekia.lu).

The "**Maturity Date**" of the Notes is the earlier of (a) 30 September 2028 (the "**Scheduled Maturity Date**"), as may be extended from time to time by the Issuer as described below; and (b) the tenth (10th) Business Day after the date on which the Issuer receives the final redemption or, as the case may be, liquidation proceeds in respect of all non-cash assets held by the Issuer for the purposes of hedging its payment obligations under the Notes (the "**Liquidation Completion Date**").

The Issuer has the right (the "**Maturity Extension Option**") to extend the term of all Notes then outstanding by notification to the Noteholders with a copy to the Calculation Agent and the Paying Agent (the "**Extension Notification**") by two (2) additional periods, each such period not exceeding one (1) year. The date on which the extension period ends after the exercise of the Maturity Extension Option by the Issuer will then be the Scheduled Maturity Date. Such Extension Notification shall be given by the Issuer at least one (1) calendar month prior to the then current Scheduled Maturity Date.

"**Business Day**" means each day (other than a Saturday, a Sunday or a public holiday) on which banks in the Federal Republic of Germany and in the Grand Duchy of Luxembourg are open for business and on which the Clearing System as well as all relevant parts of the real time gross settlement system operated by the Eurosystem or any successor system ("**T2**") are operational to forward the relevant payment.

##### ***Rights attached to the Notes***

###### ***Entitlement to payment of Redemption Amount***

The Issuer shall initiate the redemption or, as the case may be, liquidation of all non-cash assets held by it for the purposes of hedging its payment obligations under the Notes with view to completing such liquidation by no later than the Scheduled Maturity Date. The Issuer shall pay to each Noteholder on the Maturity Date the Redemption Amount for each Note held by such Noteholder as of the Maturity Date. The payment of the Redemption Amount by the Issuer shall be limited to the extent of available amounts credited to the balance of the Issuer's cash account.

###### ***Entitlement to payment of Variable Coupon Amount***

To the extent the Notes are not previously redeemed by the Issuer in accordance with the Terms and Conditions of the Notes, in the period from (and including) the Issue Date to (but excluding) the Maturity Date or, if earlier, the termination date in respect of the Notes, each outstanding Note shall bear interest in an amount equal to the liquidity-contingent Variable Coupon Amount. The Variable Coupon Amount in respect of each Coupon Period shall be paid on the Coupon Payment Date in respect of such Coupon Period. The payment of a Variable Coupon Amount by the Issuer shall be limited to the extent available amounts



credited to the balance of the Issuer's cash account exceed the Issuer's liquidity reserve maintained in connection with the Notes.

**"Coupon Payment Date"** means, in respect of any Coupon Period, the fifth (5<sup>th</sup>) Business Day after the end of the relevant Coupon Period, *provided that* the Coupon Payment Date in respect of the last Coupon Period shall be the earlier of (i) the Maturity Date in respect of the last outstanding Notes and (ii) the termination date in respect of the Notes following the occurrence of an (unscheduled) termination event or the exercise by the Issuer of its ordinary termination right.

**"Coupon Period"** means (i) the period from (and including) the Issue Date to (and excluding) 30 September 2024 and (ii), thereafter, each period from (and including) 30 September of each calendar year to (but excluding) 30 September of the immediately succeeding calendar year, *provided that* the last Coupon Period shall end on (and include) the earlier of (A) the Maturity Date in respect of the last outstanding Notes and (B) the termination date in respect of the Notes following the occurrence of an (unscheduled) termination event or the exercise by the Issuer of its ordinary termination right.

*Linkage of Redemption Amount and Variable Coupon Amount to Reference Portfolio*

Any payments under the Notes are linked to the performance of a notional reference portfolio (the **"Reference Portfolio"**). The Reference Portfolio is a static synthetic portfolio which has been proposed and is maintained and whose value is calculated from time to time solely for the purposes of being used as underlying of the Notes.

The Reference Portfolio is created by Aquila Capital Investmentgesellschaft mbH, Valentinskamp 70, 20355 Hamburg, Federal Republic of Germany, in its function as reference portfolio advisor (the **"Reference Portfolio Advisor"**) to the Issuer and solely for the purpose of calculation of any amounts payable by the Issuer in respect of the Notes.

The Reference Portfolio may comprise reference fund interests (the **"Reference Fund Components"**) and/or money market instruments, fixed-income instruments and other short-term liquid investments (the **"Reference Debt Security Components"**), selected by the Reference Portfolio Advisor in accordance with certain objective criteria with view to giving exposure to certain renewable energy investments, as well as a notional cash position (together, the **"Reference Portfolio Components"**). The criteria for selecting any Reference Portfolio Components, as well as the rules for limited adjustments to the composition of the Reference Portfolio are fixed and set out in full in a Reference Portfolio methodology (the **"Reference Portfolio Methodology"**) set out in full in the Prospectus. In accordance with the Reference Portfolio Methodology, the Reference Portfolio Advisor shall determine the value of the Reference Portfolio (the **"Reference Portfolio Value"**) from time to time.

There is no obligation on the Issuer to purchase or hold any Reference Portfolio Components and Noteholders have no rights in, or to require delivery of, any of such Reference Portfolio Components at any time.

The Redemption Amount and each Variable Coupon Amount payable in respect of the Notes are determined as follows:

**"Redemption Amount"** means in relation to each Note an amount in EUR equal to (a) either (i) if the Maturity Date is determined in accordance with limb (a) of the definition of "Maturity Date", the Reference Portfolio Value on the Scheduled Maturity Date (for the avoidance of doubt, after taking into account any adjustments to the Reference Portfolio Value on such date); or (ii) if the Maturity Date is determined in accordance with limb (b) of the definition of "Maturity Date", the positive balance (if any) standing to the credit of the Cash Account as of the Liquidation Completion Date; in either case; *minus* (b) an amount sufficient to discharge all of the Issuer's payment obligations ranking senior to the Redemption Amount under the priority of payments; the result floored at zero and then *divided by* (c) the number of all outstanding Notes as of the Maturity Date.

**"Variable Coupon Amount"** per Note in respect of a Coupon Period shall be an amount in EUR equal to (a) the greater of (i) either (A) the most recent Reference Portfolio Value determined on or prior to the Coupon Payment Date in respect of such Coupon Period *minus* the Reference Portfolio Value on the Issue Date, or (B) such lower amount as determined by the Issuer in its sole and absolute discretion, and (ii) zero, *minus* (b) an amount sufficient to discharge all of the Issuer's payment obligations ranking senior to the

Variable Coupon Amount under the priority of payments and following deduction of the liquidity reserve, the result floored at zero and then *divided by* (c) the number of all outstanding Notes as of the relevant Coupon Payment Date.

***Relative seniority of the Notes in the Issuer's capital structure in the event of insolvency***

The Notes constitute direct, unsecured and limited recourse debt obligations of the Issuer and rank *pari passu* and rateably, without any preference among themselves, with all other existing direct, unsecured, limited recourse indebtedness of the Issuer, which has been or will be allocated to Compartment 2 but, in the event of insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation), only to the extent permitted by applicable laws relating to creditors' rights generally.

***Restrictions on free transferability of the Notes***

The Notes are freely transferrable.

**Where will the securities be traded?**

The Issuer intends to apply to the Frankfurt Stock Exchange for the Notes to be admitted to trading on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange.

**What are the key risks that are specific to the securities?**

**No protection of the Notes by a system of deposit guarantees or a compensation scheme. The Notes are not secured by a system of deposit guarantees or a compensation scheme in Luxembourg or in any other jurisdiction. Therefore, in case of an insolvency of the Issuer, the Noteholders may suffer a total or partial loss of their invested capital.**

**Risk of loss of the entire invested capital in case of negative development of Reference Portfolio Value, no capital protection.** Potential investors should be aware that there is no certainty how the price of the Notes would develop over time. The Terms and Conditions do not entitle the Noteholders to the payment of a fixed Redemption Amount. Prospective investors in the Notes should recognise that, in case of negative development of the Reference Portfolio value, the Redemption Amount may be zero. The Notes constitute a risk investment which can lead to a total loss of their investment in the Notes.

**Risk of no payments of Variable Coupon Amounts in case of negative development of Reference Portfolio Value.** Potential investors in the Notes should be aware that, in respect of each Coupon Period, they are entitled to receive a Variable Coupon Amount up to the amount of increase in the Reference Portfolio Value during the relevant Coupon Period. In case the Reference Portfolio Value determined on or prior to any Coupon Payment Date is equal to or lower than the Reference Portfolio Value on the Issue Date, the Variable Coupon Amount in respect of such Coupon Period would be zero.

**Limited recourse and non-petition.** The Notes are limited recourse debt obligations of the Issuer. All payment obligations of the Issuer under the Notes constitute obligations exclusively to make payments in an amount limited to the performance of the assets of Compartment 2. The Noteholders agree that they will not, in relation to the Notes, attach or otherwise seize the assets of the Issuer allocated to Compartment 2 or to other compartments of Telekia or other assets of Telekia. In particular, no Noteholders shall be entitled to petition or take any other step for the winding-up, the liquidation or the dissolution of Compartment 2 or of Telekia or any similar insolvency related proceedings.

**Discretion of the Issuer in relation to cashflow management and determination of amounts payable under the Notes.** The Issuer has broad discretion to make certain determinations in respect of the liquidity reserve to be maintained as reserve in connection with the Issuer's obligations under the Notes, as well as the calculation of amounts payable under the Notes from time to time (including, without limitation, any Variable Coupon Amount, Redemption Amount and/or termination amount payable following an exercise by the Issuer of its ordinary termination right or, as the case may be, the occurrence of an (unscheduled) termination event). Potential investors should be aware that any such discretion of the Issuer may be used in a way so as to reduce amounts payable under the Notes.

**Market price risk in connection with the Notes.** At the time an investor purchases the Notes, they cannot predict with certainty how the value and market price of the Notes would develop, nor the amount of any (potential) payments in respect of the Notes under the Terms and Conditions. Potential investors should

therefore be aware that they are exposed to the risk of losses during the term of the Notes, because the value and the market price of the Notes could fall below the purchase price paid for the Notes at any time after the purchase of the Notes and not only following an exercise of the Notes.

**Risks related to trading of the Notes / limited liquidity.** Therefore, potential investors should not rely on the ability to sell their Notes at a specific time or at a specific price. It is impossible to predict whether and to what extent a secondary market for the Notes will develop, at what price would the Notes be traded on such secondary market and whether such secondary market would be liquid.

**Effect of ancillary costs.** Commissions and other transaction costs incurred in connection with the purchase or sale of the Notes may result in charges, particularly in combination with a low order value, which can substantially reduce the redemption amount, if any, payable in respect of the Notes. Further and in addition, the issue price in respect of the Notes may include commissions and other fees charged by the Issuer, including commissions and other fees which the Issuer may remit to the distributor and/or any intermediaries involved in the distribution of the Notes. Potential investors should be aware that, if they purchase the Notes at an (inflated) issue price, they may subsequently only be able to sell the Notes at a (lower) market price. Such ancillary costs could result in loss of some or all of the invested capital.

**Risk of fluctuations in the Reference Portfolio Value.** By investing in Notes linked to the performance of the Reference Portfolio, Noteholders are subject to the risks related to such Reference Portfolio and the Reference Fund Components and Reference Debt Security Components that the Reference Portfolio aims to replicate. The Reference Portfolio Value is subject to fluctuations. Therefore, Noteholders cannot foresee what consideration they can expect to receive for the Notes on a certain day in the future. The more volatile the Reference Fund Components and Reference Debt Security Components are, the less predictable the amount to be received by the Noteholders following redemption, exercise or otherwise disposal of the Notes would be. In case of an unfavourable development of any individual Reference Fund Components and Reference Debt Security Components or of the Reference Portfolio Value overall, the amount received by the Noteholders in connection with such disposal may be very low or even be equal to zero.

**Specific risks related to lack of direct correlation between the performance of individual Reference Portfolio Components and the overall performance of the Reference Portfolio.** Potential investors bear the risk that the positive performance of individual Reference Fund Components and Reference Debt Security Components does not directly correlate to an overall positive performance of the Reference Portfolio.

**Specific risks related to Noteholders having no recourse to the Reference Portfolio Components.** Potential investors should be aware that the Notes do not create any entitlement, proprietary rights or recourse to any Reference Portfolio Components comprising the Reference Portfolio from time to time (and neither the Issuer, nor any other party, is under any obligation to actually directly or indirectly, physically or synthetically to acquire, dispose of or effect or take delivery of, or effect transactions in, any Reference Portfolio Components). Accordingly, in connection with all payments in respect of the Notes, the Noteholders are exposed solely to the credit risk of the Issuer and have no recourse to any Reference Portfolio Components.

**Specific risks related to the performance of the Reference Portfolio Advisor.** Potential investors in the Notes bear the risk that decisions made by the Reference Portfolio Advisor could result in a decline in the value of the Reference Portfolio. Further, potential investors bear the risk that the loss of one or more key individuals employed by the Reference Portfolio Advisor could prejudice the Reference Portfolio Advisor's ability to perform its responsibilities in relation to the Reference Portfolio. In either case, potential investors could realise a partial or total loss of the invested capital.

#### **Section D – Key information on the offer of the securities to the public and/or the admission to trading on a regulated market**

##### **Under which conditions and timetable can I invest in this security?**

The offer period is expected to commence on the day following the date of this Prospectus and terminate on 15 June 2024 (the expiration date of the Prospectus) subject to shortening the period (the "Offer Period"). The offer of the Notes will be open during the Offer Period.

Investors may purchase Notes through financial intermediaries.

The issue price per Note on the Issue Date will be equal to the Nominal Amount per Note. An investor can purchase the Notes on the Issue Date against payment of the issue price *plus* an agio of up to 5 per cent (and, therefore, up to EUR 50 per Note), as set by the relevant financial intermediary.

At all times thereafter, the issue price per Note will be adjusted on a continuous basis and will reflect the market value of the Notes. The market value will reflect the demand for and supply of the Notes prevailing at the time of determination, the Reference Portfolio Value at such time, as well as anticipated developments of the Reference Portfolio Value, and prevailing market conditions. An investor can purchase the Notes after the Issue Date against payment of the relevant issue price *plus* an agio of up to 5 per cent, as set by the relevant financial intermediary.

Any agio paid by an investor may be used by the Issuer to pay the distribution fees of the relevant financial intermediary. Further and in addition, the Issuer may also use up to 1 per cent. of the issue price per Note to pay the distribution fees of the relevant financial intermediary.

The Notes will be sold against payment of the relevant issue price to the Issuer *plus* the relevant agio (if any) or to any agent designated by the Issuer. Each investor will be notified of the settlement arrangements in respect of any Notes it applies to subscribe for and purchase at the time of such investor's application.

The estimated total expenses of the issue and/or offer are EUR 178,000. Such expenses will be borne by the Issuer and will not be passed on to investors separately from the purchase price of the Notes. The only costs passed on to investors would be costs covered by the agio.

#### **Who is the offeror and/or the person asking for admission to trading?**

The Issuer gives its general written consent that, on or after the Issue Date of the Notes, any financial intermediary in the EEA may subscribe for and purchase Notes from the Issuer for subsequent resale or final placement of the Notes in Liechtenstein and the Federal Republic of Germany. Further, the Issuer gives its general written consent that any financial intermediary in Switzerland may subscribe for and purchase Notes from the Issuer for a Swiss Non-exempt Offer in accordance with Article 36(4)(b) FinSA and Article 45 of the implementing Financial Services Ordinance. The Issuer's general written consent is only granted for the term of validity of this Prospectus. Any person offering, selling or recommending the Notes shall comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any other offering material relating to the Notes.

#### **Why is this prospectus being produced?**

The reason for the issue of the Notes under this Programme is primarily to finance the general business development of the Issuer. The Issuer intends to make profits with the issue of the Notes.

The estimated net amount of proceeds is EUR 150,000,000. The Issuer intends to use the net amount of proceeds and amounts which arise out of or in connection with its hedging activity and/or the Notes strictly for and only in order to acquire directly or indirectly any Reference Portfolio Components and, thereby, exclusively to hedge its obligations under the Notes.

The offer is not subject to any underwriting agreements on a firm commitment basis.

Save for any fees payable to the financial intermediaries as of the date of this Prospectus so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to any issue/offer of the Notes. The intermediaries as well as the service providers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer in the ordinary course of business.

## 2. RISK FACTORS

The different risk factors associated with an investment in the Notes are outlined below. Investments in the Notes should not be made until all the factors relevant to the Notes have been acknowledged and carefully considered. **When making decisions relating to investments in the Notes, potential investors should consider all information contained in the Prospectus and, if necessary, consult their legal, tax, financial or other advisor.**

**In each category, the most material risk factors, in the assessment of the Issuer as of the date of this Prospectus, are presented first. The Issuer has assessed materiality on a qualitative basis considering potential magnitude of the negative effects on the Issuer from the occurrence of a risk and the probability of occurrence of that risk. The Issuer believes the risk factors described below represent the principal risks inherent in investing in the Notes, but additional risks and uncertainties that are not presently known or that the Issuer currently believes are not material may also adversely affect the Notes, even resulting in a total loss of the investment in the Notes.**

Capitalised terms used in this section and not otherwise defined herein have the meanings given to them in the Terms and Conditions of the Notes.

### 2.1 Material Risks relating to the Issuer

The following descriptions of the risk factors relating to the Issuer and their occurrence within a risk category should be understood as descriptions of residual risks, *i.e.* of the remaining risks following all counter measures taken in order to avoid such risks or limit their adverse effects.

#### 2.1.1 Material financial risks related to the nature of the Issuer

##### **The Issuer is a securitisation fund subject to the Luxembourg Securitisation Law**

Telekia is an unregulated securitisation fund (*fonds de titrisation*) within the meaning of, and governed by the Luxembourg law of 22 March 2004 on securitisation, as amended (the "**Luxembourg Securitisation Law**").

According to the management regulations of Telekia (as may be modified and supplemented by specific management regulations from time to time, the "**Management Regulations**"), Telekia may create one or more Compartments which are one or more independent parts of the Telekia's estate (*patrimoine*) (each individual part referred to as a "**Compartment**") distinguishable from the rest of Telekia's estate by the nature of assets or liabilities relating to such Compartment. The creation of Compartments allows for the management of asset portfolios separate from the remaining assets of Telekia. The terms and conditions of the debt securities issued within a Compartment, as well as the specific objectives of the respective Compartment, are defined by Isec S.A. as management company of Telekia (Isec S.A., a limited liability company (*société à responsabilité limitée*), incorporated and existing under the laws of the Grand Duchy of Luxembourg, as management company of Telekia, or any of its successors as management company of Telekia, the "**Management Company**") and set forth in the Management Regulations, the terms and conditions of such securities and other agreements, if any, entered into by Telekia in connection with such Compartment.

Under the Luxembourg Securitisation Law, each Compartment corresponds to a separate part of the assets and liabilities of Telekia. The rights of the holders of securities issued within a Compartment, as well as the rights of the creditors of such Compartment are limited to the assets of that Compartment. The assets and liabilities, investments and obligations of a Compartment are exclusively available to satisfy the claims of holders of securities issued within that Compartment, as well as of creditors, whose claims have arisen or will arise in connection with the creation, operation or liquidation of the respective Compartment. In the relationship of the holders of securities issued by Telekia between each other, each Compartment shall be treated as a separate entity.

The Management Company, acting on behalf of Telekia, has created Compartment 2 and will from time to time allocate any assets in relation to the Notes to Compartment 2. Consequently, any assets allocated to Compartment 2 (including, without limitation, any Reference Portfolio Components acquired by the Issuer) are exclusively available to satisfy the rights of investors in relation to

Compartment 2 and the rights of creditors whose claims have arisen in connection with the creation, the operation or the liquidation of Compartment 2.

In compliance with the limited recourse clause under Condition 2 (*Luxembourg Securitisation Law*) and Condition 3 (*Limited Recourse and Non-Petition*) of the Terms and Conditions, the Noteholders shall only have recourse to the assets of Compartment 2 (whether acquired in connection with the issuance of the Notes or otherwise), but shall not have recourse to the assets allocated to other Compartments created by the Management Company, acting on behalf of Telekia or any other assets of Telekia.

Any and all references to the Issuer herein shall be read as a reference restricted to Compartment 2 and to the assets and liabilities allocated thereto and not to the Issuer as a whole. Accordingly, once all the assets of Compartment 2 have been realised, no further steps may be undertaken against the Issuer, another Compartment created by Telekia or Telekia to recover any further amount due in connection with the Notes and the right to receive any such amount shall be extinguished.

The Notes will be issued in accordance with the Terms and Conditions and will grant Noteholders only recourse to the assets of Compartment 2 (including, without limitation, any Reference Portfolio Components acquired by the Issuer). If the proceeds realised by such assets of Compartment 2 are not sufficient to cover all payments arising in connection with the Notes, no assets of another Compartment or any assets belonging to the general estate of Telekia can be used to cover the shortfall. In such case, any claims of Noteholders or other transaction parties, if applicable, in respect of such shortfall will be extinguished.

#### **Obligations of the Issuer; sole debtor**

The Issuer is the sole debtor of the Notes, with liability being limited to the assets of Compartment 2 (including, without limitation, any Reference Portfolio Components acquired by the Issuer). The Noteholders may therefore demand any performance due to them under the Terms and Conditions exclusively from the Issuer.

The Notes will be obligations solely of the Issuer. The Notes will not represent an interest in, or constitute a liability or other obligation of any third person or entity. The Notes will not be guaranteed by any other person and no other person will assume any liability or obligation to any Noteholder if the Issuer fails to make any payment due in respect of any Notes.

The shareholders, members, executives, agents or managing directors of the Issuer are not personally liable for the performance of the Issuer's obligations under the Notes.

#### **Non-application of Luxembourg insolvency laws to the Issuer**

As the Issuer is not a legal entity, it cannot become subject to Luxembourg law insolvency proceedings pursuant to articles 437 et seq. of the Luxembourg Commercial Code nor to a *gestion contrôlée* (controlled management) procedure under the Grand-Ducal decree dated 24 May 1935. In case the Issuer is unable to pay its obligations as they fall due, the relevant creditors may exercise their rights against the assets of the Issuer (and such claims are, if they arise in relation to a specific Compartment) limited to the assets of that Compartment. Once the relevant Compartment has no further assets, then the relevant creditors will not be able to exercise any further recourse (unless there is a specific legal ground for such course of action such as a guarantee or a liability claim).

In accordance with the limited recourse and non-petition provisions in the Terms and Conditions, the right of recourse of the Noteholders and, more generally, of any creditor of the Issuer in relation to the payment of principal, interest and any eventual arrears shall be limited to the funds available to the Issuer and shall be subject to the rules governing the allocation of cash flows (the rules regarding allocation of funds standing to the credit of the Investment Account or the Cash Account and the Priority of Payments set out in the Terms and Conditions and the Management Regulations) and any excess claims of the Noteholders or (other) creditors will be extinguished in accordance with such limited recourse and non-petition provisions.

**Change in law / Re-qualification risk under AIFM Directive**

Changes (including potentially retroactive changes) of legal provisions, of the interpretation of such legal provisions or of administrative practices, in particular in Luxembourg, even outside tax law, could adversely affect the Issuer, Noteholders themselves or other parties involved and reduce the proceeds from the Notes or their value.

In particular, the regulatory regime applicable to alternative investment funds established under directive 2011/61/EU dated 8 June 2011 on Alternative Investment Fund Managers, as amended (the "**AIFM Directive**") is currently under review and a public consultation of the EU Commission on the functioning of the EU market for alternative investment funds closed in January 2021. In connection with such review, the European Securities and Markets Authority ("**ESMA**") has recommended, amongst other things, that the EU Commission provide further guidance on the availability and scope of the exemption for securitisation special purpose entities under the AIFM Directive.

While at the date of this Prospectus the Issuer is proceeding on the basis that under Luxembourg law it benefits from the exemption for securitisation special purposes entities, it cannot be excluded that implementation laws and/or relevant interpretations may change. In such case, there is a risk that the Notes are re-qualified as participations in an alternative investment fund ("**AIF**") under the AIFM Directive.

The AIFM Directive imposes, *inter alia*, capital and own funds requirements on managers of AIFs, and requires these managers to have sound remuneration policies and practices, and to use adequate and appropriate human and technical resources that are necessary for the proper management of AIFs. Various requirements may also affect AIFs themselves, such as appointing a depository, obtaining a proper and independent valuation in relation to the assets of the AIF, and enhanced reporting to investors and competent authorities.

Therefore, potential investors should be aware that any changes to the AIFM Directive and the required implementation in Luxembourg, Germany and/or other jurisdictions where the Notes are offered may require changes to and maybe also restructuring of the entire investment concept of the Notes, including changes and substitutions of the entities involved in the structure.

Such changes or restructuring may also become necessary with regard to any changes of or changes in the interpretation of the Luxembourg Securitisation Law, any other changes in the application and interpretation of the regulatory and tax laws in Europe or any changes in the regulatory practice of financial markets supervisory authorities in these jurisdictions. Any such changes and restructuring may cause significant costs. This would reduce the number and/or value of the assets of Compartment 2 (including, without limitation, any Reference Portfolio Components acquired by the Issuer), which are available to meet the Issuer's payment obligations under the Notes, and thereby negatively impact the value of the Notes. Similar effects could result from national regulatory plans. Such changes may require consent from all Noteholders. Such restructuring may therefore be obstructed by a minority of Noteholders.

**No regulation by a supervisory authority**

Telekia is not required under Luxembourg law or regulation to be authorised by, registered with or otherwise supervised by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") or any other supervisory authority in another jurisdiction. However, it cannot be excluded that a supervisory authority active in another jurisdiction may require the authorisation, registration or supervision of Telekia by or with such supervisory authority in compliance with the laws and/or regulations applicable in such other jurisdiction. It also cannot be excluded that the applicable Luxembourg law and/or regulation change in the future and require such authorisation, registration or otherwise supervision of Telekia by or with the CSSF or any other supervisory authority. Such requirement for authorisation, registration or supervision could have an adverse impact on Telekia generally or the Issuer's ability to perform its obligations under the Notes.

## 2.1.2 Material risks related to the business activity of the Issuer

### Reliance of the Issuer on third party service providers

Telekia has no employees and is therefore dependent on certain service providers to provide the services required in connection with the issue of the Notes and the transactions described in this Prospectus.

All of the agreements entered into between Telekia or, as the case may be, the Issuer and certain service providers provide for a termination right of each party to the relevant agreement. There can be no assurance that an appropriate successor service provider will be available and appointed at any time following any such termination. This applies in particular to the performance and replacement of the Corporate Services Provider, the Reference Portfolio Advisor, the Calculation Agent and the Paying Agent.

The proper performance of the parties' obligations under such agreements depends on, amongst other things, the economic performance of the service providers and their compliance with the terms of the relevant agreement, as well as on the effectiveness and, to some extent, the interpretation of individual contractual provisions. In particular, any claims for damages by Telekia or, as the case may be, the Issuer under any relevant agreement may be restricted by market-standard limitations of liability contained in such agreement. Further, the outcome of any judicial proceeds in connection with such claims and the success of any related enforcement measures cannot be predicted. Therefore, any damages claims of Telekia or, as the case may be, the Issuer against such service providers may not be enforceable in full or in part. If any one or more of the service providers default during the term of the Notes, this may have a negative impact on the value of the Notes. In case of default of the most significant service providers (including, without limitation, the Reference Portfolio Advisor) this could even lead to a total loss of the invested capital, as well as any transaction costs.

Potential investors in the Notes should also be aware that any decisions made by the service providers in accordance with the terms of their respective appointment, including any advice as to the Issuer's investments or any decisions as to the Issuer's liquidity management, may turn out to have been incorrect. This may have an adverse effect on the value of any Reference Portfolio Components acquired by the Issuer and/or the Notes and, in extreme cases, could even lead to a total loss of the invested capital, as well as any transaction costs.

### Potential conflicts of interest

Telekia may issue other financial instruments from time to time whose payout is linked to the Reference Portfolio and which may otherwise have the same or similar features to the Notes. If Telekia issues such other notes, such other notes would constitute an alternative investment opportunity for the same asset class (or, potentially, even the same Reference Portfolio) as the Notes. Therefore, the issuance of such other notes may adversely affect the value of the Notes.

In particular, in connection with the issuance of such other financial instruments, the Management Company, acting on behalf of Telekia, may establish additional Compartments (for the avoidance of doubt, other than Compartment 2) which may invest in the same or similar assets to those of existing Compartments (including Compartment 2) and whose investment policies may otherwise compete or conflict with the investment policies of existing Compartments (including Compartment 2). Potential investors in the Notes should be aware that, in case Telekia issues such other notes, they would not be entitled to switch to another Compartment and/or notes issued by another Compartment, nor to receive compensation payments on the basis of the income resulting from any competing or conflicting investment policy.

Potential investors in the Notes should therefore be aware that any such conflicts of interest of Telekia, should they materialise, could directly or indirectly impact the amount of the potential payments under the Notes in accordance with the Terms and Conditions.

The Issuer may also receive non-public information with respect to the assets of Compartment 2 which may or may not be material with respect to the Notes. For the avoidance of doubt, the Issuer



is not obliged and does not intend to make such non-public information available to the Noteholders.

## 2.2 Material Risks relating to the Notes

The following section sets out the material risks relating to the Notes. Should any of these risks materialise, potential investors should be prepared to suffer a total loss of their invested capital (including any associated transactions costs). Investors in the Notes would suffer a loss if the aggregate amount received under or in respect of the Notes in accordance with the Terms and Conditions is lower than the purchase price they have paid in respect of the Notes (including any associated transaction costs).

**Potential investors in the Notes should therefore be prepared to suffer a loss of all of the invested capital. In each case, potential investors in the Notes should assess their financial circumstances and determine whether they are in a position to bear such risk of total loss.**

The Notes do not entitle investors to a claim for payment of any fixed or determinable variable amounts during their term and, therefore, do not yield a determinable income. Therefore, potential investors in the Notes should be aware that any losses in value of the Notes cannot be offset by any determinable income from the Notes.

In case of any decrease in the Reference Portfolio Value and/or the value of the Notes, investors in the Notes should not expect that the Reference Portfolio Value and/or the value of the Notes would subsequently increase.

### 2.2.1 Material risks arising out of the legal nature and structure of the Notes

#### **No protection of the Notes by a system of deposit guarantees or a compensation scheme**

The Notes are not secured by a system of deposit guarantees or a compensation scheme in Luxembourg or in any other jurisdiction. **Therefore, in case of an insolvency of the Issuer, the Noteholders may suffer a total or partial loss of their invested capital.**

#### **Unsecured obligations of the Issuer**

The Notes constitute unsecured unsubordinated obligations of the Issuer which rank pari passu among themselves and at least pari passu with all other outstanding unsecured and unsubordinated obligations of the Issuer, unless mandatory legal provisions require otherwise. Since the Notes are unsecured, potential investors should be aware that the Issuer has not granted to the Noteholders or to any third party for and on behalf of the Noteholders any security (e.g., a pledge or a mortgage over any Reference Portfolio Components or other assets of the Issuer from time to time) for its obligations towards the Noteholders under or in respect of the Notes, nor has it procured that a third party acts as the Issuer's surety (e.g., a guarantor) for such obligations.

#### **Priority of Payments**

The payment obligations of the Issuer under the Notes are subject to the Priority of Payments as set out in the Terms and Conditions. Potential investors in the Notes should consider the Priority of Payments and the fact that certain payments (including taxes, fees, costs and transaction and other expenses) of the Issuer rank senior to the claims of the Noteholders. In particular, payments due from the Issuer to the Management Company under the Management Regulations or to any other party in connection with the Transaction Agreements entered into by the Issuer rank senior to the claims of the Noteholders. The material Transaction Agreements as of the date of this Prospectus comprise servicing agreements (the Corporate Services Provider Agreement, the Paying Agency Agreement and the Calculation Agency Agreement) and the Reference Portfolio Advisory Agreement. Under each of the Corporate Services Provider Agreement, the Paying Agency Agreement, the Calculation Agency Agreement and the Reference Portfolio Advisory Agreement, the Issuer is obliged to pay certain fees, costs and expenses to its counterparty. Further, under the Management Regulations, the two units in the Issuer entitle their holders to certain preferred fixed dividend per annum which also ranks senior to the claims of the Noteholders.

Potential investors in the Notes therefore bear the risk that the aggregate amount available to the Issuer to meet its payment obligations towards the Noteholders – in particular, in the context of payments of any Coupon Amounts or in the context of redemption of the Notes – is reduced by any prior-ranking payments which the Issuer makes in accordance with the Priority of Payments including, in particular, the payments under the Management Regulations and the Transaction Agreements, as well as the preferred fixed dividend payments in respect of the two units in the Issuer, in each case, referred to above. In certain circumstances, it is even possible that, following any prior-ranking payments which the Issuer makes in accordance with the Priority of Payments, the aggregate amount available to the Issuer to meet its payment obligations towards the Noteholders is zero.

#### **Performance risk in relation to the Reference Portfolio Components**

The proceeds of the issue of the Notes are being used by the Issuer in order to hedge its obligations under the Notes, which may include acquiring Reference Portfolio Components from time to time. Consequently, the ability of the Issuer to meet its obligations under the Notes will depend on its receipt of payments under or in respect of such Reference Portfolio Components (including liquidation proceeds with respect to such Reference Portfolio Components). Furthermore, the Issuer may not be the only investor in the Reference Portfolio Components and its rights, powers and discretions may be limited by the rights, powers and discretions of other investors. Noteholders are therefore exposed to the performance risk in respect of the Reference Portfolio Components.

#### **The Notes do not constitute interests in the Reference Portfolio Components**

By purchasing and holding the Notes, the Noteholders have certain payment claims under the Notes which are allocated to Compartment 2 and are to be satisfied out of the assets of Compartment 2. However, the Issuer is not obliged to invest the issuance proceeds from the Notes in any particular Reference Portfolio Component or hold any Reference Portfolio Component at any time.

Potential investors in the Notes should therefore be aware that, although the value of the Notes is likely to be influenced by the Reference Portfolio Value, an investment in the Notes does not constitute a direct investment in any Reference Portfolio Components. In particular, Noteholders do not have any rights in respect of any Reference Portfolio Components and, in particular, have no ownership of or proprietary interests in any Reference Portfolio Components and are not entitled to instruct or direct the Issuer to take any action (or, as the case may be, not to take any action) in respect of any Reference Portfolio Components. The Issuer is not obligated to provide the Noteholders with any information, which it receives as direct or indirect owner of any Reference Portfolio Components other than as expressly provided under the Terms and Conditions.

The Notes are different from a direct investment in the Reference Portfolio Components and should accordingly not be seen by investors in the Notes as mirroring the terms of a direct investment in the Reference Portfolio Components.

#### **Competing claims of other creditors of the Issuer**

The claims of the Noteholders may compete with the claims of other creditors of the Issuer. The claims of such other creditors may affect the amount of the assets available to meet the claims of the Noteholders. If there is any resulting shortfall in the amounts available from the assets of the Issuer, the claims of Noteholders in respect of such shortfall will be extinguished, as described in section "2.2.3 *Further material risks related to the Terms and Conditions – Limited recourse and non-petition*".

The Issuer may be exposed to competing claims of other creditors of Telekia which are not linked to the creation, operation or liquidation of Compartment 2 if the courts of any relevant jurisdiction other than Luxembourg which have jurisdiction to decide such claims do not recognise the allocation of rights and obligations of Telekia to individual compartments and the legal separation of such compartments in accordance with the Luxembourg Securitisation Law. The competing claims of such other creditors may be in respect of and may reduce the assets of Compartment 2 which are available to satisfy the claims of the Noteholders. If such competing claims are successful and reduce the assets of Compartment 2, there may be a shortfall in the amounts

available from the assets of the Issuer and the Issuer may therefore not be able to meet its claims to the Noteholders.

### 2.2.2 Material risks related to the payment profile of the Notes

#### **Risk of loss of the entire invested capital in case of negative development of Reference Portfolio Value, no capital protection**

Potential investors should be aware that there is no certainty how the price of the Notes would develop over time. The Terms and Conditions do not entitle the Noteholders to the payment of a fixed redemption amount. Prospective investors in the Notes should recognise that the Notes constitute a risk investment which can lead to a total loss of their investment in the Notes.

When purchasing the Notes, an investor therefore assumes the risk of loss due to negative development of the Reference Portfolio Value or the materialisation of any of the other risks in connection with the Notes. In particular, potential investors in the Notes should be aware that the Notes are not capital protected and, therefore, the Noteholders have no legal entitlement to repayment of any of the invested capital. Instead, the payout under the Notes and an investor's entitlement is linked to the development of the Reference Portfolio Value.

When investing in the Notes, an investor therefore bears the risk of loss of the entire invested capital together with any financing and transaction costs. Potential investors in the Notes must therefore be prepared and able to sustain a partial or even a total loss of the investment amount (including any incurred transaction costs). Any investors interested in subscribing for the Notes should assess their financial situation, to ensure that they are in a position to bear the risks of loss connected with the Notes.

#### **Risk of no payments of Variable Coupon Amounts in case of negative development of Reference Portfolio Value**

Potential investors in the Notes should be aware that, in respect of each Coupon Period, they are entitled to receive a Variable Coupon Amount up to the excess of the most recent Reference Portfolio Value determined on or prior to the Coupon Payment Date in respect of such Coupon Period over the Reference Portfolio Value on the Issue Date (subject to the sole and absolute discretion of the Issuer to determine a lower amount, subject to a floor of zero). Accordingly, potential investors in the Notes bear the risk that, in case the Reference Portfolio Value determined on or prior to any Coupon Payment Date is equal to or lower than the Reference Portfolio Value on the Issue Date, the Variable Coupon Amount in respect of such Coupon Period would be zero. Further and in addition, potential investors in the Notes bear the risk that, even in case the Reference Portfolio Value determined on or prior to any Coupon Payment Date is higher than the Reference Portfolio Value on the Issue Date, the Issuer may, in its sole and absolute discretion, determine that the Variable Coupon Amount in respect of such Coupon Period would be zero.

#### **Fluctuations in value of non-cash assets (including Reference Portfolio Components) during settlement period**

Potential investors in the Notes should be aware that, in accordance with the terms and conditions, the Issuer must initiate the redemption or, as the case may be, the liquidation of all non-cash assets held by it for the purposes of hedging its payment obligations under the Notes (including, without limitation, any Reference Portfolio Components) with view to completing such liquidation by no later than 30 September 2028 (as may be extended from time to time in accordance with the Terms and Conditions), but that the Issuer is only obliged to pay to each Noteholder the Redemption Amount per Note on the Maturity Date. For these purposes, potential investors should be aware that the Maturity Date may fall a significant period of time after 30 September 2028 (as may be extended from time to time in accordance with the Terms and Conditions).

Since the non-cash assets held by the Issuer for the purposes of hedging its payment obligations under the Notes (including, without limitation, any Reference Portfolio Components), together with any cash standing to the positive balance of the Cash Account, are expected to be the Issuer's only source of funding for the purposes of meeting its payment obligations under the Notes, potential investors should be aware that any fluctuations in the value of such non-cash assets

(including, without limitation, any Reference Portfolio Components) may reduce the amount of funding available to the Issuer to meet its payment obligations.

In case of an unfavourable development of the value of the non-cash assets held by the Issuer for the purposes of hedging its payment obligations under the Notes (including, without limitation, any Reference Portfolio Components) during the period between 30 September 2028 (as may be extended from time to time in accordance with the Terms and Conditions) and the Maturity Date, the Redemption Amount received by the Noteholders on the Maturity Date may be very low or even be equal to zero.

### 2.2.3 Further material risks related to the Terms and Conditions

#### Limited recourse and non-petition

The Notes are limited recourse debt obligations of the Issuer. All payment obligations of the Issuer under the Notes constitute obligations exclusively to make payments in an amount limited to the performance of the assets of Compartment 2.

The Notes shall not give rise to any payment obligation in excess of the assets of Compartment 2 and any accrued claims against the Issuer shall not become due, and recourse shall be limited, accordingly. The Noteholders shall only have recourse against the assets of Compartment 2 (whether acquired in connection with a note issuance or otherwise) and once all assets of Compartment 2 (whether acquired in connection with a note issuance or otherwise) have been realised and distributed, the Issuer shall not be committed to any further payments. To the extent that the assets of Compartment 2 (whether acquired in connection with a note issuance or otherwise), or the proceeds from the realisation thereof, prove ultimately insufficient to satisfy the claims of the Issuer's creditors (including the Noteholders) in full in relation to the Notes, then any shortfall arising shall be extinguished and no Noteholder will have any further claims against the Issuer. Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time when no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claims of the Noteholders, and neither assets nor proceeds will be so available thereafter. The claims for full payment shall in such case be extinguished. In particular, the Noteholders shall have no recourse and no other rights on or a claim against any assets allocated to any other compartments of Telekia (for the avoidance of doubt, other than Compartment 2) or those belonging to the general estate of Telekia which are not allocated to any compartment.

In accordance with the Terms and Conditions, the Noteholders agree that they will not, in relation to the Notes, attach or otherwise seize the assets of the Issuer allocated to Compartment 2 or to other compartments of Telekia or other assets of Telekia. In particular, no Noteholders shall be entitled to petition or take any other step for the winding-up, the liquidation or the dissolution of Compartment 2 or of Telekia or any similar insolvency related proceedings.

Accordingly, the exercise of the Noteholders' rights vis à vis the Issuer and/or Telekia is substantially restricted.

#### Risk of early redemption of the Notes at the option of the Issuer

Subject to sufficient liquidity, the Issuer has an ordinary termination right to terminate and redeem all Notes on any Coupon Payment Date, by giving the Noteholders not less than ten (10) Business Days prior written notice. The Issuer can exercise such ordinary termination right at its sole discretion and without having regard for the interests of the Noteholders.

In addition, the Issuer may terminate and redeem all Notes on the Termination Date following the occurrence of a Termination Event. In particular, potential investors in the Notes should be aware that a Termination Event may occur in a number of circumstances, for example, if the Issuer determines that (i) the Reference Portfolio qualifies as a "benchmark" within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 and the Issuer or the Calculation Agent, as the case may be, can no longer determine or calculate amounts payable under the Notes by reference to such "benchmark" or has control over the provision of such "benchmark" without having the appropriate authorisation, registration, recognition, endorsement, equivalence, approval or inclusion in any official register as required by law or

regulation in order to perform its respective obligations under the Terms and Conditions or that (ii) the Reference Portfolio Advisor ceases to act or is unable to continue acting in such capacity and the Issuer determines that it cannot appoint an alternative or replacement Reference Portfolio Advisor on substantially similar terms within a reasonable period of time.

The Noteholders therefore bear the risk that the Issuer exercises its ordinary termination right or, as the case may be, a Termination Event occurs and, in each case, the Issuer terminates and redeems the Notes at a point in time which is unfavourable to the Noteholders. In particular, this may be because a Noteholder expects that the value of the Notes would rise at the point in time when a Termination Event occurs and the Issuer terminates and redeems the Notes. In such case, the Noteholder bears the risks described in sections "2.2.3 Further material risks related to the Terms and Conditions – Risk of no further participation in performance of Reference Portfolio following termination and redemption of the Notes by the Issuer" and "2.2.3 Further material risks related to the Terms and Conditions – Reinvestment risk in case of termination and redemption of the Notes by the Issuer" below.

**Risk of no further participation in performance of Reference Portfolio following termination and redemption of the Notes by the Issuer**

In case of termination and redemption of the Notes by the Issuer following an exercise by the Issuer of its ordinary termination right or, as the case may be, the occurrence of a Termination Event, the Noteholders are entitled to receive payment of the Termination Amount. However, the Noteholders are not entitled to request any further payments in respect of the Notes after the relevant Ordinary Termination Date or, as the case may be, Termination Date. The Noteholders therefore bear the risk of not participating in the performance of the Reference Portfolio to the expected extent and during the expected period.

**Reinvestment risk in case of termination and redemption of the Notes by the Issuer**

Potential investors should be aware that the Issuer may terminate and redeem the Notes on the Ordinary Termination Date (being any Coupon Payment Date designated for such purposes by the Issuer in its sole discretion by not less than ten (10) Business Days' prior written notice to the Noteholders) or on the Termination Date (following the occurrence of a Termination Event) and, in either case, all Notes will be redeemed in accordance with the Terms and Conditions. In case of such termination and redemption of the Notes by the Issuer, investors in the Notes bear a reinvestment risk.

The reinvestment risk is a risk that the Termination Amount received by a Noteholder following such redemption of the Notes (if any) can only be reinvested by the Noteholder for a term comparable with the term for which the Noteholder originally intended to hold the Notes (i.e., prior to such termination) only at market conditions which are less favourable (such as a lower return or an increased risk) than those prevailing at the time of original investment in the Notes.

As a result, the yield achieved by such reinvestment (i.e., new investment) over the respective term may be significantly lower than the return expected by the Noteholder with the purchase of the Notes. Moreover and depending on market conditions prevailing at the time of the new investment, the likelihood of a loss of such amounts re-invested may have increased significantly.

**Discretion of the Issuer in relation to cashflow management and determination of amounts payable under the Notes**

In accordance with the Terms and Conditions, the Issuer has broad discretion to make certain determinations in respect of the Liquidity Reserve to be maintained as reserve in connection with the Issuer's obligations under the Notes, as well as the calculation of amounts payable under the Notes from time to time (including, without limitation, any Variable Coupon Amount, Redemption Amount and/or Termination Amount). Potential investors should be aware that any such discretion of the Issuer may be used in a way so as to reduce amounts payable under the Notes.

**Discretion of the Issuer and the Calculation Agent in relation to occurrence of certain events with respect to the Notes**

In accordance with the Terms and Conditions, the Issuer and the Calculation Agent have the power to make certain discretionary determinations in respect of the occurrence or subsistence of events or circumstances which could result in delay or suspension of payments under the Notes or could lead to the termination and early redemption of the Notes. In particular, the Issuer and the Calculation Agent are entitled to determine whether a Note Disruption Event occurs or is likely to occur on the Maturity Date. Further, the Issuer is entitled to determine whether a Termination Event has occurred. Any such discretionary determination by the Issuer and/or the Calculation Agent could have a negative impact on the value and return on the Notes and, if the Issuer determines that a Termination Event has occurred, could result in their termination and early redemption. Potential investors should be aware that, when making such discretionary determinations, the Issuer and the Calculation Agent are under no obligation to act in the best interests of investors. See also the related risks with respect to the termination and early redemption of the Notes following the occurrence of a Termination Event disclosure under section "2.2.3 Further material risks related to the Terms and Conditions – Risk of early redemption of the Notes at the option of the Issuer" above.

**2.2.4 Material risks related to pricing and trading of the Notes****Market price risk in connection with the Notes**

Potential investors in the Notes should have experience with transactions involving financial instruments similar to the Notes. At the time an investor purchases the Notes, they cannot predict with certainty how the value and market price of the Notes would develop, nor the amount of any (potential) payments in respect of the Notes under the Terms and Conditions. The economic consequences of an investment in the Notes would depend on the purchase price which the investor pays for the Notes, as well as on the future developments of the value and the market price of the Notes. Potential investors should therefore be aware that they are exposed to the risk of losses during the term of the Notes, because the value and the market price of the Notes could fall below the purchase price paid for the Notes at any time after the purchase of the Notes and not only following an exercise of the Notes.

**Risks related to trading of the Notes / limited liquidity**

The Issuer intends to apply to the Frankfurt Stock Exchange for the Notes to be admitted to trading on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange. The Open Market of the Frankfurt Stock Exchange is not a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and the Council of 15 May 2014 on Markets in Financial Instruments ("**MiFID II**"), as amended.

However, the Issuer does not intend to provide, or arrange for another person to provide, a secondary market which would give the Noteholders with an opportunity to sell their Notes.

Therefore, potential investors should not rely on the ability to sell their Notes at a specific time or at a specific price. It is impossible to predict whether and to what extent a secondary market for the Notes will develop, at what price would the Notes be traded on such secondary market and whether such secondary market would be liquid.

**Pricing of the Notes**

The pricing of the Notes would not be determined solely on the basis of supply of and demand for the Notes in the market. Instead, the inherent value of the Notes would also be influenced to a significant extent by other factors including, amongst others, the Reference Portfolio Value from time to time. However, potential investors should be aware that the price of the Notes quoted by third parties (including, without limitation, in the secondary market (if any) in respect of the Notes) may not necessarily adequately reflect the Reference Portfolio Value and, therefore, the inherent value of the Notes.

Potential investors should be aware that a decrease in the Reference Portfolio Value from time to time could have an overproportionate impact on the value and on the pricing of the Notes. In extreme circumstances, investors in the Notes may therefore lose their entire invested capital.

Conversely, potential investors should be aware that an increase in the Reference Portfolio Value from time to time may not be adequately reflected in the pricing of the Notes and, therefore, the Notes may trade (including, without limitation, in the secondary market (if any) in respect of the Notes) at a price which does not fully correspond to the value of the Notes.

**Other factors affected the value of the Notes**

The value of the Notes is determined not only by changes in the Reference Portfolio Value, but also by a number of other factors. Since several risk factors may have simultaneous effects on the Notes, the effect of a particular risk factor cannot be predicted. In addition, several risk factors may have a compounding effect which may not be predictable. No assurance can be given with regard to the effect that any combination of risk factors may have on the value of the Notes.

These factors include the term of the Notes, the frequency and intensity of price fluctuations (volatility), as well as the prevailing interest rate and dividend levels. A decline in the value of the Notes may therefore occur even if the Reference Portfolio Value remain(s) constant or increases.

Potential investors of the Notes should be aware that an investment in the Notes involves a valuation risk with respect to the Reference Portfolio Value. They should have experience with transactions in securities with a value derived from a notional reference portfolio such as the Reference Portfolio. The Reference Portfolio Value may vary over time and may increase or decrease by reference to a variety of factors, such as macro economic factors and speculation. In addition, the historical performance of notional reference portfolio similar to the reference Portfolio is not an indication of the future performance of the Reference Portfolio. Changes in the market price of any Reference Portfolio Component comprised in the Reference Portfolio from time to time will affect the Reference Portfolio Value and the trading price of the Notes, and it is impossible to predict whether the market price of any Reference Portfolio Component will rise or fall or improve or worsen, respectively.

**Further potential conflicts of interest**

The Reference Portfolio Advisor and any companies affiliated with it may participate in or advise on transactions or make investments for their own account or for the account of any of their clients which (directly or indirectly) relate to notional reference portfolios and reference portfolio components substantially similar to the Reference Portfolio and the Reference Portfolio Components in respect of which the Reference Portfolio Advisor advises Compartment 2 in accordance with the Reference Portfolio Advisory Agreement. Such advice, transactions or investments could have an adverse effect on the Reference Portfolio value, the value of individual Reference Portfolio Components and/or the assets of Compartment 2 and, consequently, have an adverse effect on the value of the Notes.

Furthermore, the Reference Portfolio Advisor and any companies affiliated with it may act in other capacities in connection with the Notes, such as calculation agent, paying agent or custodian.

Moreover, the Reference Portfolio Advisor and any companies affiliated with it may at some point in the future also be involved in the issuance of other notes which track the development of notional reference portfolios and reference portfolio components substantially similar to the Reference Portfolio and the Reference Portfolio Components comprised in the Reference Portfolio from time to time. Such issuance of other notes or any other similar investment products which compete with the Notes could have an adverse effect on the value of the Notes.

In addition, the Reference Portfolio Advisor and any companies affiliated with it may receive non-public information relating to any Reference Portfolio Components comprised in the Reference Portfolio from time to time which could be relevant to future developments of the Reference Portfolio Value, the value of individual Reference Portfolio Components comprised in the Reference Portfolio and/or the Notes. However, neither the Reference Portfolio Advisor, nor any company affiliated with it undertakes to make such information available to the Noteholders.

Such activities could give rise to conflicts of interest and may adversely affect the value of the Notes.

## 2.2.5 Material risks related to investing in, holding and selling the Notes

### **Effect of ancillary costs**

Commissions and other transaction costs incurred in connection with the purchase or sale of the Notes may result in charges, particularly in combination with a low order value, which can substantially reduce the redemption amount, if any, payable in respect of the Notes. Before making an investment decision, potential investors should therefore familiarise themselves with the costs to be incurred in connection with the purchase or sale of the Notes, including any costs which may be charged by their custodian bank.

Further and in addition, the issue price in respect of the Notes may include commissions and other fees charged by the Issuer, including commissions and other fees which the Issuer may remit to the distributor and/or any intermediaries involved in the distribution of the Notes. Such commissions and fees included in the issue price could result in a discrepancy between the issue price and the theoretical value of the Notes, determined using certain pricing models and/or the prices provided by independent third parties. Potential investors should be aware that, if they purchase the Notes at an (inflated) issue price, they may subsequently only be able to sell the Notes at a (lower) market price. This could result in loss of some or all of the invested capital.

### **Specific risks in connection with postponement of the Issue Date**

The scheduled Issue Date of the Notes is 31 July 2023, but the Issuer reserves the right to postpone the Issue Date for a maximum period of ten (10) weeks if market conditions so require. The Issuer will notify the postponed Issue Date to any relevant financial intermediaries who have already subscribed for Notes and will also publish the postponed Issue Date on its website.

Potential investors who wish to purchase Notes issued on the Issue Date should be aware that market conditions may change in the period between the originally scheduled Issue Date and the postponed Issue Date. Since the Fixing Date of the Reference Portfolio is linked to the Issue Date, potential investors bear the risk that, as a result of such postponement, the composition of the Reference Portfolio is different than it would have been, had the Issuer issued the Notes on the originally scheduled Issue Date. In particular, there is a risk that, due to a change in the market price or availability of any potential Reference Portfolio Components, such Reference Portfolio Components are either not included in the Reference Portfolio or a smaller amount or number of such Reference Portfolio Components is included in the Reference Portfolio. In turn, that could result in a different performance of the Reference Portfolio and, ultimately, lead to payment of a lower Variable Coupon Amount, Redemption Amount or Termination Amount, as the case may be, under the Notes.

Potential investors should also be aware that, in case of postponement of the Issue Date, the Maturity Date of the Notes would not be extended. The Noteholders therefore bear the risk of not participating in the performance of the Reference Portfolio to the expected extent and during the expected period.

### **Risks in connection with taxation**

#### ***Tax consequences depend on investor's individual circumstances***

Potential investors in the Notes should not base their assessment of the tax consequences of an investment in the Notes solely on the considerations set out in this Prospectus, since any such assessment should take into account the individual tax circumstances of the relevant investor. The tax disclosure contained in this Prospectus should therefore not be considered tax advice, nor assurance or guarantee as to the tax consequences of an investment in the Notes. Accordingly, before making an investment decision, potential investors in the Notes should seek their own independent tax advice. The Issuer assumes no responsibility for the tax consequences of an investment in the Notes.



***Risk of changes in tax law***

The economic consequences of an investment in the Note would be determined by a number of factors, including the tax treatment of payments by the Issuer. Such payments, as well as any potential gains realised by an investor when selling the Notes could be subject to tax in such investor's home jurisdiction or in any other jurisdiction(s) where such investor may be liable to pay tax. Tax risks may arise due to double taxation, potential withholding taxes, the tax treatment of repayments of capital, uncertainties in the tax treatment of structured products or specific rules relating to speculation periods. There may also be uncertainties in connection with the tax treatment of any losses realised in respect of the Notes. It cannot be excluded that any relevant tax laws and regulations or the interpretation of such laws and regulations or the administrative practices of any tax authorities change over time or that the tax considerations set out in this Prospectus are not accepted by the relevant tax authorities or the courts. It also cannot be excluded that the relevant tax authorities form a view as to the tax assessment of the Notes which cannot be predicted at the time of issuance or purchase of the Notes. Such changes in tax law can occur in any jurisdiction. Therefore, potential investors in the Notes bear the risk that, due to any changes in tax laws and regulations or the interpretation of such laws and regulations or the administrative practice of any tax authorities which occur after the date of this Prospectus, the tax treatment of an investment in the Notes changes. This could significantly reduce any gains realised by an investor from its investment in the Notes and even, if the investor realises any losses, limit its ability to use such losses to offset any other gains for tax purposes.

**Borrowed funds**

If the purchase of Notes is financed by borrowed funds and Noteholders' expectations are not met, they may not only suffer the loss incurred under the Notes, but in addition also have to pay interest on and repay such borrowed funds. This produces a substantial increase in Noteholders' risk of loss. Investors in the Notes should never rely on being able to redeem and pay interest on borrowed funds using payments received under or in respect of the Notes. Rather, before they purchase any Notes with borrowed funds, each investor should assess their financial situations, in particular their ability to pay interest on or repay borrowed funds immediately, even if they incur losses instead of realising the expected gains.

**Hedging transactions by Noteholders**

Prospective investors in the Notes should not rely on the ability to conclude transactions at any time during the term of the Notes that will allow them to offset or limit relevant risks (so-called hedging transactions). Whether the Noteholders are able to enter into hedging transactions depends on the market situation and the prevailing conditions. Transactions designed to offset or limit risks might only be possible at an unfavourable market price that will entail a loss for investors. Potential investors in the Notes should further be aware that hedging transactions generate additional costs and may themselves lead to significant losses.

**Potential conflicts of interest in relation to commissions and fees**

Within the context of the offering and sale of the Notes, financial intermediaries involved in the distribution process will receive certain commissions or fees in varying amounts (as further described in section "11.1.2 *Pricing of the Notes*" in this Prospectus).

If any commissions or fees relating to the issue and sale of the Notes have been paid or are payable to any financial intermediary, then such financial intermediary will be obliged to fully disclose to its clients the existence, nature and amount of any such commissions or fees (including, if applicable, by way of discount) as required in accordance with laws and regulations applicable to such financial intermediary, including any legislation, regulation and/or rule implementing the Markets in Financial Instruments Directive (2004/39/EC) ("**MiFID**"), or as otherwise may apply in any non-EEA jurisdictions. Investors in the Notes through any financial intermediary (including by way of introducing broker) should be aware that the existence of commissions that may be payable to such financial intermediary in respect of the Notes may give rise to conflicts of interest, as the financial intermediary may be interested in selling to its customers primarily Notes where it receives the highest commissions. Investors should request details of any such commission or fee payment from such financial intermediary and any potential conflicts of interest before making any purchase of Notes.

### **The Notes may not meet investor objectives, such as sustainable investments**

The offeror, as the product manufacturer, defines the target market for the Notes by identifying the client needs and characteristics which the Notes would meet (positive target market) and those which the Notes would not meet (negative target market). The target market thus describes the universe of potential investors – by reference to their particular investor objectives – for which the offeror considers the Notes to be a suitable investment. The target market definition takes into account individual features of the Notes and may include specific investor objectives and needs, such as "sustainable", "ecological", "ESG" (Environmental, Social and Governance) investments or investments with a similar label. The target market may change during the term of the Notes.

Potential investors in the Notes bear the risk that the objectives and needs which form part of the target market do not match such investors' own specific objectives and expectations or investment criteria or guidelines. Potential investors should therefore independently and continuously assess the information related to client objectives and needs, such as the sustainability of the product, and determine for themselves whether an investment in the Notes meets or, as the case may be, continues to meet their own objectives and expectations or investment criteria or guidelines.

## **2.3 Material Risks relating to the notional Reference Portfolio and the Reference Portfolio Components**

As described in section "2.2.2 *Material risks related to the payment profile of the Notes*" above, the amounts payable in respect of the Notes are linked to the performance of the Reference Portfolio. The Reference Portfolio is composed by the Reference Portfolio Advisor in accordance with the Reference Portfolio Methodology (as set out in section "9. *Information about the notional Reference Portfolio*" in this Prospectus), which aims to replicate the performance of a basket of Reference Debt Security Components, Reference Fund Components and a Notional Cash Position.

Accordingly, investing in the Notes also involves specific risks, which are related to the Reference Portfolio overall and to the individual Reference Portfolio Components comprising the Reference Portfolio from time to time – and, consequently, which are material for taking an informed investment decision in the Notes.

### **2.3.1 Material risks related to the notional Reference Portfolio in general**

In the following risk category, the specific material risks related to the Reference Portfolio, as maintained by the Reference Portfolio Advisor are presented, where the most material risk factors, in the assessment of the Issuer as of the date of this Prospectus, are presented first: these are "*Risk of fluctuations in the Reference Portfolio Value*", "*Uncertainty about future performance; limited historic data*", "*Specific risks related to lack of direct correlation between the performance of individual Reference Fund Components, Reference Debt Security Components and Notional Cash Position and the overall performance of the Reference Portfolio*", "*Specific risks related to the Reference Portfolio not being a recognised index*" and "*Specific risks related to the composition and management of the Reference Portfolio*".

#### **Risk of fluctuations in the Reference Portfolio Value**

By investing in Notes linked to the performance of the Reference Portfolio, Noteholder are subject to the risks related to such Reference Portfolio and the Reference Fund Components and Reference Debt Security Components that the Reference Portfolio aims to replicate. The Reference Portfolio Value is subject to fluctuations. Therefore, Noteholders cannot foresee what consideration they can expect to receive for the Notes on a certain day in the future. When the Notes are redeemed, exercised or otherwise disposed of on a certain day, substantial losses in value might occur in comparison to a disposal at a later or earlier point in time. The more volatile the Reference Fund Components and Reference Debt Security Components are, the less predictable the amount to be received by the Noteholders following redemption, exercise or otherwise disposal of the Notes would be. In case of an unfavourable development of any individual Reference Fund Components and Reference Debt Security Components or of the Reference Portfolio Value overall, the amount received by the Noteholders in connection with such disposal may be very low or even be equal to zero.

**Uncertainty about future performance; limited historic data**

**Prospective investors should be aware that it is not possible to accurately predict the future performance of the Reference Portfolio. Poor performance of the Reference Portfolio would lead to payment of a lower Variable Coupon Amount, Redemption Amount or Termination Amount, as the case may be, under the Notes. In some cases, investors may even suffer a total loss of the invested capital.**

It is not possible to reliably predict the future performance of the Reference Portfolio and the Reference Fund Components and Reference Debt Security Components respectively. Likewise, the historical data of the Reference Portfolio and the Reference Fund Components and Reference Debt Security Components respectively, does also not allow for any conclusions to be drawn about the future performance of the Reference Portfolio and the Notes.

The Reference Portfolio may only be initiated on the Fixing Date, as specified in the Reference Portfolio Methodology. Accordingly, as at the Issue Date of the Notes, it is possible that no historic data is available on the basis of which investors might evaluate the likely performance of the Reference Portfolio. The past performance of the Reference Fund Components and Reference Debt Security Components notionally comprised in the Reference Portfolio is not necessarily indicative of the future performance for the Reference Portfolio.

Further, the Reference Portfolio aims to predominantly replicate the performance of Reference Portfolio Components. However, the Reference Portfolio does not have operating history with no proven track record in achieving any stated investment objective in the medium or long term. Therefore, potential investors bear the risk that the strategy or methodology of the Reference Portfolio will not be successful and that, over the life of the Notes, such Reference Portfolio will perform worse than if a different strategy or methodology had been deployed to achieve the same objective.

Noteholders should therefore be aware that poor performance of the Reference Portfolio would lead to payment of a lower Variable Coupon Amount, Redemption Amount or Termination Amount, as the case may be, under the Notes. In some cases, investors may even suffer a total loss of the invested capital.

**Specific risks related to lack of direct correlation between the performance of individual Reference Portfolio Components and the overall performance of the Reference Portfolio**

**Potential investors bear the risk that the positive performance of individual Reference Fund Components and Reference Debt Security Components does not directly correlate to an overall positive performance of the Reference Portfolio.**

The level of any redemption amount under the Notes depends on the performance of the Reference Fund Components and Reference Debt Security Components the amount of the Notional Cash Position comprised in the Reference Portfolio.

As a result, fluctuations in the value of one Reference Portfolio Component may be offset or intensified by fluctuations in the value of other Reference Portfolio Components comprised in the Reference Portfolio. Even in the case of a positive performance of one or more Reference Portfolio Components comprised in the Reference Portfolio, the performance of the Reference Portfolio as a whole may be negative if the performance of the other Reference Portfolio Components is negative to a greater extent. There can be a significant adverse effect on the calculation or specification of the redemption amount if the performance of one or more Reference Portfolio Components comprised in the Reference Portfolio, on which the calculation or specification of the redemption amount is based, has deteriorated significantly.

Furthermore, also the degree of the Reference Portfolio Components' dependency from each other, so-called correlation, is of importance when calculating the level of any redemption amount under the Notes. If all of the Reference Portfolio Components derive from the same economy sector or, as the case may be, the same country the development of the Reference Portfolio Components therefore depends on the development of a single economy sector or a single country. That implies that in the case of an unfavourable development of a single economy sector or a single country,

which is represented by the Reference Portfolio Components, the Reference Portfolio may be affected over proportionally by this unfavourable development.

The Reference Portfolio Advisor has the right, in accordance with the Reference Portfolio Methodology, to adjust the composition of the Reference Portfolio by re-allocating the Reference Portfolio Components, in particular by notionally subscribing for or otherwise acquiring one or more Reference Portfolio Components. The Reference Portfolio Advisor may also notionally redeem, transfer or otherwise dispose of any Reference Portfolio Components in the certain circumstances set out in the Reference Portfolio Methodology. The Noteholder may not assume that the composition of the Reference Portfolio will remain constant during the life of the Notes or that any changes will not be materially adverse.

#### **Specific risks related to Noteholders having no recourse to the Reference Portfolio Components**

Potential investors should be aware that the Notes do not create any entitlement, proprietary rights or recourse to any Reference Portfolio Components comprising the Reference Portfolio from time to time (and neither the Issuer, nor any other party, is under any obligation to actually directly or indirectly, physically or synthetically to acquire, dispose of or effect or take delivery of, or effect transactions in, any Reference Portfolio Components). Accordingly, in connection with all payments in respect of the Notes, the Noteholders are exposed solely to the credit risk of the Issuer and have no recourse to any Reference Portfolio Components.

#### **Specific risks related to the Reference Portfolio not being a recognised index**

The Reference Portfolio is subject to additional risks compared to a recognised financial index. In particular, there may be a lower degree of transparency relating to the composition, maintenance and calculation of the Reference Portfolio than would be the case for a recognised financial index and there may in some circumstances be less information available about the Reference Portfolio. In addition, subjective criteria may play a much greater role in the composition of the Reference Portfolio compared to a recognised financial index and, in such cases, there may be a greater degree of dependence on the Reference Portfolio Advisor responsible for its composition than would be the case for a recognised financial index. Accordingly, potential investors in the Notes bear the risk that the performance of the Reference Portfolio (and, therefore, the payout under the Notes) is less certain than had the Reference Portfolio been a recognised financial index.

#### **Specific risks related to the composition and maintenance of the Reference Portfolio**

##### ***Specific risks related to the performance of the Reference Portfolio Advisor***

Potential investors in the Notes bear the risk that decisions made by the Reference Portfolio Advisor could result in a decline in the value of the Reference Portfolio. Further, potential investors bear the risk that the loss of one or more key individuals employed by the Reference Portfolio Advisor could prejudice the Reference Portfolio Advisor's ability to perform its responsibilities in relation to the Reference Portfolio. In either case, potential investors could realise a partial or total loss of the invested capital.

The positive development of the value of the Reference Portfolio depends upon the Reference Portfolio Advisor selecting appropriate Reference Portfolio Components. There can be no assurance that the Reference Portfolio Advisor will be able to do so. In particular, subjective (as opposed to systematic) decisions made by the Reference Portfolio Advisor may cause the Reference Portfolio Value to decline (or not to increase) in a manner which less subjective decision making might have avoided. Accordingly, potential investors could realise a partial or total loss of the invested capital.

Potential investors bear the risk that the loss of one or more key individuals employed by the Reference Portfolio Advisor could have a material adverse effect on the Reference Portfolio Advisor's ability to perform its responsibilities in relation to the Reference Portfolio. This could, in turn, result in a decline in the value of the Reference Portfolio. Accordingly, potential investors could realise a partial or total loss of the invested capital.

***Specific risks related to potential conflicts of interests of Aquila Capital Investmentgesellschaft mbH and other members of Aquila Group***

Because of conflicts of interest, the Reference Portfolio Advisor may take decisions which are not in the Noteholders' interests. This could lead to a worse performance of the Reference Portfolio overall and, therefore, to lower returns realised by Noteholders.

Aquila Capital Investmentgesellschaft mbH ("**ACI**") manages and advises other accounts, companies and funds (in addition to acting as the Reference Portfolio Advisor), including, without limitation, on investments similar to the Notes and the Reference Portfolio Components. The Issuer has appointed ACI as Reference Portfolio Advisor on a non-exclusive basis and, in each case, it is envisaged that a substantial portion of ACI's activities will continue to entail advising and managing other accounts, companies and funds (in addition to acting as the Reference Portfolio Advisor) and carrying out related activities.

Potential investors in the Notes should be aware of the following actual or potential conflicts of interest of ACI:

*Reference Portfolio Advisor or other Aquila Group members as AIFM, investment advisor or service provider in respect of the Reference Portfolio Components*

In cases where the Reference Portfolio Advisor is acting as alternative investment fund manager ("**AIFM**") of a Reference Fund Component, it is required to act in the best interests of the investors in the Reference Fund Component. Therefore, when discharging its obligations as AIFM, the Reference Portfolio Advisor may act or take decisions which are not necessarily in the best interests of the Issuer (or any investors in the Notes), but are in the best interests of the investors in the Reference Fund Component (but contrary to the best interests of the Issuer or any investors in the Notes and which may have adverse consequences for the Reference Portfolio Value).

Companies controlled by ACI or under common control with ACI ("**Aquila Group**") may furthermore provide certain services or other activities for Reference Fund Components (to which the Issuer is either directly or indirectly exposed via payments under the Notes being linked to the Reference Portfolio or in which it may become exposed to). In addition, Aquila Group companies may potentially act as counterparties to material contracts related to such Reference Fund Components or issuers of or obligors under or in respect of any Reference Debt Security Components, such as power purchase agreements (PPAs). In each such case, there may be a conflict of interest between the interests of the Issuer (as a result of its exposure to such Reference Portfolio Components through payments under the Notes being linked to the performance of the Reference Portfolio) and the interests of the Reference Portfolio Advisor, other members of the Aquila Group or Other Aquila Clients in supporting, developing or securing investments in such Reference Portfolio Components.

In this context, potential investors in the Notes should be aware that, as consideration for its services as AIFM or investment advisor of the Reference Fund Components or for its services or other activities for Reference Portfolio Components, the Reference Portfolio Advisor may receive and/or have already received fees or other remuneration. However, neither the Issuer, nor the Noteholders are entitled to receive any compensatory payment in connection with such fees or other remuneration.

*Reference Portfolio Advisor, other Aquila Group members or Other Aquila Clients as investment counterparties or as co-investors*

It is also anticipated that the Issuer may enter into transactions with or invest directly or indirectly in units, participations or interests in or securities (including, without limitation, bearer bonds or other debt securities) ("**Interests**") issued by other accounts, companies and funds managed or advised by the Reference Portfolio Advisor and/or other members of the Aquila Group (each such account, company and fund, individually, an "**Other Aquila Client**") or with other members of the Aquila Group acting as counterparties to such transactions in connection with hedging undertaken by the Issuer in respect of the Notes.

Furthermore, it is possible that Aquila Group companies and/or Other Aquila Clients could also invest in Reference Fund Components or in Interests in which the Issuer invests directly or indirectly (i.e., as co-investors) in order to hedge its obligations under the Notes. This could potentially give rise to conflicts of interest in particular if the investments are made at different levels of the capital structure, e.g. if the investment made by the Issuer is structurally subordinated. In each such case, there may be a conflict of interest between the interests of the Issuer in making any relevant hedging investment and the interests of the Aquila Group companies and/or Other Aquila Clients as co-investors in the relevant Interests (i.e., that a sufficient amount of capital is raised from co-investors, such as the Issuer) or Reference Fund Components.

In this context, potential investors in the Notes should be aware that the Reference Portfolio Advisor or other relevant Aquila Group companies may receive and/or have already received any amounts, fees or other remuneration in connection with such transactions and/or otherwise from such Other Aquila Client. However, neither the Issuer, nor the Noteholders are entitled to receive any compensatory payment in connection with such amounts, fees or other remuneration. It is even possible that, due to the Issuer's possible structural subordination, the Aquila Group companies and/or Other Aquila Clients receive returns from or in respect of their investment in the relevant Interest, whereas the Issuer, and, potentially, the Noteholders suffer a loss in respect of such investment.

*Conflicts of interest have no impact on contracts entered into by the Issuer*

Contracts or other transactions entered into by the Issuer in relation to any of its (direct or indirect) investments in Interests in order to hedge its payment obligations under the Notes or the composition of the Reference Portfolio shall not be affected or rendered ineffective by the fact that the Reference Portfolio Advisor, other members of the Aquila Group, any Other Aquila Clients or any of their respective directors, employees or advisors have an interest in or are otherwise involved in any relevant Interest or Reference Portfolio Component. In particular, a member of the board of directors of the Reference Portfolio Advisor or the Reference Portfolio Advisor who is a member of the board of directors, an executive employee or employee of an undertaking with which the Issuer intends to enter into a contract or other business relationship or which is to be included in the Reference Portfolio shall not be precluded by reason of his/her affiliation with the other undertaking from taking part in any deliberations, voting or action in relation to any matter arising in respect of that contract or other business matters.

Potential investors in the Notes bear the risk that such conflicts of interest could have an adverse effect on the value of the Reference Portfolio or any Interest (including in the context of enforcement of any security) or the risks assumed by the Issuer in connection with the Reference Portfolio or any Interest (when compared to an investment in any Interest or inclusion of any Reference Portfolio Component in the Reference Portfolio as advised by the Reference Portfolio Advisor in circumstances where no such conflicts of interest exist) and, therefore, on the market value or return on the Notes.

***Specific risks related to exercise of discretion by the Reference Portfolio Advisor***

Subject to the rules for adjustments to the Reference Portfolio described in the Reference Portfolio Methodology and the Terms and Conditions, in the context of each adjustment, the Reference Portfolio Advisor has discretion when selecting which Reference Portfolio Components will be included in the Reference Portfolio following such adjustment. In connection with any such exercise of discretion by the Reference Portfolio Advisor, Noteholders bear the risks described in section "2.3.1 *Material risks related to the notional Reference Portfolio in general – Specific risks related to the composition and maintenance of the Reference Portfolio – Specific risks related to performance by Reference Portfolio Advisor*".

**Currency risks contained in the Reference Portfolio**

The assets or investments reflected in the Reference Portfolio may be traded or calculated in a currency (or several currencies) other than the Reference Portfolio itself. This is the case in particular with cross-border debt securities and funds where the fund units or debt securities are used as Reference Portfolio Components. A Reference Fund Component might also have a

significant portion of its assets denominated in currencies other than the currency in which the Reference Portfolio Value is calculated.

For the purpose of determining the Reference Portfolio Value, amounts which are not denominated in EUR will be valued at the last available average exchange rate at the time of the calculation of the Reference Portfolio Value. Currency exchange rates are at times subject to considerable fluctuations and can change significantly over time. Consequently, the Reference Portfolio Value may rise or fall even if the value of the relevant Reference Portfolio Components remains stable.

Any unfavourable developments in the value of the currency in which the Reference Portfolio Components are traded or calculated against EUR may reduce the value of the Notes and may even result in partial loss of invested capital even in case of a favourable performance of the Reference Portfolio Components.

**Specific risks related to information about Reference Portfolio Components obtained from public sources**

**Potential investors bear the risk that the Reference Portfolio Advisor makes decisions about any Reference Portfolio Components or potential Reference Portfolio Components based on inaccurate or incomplete information. In such cases, such Reference Portfolio Components may perform worse than originally anticipated which could result in a partial or total loss of the invested capital.**

Information regarding any Reference Portfolio Component may not be publicly available or only available to a certain extent. In addition, any publicly available information may be published with delay and may not have been published or published in full at the time the Reference Portfolio Advisor seeks the information or at the time any amounts payable under the Notes will be determined. The Reference Portfolio Advisor may not make any "due diligence" investigation or any inquiry with respect to the Reference Portfolio Components beyond such information as is publicly available.

Investors in the Notes therefore bear the risk that any decisions made by the Reference Portfolio Advisor regarding the composition of the Reference Portfolio at any time are based on information which is inaccurate or incomplete and that the Reference Portfolio Advisor would not have made such decisions if they had had full or complete information. This could lead to worse performance of the Reference Portfolio Components than anticipated. Further, investors in the Notes bear the risk that public disclosure of information relating to any Reference Portfolio Component which takes place after their investment in the Notes could adversely affect the value of such Reference Portfolio Component and, therefore, the value of the Notes. This could even result in a partial or total loss of the invested capital.

**Specific risks related to Reference Portfolio Components subject to emerging market jurisdictions**

**Potential investors bear the risk that where any Reference Portfolio Components comprised in the Reference Portfolio are subject to emerging market jurisdictions, the performance of such Reference Portfolio Component would be subject to heightened legal, political or economic risks, compared to the performance of an equivalent Reference Portfolio Component subject to a developed market jurisdiction. Such risks, if they materialise, could have an adverse impact on the performance of such Reference Portfolio Component, potentially leading to partial or total loss of the invested capital.**

A Reference Portfolio Component may be subject to the jurisdiction of an emerging market. Investing in such Reference Portfolio Component involves additional legal, political (e.g. rapid political upheavals) or economical (e.g. economic crises) risks which, if they materialise, could adversely impact the performance of such Reference Portfolio Component.

Countries that fall into this category are usually considered to be "emerging" because of their developments and reforms and their economy being in the process of changing from those of a moderately developed country to an industrial country. In emerging markets, expropriation, taxation equivalent to confiscation, political or social instability or diplomatic incidents may have

a negative impact on an investment in the Notes. The amount of publicly available information with respect to any relevant Reference Portfolio Component or any components thereof may be less than that normally available to the Reference Portfolio Advisor or, as the case may be, to the Noteholders. Transparency requirements, accounting, auditing and financial reporting standards as well as regulatory standards are in many ways less stringent than standards in developed markets.

Although they generally record rising volumes, some emerging financial markets have much lower trading volumes than developed markets and the securities of many companies are less liquid and their prices are subject to stronger fluctuations than those of similar companies in developed markets.

Accordingly, where any Reference Portfolio Components comprised in the Reference Portfolio are subject to emerging market jurisdictions, investors bear the risk that the legal, political or economic risks associated with such jurisdictions materialise and have an adverse impact on the performance of such Reference Portfolio Component. In extreme cases, this could even result in a partial or total loss of the invested capital.

#### **Specific risks associated with the regulation and reform of benchmarks**

Certain indices, reference rates and interests rates constitute benchmarks that are subject to supervisory laws, regulations and reform proposals. Where such indices, reference rates or interest rates constitute a "benchmark" within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 (or other applicable regulation) certain regulatory requirement may apply, including limitations on the use of such indices and rates.

It cannot be ruled out that a relevant regulator may determine that the Reference Portfolio qualifies as a "benchmark" within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the "**Benchmarks Regulation**") or other applicable regulation. In such case, the Issuer, the Calculation Agent and/or the Reference Portfolio Advisor, as the case may be, may either no longer able to use the Reference Portfolio as a "benchmark" or have control over the provision of such "benchmark" without having the appropriate authorisation, registration, recognition, endorsement, equivalence, approval or inclusion in any official register as required by law or regulation in order to perform its respective obligations under the Terms and Conditions of the Notes.

Any treatment of the Reference Portfolio as a "benchmark" under the Benchmarks Regulation or other applicable regulation (or as a result of international, national, or other proposals for reform or other initiatives or investigations, or any uncertainty in relation to the timing and manner of implementation of such changes), may affect the Reference Portfolio and therefore the value of the Notes.

#### **2.3.2 Material risks related to the specific Reference Portfolio Components which may comprise the Reference Portfolio**

The Notes are structured instruments relating to the Reference Portfolio. The Notes are only suitable for investors who have requisite knowledge about the types of assets that may, from time to time, comprise the Reference Portfolio and understand all the risks associated with making an indirect investment in the Reference Portfolio Components in the Reference Portfolio from time to time.

In the following risk category, the specific material risks related to a specific type of Reference Portfolio Component are presented, where the most material risk factors, in the assessment of the Issuer as of the date of the Prospectus, are presented first.

#### **Material risks with respect to Reference Debt Security Components**

The Reference Portfolio may also comprise Reference Debt Security Components (including, without limitation, money market instruments, fixed-income instruments and other short-term liquid investments) issued by issuers from various industries and sectors (subject to being consistent with the Reference Portfolio Objective), as set out in the Reference Portfolio Methodology.



In addition to the risks associated with fluctuations of the market price of and with the investment structure of all Reference Debt Security Components (i.e., which apply to Reference Debt Security Components as opposed to other types of Reference Portfolio Components), potential investors should be aware that the issuers of certain Reference Debt Security Components use the issuance proceeds from such Reference Debt Security Components to make underlying investments (rather than for general corporate purposes) and rely exclusively on the performance of such underlying investments to meet their obligations with respect to such Reference Debt Security Components. Therefore, by investing in the Notes, Noteholders also assume all risks associated with the investments underlying such Reference Debt Security Components including as described in section "2.3.2 *Material risks related to the specific Reference Portfolio Components which may comprise the Reference Portfolio – Material risks relating to underlying investments of Reference Funds and investments underlying certain Reference Debt Security Components comprised in the Reference Portfolio*" (such as actual, economic, tax and legal risks). Future developments may have a negative impact on the expected profitability of Reference Debt Security Components or the business activities of their respective issuers and therefore the expected Reference Portfolio Value and may result in a total loss of the shareholder's capital invested in the Notes.

The following list of risk factors makes no claim to be a complete or exhaustive explanation of the risks associated with Reference Debt Security Components.

***Market price developments of Reference Debt Security Components***

Where there are Reference Debt Security Components comprised in the Reference Portfolio, the market price development of the Notes depends on the development of such Reference Debt Security Components which are subject to influences outside of the Issuer's sphere of influence, such as the risk that the issuer of such Reference Debt Security Components does not meet its payment obligations under or in respect of such Reference Debt Security Components (including, without limitation, because such issuer becomes insolvent) or the risk that the market price of such Reference Debt Security Components is subject to considerable fluctuations. The level of the Redemption Amount or Termination Amount, as applicable, in respect of the Notes is determined by, amongst other things, the price of any Reference Debt Security Components comprised in the Reference Portfolio. Potential investors in the Notes should be aware that the market price of any Reference Debt Security Components comprised in the Reference Portfolio may be very low or even zero, which could significantly reduce the Redemption Amount or Termination Amount payable in respect of the Notes.

***Risks associated with investment structure of Reference Debt Security Components***

***Poor performance of Reference Debt Security Components as a result of lack of suitable investments***

The issuers of Reference Debt Security Components compete with other investors who make comparable investments in Renewable Energy Investments. The issuers' success – and their ability to meet their payment obligations under the Reference Debt Security Components – depends primarily on their ability to identify suitable investments. The ability to identify suitable investments also depends on market developments and the respective contracting parties. The issuers of Reference Debt Security Components are therefore exposed to the risk of not being able to invest in the relevant investment instruments or not being able to do so on favourable terms. Moreover, in the event of an intended or necessary sale of the relevant investment instruments, for example as a result of the issuers having to meet any other payment obligations, it cannot be ensured that the investments can be sold at an appropriate price or at all. If such a risk materialises, the profitability of the issuers of Reference Debt Security Components – and, therefore, their ability to meet their payment obligations under the Reference Debt Security Components – may be reduced, which may lead to lower returns for holders of Reference Debt Security Components and, in the worst case, to a total loss of their investments.

***Model risk***

Before and during an investment in any underlying project, the issuer of a Reference Debt Security Component determines a number of parameters relevant to management on the basis of suitable models. These include, for example, the project value, the credit quality of a debt security or the creditworthiness of counterparties. There is the risk that the models used do not adequately reflect

the actual circumstances and that the relevant issuer makes incorrect estimates on the basis of these models.

*Risk with follow-on investments*

The issuer of a Reference Debt Security Component may be required to provide follow-on financing for its existing investments in projects or may be offered the opportunity to increase its investments in such assets. It cannot be guaranteed that the relevant issuer will consider follow-on investments to be appropriate or that it will have sufficient funds to do so. Follow-on financing is particularly at risk if further debt issued by the issuers of Reference Debt Security Components becomes less attractive to additional investors and lenders during the course of the project. If the relevant issuer is unable to provide such follow-on financing, this may have a material adverse effect on an investment project requiring such follow-on investment – and this could have an adverse impact on the issuer's ability to meet their payment obligations under the Reference Debt Security Components they have already issued.

*Risk of multi-layer investments*

The issuers of Reference Debt Security Components may invest indirectly in assets in projects and must therefore bear additional costs compared to direct investments as well as all structural risks (e.g. tax and legal risks) associated with the operation and maintenance of such assets. As a result, the profitability of such issuers may be reduced, which may adversely impact their ability to meet their payment obligations under the Reference Debt Security Components they have already issued and, in the worst case, could lead to a total loss of a person's investment in such Reference Debt Security Components.

*Risk of lack of control and dependence on the management of the project companies*

The issuers of Reference Debt Security Components have no influence on the management or business operations of the project companies in which they invest, e.g. those that invest in the Renewable Energy Projects or other private equity companies. Therefore, the issuers of Reference Debt Security Components are highly dependent on the management of the project companies or other private equity companies. There is the risk that the issuers of Reference Debt Security Components may have to accept management decisions with which they disagree or failures of management, even if they are harmful to the respective projects. If such a risk materialises, the project companies' or private equity companies' ability to repay the principal or interest on the debt securities issued by it and held by the issuers of Reference Debt Security Components may be impaired. As a result, the profitability of the issuers of Reference Debt Security Components may be reduced, which may adversely impact their ability to meet their payment obligations under the Reference Debt Security Components they have already issued and, in the worst case, could lead to a total loss of a person's investment in such Reference Debt Security Components.

*Risks from compulsory redemptions*

The issuer of any Reference Debt Security Components might have the right to compulsorily redeem such Reference Debt Security Components held by certain excluded persons. In such a case, holders of the Reference Debt Security Components must accept that they will not be compensated for the loss of such Reference Debt Security Components or that they will not be compensated on reasonable terms. This may have a material adverse effect on the holding of the relevant excluded Reference Debt Security Component holder – including that such holder realises no returns in respect of such Reference Debt Security Component or even a total loss of its investment in such Reference Debt Security Component.

*Risks relating to redemptions*

Holders of Reference Debt Security Components may exercise possible redemption rights in respect of all or part of the Reference Debt Security Components they hold only in accordance with the terms and conditions of the respective Reference Debt Security Components. Dependant on the specific terms and conditions of the Reference Debt Security Components, such redemption rights may be suspended accordingly if the issuer of the relevant Reference Debt Security Components does not have sufficient or immediately available liquid assets to service the redemption and to

ensure proper ongoing management. The redemption rights may also be suspended in accordance with the terms and conditions of the respective Reference Debt Security Components if unusual circumstances exist that make a suspension seem necessary, considering the interests of the holders of the Reference Debt Security Components. As a result, the holder of a Reference Debt Security Component may be subject to restrictions on the redemption of its Reference Debt Security Components. In such case, the holder of a Reference Debt Security Component would only be able to realise the value of its investment at a later point in time or, if it sells such Reference Debt Security Component, it would only be able to realise a lower value.

#### *Common investment risks*

In case the issuer of any Reference Debt Security Components invests in project companies in which the Aquila Group, another Aquila client or third parties hold equity interests or might have granted senior financing, it is highly dependent on how the managing bodies of the project companies address the different interests and objectives of the various investors and senior financiers. In particular, the different investors or senior financiers may have conflicting objectives about how a project company is managed. For example, some investors or senior financiers may be interested in longer-term benefit at a higher short-term cost, whereas other investors or senior financiers may prefer a shorter-term benefit at a lower short-term cost. If the issuer of any Reference Debt Security Components does not have a controlling interest in the relevant project company or has only limited influence over the managing body of a project company, then the fulfilment of the issuer's objectives with respect to the project company depends on how the managing body of such project company balances the objectives of the issuer and other investors or senior financiers. Potential investors in the Notes therefore bear the risk that, a project company is not managed in accordance with the objectives of the issuer of any Reference Debt Security Components, which leads to a negative performance (from such issuer's perspective) of such project company, which, in turn, leads to a negative performance of such issuer overall and to a decrease of the value of the relevant Reference Debt Security Components.

#### **Material risks with respect to Reference Fund Components**

Potential investors in the Notes should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of Reference Fund Components and Reference Funds. Risks relating to such Reference Fund Components and Reference Funds, and therefore the Reference Portfolio Value, are likely to affect also the value of the Notes.

The information on the Reference Fund Components and Reference Funds is solely intended for the description of the Notes and for the use of investors in the Notes and does not constitute an offer of Reference Fund Components or Reference Funds.

The following sets out the main risks in connection with the Reference Funds and the Reference Fund Components.

Prospective investors should read these sections carefully and all other information they consider necessary to be able to make an investment decision. The value of the Reference Fund Components (and the income from them) may develop negatively and it is possible for Noteholders to receive less from their investments than the amount previously invested or for Noteholders to suffer a total loss as a result of such negative developments reducing the Reference Portfolio Value. By investing in the Notes, Noteholders assume all risks associated with the Reference Funds' investments including as described in section "2.3.2 *Material risks related to the specific Reference Portfolio Components which may comprise the Reference Portfolio – Material risks relating to underlying investments of Reference Funds and investments underlying certain Reference Debt Security Components comprised in the Reference Portfolio*" (such as actual, economic, tax and legal risks). Future developments may have a negative impact on the expected profitability of Reference Funds and Reference Fund Components and therefore the expected Reference Portfolio Value and may result in a total loss of the shareholder's capital invested in the Notes.

The risks associated with investing in the Notes where the Reference Portfolio comprises Reference Funds can be divided up as follows:

- General risks;
- Risks associated with the investment structure; and
- Risks in connection with certain financial instruments,

The following risks may materialise individually or collectively. As a result the actual negative impact of the corresponding risks could increase, which may jeopardise the economic success of an entire investment in a Reference Fund. In the worst case, this could lead to a total loss of value of a Reference Fund Component with a corresponding impact on the Reference Portfolio Value and therefore on the value of the Notes. If a Noteholder has financed their investment in the Notes by means of a loan that they are unable to repay due to the materialisation of the aforementioned risks, this could, in the worst case, lead to the Noteholder's bankruptcy.

### ***General risks***

#### *General economic and market conditions*

The success of a Reference Fund investment activity is influenced by general economic and market conditions such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in legislation, trade barriers, foreign exchange controls and national and international political conditions. These factors may affect the Reference Fund's ability to generate profits. Due to uncertainty about their future economic impact, there is the possibility that the likelihood of certain risks materialising in the future, particularly with regard to contract performance and counterparty creditworthiness, financing and interest rate risks, legal risks, forecasting risks and the marketability of the investment, will increase.

#### *Risk of leaving the eurozone*

Since one of the regions that a Reference Fund will invest in is the EU, any such Reference Fund is exposed to risks related to the occurrence of a renewed crisis in the EU. The default or significant deterioration of the creditworthiness of one or more Member States of the EU or Eurozone could place a severe strain on the financial system in general and, in the worst case, lead to the reintroduction of national currencies in one or more Member States of the Eurozone and the abolition of the euro as a currency. The occurrence of a renewed crisis in the Eurozone could directly or indirectly affect the value of and income from the Reference Funds' investments and the economic situation of the Reference Funds' counterparties or creditors. If these risks materialise, the Reference Funds' profitability may be impaired, which may lead to lower returns for holders of Reference Fund Components and, in the worst case, to a total loss of investment in a Reference Fund Component. In addition, due to its geographical reach, the Reference Funds may invest in countries that are currently part of the EU and/or the Eurozone but may leave the EU and/or the Eurozone during the lifetime of the Reference Fund (as has already happened with the UK). If a country leaves the EU and/or the Eurozone and the result is that a Reference Fund's investment becomes located outside the EU and/or the Eurozone, this could have serious implications for an investment in terms of, for example, customs duties, taxes, exchange rate risks, restrictions on the free movement of services and capital, investment criteria and expropriation, to name a few examples. The same could apply to payments made by such a cross-border investment to a Reference Fund. In the worst case, the respective investment as a whole could be in jeopardy, which could lead to a total write-down for the respective investment of a Reference Fund.

#### *State intervention*

In particular, in the event of a recession, one can assume that the risk of government intervention in the economy will increase noticeably, especially since the Reference Funds invest indirectly in essential infrastructure projects in which the risk of government intervention is particularly strong (as described in sections "2.3.2 *Material risks related to the specific Reference Portfolio Components which may comprise the Reference Portfolio – Material risks with respect to Reference Fund Components – General risks – Risks relating to jurisdictions and – Material risks relating to underlying investments of Reference Funds and investments underlying certain Reference Debt Security Components comprised in the Reference Portfolio – Contract risks*"). In the worst case, this can lead to nationalisation of the Reference Funds' investments. Such measures, both individually and collectively, could have a negative impact on the solvency of the investments

made by Reference Funds and, accordingly, negatively affect the revenues and profits of the Reference Funds.

#### *Pandemic and epidemic risks*

There is a risk in general that global pandemics (such as the December 2019 outbreak of the currently rampant coronavirus disease (COVID-19), which was classified as a pandemic by the World Health Organization on 11 March 2020) or regional epidemics will also break out in the future, which could have a material impact on the economy on a global or local basis.

Historically, outbreaks of pandemics or epidemics have affected investment sentiment and therefore caused at least sporadic volatility in the markets. Furthermore, in the event of a pandemic, the value chain may be disrupted, which in turn may lead to a reduction, for example, in production capacity.

In the event of an outbreak of a pandemic and/or epidemic, the World Health Organization or national and/or regional national authorities may recommend or enforce measures (e.g. quarantine measures, closure of production facilities, delay or stoppage of construction projects, tax increases and changes in legislation, etc.) which may have a significant impact on the Reference Funds or their underlying investments. The aforementioned measures may also affect the profitability of various transactions, result in difficulties in closing transactions or cause additional costs for the Reference Funds. Travel restrictions may also affect physical meetings or visits to inspect investments.

A new global pandemic may have a negative impact on the economy or the economic climate, which in turn may have a negative impact on transactions and the financial conditions of the Reference Funds, the underlying investments and/or the relevant AIFM.

#### *Availability of investment strategies*

The success of the Reference Funds' investment activities depends on the ability of the respective AIFM to identify investment opportunities and on the availability of such investments. In this regard, the implementation of the Reference Funds' investment policy is subject to great uncertainty. There can be no guarantee that the respective AIFM will be able to identify suitable investment opportunities. Changes in the larger markets for projects in which the Reference Funds seek to invest, as well as other market factors, will reduce the scope for the Reference Funds' investment strategies. Even if a suitable investment opportunity is found, there is no guarantee that it will be available to the Reference Funds for investment.

In addition, the Reference Funds may face adverse effects from unforeseen events such as changes in interest rates or in the creditworthiness of an issuer, regulatory changes, unexpected changes in the relative value or changes in tax treatment. In recent years, capital invested in funds has increased. Such increase could result in greater competition for investment opportunities, as well as increased price volatility and/or lower liquidity in some areas.

The Reference Funds' ability to generate income may be adversely affected by the materialisation of one of the above risks. As a result, the Reference Funds' profitability may be impaired, which may lead to lower returns for Reference Fund Components.

#### *Competition and concentration risk*

The Reference Funds seek to invest in assets in accordance with their investment policy, but will compete with other consortia and companies for investments. These competitors, which may include, among others, construction and engineering firms and financial investors, may have significant financial resources and may be able to bid on competitive terms.

As a result of such competition, it may become more difficult for the Reference Funds to make appropriate investments and to invest their interestholders' capital. Alternatively, the Reference Funds might have to make investments projects on less favourable economic terms than expected. If the Reference Funds are unable to make new investments or make such investments on less favourable terms, this may have a material adverse effect on the Reference Funds' financial condition and revenues.

The Reference Funds might make only a limited number of investments in projects due to diversification requirements applicable to such Reference Fund. Poor performance of individual investments could have a material adverse effect on the Reference Funds' total return.

*Lack of control and dependence on the AIFM*

As the Notes are linked to the performance a notional Reference Portfolio (and have no direct investment in a Reference Fund), Noteholders have no entitlement to participate in the management of any Reference Funds or in the control of any Reference Fund's day-to-day business. The respective AIFM for a Reference Fund has broad scope in identifying, allocating, acquiring and disposing of any of the Reference Funds' investments and is not required to involve holders of Reference Fund Components. Accordingly, Noteholders are reliant on trusting the management and investment decisions of the respective AIFM and its actions on behalf of the relevant Reference Fund comprised in the Reference Portfolio. The success of the Reference Fund is highly dependent on the success of the activities of the respective AIFM and its respective managers. Death, disability or resignation of one or more key personnel of the respective AIFM or financial or operational difficulties of the AIFM, including, but not limited to, the loss of the AIFM's licence may occur. If a replacement AIFM cannot be found in that case, this could lead to the liquidation of the Reference Fund, which could lead to lower returns for holders of Reference Fund Components and, in the worst case, to a total loss of investment.

*Risk of minority interests*

If a holder of a Reference Fund Component holds only a minority interest in a Reference Fund, such holder cannot act alone, but only jointly with other holders of Reference Fund Components. On matters for which resolutions of the holders of Reference Fund Components are needed, holders may have to accept a majority decision that, from their perspective, is not in the best interest of the Reference Funds and/or in their own best interest. For example, a majority of holders of Reference Fund Components may amend the Reference Funds' articles of association. A holder must be prepared to bear any negative consequences of such decisions, which may lead to a loss of income and, in the worst case, to a total loss of their investment in respect of their Reference Fund Components.

*Risk of insolvency of holders of Reference Fund Components*

If a holder of a Reference Fund Component fails to meet capital commitment on demand, the result may be that such holder's Reference Fund Component in the respective Reference Fund is reduced and/or forfeited and that such holder is required to pay default interest or other penalties to the Reference Fund.

If the Issuer holds a Reference Fund Component and fails to meet capital commitment on demand because it does not have sufficient liquidity at the time the relevant capital commitment is due, such failure to meet the capital commitment could interfere with the Issuer's hedging strategy under the Notes (including because the Issuer's holding of the relevant Reference Fund Component is forfeited and because the Issuer is required to pay default interest or other penalties).

Alternatively, if one or more holders of Reference Fund Components fail to meet their capital commitments, the respective Reference Fund may call on the remaining holders of Reference Fund Components on the basis of their capital commitments earlier than planned. If the Issuer holds a Reference Fund Component, it therefore bears the risk that in case of default of any other holders of Reference Fund Components it would be required to meet capital commitments earlier than planned. It also bears the risk that if any other Reference Fund Component holder defaults or does not make timely payment to the Reference Fund with regard to their capital commitment, the Reference Fund may lose investment opportunities that would otherwise be available if the Reference Fund had the expected funds at its disposal. In addition, the Reference Fund may be liable to pay substantial damages if it does not perform its contractual obligations to its counterparties or does not perform them in a timely manner. It may also incur substantial legal costs. If the Reference Fund receives significantly less capital than expected, this may also reduce its ability to achieve its diversification objectives or have the effect that the Reference Fund becomes insolvent given the non-fulfilment of its capital commitments. As a result, the Reference

Fund may become less profitable, which would lead to lower returns for holders of Reference Fund Components and, in the worst case, to a total loss of their investment.

*Dilution through subsequent closings*

After Reference Fund Components are included in the Reference Portfolio additional investors may subscribe for interests in such Reference Funds and may participate in existing investments in projects and thereby dilute the holdings of existing holders of Reference Fund Components, with a potential negative impact on the value of such Reference Fund Components.

*Risks relating to jurisdictions*

The projects may be located in various jurisdictions with, in some cases, significantly different economic, political and social conditions and legal systems. Particularly with regard to investments in emerging markets in which the Reference Fund invests in accordance with the investment policy, significant risks may arise for the Reference Fund as a result of economic, legal, political and social instability. Economic aberrations and/or political turbulence (including civil war-like conditions), possibly in conjunction with rising inflation or currency devaluation, or changes in currency exchange rates may result in the contractual partners of the respective projects being unable to fulfil their contractual obligations on time or at all. In addition, the value of the relevant investment instruments may be adversely affected by governmental, economic or political conditions (e.g. default due to a currency crisis, government expropriation or the general deterioration of the domestic economic situation). In addition, depending on the jurisdiction, the court enforcement of legal claims may be materially more difficult or more costly and time-consuming. In addition, payment transactions may be made more difficult, for example, for legal or political reasons in the country of origin or due to government regulations. If any of these risks takes place, the profitability of Reference Funds may be adversely affected, which may lead to lower returns for holders of Reference Fund Components and, in the worst case, to a total loss of their investment.

*Inflation and deflation risks*

The Reference Fund revenues and the value of investments in projects are subject to inflation risks. An increase in inflation may lead to an increase in the value of inflation-linked assets and liabilities and to higher interest rates and expenses, as a result of which the costs of acquisition or investment in projects by the Reference Fund may increase and, at the same time, the value of the cash flows generated by an investment in projects may decrease. If such a risk materialises, the returns to the respective Reference Fund from the debt securities may decline and their profitability may be reduced, which may lead to lower returns for holders of Reference Fund Components.

The performance of investments in projects may also be adversely affected by a prolonged period of deflation, because revenues from the investments may be tied to inflation, while operating costs and debt service may be linked or difficult to reduce if revenues decline due to deflation.

*Foreign currencies and exchange rates*

Investments in projects by Reference Funds may be exposed to exchange rate fluctuations, which may adversely affect their value. This is also true, in particular, of investments in emerging markets that might be possible for Reference Funds under the respective investment policy. Moreover, the Reference Funds may incur costs in connection with the conversion between different currencies. As a result, the profitability of the Reference Funds may be reduced, which may lead to lower returns for the Reference Funds and, in the worst case, to a total loss of its investment.

*Currency hedging*

The Reference Funds may, in principle, hedge foreign currency risk without being required to do so, but it is necessarily exposed to exchange rate risks when investing in foreign currencies. Even if the relevant AIFM hedges currencies, Reference Fund Component holders may be exposed to certain additional risks. Although the relevant AIFM will make best efforts to execute the appropriate hedging transactions, it is possible that the Reference Funds will incur significant losses due to its hedging policy. There can be no guarantee of effectiveness of the hedges executed by the relevant AIFM.

*Reliability of forecasts*

Financial forecasts are one factor that investment valuations for projects are based on. Forecasted financial results are based primarily on the AIFM's valuations and are only estimates of future results using assumptions based on current forecasts. It cannot be guaranteed that the forecast results will actually be achieved. Many unpredictable factors, such as general economic climate, may have a material adverse effect on the accuracy of forecasts. Moreover, forecasts may be based on misjudgements with the consequence that investment decisions are made that are disadvantageous from the perspective of the Reference Funds. The materialisation of such risks may have a negative impact on the value of the Reference Fund's investment and, consequently, the value of the Reference Fund Components.

*Interest rate and electricity price hedging*

Even if interest rate or electricity price hedging transactions are executed at the project level in respect of a Reference Fund investment to hedge against future interest rate or electricity price fluctuations, it cannot be ruled out that such hedging transactions will result in significant losses, and it cannot be guaranteed that the hedging transactions executed by the AIFM will be effective. The materialisation of these risks may lead to lower returns for the Reference Funds and, in the worst case, to a total loss of its investment.

*Legal risks*

Since the investments by Reference Funds in projects are made in various jurisdictions, the relevant transactions and contracts must be executed and concluded in accordance with the legal systems concerned. Such transactions or contracts may become invalid in particular due to changes in legal conditions that may occur after the conclusion of the contracts but apply retroactively to the relevant transactions.

Particularly in the case of investments in emerging markets, the legal systems may be unstable and immature. The enforcement of claims in these countries may be impossible or may only be possible under difficult conditions. Moreover, this may result in enormous costs, take a long period of time or only be possible through out-of-court measures. As a result, the profitability of the Reference Funds may be reduced, which may lead to lower returns for holders of Reference Fund Components and, in the worst case, to a total loss of their investment.

*Tax risks*

Tax bases are subject to constant change. Changes may reduce the profitability of the investments. In principle, it is intended that the Reference Funds will receive the income from the investments in a tax-optimised manner. However, no guarantee can be made that tax-optimised scenarios are available and will continue to exist in the future.

Luxembourg implemented Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market (the "ATAD I") into national law by the law of 21 December 2018 (the "ATAD I Law"). The ATAD I may have an impact on the tax position of the Reference Funds and the holders of Reference Funds in certain limited circumstances. The implementation of the EU Council Directive 2017/952 of 29 May 2017 amending Directive (EU) 2016/1164 regarding hybrid arrangements with third countries (the "ATAD II") by the Luxembourg law of 20 December 2019 (together with the ATAD I, the ATAD I Law and the ATAD II, the "ATAD Provisions") may further impact the tax position of the Reference Funds and the holders of Reference Fund Components.

*Counterparty risk*

For the Reference Funds there is the risk that a counterparty may be unable to fulfil its contractual obligations towards the Reference Funds due to insolvency, default, liquidation, nullity, early termination or other reasons. In such a case, the Reference Funds may be entitled to appropriate legal remedies (which, depending on their prospects of success, will be based on the financial situation of the counterparty). As a result, the profitability of the Reference Funds may be reduced, which may lead to lower returns for holders of Reference Fund Components and, in the worst case, to a total loss of their investment.



*Liquidity and market characteristics*

Investments in projects by Reference Funds are often illiquid so it may be difficult or even impossible to buy or sell them at prices quoted on the various stock exchanges or at prices that, in the opinion of the AIFM, reflect their value. Accordingly, the ability to respond to market movements may be diminished and it is possible that the realisation of the investments in projects may take place under unfavourable conditions. There may be delays and administrative impediments in the settlement of transactions. Market prices for investments in projects are generally volatile, and are difficult to determine. Moreover, it is possible that they will not be sold at the desired time or at a lower price. The aforementioned limitations on the liquidity of investments in projects may lead to lower returns for holders of Reference Fund Components and, in the worst case, to a total loss of their investment in a Reference Fund.

*Market disruptions*

Market disruptions and other unusual events can lead to major losses at the level of projects held by Reference Funds. This is true, for example, of epidemics, terrorist attacks, serious traffic accidents, natural disasters (such as fires, floods, earthquakes and severe storms), man-made disasters (including wars and terrorism), faulty planning and construction, landslides, bridge and tunnel collapses, road subsidence, energy prices, environmental laws or regulations, general economic conditions, labour disputes and other unforeseen circumstances and events. Moreover, general public confidence in projects may be undermined. It cannot be guaranteed that such risks will be covered by insurance. In some cases, project and/or financing agreements could be terminated if the above-described events are so severe that they cannot be remedied at all within a reasonable period of time. The risk of loss is exacerbated by the fact that in disrupted markets many positions become difficult to sell, which makes it difficult or impossible to dispose of positions against which markets are moving. In disrupted markets, it also usually becomes more difficult to obtain financing from banks, dealers and other counterparties. This can result in significant losses to the Reference Funds. In 1994, 1998 and during the so-called “credit crisis” of 2007 to 2009, suddenly restricted lending by banks led to forced liquidations and substantial losses by numerous investment vehicles. The credit crisis of 2007 to 2009 had a particular impact on investment vehicles whose investments relied heavily on loans. However, because market disruptions and losses in one sector can have an impact on other areas, many investment vehicles took heavy losses during the credit crisis of 2007 through 2009, even if they were not investments that were heavily dependent on loans. Moreover, market disruptions can cause substantial losses to investments in projects and therefore also adversely affect the Reference Funds. As a result of such events the volatility and risks of investment strategies whose risk has always been low in the past may change for the worse.

*Environmental risks*

Projects invested in by Reference Funds may be subject to numerous laws, regulations and other rules relating to environmental protection.

There is a possibility of existing or future harm to the environment, including soil and groundwater contamination due to spills of hazardous substances or other environmental pollutants. Applicable environmental laws, rules and regulations may stipulate that the current and/or former owner or operator of a property may be liable for a violation of applicable health and safety regulations and for investigation, monitoring, removal or remediation costs. Such liability may arise regardless of whether the owner or operator had knowledge of, or was actually responsible for, the presence of the hazardous substances.

The presence of these hazardous substances on a property could also give rise to civil claims for personal injury, property damage or similar claims. Moreover, the disposal of hazardous substances could also be the subject of liability. If projects invested in by a Reference Fund have violated environmental laws and are liable for this, the value of the investments could be materially adversely affected.

*Side agreements*

Taking into account the principal of treating all investors fairly, Aquila Capital Investmentgesellschaft mbH as AIFM and other companies within the Aquila Group may, without the consent of the other Reference Fund Component holders, conclude written side agreements with individual Reference Fund Component holders that may result in the preferential treatment of individual Reference Fund Component holders. Rights or conditions in such a written side agreement may include, but are not limited to: (i) reporting obligations, (ii) waiver of certain non-disclosure obligations, (iii) consent by the AIFM to certain transfers by the holder, (iv) special rights with regard to co-investments, (v) fee agreements, or (vi) rights or conditions that become necessary due to particular legal or regulatory characteristics of a holder.

***Risks associated with investment structure***

The risks associated with the investment structure where the Reference Portfolio Components are Reference Fund Components are substantially similar to the risks set out in section "2.3.2 *Material risks related to the specific Reference Portfolio Components which may comprise the Reference Portfolio – Material risks with respect to Reference Debt Security Components – Risks associated with investment structure*" above.

Potential investors should therefore also consider such risks in case the Reference Portfolio comprises Reference Fund Components as if references to investments made by the issuer of any Reference Debt Security Components, decisions or, as the case may be, assessments or determinations made by the issuer of any Reference Debt Security Components, redemptions of the relevant Reference Debt Security Components, terms and conditions of the relevant Reference Debt Security Components and excluded holders of Reference Debt Security Components were references to investments made by the Reference Funds, decisions or, as the case may be, assessments or determinations made by the Reference Funds, the AIFM and/or the investment adviser of the Reference Funds, redemptions of Reference Fund Components Funds, offering documents in respect of such Reference Fund Components or constitutional documents of the Reference Funds and excluded investors in such Reference Fund Components.

***Risks in connection with certain financial instruments****Risk of investing in renewable energy in debt securities or other unlisted or traded instruments*

Most of the instruments that Reference Funds acquire might be not listed or traded on regulated markets. This applies in particular to the Reference Funds' intended (indirect) investments in debt securities or other financing. Accordingly, the liquidity of such instruments is limited and it cannot be guaranteed that they can be sold at desirable prices or at all. Investments in debt securities are associated with various risks. For the Reference Funds, there is in particular the risk that issuers of the debt securities may not be able to meet their obligations on time or at all due to financial difficulties or insolvency. In such a case, substantial additional costs may be incurred, e.g. as a result of legal disputes, seizure or compulsory enforcement, or other measures to collect the outstanding amounts. If such a risk materialises, the profitability of the Reference Funds may be reduced, which may lead to lower returns for holders of Reference Fund Components and, in the worst case, to a total loss of their investments.

*Risk from subordinated financing and low equity ratio of the issuer*

The Reference Funds possibly subscribe to debt securities that may be junior to the security interests held by other creditors of the issuer of the debt securities. This means that claims as well as the enforcement of possible security interests of the Reference Funds will only be satisfied after all senior claims have been satisfied on the basis of senior security interests and are therefore subject to a higher default risk. This default risk is further increased in particular in cases where the issuer of the debt security has a low equity ratio. Moreover, in these cases, the Reference Funds may also have fewer options available to it, compared to senior creditors, for example asserting a security interest. Therefore, the creditor of subordinated debt capital has very little protection if the debtor defaults or is no longer able to meet its payment obligation. If such a risk materialises, the profitability of the Reference Funds may be reduced, which may lead to lower returns for holders of Reference Fund Components and, in the worst case, to a total loss of their investments.

*Risk from bank financing and cross-collateralisation*

Unlike the Reference Funds, which are generally not permitted to raise debt capital for leverage purposes, the project companies invested in by Reference Funds may finance the purchase of projects through bank loans or other borrowed funds. In this context, there is the possibility that a creditor, in particular a financing bank, receives the shares in several project companies or their assets as collateral in the case of portfolio financing (so-called cross-collateralisation). If, in this case, one of the project companies does not satisfy its bank liabilities or does not do so on time, the financing bank may likewise realise its collateral in the other project companies and their assets, even if these other project companies have themselves satisfied their bank liabilities as contractually agreed.

If the above risks materialise, the profitability of the Reference Funds may be adversely affected, which may lead to reduced returns for Reference Fund Component holders and, in the worst case, to a total loss of the investment.

*Specific risks with regard to the allocation policy of the AIFM in relation to the Reference Funds*

The Reference Funds managed by Aquila Capital Investmentgesellschaft mbH in its capacity as the AIFM may invest in the underlying assets jointly with the Aquila Group or other (direct or indirect) investors which are funds or accounts managed or, as the case may be, advised by entities of the Aquila Group and/or its business partners, whereby capital may be provided in different forms (e.g. equity or debt or senior or subordinated debt). The allocation between the different fund vehicles is based on the AIFM's allocation policy, which is disclosed to investors upon request.

In the context of the allocation policy, it is possible that certain assets cannot be acquired by the respective Reference Fund or can only be acquired to a small or large extent and that the parallel fund or potentially other (direct or indirect) investors which are funds or accounts managed or, as the case may be, advised by entities of the Aquila Group and/or its business partners hold a proportionally higher or lower share of the underlying assets.

This might have an adverse effect on the performance of the Reference Funds.

*Specific risks related to shares held by Reference Funds*

The following are specific risks relating to investments made by Reference Funds that are shares.

*Specific risks related to the performance of shares*

The performance of a share held by a Reference Fund depends on the performance of the company issuing the shares. But even regardless of the financial position, cash flows, liquidity and results of operations of the company issuing the shares, the price of a share can be subject to fluctuations or adverse changes in value. In particular, the development of the share price can be influenced by the general economic situation and market sentiment.

The value of a Reference Fund which holds a share depends on (even if it does not directly correlate to) the performance of such share. The performance of a share may be subject to factors like the dividend or distribution policy, financial prospects, market position, corporate actions, shareholder structure and risk situation of the issuer of the share, short selling activities and low market liquidity as well as to political influences. Consequently, any risks related to a direct investment in shares may also have an impact on the Reference Fund and reduce the value of any related Reference Fund Component. In the worst case, this can lead to a total loss of the investment in a Reference Fund by a Reference Fund Component holder.

The performance of a share may be subject to factors outside the Reference Fund's sphere of influence, such as the risk of the relevant company becoming insolvent, insolvency proceedings being opened over the company's assets or similar proceedings under the laws applicable to the company being commenced or similar events taking place with regard to the company, which may result in a total loss for the investors in the Reference Fund Components, or the risk that the share price is highly volatile. The share issuer's dividend or distribution policy, its financial prospects, market position, any capitalisation measures, shareholder structure and risk situation may also affect the share price.

In addition, the performance of a share depends particularly on the development of the capital markets, which in turn are dependent on the global situation and the specific economic and political environment. Shares in companies with low or average market capitalisation may be subject to even higher risks (e.g. with regard to volatility or insolvency) than shares in larger companies. Furthermore, shares in companies with a low market capitalisation may be extremely illiquid due to smaller trading volumes. Shares in companies having their seat or exerting their relevant operations in countries with a high legal uncertainty are subject to additional risks, such as the risk of governmental measures being taken or nationalisation taking place. This may result in the partial or total loss of the share's value. The realisation of these risks may result in investors in Reference Fund Components for Reference Funds that hold such shares losing all or parts of the capital invested.

#### *Currency risks*

In case of investments of a company, the shares of which are held by a Reference Fund being denominated in currencies other than the currency in which the share value is calculated, certain additional correlation risks may apply. These correlation risks depend on the degree of dependency of currency fluctuations of the relevant foreign currency to the currency in which the share value is calculated. Hedging transactions, if any, of the company may not exclude these risks.

#### **Material risks relating to underlying investments of Reference Funds and investments underlying certain Reference Debt Security Components comprised in the Reference Portfolio**

Reference Funds comprised in the Reference Portfolio may invest in or be projects managed by Aquila Capital Investmentgesellschaft mbH in its capacity as AIFM or by other third parties which give exposure to the performance of one or more projects and/or investments in the sectors described below. Similarly, the issuers of certain Reference Debt Security Components comprised in the Reference Portfolio may use the issuance proceeds from such Reference Debt Security Components to make underlying investments in one or more projects in the sectors described below (rather than for general corporate purposes).

- 1) *Renewable energy generation*: projects for the development, construction and operation of facilities for the generation of renewable energy, i.e. wind farms, photovoltaics power plants and hydro power plants; and
- 2) *Energy distribution and storage*: projects for the development, construction and operation of distribution and/or storage facilities for energy, i.e. electrical grids and components thereof, battery storage facilities and pumped hydro storage power plants,

#### **"Renewable Energy Investments".**

The below risk factors relate to specific risks for each type of investment.

#### ***Specific risks associated with Renewable Energy Investments:***

##### *Acquisition risk*

It is uncertain if all of the investments acquired by project companies that are Renewable Energy Investments will be free of encumbrances (such as in the form of third-party rights). There is therefore a risk that a particular acquisition or a particular investment may not be possible or may only be possible at significantly higher cost. The project company may also incur unforeseen costs to enforce its legal position in relation to a particular acquisition or particular investment. In such a case, if no indemnification is provided by the relevant seller (or its guarantor), the repayment of principal or interest on the debt securities or the value of equity interests issued by a project company and held by a Reference Fund which is a Reference Fund Component or by the issuer of a Reference Debt Security Component may be adversely affected. If an acquisition is not or cannot be completed, all costs incurred to that point will generally be borne by the operating company.

As a result, in the case of Reference Funds or of issuers of Reference Debt Security Components, in each case, which hold such debt securities or equity interests, the profitability of the relevant Reference Fund or, as the case may be, the ability of the relevant issuer to meet its payment

obligations under any Reference Debt Security Component may be reduced, which could lead to lower returns for the holders of the relevant Reference Fund Component or, as the case may be, Reference Debt Security Component and, in the worst case, to a total loss of their investment.

*Risk of delays in investments*

Renewable Energy Investments are subject to the risk of delays in the completion of certain investments due to, for example, lengthy approval processes for permits or licenses, late delivery of individual components, bad weather, material defects, design flaws, strikes or other unplanned development and/or construction delays without compensation. If any such risk were to realise, the Renewable Energy Investments could be significantly delayed in certain circumstances. This could adversely affect the ability to repay the principal or interest on the debt securities or the value of equity interests held by Reference Funds or by Reference Debt Security Components issuers that hold such debt securities or equity interests, as applicable.

As a result, in the case of Reference Funds or of issuers of Reference Debt Security Components, in each case, which hold such debt securities or equity interests, the profitability of the relevant Reference Fund or, as the case may be, the ability of the relevant issuer to meet its payment obligations under any Reference Debt Security Component may be reduced, which could lead to lower returns for the holders of the relevant Reference Fund Component or, as the case may be, Reference Debt Security Component and, in the worst case, to a total loss of their investment.

*Development risks*

The investment in failed development projects represents a risk for Reference Funds or Reference Debt Security Components issuers investing in such projects. In the case of Renewable Energy Investments, there is a possibility that the project company will not be able, for example, to obtain the necessary rights or permits, sufficient financing, insurance or guarantees, or will be unable to maintain the budgeted investment volume or secure sufficient resources for planning, fabrication and transport. Moreover, there is a possibility, for example, that the nature or condition of the proposed construction site may differ from geological, geophysical or geotechnical surveys or findings. Errors or deviations from planning during the development phase may result in additional costs or expenses or, in the worst case, failure of the project development. Moreover, the Renewable Energy Investments, such as in the area of renewable energy storage and renewable energy infrastructure, are still relatively new technologies for which there is not yet any long-term experience.

The materialisation of the described development risks may impair the ability of the issuer of debt securities to repay the principal or interest on the debt securities or the value of equity interests issued by such projects and held by the Reference Funds or by Reference Debt Security Components issuers.

As a result, in the case of Reference Funds or of issuers of Reference Debt Security Components, in each case, which hold such debt securities or equity interests, the profitability of the relevant Reference Fund or, as the case may be, the ability of the relevant issuer to meet its payment obligations under any Reference Debt Security Component may be reduced, which could lead to lower returns for the holders of the relevant Reference Fund Component or, as the case may be, Reference Debt Security Component and, in the worst case, to a total loss of their investment.

*Risk from management errors in the development of plants*

If planning and development for Renewable Energy Investments is performed by third parties, this is outside the direct control of the project companies. It is possible that the responsible third parties cannot be continuously monitored during the planning and development of the relevant plants. Errors or deviations in planning during the development phase may result in additional costs or expenses. If no compensation is provided by the relevant third party (or its guarantors), the ability of the issuer of the debt securities held by a Reference Fund or by the issuer of a Reference Debt Security Component to repay the principal or interest may be impaired and the value of any equity interests issued by such issuer and held by a Reference Fund or, as the case may be, by the issuer of a Reference Debt Security Components may be reduced.

As a result, in the case of Reference Funds or of issuers of Reference Debt Security Components, in each case, which hold such debt securities or equity interests, the profitability of the relevant Reference Fund or, as the case may be, the ability of the relevant issuer to meet its payment obligations under any Reference Debt Security Component may be reduced, which could lead to lower returns for the holders of the relevant Reference Fund Component or, as the case may be, Reference Debt Security Component and, in the worst case, to a total loss of their investment.

*Risk of lack of required official permits*

The construction and operation of certain Renewable Energy Investments, such as renewable energy plants, require official permits in most jurisdictions. Even with careful planning and review, it cannot be ensured that all necessary official permits or approvals for the construction and operation of each plant will be obtained or granted in each jurisdiction. As a consequence of the failure to obtain the required official permits, the ready-to-build stage and the subsequent construction phase may not be achieved. If such a risk materialises, the ability of a Renewable Energy Investment issuer to repay principal or interest of debt securities held by a Reference Fund or by the issuer of a Reference Debt Security Component may be impaired and the value of any equity interests issued by such issuer and held by a Reference Fund or, as the case may be, by the issuer of a Reference Debt Security Component may be reduced.

As a result, in the case of Reference Funds or of issuers of Reference Debt Security Components, in each case, which hold such debt securities or equity interests, the profitability of the relevant Reference Fund or, as the case may be, the ability of the relevant issuer to meet its payment obligations under any Reference Debt Security Component may be reduced, which could lead to lower returns for the holders of the relevant Reference Fund Component or, as the case may be, Reference Debt Security Component and, in the worst case, to a total loss of their investment.

*Risk from unknown liability claims*

For the Reference Funds and for the issuers of Reference Debt Security Components, there is the risk that a project company relating to a Renewable Energy Investment may have taken on a legal or contractual liability from the seller or the former owner to third parties as a result of an investment and that the assumption of liability may not have been disclosed to it during due diligence. Such liability (i) may not be covered by a guarantee from the seller or owner of the relevant shares or assets, (ii) may arise or occur only after the end of the guarantee period or (iii) may exceed the scope of the relevant guarantee and therefore cannot be fully compensated.

Moreover, it cannot be ensured that the project companies will always be able to fully investigate all undeveloped land or properties that they acquire or to which acquired usage rights relate for contamination and to determine and evaluate whether the undeveloped land or properties are free of encumbrances. Due diligence might not be conducted on certain projects, and even if appropriate due diligence is conducted, it is possible that the risk or presence of encumbrances on the relevant property may be misjudged or not recognised. Moreover, compensation or release by the sellers of the relevant investment is generally limited or excluded.

Any remediation or removal of contamination or other encumbrances at the properties that is necessary for their continued use or required by the regulatory authorities may result in high costs for the project companies. If one of these aforementioned risks materialises, the project companies' ability to repay the principal or interest on the debt securities issued by them and held by a Reference Fund or by the issuer of a Reference Debt Security Component may be impaired and the value of any equity interests issued by such issuer and held by a Reference Fund or, as the case may be, by the issuer of a Reference Debt Security Component may be reduced.

As a result, in the case of Reference Funds or of issuers of Reference Debt Security Components, in each case, which hold such debt securities or equity interests, the profitability of the relevant Reference Fund or, as the case may be, the ability of the relevant issuer to meet its payment obligations under any Reference Debt Security Component may be reduced, which could lead to lower returns for the holders of the relevant Reference Fund Component or, as the case may be, Reference Debt Security Component and, in the worst case, to a total loss of their investment.

*Due diligence risks*

In terms of acquisitions of Renewable Energy Investments, there may be a failure to identify material risks, including liability risks, associated with the acquired Renewable Energy Investments prior to their acquisition. To lower these risks, the Reference Funds, the AIFM and/or the investment adviser of the Reference Funds or, as the case may be, the issuers of Reference Debt Security Components and/or the investment adviser of such issuers will conduct due diligence in relation to the Reference Funds' or, as the case may be, the issuer of Reference Debt Security Components' potential investments. Such due diligence may include a review of required disclosure information from companies operating in regulated industries, as well as a review of key documents, management presentations, management interviews and certain independent reports on projects and their assets, and independent analysis. However, the scope of due diligence performed will vary and it cannot be guaranteed that such due diligence will be thorough or conclusive and that all material risks of the Renewable Energy Investments will be identified.

*Restrictions on claims and their enforcement*

There is the risk that defects of title or other defects in the shares or properties acquired by project companies that are Renewable Energy Investments may not be covered by a warranty or guarantee of the respective seller, or that the relevant defects may only occur after the end of the respective warranty period, or that the relevant damages may exceed the scope of the warranty and therefore cannot be fully reimbursed.

Moreover, there is the risk that the respective debtor does not or cannot meet its obligations under the agreed guarantee, liability and indemnity agreement or that the defects identified upon transfer of the relevant properties are not or cannot be remedied, even if the corresponding claims have not yet expired. If technical defects are identified, the project company generally bears the burden of proof that these defects already existed at the time of acquisition. The same applies to guarantees that third parties provide in favour of the project companies. In this context, there is the risk that the project company cannot provide sufficient evidence for a possible claim to compensation and therefore claims cannot be enforced. In that case, additional development costs may be incurred due to the defects. Should one of the above risks materialise, this could reduce the profitability of the Reference Funds or the issuers of Reference Debt Security Components that hold investments in such project companies and lead to losses on the investments.

*Risks of credit financing*

The project companies that are Renewable Energy Investments can finance the purchase of investments through bank loans or other borrowed funds either alone or, if necessary, together with third parties in a consortium. For the Reference Funds and for the issuers of Reference Debt Security Components, there is the risk that committed debt capital for the acquisition of the investments may not grant the loan or may not be granted. In that case, alternative financing must be obtained for the acquisition. If alternative financing is not possible or is only possible on less favourable terms, the project company concerned could become insolvent and therefore lose all or part of its investment; this is true in particular of investments whose claims are subordinated to other creditors. In the case of a minority interest in a consortium, the influence of a project company may be limited. In particular, in such a case, a project company must defer to possible majority decisions by the consortium partners (e.g. terminations, delays, waivers of legal claims) that in its opinion are not in the best interest of the Reference Funds or, as the case may be, the issuers of Reference Debt Security Components or its own interest.

*Regulatory risks*

Investments in Renewable Energy Investments depend to a large extent on government subsidies and approvals or requirements. For example, the renewable energy sector as well as the related infrastructure are highly regulated in many legal systems, with regulation changing constantly in some cases. There is therefore the risk that the relevant authorities may enact legislation that not only impairs or reduces the project company's rights under contracts already concluded, but also impairs or reduces the prospect of obtaining the necessary permits or licenses for investments in the development phase. Furthermore, the relevant licenses and permits may be adversely amended, revoked or not renewed by the relevant authorities if they have expired. Moreover, the relevant

legislative bodies or authorities may amend or repeal existing laws, regulations or directives in the future. If such a risk materialises, the project company's ability to repay the principal or interest on the debt securities issued by it and held by a Reference Fund or by the issuer of Reference Debt Security Components may be impaired and the value of any equity interests issued by such issuer and held by a Reference Fund or, as the case may be, by the issuer of a Reference Debt Security Component may be reduced.

As a result, in the case of Reference Funds or of issuers of Reference Debt Security Components, in each case, which hold such debt securities or equity interests, the profitability of the relevant Reference Fund or, as the case may be, the ability of the relevant issuer to meet its payment obligations under any Reference Debt Security Component may be reduced, which could lead to lower returns for the holders of the relevant Reference Fund Component or, as the case may be, Reference Debt Security Component and, in the worst case, to a total loss of their investment.

*Risks of the general technical design of the plant with regard to investments*

Plants for the generation, transmission and storage of energy are not only technically extremely complex and sensitive, but their technology is also still relatively new. With regard to the service life of power plants and storage technologies, there is only limited long-term experience. As a result, technical risks may arise in the context of Renewable Energy Investments, in particular, which may have the effect that the ready-to-build stage and the subsequent construction phase cannot be achieved or the subsequent construction phase ended. Such circumstances may impair the ability to repay the principal or interest on the debt securities issued by project companies that are Renewable Energy Investments and held by a Reference Fund or by the issuer of Reference Debt Security Components and the value of any equity interests issued by such project company and held by a Reference Fund or, as the case may be, by the issuer of a Reference Debt Security Component may be reduced.

As a result, in the case of Reference Funds or of issuers of Reference Debt Security Components, in each case, which hold such debt securities or equity interests, the profitability of the relevant Reference Fund or, as the case may be, the ability of the relevant issuer to meet its payment obligations under any Reference Debt Security Component may be reduced, which could lead to lower returns for the holders of the relevant Reference Fund Component or, as the case may be, Reference Debt Security Component and, in the worst case, to a total loss of their investment.

*Risk of deviations in forecast energy yields with regard to investments in Renewable Energy Investments relating to renewable energies*

In the case of Renewable Energy Investments that are renewable energies, the decision as to whether and where to build or purchase a power plant for the generation of renewable energies in particular often depends on the forecast of annual energy yields. Such forecast calculations are primarily based on weather data (e.g. wind speed or solar radiation). For the Reference Funds or, as the case may be, the issuers of Reference Debt Security Components that hold such investments, there is the risk that the energy yield may deviate from the initially forecast energy yields due to changing climatic conditions. This can lead to a lower value of such investments and therefore to lower returns for the Reference Funds or, as the case may be, the issuers of Reference Debt Security Components that hold such investments.

*Meteorological risks in relation to investments in Renewable Energy Investments relating to renewable energies*

For Renewable Energy Investments that are renewable energy investments, energy yield forecasts are largely based on historical climate data and certain IT-based simulations/calculations. There is the risk that the microclimate of these data may deviate temporarily or permanently. Due to global climate change, extreme weather conditions may occur that may lead to greater fluctuations compared to historically recorded data. Climate changes can lead temporarily or permanently to, for example, less sunshine or limited sunshine duration or less wind. This may result in lower total electricity generation over the entire forecast period.

In terms of Renewable Energy Investments that are renewable energy investments, the remuneration for the supply of the electricity generated plays a central role. The level of



remuneration depends in particular on the current production volume delivered to the grid operator. This in turn depends crucially on the actual local weather conditions affecting the power plants, and therefore on the usable wind intensity or solar irradiation at each site. The actual annual wind speed or solar radiation often differs from the long-term average, and large fluctuations are also possible with a corresponding impact on the amount of electricity generated. There is also the risk that cycles with several exceptionally windless, rainy or cloudy years will appear.

Furthermore, due to local and global climate changes, there may be reduced wind intensity or solar radiation in different European regions or OECD regions, or in Europe and OECD member states as a whole. Moreover, increased extreme weather conditions may also lead to a change in wind intensity or solar radiation. Such weather conditions may not only reduce wind intensity or solar radiation, but also cause damage to renewable energy plants.

The occurrence of other geological events, such as earthquakes or landslides, could have a significant impact on the existence of the renewable energy plant.

If such a risk materialises, it may have a negative impact on the value of the project company's Renewable Energy Investments and therefore on its ability to repay the principal or interest on the debt securities issued by it and held by a Reference Fund or by the issuer of a Reference Debt Security Component and the value of any equity interests issued by such project company and held by a Reference Fund or, as the case may be, by the issuer of a Reference Debt Security Component may be reduced.

As a result, in the case of Reference Funds or of issuers of Reference Debt Security Components, in each case, which hold such debt securities or equity interests, the profitability of the relevant Reference Fund or, as the case may be, the ability of the relevant issuer to meet its payment obligations under any Reference Debt Security Component may be reduced, which could lead to lower returns for the holders of the relevant Reference Fund Component or, as the case may be, Reference Debt Security Component and, in the worst case, to a total loss of their investment.

*Risks of grid connection with regard to investments in Renewable Energy Investments relating to renewable energies*

In the case of Renewable Energy Investments that are renewable energies, there is the risk that no electricity can be generated and supplied in certain regions due to grid interruptions or irregularities in the overall electricity supply. In this case, the affected project company may receive no compensation or only limited compensation in accordance with the relevant contractual or statutory provisions. The materialisation of these risks may have a negative impact on the value of the project company's investment and, consequently, on its ability to repay the principal or interest on the debt securities issued by it and held by a Reference Fund or by the issuer of a Reference Debt Security Component and the value of any equity interests issued by such project company and held by a Reference Fund or, as the case may be, by the issuer of a Reference Debt Security Component may be reduced.

As a result, in the case of Reference Funds or of issuers of Reference Debt Security Components, in each case, which hold such debt securities or equity interests, the profitability of the relevant Reference Fund or, as the case may be, the ability of the relevant issuer to meet its payment obligations under any Reference Debt Security Component may be reduced, which could lead to lower returns for the holders of the relevant Reference Fund Component or, as the case may be, Reference Debt Security Component and, in the worst case, to a total loss of their investment.

*Risks from government grants and subsidies with regard to investments in Renewable Energy Investments relating to renewable energies*

Many countries promote renewable energy in the form of feed-in tariffs and other incentives for power plant operators, suppliers and system integrators. Many of these government subsidies expire, are reduced to zero over time, and end when the designated funds are exhausted, must be reissued by the relevant authority, or are modified by governments due to altered market conditions (such as market price fluctuations or oversupply of electricity produced) or changes in national, regional or local energy policies. There is also the possibility that the power plants will be operated in countries in which such subsidies are not permitted by law. In that case, the economic success

of Renewable Energy Investment project companies depends to a large extent on market conditions and is exposed to risks that could lead to a loss of earnings. The materialisation of such risks may have an adverse effect on the value of the such projects and therefore on their ability to repay the principal or interest on the debt securities issued by the project companies and held by a Reference Fund or by the issuer of a Reference Debt Security Component and the value of any equity interests issued by such project company and held by a Reference Fund or, as the case may be, the issuer of a Reference Debt Security Component may be reduced.

As a result, in the case of Reference Funds or of issuers of Reference Debt Security Components, in each case, which hold such debt securities or equity interests, the profitability of the relevant Reference Fund or, as the case may be, the ability of the relevant issuer to meet its payment obligations under any Reference Debt Security Component may be reduced, which could lead to lower returns for the holders of the relevant Reference Fund Component or, as the case may be, Reference Debt Security Component and, in the worst case, to a total loss of their investment.

*Risk of design errors or defects in the development phase*

For the Reference Funds and for the issuers of Reference Debt Security Components, there is the risk that Renewable Energy Investments that are power plants and facilities will not be fully functional due to design errors in the development phase or defects. There is the risk that repairs or the elimination of defects cannot be done or done on time. This can lead to operational failures or malfunctions of the power plants and facilities and delays in energy production or supply. In addition, claims by the project companies against third parties for the rectification of defects may be rejected by the latter. Furthermore, in the event of a claim by a project company, third parties may no longer be in a position to pay corresponding compensation to the project company. Likewise, it is possible that corresponding defects are not covered by warranties given by third parties to the project companies. Even if such defects are covered by a warranty, there is the possibility that they will only occur after the warranty period has expired or that the corresponding damage will exceed the scope of the warranty and therefore cannot be fully remedied.

If any of these aforementioned risks materialise, the ability of the relevant issuer of a debt security to repay the principal or interest on the debt securities issued by it and held by a Reference Fund or by the issuer of Reference Debt Security Components may be impaired and the value of any equity interests issued by such issuer and held by a Reference Fund or, as the case may be, by the issuer of a Reference Debt Security Component may be reduced.

As a result, in the case of Reference Funds or of issuers of Reference Debt Security Components, in each case, which hold such debt securities or equity interests, the profitability of the relevant Reference Fund or, as the case may be, the ability of the relevant issuer to meet its payment obligations under any Reference Debt Security Component may be reduced, which could lead to lower returns for the holders of the relevant Reference Fund Component or, as the case may be, Reference Debt Security Component and, in the worst case, to a total loss of their investment.

*Risks from technical interruptions and failures with regard to Renewable Energy Investments relating to renewable energies*

Energy generation and transmission systems are technically complex and vulnerable. Technical disruptions can occur due to the combination of different components from different manufacturers. There is also the possibility that individual components are defective or have a lower power generation capacity than forecast or a disruption in (general) usability. For the Reference Funds and for the issuers of Reference Debt Security Components, there is therefore a risk that the technical failures or malfunctions of Renewable Energy Investments fall outside the scope of the warranty or occur only after the warranty period has expired and will cause the project companies to incur additional costs for repair or maintenance without compensation being provided. In addition, malfunctions may occur during the conversion into electricity and the feed-in into the local power grid. In the event of total grid failures, the electricity generated cannot be measured or recorded. This may affect the ability of the project companies to repay the principal or interest on the debt securities issued by them and held by a Reference Fund or by the issuer of a Reference Debt Security Component and the value of any equity interests issued by such project company and held by a Reference Fund or, as the case may be, by the issuer of a Reference Debt Security Component may be reduced.

As a result, in the case of Reference Funds or of issuers of Reference Debt Security Components, in each case, which hold such debt securities or equity interests, the profitability of the relevant Reference Fund or, as the case may be, the ability of the relevant issuer to meet its payment obligations under any Reference Debt Security Component may be reduced, which could lead to lower returns for the holders of the relevant Reference Fund Component or, as the case may be, Reference Debt Security Component and, in the worst case, to a total loss of their investment.

*Risks of performance reduction and degradation with regard to investments in Renewable Energy Investments relating to renewable energies*

In the case of Renewable Energy Investments relating to renewable energies, the Reference Funds and the issuers of Reference Debt Security Components are exposed to the risk that a deterioration in the performance of power plants may lead to lower electricity generation. For many renewable energy plants, their efficiency is only partially guaranteed by the manufacturers. This factor plays an important role in forecasting power generation. There is a risk that the actual efficiency deviates from the guaranteed efficiency (e.g. due to pollution, vegetation, snow or wear), which would affect the current production output. In addition, the loss of performance or so-called degradation can even be higher than guaranteed by the manufacturer, which can lead to a lower yield of the power plant. If this risk materialises, the project company's ability to repay the principal or interest on the debt securities issued by it and held by a Reference Funds or by the issuer of a Reference Debt Security Component may be impaired and the value of any equity interests issued by such project company and held by a Reference Fund or, as the case may be, by the issuer of a Reference Debt Security Component may be reduced.

As a result, in the case of Reference Funds or of issuers of Reference Debt Security Components, in each case, which hold such debt securities or equity interests, the profitability of the relevant Reference Fund or, as the case may be, the ability of the relevant issuer to meet its payment obligations under any Reference Debt Security Component may be reduced, which could lead to lower returns for the holders of the relevant Reference Fund Component or, as the case may be, Reference Debt Security Component and, in the worst case, to a total loss of their investment.

*Risk of loss or damage to power plants with regard to investments in renewable energies*

In the case of Renewable Energy Investments relating to renewable energies, there is a risk that the power plants will be destroyed or suffer significant damage and that the existing insurance policies will not be sufficient to cover all losses and damages. In particular, geological conditions (e.g. flooding) can lead to damage to the power plants up to and including total loss. This may affect the ability of the project companies to repay the principal or interest on the debt securities issued by them and held by a Reference Fund or by the issuer of a Reference Debt Security Component and the value of any equity interests issued by such project company and held by a Reference Fund or, as the case may be, by the issuer of a Reference Debt Security Component may be reduced.

As a result, in the case of Reference Funds or of issuers of Reference Debt Security Components, in each case, which hold such debt securities or equity interests, the profitability of the relevant Reference Fund or, as the case may be, the ability of the relevant issuer to meet its payment obligations under any Reference Debt Security Component may be reduced, which could lead to lower returns for the holders of the relevant Reference Fund Component or, as the case may be, Reference Debt Security Component and, in the worst case, to a total loss of their investment.

*Risk of the competitive environment*

In the case of Reference Funds, the relevant AIFM, and in the case of the issuer of any Reference Debt Security Components, it or its investment adviser will analyse its environment, in particular the competition, when evaluating the Renewable Energy Investments. Nevertheless, it cannot be ruled out that the Reference Funds or, as the case may be, the issuers of Reference Debt Security Components will invest in assets that are exposed to a strong increase in competition.

*Contract risks*

To the extent that the Reference Funds or, as the case may be, the issuers of Reference Debt Security Components invest in Renewable Energy Investments for which leasing or licensing

agreements have been concluded with governmental agencies, there is the risk that these governmental agencies may not be able to meet their obligations under the agreement, particularly in the long term. Such leasing or licencing agreements might also contain clauses in favour of the governmental counterparty that limit the profitability of the proposed Renewable Energy Investments. For example, such leasing or licensing agreements may contain termination clauses that allow a governmental agency to terminate the agreement under certain circumstances without paying reasonable compensation. The materialisation of such risks may adversely affect the value of the project company's investment and therefore its ability to repay the principal or interest on the debt securities issued by it and held by a Reference Fund or by the issuer of a Reference Debt Security Component and the value of any equity interests issued by such project company and held by a Reference Fund or, as the case may be, by the issuer of a Reference Debt Security Component may be reduced.

As a result, in the case of Reference Funds or of issuers of Reference Debt Security Components, in each case, which hold such debt securities or equity interests, the profitability of the relevant Reference Fund or, as the case may be, the ability of the relevant issuer to meet its payment obligations under any Reference Debt Security Component may be reduced, which could lead to lower returns for the holders of the relevant Reference Fund Component or, as the case may be, Reference Debt Security Component and, in the worst case, to a total loss of their investment.

#### *Commodity price risks*

Renewable Energy Investments are subject to commodity price risks, including, among others, the price of electricity and fuel. The operations and cash flows of renewable energy investments depend substantially on market prices for electricity, fuel and, in particular, natural gas. These market prices may be subject to natural fluctuations due to numerous factors, including, among others, weather conditions, foreign or domestic market supply and demand, force majeure events, legislative or regulatory changes, the price and availability of alternative fuels and energy sources, the international political situation, including that in the Middle East, actions by the Organization of the Petroleum Exporting Countries (OPEC) (and other oil and natural gas producing countries) and the overall economic situation.

#### *Specific risks associated with offshore investments in Renewable Energy Investments*

Whenever Renewable Energy Investments relate to offshore wind farms, specific risks may arise. With offshore wind farms it is assumed that they have the highest general, economic, technical and environmental risks, especially when they are still in the development or construction phase. Reference Funds and issuers of Reference Debt Security Components may be exposed to such additional or increased risks if they invest in the development of offshore wind farms. Investing in the development of offshore wind farms means relying on relatively new technologies and materials that cannot benefit from many years of historical experience and extensive data and are generally subject to adverse and unpredictable conditions. Offshore wind farm development and project planning is more difficult, time-consuming and risky than onshore wind farms. In particular, suitable locations may be limited, e.g. due to unsuitable geological and geophysical conditions, environmental and nature conservation, tourism or restricted military areas. The connection of offshore wind farms to the public electricity grid can pose numerous technical, legal and regulatory problems.

If such a risk materialises, the profitability of the Reference Funds or, as the case may be, the issuers of Reference Debt Security Components may be reduced, which may lead to lower returns for investors and, in the worst case, to a total loss of the investments.

#### ***Specific Risks associated with Renewable Energy Investments that are Private Equity Investments***

The following factors affect the potential value of Renewable Energy Investments that are private equity investments that are held by a Reference Fund or, as the case may be, by the issuer of a Reference Debt Security Component. The materialisation of any of the below risks may result, in the case of Reference Funds or, as the case may be, issuers of Reference Debt Security Components which hold such investments in such private equity funds, in the profitability of the relevant Reference Fund or, as the case may be, the relevant issuer of the Reference Debt Security Component being reduced, which could lead to lower returns for Reference Fund Component or,

as the case may be, Reference Debt Security Component holders and, in the worst case, to a total loss of their investment.

#### *Controlling or Minority Stakes*

Private equity funds can also invest in target funds (each, a "**Target Fund**") each of which generally intends to assume control positions in its portfolio companies. The exercise of control over a company imposes additional liability risks for environmental damages, product defects, failure to supervise management, violation of governmental regulations and other types of liabilities in respect of which the limitation of liability which generally applies for business operations may not be applicable. A Target Fund may also hold minority positions in certain portfolio companies or acquire securities that are subordinated vis-à-vis other securities as to participation rights or other legal positions. A Target Fund may therefore have limited ability to protect its position, or liability arising from such companies and might not always be in a position to protect its interests effectively, particularly if management teams pursue objectives which are inconsistent with those of the Target Fund. The securities in which a Target Fund will invest will typically be among the most junior in a portfolio company's capital structure and therefore subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once it has been made.

#### *Limited number of investments*

While potentially being constraint by diversification rules, a Target Fund may only make a limited number of investments. Poor performance by a few investments could materially affect the total returns to a Target Fund. Furthermore, certain Target Fund investments may be made in single purpose companies. Accordingly, the investment's return or ability to make payment on debt securities will be based on that specific asset's performance.

#### *Illiquidity of investments*

The investments of a Target Fund will be predominantly in shares, other capital instruments or other type of financial assets of highly illiquid companies that are not traded on any recognised investment exchange, and as such will be difficult to realize. In addition, the investments may be difficult to value and there is no certainty that a Target Fund will be able to realise its investments in a timely manner, if at all. As a result, the timing and manner of distributions by the Target Fund is uncertain and unpredictable and may include distributions in specie or an inability to make payments on debt securities.

#### *Holdings in Listed Companies*

A Target Fund's investment portfolio may contain securities issued by listed companies. Such investments may subject the Target Fund to risks that differing type or degree from those involved with investments in unlisted companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Target Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including members of the investment team and increased costs associated with each of the aforementioned risks.

#### *Derivatives Risk*

A Target Fund may utilize exchange-traded and over-the-counter futures, options and swaps as part of its investment policy or for hedging purposes. These instruments can be highly volatile, can involve certain special risks and can expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract or a swap may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in further loss exceeding any margin deposited.

*Involvement in Portfolio Companies as Directors*

Investing in new or expanding companies normally requires a greater involvement on the part of the Target Fund than is the case with investments in public companies. It is typical of a private equity investor to have a seat on the board of directors of the portfolio company which would enhance its ability to efficiently manage its investment. Although a representative of the Target Fund may serve on a portfolio company's board of directors, each portfolio company will be managed by its own officers (who may not be affiliated with the Target Fund). Additionally, in certain jurisdictions, the composition of the board of a portfolio company will need to reflect local laws governing employee and works council representation. Typically, portfolio companies will have an insurance to protect directors and officers (including those affiliated with the Target Fund), but this may be inadequate. As the Target Fund documentation will in general contain a comprehensive indemnity for the benefit of, amongst others, such directors and/or officers, any legal action resulting in damages being payable by such directors and/or officers may result in the Target Fund being liable for such indemnity payments in the event that the insurance coverage of the underlying portfolio company is inadequate.

Portfolio companies may have substantial variations in operating results from period-to-period, face intense competition, and experience failures or substantial declines in value at any stage. Membership on the board of directors of a portfolio company bears the risk to be subject to court proceedings. To the extent to which insurance coverage at the level of the portfolio company is insufficient to cover liabilities arising from such legal actions then the Target Fund may itself be liable to make payments to cover liabilities arising from such legal actions.

*Disclosure of Confidential Information*

The Target Fund and/or certain investors in the Target Fund may be required by law or otherwise to disclose certain confidential information relating to a portfolio company of the Target Fund. Such disclosure may affect the ability of the Target Fund to realise its investment in such portfolio company, may affect the price that the Target Fund is able to obtain upon any subsequent realisation or may otherwise adversely affect the Target Fund. Investors will have limited rights to information regarding the Target Fund and its portfolio companies. It is anticipated that the Target Fund will obtain material information regarding portfolio investments that will not be disclosed to investors. As a result, an investor that seeks to transfer its interest in the Target Fund may have difficulty in determining an appropriate price for such interest. It is expected that investors who designate representatives to participate on the advisory committee of the relevant Target Fund may, by virtue of such participation, have more information about the Target Fund and its portfolio companies in certain circumstances than other investors generally and may be disseminated information in advance of the communication of such information to other investors generally. To the extent that the manager of a Target Fund determines that it is reasonably foreseeable that information that an investor would otherwise be entitled to receive pursuant to the terms of the partnership agreements could be disclosed by such investor as a result of such investor being subject to laws in the nature of freedom of information acts, or as a result of it being a public authority or owned by a public authority or subject to public disclosure laws, statutes, statutory instruments, regulations or policies, and the disclosure of such information would not be in the best interests of the Target Fund or its manager, the manager will have the right not to provide such investor with any information that such investor would otherwise be entitled to receive or have access to pursuant to the terms of these partnership agreements.

*Information Flow*

Privately held companies generally maintain less comprehensive financial information than listed companies. Therefore, a Target Fund may make investment decisions, and monitor such investments, after reviewing information which is less comprehensive than that available to an investor in a listed public company.

*Significant Adverse Consequences for Default*

If an investor in a Target Fund fails to comply with a drawdown notice, such investor can be subject to various default remedies, including loss of future distributions from the Target Fund, forced transfer of its interest in the Target Fund at less than the fair market value, and/or forfeiture of all

or a portion of its interest in the Target Fund. The documentation of a Target Fund may provide for significant adverse consequences in the event an investor defaults on its obligation to contribute amounts to the Target Fund pursuant to its commitment or other payment obligations set forth in the Target Fund documentation.

#### *Co-investment*

In certain instances, the Target Fund may invest in portfolio companies alongside financial, strategic or other third-party co-investors. Investments alongside co-investors will involve additional risks which may not be present in investments where a co-investor is not involved, including the possibility that a co-investor or co-investors may have interests or objectives that are inconsistent with those of the Target Fund or may be in a position to take actions contrary to the Target Fund's investment objectives or may suffer financial difficulties, including bankruptcy or otherwise default on their obligations in a manner that negatively affects the Investment.

#### *Need for Follow-on Investments*

Following its initial investment in a given portfolio company, the Target Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a portfolio company. There is no certainty that the Target Fund will make follow-on investments and in certain circumstances the Target Fund may be prevented from doing so due to having insufficient commitments available for investment or as a result of reaching its diversification cap in respect of such portfolio company. Any decision by the Target Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment, may result in a lost opportunity for the Target Fund to increase its participation in a successful operation, may result in the Target Fund's investment in the relevant portfolio company becoming diluted and in circumstances where the follow-on investment is offered at a discount to market value, may result in a loss of value for the Target Fund.

#### *Leverage*

A Target Fund and portfolio companies in which the Target Fund invests may incur leverage. Such portfolio company leverage generally increases both the Target Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which is difficult to forecast accurately. During the periods in which credit markets are unfavourable, it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair the company's ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the effects of any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate declines in the value of the Target Fund's investments in such companies in a down market compared to an unleveraged investment. In the event that any portfolio company cannot generate adequate cashflows to meet debt service, the Target Fund may suffer a partial or total loss of capital invested in the portfolio company, which would adversely affect the returns of the Target Fund. Furthermore, should the credit markets be unfavourable at the time that the Target Fund determines that it is desirable to sell all or a part of a portfolio company, the Target Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the portfolio companies in which the Target Fund will invest will not generally be rated by a credit rating agency. The securities in which the Target Fund will invest will typically be among the most junior in a portfolio company's capital structure and thus subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once it has been made. The Target Fund's manager will generally seek to adopt a capital structure for companies in which the Target Fund invests on the basis of financial projections for such companies. Projected operating results will normally be based primarily on management judgments albeit subjected to significant due diligence. In all cases, projections are only estimates of future results and are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are unpredictable, can have a material adverse impact on the reliability of projections.

*Dilution*

Investors admitted to a Target Fund at closings subsequent to the initial closing who participate in any then-existing investments of the Target Fund, will dilute the interest of existing investors in such investments. Although such new investors will sometimes be required to contribute their pro-rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Target Fund's existing investments at the time of such contributions.

*Currency Risk*

The investments will be made in various countries and, accordingly, such investments and any proceeds there from may be denominated in a variety of currencies other than Euro, the currency of the Notes. If so denominated, the value of these investments will fluctuate as a result of changes in currency exchange rates. In addition, the Target Fund may incur costs in connection with the conversions between various currencies. Fluctuations in the value of currencies over the life of a Target Fund will affect the value of participations of investors in the Target Fund.

*Valuation of Unrealised Investments*

Valuations of unrealised investments of the Target Fund may have an impact on the management fee and/or carried interest payable by the Target Fund. To the extent that a valuation is incorrect, this may result in an overpayment or underpayment of management fee and carried interest. Accordingly, there is a conflict of interest for the Target Fund's manager in circumstances where it is responsible for determining the valuation of the Target Fund's unrealised investments. Valuations are subject to determinations, judgments and opinions, and other third parties or investors may disagree with such valuations.

*Reliance on the Target Fund's manager, the investment team and portfolio company management, blind pool risk*

Whenever a Target Fund's manager and a Target Fund itself are newly established entities, they have no previous operating history. Although a management team might have previously worked together, there can be no certainty that such persons will remain with the Target Fund's manager throughout the life of the Target Fund. There can be no certainty that any members of the investment team will continue to be employed by the Target Fund's manager, or to function on behalf of the Target Fund nor that suitable replacements will be found should they become incapacitated. As a result, the Target Fund's performance could be materially adversely affected.

Control over the operation of the Target Fund will be vested entirely with the Target Fund's manager, and the Target Fund's future profitability will depend largely upon the business and investment acumen of the investment team. Investors generally have no right or power to take part in the management of the Target Fund, and as a result, the investment performance of the Target Fund will depend entirely on the actions of the Target Fund's manager. Although the Target Fund's manager will monitor the performance of each portfolio company, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although a Target Fund generally intends to invest in companies with strong management, there can be no assurance that the existing management of such companies will continue to operate a company successfully.

The Target Fund's portfolio companies may not be identified at the time that the relevant private equity investment Reference Fund or, as the case may be, Reference Debt Security Component is included in the Reference Portfolio. Accordingly, prospective investors in the Notes will not necessarily have an opportunity to review the portfolio companies and the terms of the Target Fund's investments prior to the relevant private equity investment Reference Fund or, as the case may be, Reference Debt Security Component being included in the Reference Portfolio. Investors will not have the opportunity to evaluate the relevant economic, financial and other information which will be utilised by the Target Fund's manager in selecting, structuring, monitoring and disposing of investments.



*Litigation Risk*

The financial performance of portfolio companies in which the Target Fund has invested may be affected from time to time by litigation such as contractual claims, occupational health and safety claims, public liability claims, environmental claims, industrial disputes, tenure disputes and legal action from special interest groups. Such litigation could materially reduce the value of the Target Fund's investments. The performance of the Target Fund may also be affected in the event that litigation is commenced against the manager, which litigation may restrict it from performing its functions and duties in relation to the Target Fund.

*Risk of Counterparty Default*

There is a risk that counterparties may default on their contractual obligations to the Target Fund or its investments. Any such counterparty default would likely have an adverse effect on the value of the investments and on the returns to the Target Fund's investors.

*Conflicting Investor Interests*

Investors may have conflicting investment, tax and other interests with respect to their investments in a Target Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by a Target Fund, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by a Target Fund's manager with respect to the nature or structuring of investments that may be more beneficial to one investor than to another investor, especially with respect to an investor's individual tax situations. In selecting and structuring investments appropriate for a Target Fund, the Target Fund's manager will consider the investment and tax objectives of the Target Fund and its investors as a whole, not the investment, tax or other objectives of any particular investor.

### 3. GENERAL INFORMATION ON THE PROSPECTUS

#### 3.1 Important Notices

The Prospectus should be read and construed with any supplement hereto and with any information incorporated by reference.

No person has been authorised to give any information or to make any representation not contained in or not consistent with the Prospectus or any other document entered into in relation to the Prospectus or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any financial intermediary with consent to use this Prospectus (see section "3.4 Consent to use the Prospectus").

The Prospectus does not constitute an offer or a solicitation of an offer to purchase any Notes and should not be considered as a recommendation by the Issuer or by any financial intermediary who uses this Prospectus in accordance with and subject to the terms of the Issuer's consent that any recipient of the Prospectus should subscribe for or purchase any Notes.

Neither the delivery of the Prospectus nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in the Prospectus is true subsequent to the date hereof or the date upon which the Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which the Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Prospectus is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The contents of the Prospectus will be updated in accordance with the provisions of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**").

The distribution of the Prospectus and any offering material relating to the Notes and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Nobody may use the Prospectus or for the purpose of an offer or solicitation if in any jurisdiction such use would be unlawful. Persons into whose possession the Prospectus comes are required by the Issuer and the financial intermediaries with consent to use this Prospectus to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of the Prospectus and other offering material relating to the Notes, see section "11. Subscription, Sale and Offer of the Notes" and section "11.2 Selling Restrictions".

Notes issued under this Prospectus have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The Notes are being offered outside the United States of America (the "**United States**" or "**U.S.**") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

**This Prospectus may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.**

**The validity of this Prospectus will expire on 15 June 2024. There is no obligation to supplement a Prospectus in the event of significant new factors, material mistakes or material inaccuracies if a Prospectus is no longer valid.**

*The Notes may not be a suitable investment for all investors.*

Each potential investor in a Note must determine the suitability of its investment in light of its own circumstances. In particular, each potential investor should:

- have 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 relating to the Notes (if any);
- have access to and knowledge of appropriate analytical tools to evaluate (in the context of its particular financial situation and the investment(s) it is considering) investing in the Notes and the impact the investment in such Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of investing in the Notes;
- understand thoroughly the terms of the Notes and be familiar with the financial markets; and
- be 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.

The specific risk is that if investing in the Notes turns out to be not a suitable investment for such investor, due to the factors set out above, such investor may suffer a substantial loss (including a total loss) which may negatively impact its overall investment strategy.

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.

**3.2 Third Party Information**

This Prospectus contains the following information sourced from parties other than the Issuer:

- only the Corporate Services Provider is responsible for the information in this Prospectus contained in the first paragraph of section "6.1 *Corporate Services Provider*";
- only the Reference Portfolio Advisor is responsible for the information in this Prospectus contained in the first paragraph of section "6.2 *Reference Portfolio Advisor*" and in section "9.1.3 *Reference Portfolio Components Comprised in the initial Reference Portfolio*";
- only the Paying Agent is responsible for the information in this Prospectus contained in first paragraph of section "6.3 *Paying Agent*"; and
- only the Calculation Agent is responsible for the information in this Prospectus contained in the first paragraph of section "6.4 *Calculation Agent*".

With respect to any information included in this Prospectus and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted, the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and only the relevant third party accepts the responsibility for the accuracy thereof.

**3.3 Responsibility Statements**

Isec S.A., with its registered office at 7, Grand Rue, L-6630 Wasserbillig, Grand Duchy of Luxembourg, hereby declares that to the best of its knowledge all information contained in this

Prospectus for which the Issuer is responsible is in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

The Corporate Services Provider hereby declares that to the best of its knowledge all information contained in this Prospectus for which the Corporate Services Provider is responsible is in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

The Reference Portfolio Advisor hereby declares that to the best of its knowledge all information contained in this Prospectus for which the Reference Portfolio Advisor is responsible is in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

The Paying Agent hereby declares that to the best of its knowledge all information contained in this Prospectus for which the Paying Agent is responsible is in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

The Calculation Agent hereby declares that to the best of its knowledge all information contained in this Prospectus for which the Calculation Agent is responsible is in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

### 3.4 Consent to use the Prospectus

Each financial intermediary subsequently reselling or finally placing the Notes is entitled to use this Prospectus during the term of its validity pursuant to Article 12(1) of the Prospectus Regulation (general consent) for the subsequent resale or final placement of the Notes in Liechtenstein and the Federal Republic of Germany, and in Switzerland with respect to a Swiss Non-exempt Offer in accordance with Article 36(4)(b) FinSA and Article 45 of the implementing Financial Services Ordinance ("**FinSO**"). The Issuer accepts responsibility for the information given in this Prospectus also with respect to such subsequent resale or final placement of the Notes.

This Prospectus may only be delivered to potential investors together with all supplements published before such delivery. Any supplement to this Prospectus will be available for viewing in electronic form on the website of the Issuer (telekia.lu) and on the website of the European Securities and Markets Authority (<https://www.esma.europa.eu>).

When using this Prospectus, each financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions. The Issuer reserves the right to revoke its consent to the use of this Prospectus in respect of certain or all financial intermediaries.

**In the event of an offer being made by a financial intermediary, such financial intermediary shall provide information to investors on the Terms and Conditions of the Notes at the time of that offer. Any financial intermediary using this Prospectus shall state on its website that it uses this Prospectus in accordance with this consent and the conditions attached to this consent.**

## 4. DESCRIPTION OF THE ISSUER

### 4.1 General information about the Issuer

#### 4.1.1 Corporate Information

The legal and commercial name of the Issuer is Telekia (also the "**Securitisation Undertaking**"), acting for and on behalf of its compartment 2 ("**Compartment 2**" or the "**Issuer**").

##### *Securitisation Undertaking*

The Securitisation Undertaking is a Luxembourg unregulated securitisation fund (*fonds de titrisation*), consisting of one or several co-ownerships (*copropriété*), within the meaning of, and governed by, the Luxembourg law of 22 March 2004 on securitisation, as amended (the "**Luxembourg Securitisation Law**").

In compliance with the Luxembourg Securitisation Law, the Securitisation Undertaking does not have legal personality and is managed by the Management Company (as defined below).

The Securitisation Undertaking has no share capital and no employees.

The Securitisation Undertaking has been established on 9 June 2022 for an unlimited duration in accordance with the Luxembourg Securitisation Law and its management regulations (as may be modified and supplemented by specific management regulations from time to time, the "**Management Regulations**"). The Management Regulations shall be governed by the laws of the Grand Duchy of Luxembourg.

The Securitisation Undertaking has been established for the purpose of participating in securitisation transactions, including, without limitation, issuing asset backed securities. The objects of the Securitisation Undertaking are more fully described in section "4.2 *Object of the Securitisation Undertaking*" below.

The Securitisation Undertaking, having its registered office at 7, Grand Rue, L-6630 Wasserbillig, telephone number: (+352) 2670421, Grand Duchy of Luxembourg, is registered with the Register of Trade and Companies of Luxembourg (*Registre de Commerce et des Sociétés de Luxembourg*) under number O29. The Securitisation Undertaking's Legal Entity Identifier (LEI) is 529900FA5S73TOYGJ376.

The website of the Securitisation Undertaking is telekia.lu. Any the information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

The Securitisation Undertaking shall be an unregulated securitisation undertaking for the purposes of chapter 2 of the Luxembourg Securitisation Law. In accordance with article 19 of the Securitisation Law, neither the Securitisation Undertaking nor the Management Company need to be authorised by the *Commission de Surveillance du Secteur Financier* ("**CSSF**"), the Luxembourg financial regulator, to exercise their activities.

##### *Compartment 2 of the Securitisation Undertaking*

The Management Company, acting on behalf of the Securitisation Undertaking, is entitled to create one or more independent compartments within the meaning of the Securitisation Law (each such a "**Compartment**"), to which the Securitisation Undertaking or the Management Company may allocate a certain part or all of the assets of the Securitisation Undertaking.

Where rights of investors or creditors relate to a Compartment or have arisen in connection with the creation, the operation or the liquidation of a Compartment, such rights are limited to the assets of that Compartment. The assets of a Compartment are exclusively available to satisfy the rights of investors in relation to that Compartment and the rights of creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that Compartment. As between holders of securities issued by the Securitisation Undertaking, each Compartment shall be treated as a separate entity.

By resolution dated 9 June 2023, the Management Company, acting on behalf of the Securitisation Undertaking, created Compartment 2 as Issuer of the Notes.

The Securitisation Undertaking and its Compartments are not part of a group.

***General Estate of the Securitisation Undertaking***

Assets and liabilities of the Securitisation Undertaking which have not been allocated to a Compartment by the Management Company in accordance with the Management Regulations, shall belong to the Securitisation Undertaking's general estate (the "**General Estate**").

The General Estate shall, in particular, contain all assets and liabilities which have not been allocated for or arisen in connection to the operation of a specific Compartment.

Claims which have been incurred in relation to the creation, operation or liquidation of a specific Compartment shall not be payable out of the General Estate but shall be paid out of the assets of the concerned Compartment.

***No alternative investment funds***

Neither the Securitisation Undertaking nor its Compartments is an alternative investment fund (the "**AIF**") within the meaning of the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers (the "**AIFMD**") and the Luxembourg law dated 12 July 2013 on alternative investment fund managers (the "**Luxembourg AIFM Law**").

**4.1.2 Recent events particular to the Issuer**

No recent events particular to Issuer have occurred, which are to a material extent relevant to the evaluation of Issuer's solvency.

**4.1.3 Borrowing and funding structure / Expected financing activities**

The Management Company may enter on behalf of the Securitisation Undertaking into any transactions by which it acquires or assumes, directly or indirectly or through another entity, risks relating to receivables, other assets or liabilities of third parties or inherent to all or part of the activities carried out by third parties. The acquisition or assumption of such risks by the Securitisation Undertaking will be financed by the issuance of financial instruments or by entering into, in whole or in part, any sort of financing by itself, or by entering into any sort of loan agreement by itself or by another securitisation entity the value or return of which depend on the risks acquired or assumed by the Securitisation Undertaking. For the avoidance of doubt, the Securitisation Undertaking is not subject to any risk-diversification requirements.

There have been no material changes in the Issuer's borrowing and funding structure since its establishment on 9 June 2023.

**4.2 Object of the Securitisation Undertaking**

In accordance with Section 3 of its Management Regulations, the objects of the Securitisation Undertaking (the "**Objects**") are generally to act as acquisition and/or issuing entity in the context of one or several securitisation operations governed by and under the Luxembourg Securitisation Law.

Without prejudice to the generality of the foregoing, the Securitisation Undertaking may in particular:

- (a) subscribe or acquire in any other appropriate manner any securities or financial instruments (in the widest sense of the word) issued by international institutions or organisations, sovereign states, public and private companies;
- (b) subscribe or acquire any other participations in companies, partnerships or other undertakings, which do not qualify as Financial Instruments (as defined in section "4.3

*Principal Activities*" below), provided that the Securitisation Undertaking will not actively intervene with the management of such undertakings in which it holds a holding, directly or indirectly;

- (c) acquire loan receivables which may or may not be embedded in Financial Instruments;
- (d) sell, transfer, assign, charge or otherwise dispose of its assets in such manner and for such compensation as the Management Company or any person appointed for such purpose shall approve at such time;
- (e) in the furtherance of its object, manage, apply or otherwise use all of its assets, financial instruments or other financial instruments, and provide, within the limits of article 61(3) of the Securitisation Law, for any kind of guarantees and security rights, by way of mortgage, pledge, charge or other means over the assets and rights held by the Securitisation Undertaking;
- (f) in the context of the management of its assets, enter into securities lending transactions and repo agreements;
- (g) enter into and perform derivatives transactions (including, but not limited to, swaps, futures, forwards and options) and any similar transactions;
- (h) issue bonds, notes, participating certificates (*Genussscheine*) or any other form of Financial Instruments the return or value of which shall depend on the risks acquired or assumed by the Luxembourg Securitisation Undertaking; and
- (i) enter into loan agreements as borrower within the scope of the Luxembourg Securitisation Law, in particular to fund the acquisition or assumption of risks (i.e. prior to the issuance of the Financial Instruments or, more generally, where the Securitisation Undertaking acts as acquisition entity), to comply with any payment or other obligation it has under any of its Financial Instruments or any agreement entered into within the context of its activities and insofar it seems to be useful and necessary within in the context of the transaction.

The Securitisation Undertaking may take any measure to safeguard its rights and make any transactions whatsoever which are directly or indirectly connected with or useful for its purposes and which are able to promote their accomplishment or development or development of its Objects to the largest extent permitted under the Luxembourg Securitisation Law.

The Securitisation Undertaking will not issue securities to the public on a continuous basis within the meaning of Article 19 of the Luxembourg Securitisation Law and thus is not and will not be authorised or supervised by the Commission de Surveillance du Secteur Financier.

For the avoidance of doubt, the existence and limits of the Objects of the Securitisation Undertaking do not constitute a defined investment policy for the Securitisation Undertaking and shall be construed accordingly.

### 4.3 Principal Activities

The only activity of the Securitisation Undertaking is the issuance of Financial Instruments (as defined below) (including the Notes) whose value or yield is linked to the performance of the underlying assets, and / or allocated to specific Compartments (as defined below), assets or risks, or whose repayment is subject to the repayment of other instruments, certain claims or certain categories of shares.

Holders of such Financial Instruments shall be the investors in the Securitisation Undertaking (the "**Investors**").

In the context of the financing of its activities and the acquisition of the underlying assets, the Securitisation Undertaking or any of its Compartments may in accordance with Articles 7 (1), 9 and 63 of the Luxembourg Securitisation Law issue the following financial instruments (the "**Financial Instruments**"):

- units (the "**Units**"), and
- any type of financial instruments as debt securities, other debt instruments and/or financial derivatives (the "**Securitisation Undertaking Notes**"),

and always in compliance with the Luxembourg Securitisation Law and the restrictions provided in the Management Regulations.

Any Units issued by the Securitisation Undertaking shall be allocated either to the General Estate of the Securitisation Undertaking or, if such Units are issued by the Securitisation Undertaking, acting for and on behalf of a specific Compartment, shall be allocated to such Compartment. For a summary of the rights associated with the Units issued by the Securitisation Undertaking, see section "4.6 Major Shareholders" below.

The Securitisation Undertaking shall not carry out the activity of an AIF within the meaning of the AIFMD and the Luxembourg AIFM Law.

A securitisation undertaking which meets the definition of a "securitisation special purpose entity" as defined by article 2 para. 3 (g) of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers and amended Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (the "**AIFMD**") and article 2 (2) (g) of the Luxembourg law dated 12 July 2013 on alternative investment fund managers, as amended from time to time (the "**AIFM Law**") cannot qualify as alternative investment fund within the meaning of the AIFM Law.

To ensure that the Securitisation Undertaking qualifies as a "securitisation special purpose entity" under the AIFM Law and the AIFMD, the Securitisation Undertaking shall have as sole purpose to carry out a securitisation or securitisations within the meaning of Regulation (EU) No 1075/2013 of the European Central Bank of 18 October 2013 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions (recast) (the "**ECB Securitisation Regulation**") and the Luxembourg Securitisation Law and other activities which are appropriate to accomplish that purpose.

For these purposes, the Securitisation Undertaking shall only issue Financial Instruments which qualify as debt securities, other debt instruments, securitisation fund units and/or financial derivatives.

In particular, it should be noted that the Securitisation Undertaking's purpose shall not consist of pooling together capital raised from a number of investors, for the purpose of investment with view to generating a "pooled return" for such investors, and shall, therefore, not qualify as a collective investment undertaking for the purposes of AIFMD, as interpreted by the European Securities and Markets Authority ("**ESMA**").

#### **4.4 Management Company of the Issuer**

##### **4.4.1 Management Company**

The Securitisation Undertaking and its Compartments are in accordance with the Management Regulations managed by Isec S.A., a public limited liability company (*société anonyme*), incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 7, Grand Rue, L-6630 Wasserbillig, Grand Duchy of Luxembourg and registered with the Register of Trade and Companies of Luxembourg (*Registre de Commerce et des Sociétés de Luxembourg*) under the number B 220820 (the "**Management Company**").

The Securitisation Undertaking shall not be managed in accordance with a defined investment policy.

More precisely, and to the fullest extent necessary to comply with the exclusion under article 4 para. 1 (a) (i) of the AIFMD as interpreted by ESMA and under article 2 (2) (g) of the AIFM Law, the Securitisation Undertaking's activity as described in the Management Regulations shall not be subject to any guidance, prescription or limitation:



- to invest in certain categories of assets, or conform to restrictions on asset allocation;
- to pursue certain strategies;
- to invest in particular geographical regions;
- to conform to restrictions on leverage;
- to conform to minimum holding periods; and/or
- to conform to other restrictions designed to provide risk diversification.

#### 4.4.2 Duties of the Management Company

Under article 4 of its articles of incorporation (the "**Articles**") and in compliance with article 14 of the Luxembourg Securitisation Law, the corporate objects of the Management Company are the establishment and management of securitisation funds within the meaning of the Luxembourg Securitisation Law and, where applicable, within the meaning of the Luxembourg Securitisation Law, to act as fiduciary for securitisation funds formed (or established) in the form of one or more fiduciary assets.

The Management Company shall generally exercise with respect to the Securitisation Undertaking the powers attributed to management companies by the Luxembourg Securitisation Law and in particular sub-section 2 of section 2 of chapter 1 of the Luxembourg Securitisation Law.

The Management Company is vested with full powers to manage the assets on behalf of the Investors within the limits of the Luxembourg Securitisation Law. The Management Company may, subject to the provisions of the Terms and Conditions and any specific management regulations (modifying and supplementing the general management regulations, from time to time), if applicable, *inter alia*, purchase, sell, subscribe, exchange and receive any asset or risk and exercise any right, directly or indirectly, in respect of the assets or risks transferred or acquired by the Securitisation Undertaking.

The Management Company may call on the services of one or more advisors. It may also call on consultants, information services and any other investment consultancy, accounting, taxation, management services and service providers (including, but not limited to depositary, paying agent, administration agent and calculation agent).

The Management Company is vested with full powers to authorise the issue of Financial Instruments on behalf of the Securitisation Undertaking or any of its Compartments and to create one or more Compartments within the Securitisation Undertaking.

The Management Company shall always act on behalf of the Securitisation Undertaking and its Investors vis-à-vis third parties. It shall act on their behalf in all judicial proceedings, whether as plaintiff or defendant, without having to disclose the identity of the Investors, the sole indication that the Management Company is acting in such capacity being sufficient. As long as they are represented, the investors cannot individually bring actions, which fall within the authority of the Management Company.

The Management Company shall perform its duties in an independent manner and in the sole interest of the Securitisation Undertaking and the Investors, subject to the provisions of the Terms and Conditions and any specific management regulations (modifying and supplementing the general management regulations from time to time). It may not use the assets of the Securitisation Undertaking for its own needs and it is liable towards the investors and third parties for the proper performance of its duties.

The creditors of the Management Company or of the investors have no rights of recourse against the assets of the Securitisation Undertaking.

The duties of the Management Company in respect of the Securitisation Undertaking shall cease:

- in the event of resignation or removal of the Management Company, provided that it is replaced by another management company, authorised, as the case may be, in accordance with the provisions of the Luxembourg Securitisation Law;
- if the Management Company (i) has been declared bankrupt, (ii) has entered into a composition with creditors (*concordat*), (iii) has obtained a suspension of payment (*sursis de paiement*), (iv) has been put under court controlled management (*gestion contrôlée*), or (v) has been the subject of a similar proceedings or (vi) has been put into liquidation,
- in all other circumstances provided in the Luxembourg Securitisation Law.

#### 4.4.3 Board of Directors of the Management Company

As of the date of this Prospectus, the Management Company's management board consists of the following directors:

Name	Title	Business address
Béatrice Stülpe	Director	7, Grand Rue, L-6630 Wasserbillig, Grand Duchy of Luxembourg
Flavius B. Icret	Director	7, Grand Rue, L-6630 Wasserbillig, Grand Duchy of Luxembourg
Alexander Nelke	Director	7, Grand Rue, L-6630 Wasserbillig, Grand Duchy of Luxembourg
Fabian Föhre	Director	7, Grand Rue, L-6630 Wasserbillig, Grand Duchy of Luxembourg
Moritz Hohenwarter	Director	Bettinastr. 61, D-60325 Frankfurt am Main, Germany

The board of directors has extensive powers to undertake all business and administrative acts within the corporate purpose of the Management Company.

The members of the board of directors of the Management Company have no conflicts of interest between any duties they owe to the Management Company or to the Securitisation Undertaking and its Compartments and their private interests.

#### 4.4.4 Pre-funding of the Management Company

The Management Company shall be entitled to be pre-funded for all costs, expenses and other payment obligations which the Management Company, in its reasonable discretion, estimates it would incur in relation to the creation and operation of the Securitisation Undertaking and its Compartments. Accordingly, if, at any time, the Management Company, in its reasonable discretion, determines an amount it requires to be pre-funded in accordance with the preceding sentence, the Management Company shall allocate such amount in equal parts between all Compartments of the Securitisation Undertaking and, for the avoidance of doubt, the portion allocated to each Compartment shall be paid out of the assets of the relevant Compartment. If no Compartments are in existence at such time, the aggregate amount to be pre-funded shall be allocated to the General Estate and such aggregate amount shall be paid out of the assets of the

General Estate. The payment of any amounts so allocated shall be subject to limited recourse provisions.

#### 4.5 Trend Information

##### 4.5.1 Material Adverse Change in the Prospects of the Issuer

There has been no material adverse change in the prospects of the Issuer since its establishment on 9 June 2023.

##### 4.5.2 Significant Changes in the Financial Performance of the Issuer

There has been no significant change in the financial performance of the group of which the Issuer forms part since its establishment on 9 June 2023.

##### 4.5.3 Additional Information on Trends

There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.

#### 4.6 Major Shareholders

In accordance with the Management Regulations, the Securitisation Undertaking has issued two units (the "**General Estate Units**") with a nominal amount of EUR 1,000 each and which are allocated to its general estate. Both General Estate Units are held by Aurebia II S.à r.l. (the "**General Estate Unitholder**"), a limited liability company, incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 7, Grand Rue, L-6630 Wasserbillig, Grand Duchy of Luxembourg and registered with the Register of Trade and Companies of Luxembourg (*Registre de Commerce et des Sociétés de Luxembourg*) under the number B 267257. In turn, Stichting Aurebia, a foundation (*Stichting*) under Dutch law, with its registered address at Locatellikade 1, 1076AZ Amsterdam, Netherlands and registered with the Netherlands Chamber of Commerce under number 86046926 directly holds the entire issued share capital of Aurebia II S.à r.l. Stichting Aurebia is a foundation under Dutch law and, therefore, is not owned or controlled by any person.

The General Estate Units rank *pari passu* among themselves and are subordinated to any Securitisation Undertaking Notes (including the Notes) and the Units allocated to any Compartment (including the Compartment 2 Units (as defined below)), as well as any third party creditors of the Securitisation Undertaking. The General Estate Units are only entitled to the repayment of the assets of the General Estate in case of liquidation of the Securitisation Undertaking after all holders of Securitisation Undertaking Notes (including the Notes) and units allocated to any Compartment (including the Compartment 2 Units), as well as all other third party creditors of the Securitisation Undertaking have been paid in full.

In addition, in accordance with the Management Regulations, the Securitisation Undertaking, acting for and on behalf of its Compartment 1 has also issued two units (the "**Compartment 2 Units**") with a nominal amount of EUR 1,000 each and which are allocated to Compartment 2. Both Compartment 2 Units are held by Aurebia II S.à r.l. (the "**Unitholder**"). In turn, the entire issued share capital of Aurebia II S.à r.l. is held by Stichting Aurebia. Therefore, the Issuer is directly and indirectly owned or controlled by Stichting Aurebia.

The Compartment 2 Units rank *pari passu* among themselves and are subordinated to any Securitisation Undertaking Notes (including the Notes), as well as other third party creditors of the Securitisation Undertaking, acting for and on behalf of its Compartment 2. The Compartment 2 Units are only entitled to the repayment of the assets of Compartment 2 in case of the liquidation of Compartment 2 after all holders of Securitisation Undertaking Notes issued by Compartment 2 (including the Notes), as well as other third party creditors of Compartment 2, have been paid in full.

The liability of any General Estate Unitholder or, as the case may be, the Unitholder against the General Estate or, as the case may be, Compartment 2, shall in no event exceed the aggregate nominal value of the Units held by the General Estate Unitholder or, as the case may be, the

Unitholder. Neither the General Estate Unitholder, nor the Unitholder shall be liable towards third parties or any other Investor.

The Securitisation Undertaking has no equity-holders other than the General Estate Unitholder (in respect of the General Estate Units issued by the General Estate) and the Unitholder (in respect of the Compartment 2 Units issued by the Securitisation Undertaking, acting for and on behalf of its Compartment 2).

For the avoidance of doubt, at any time, in addition to the General Estate Unitholders holding the General Estate Units issued by the General Estate and the Unitholder holding the Compartment 2 Units issued by the Securitisation Undertaking, acting for and on behalf of its Compartment 2, there may be one or more equity-holders holding units issued by the Securitisation Undertaking in respect of Compartments other than Compartment 2 (if any).

#### **4.7 Statutory Auditors**

The approved statutory auditor (*réviseur d'entreprises agréé*) of the Securitisation Undertaking is PricewaterhouseCoopers Société coopérative with registered office at 2, rue Mercator, L-1014 Luxembourg, Grand Duchy of Luxembourg and registered with the Register of Trade and Companies of Luxembourg (*Registre de Commerce et des Sociétés de Luxembourg*) under number B 65477, who has been appointed by the Management Company in accordance with Article 48 of the Luxembourg Securitisation Law.

PricewaterhouseCoopers Société coopérative is a member of Luxembourg Institute of Auditors (*Institute Des Réviseurs D`entreprises*).

#### **4.8 Financial Information concerning the Issuer**

##### **4.8.1 Fiscal Year**

The fiscal year in relation to the Securitisation Undertaking starts on the first day of January and ends on the last day of December each year, except for the first fiscal year that started on the date of incorporation of Securitisation Undertaking and ended on 31 December 2022.

##### **4.8.2 Historical Annual Financial Information**

The Securitisation Undertaking prepares audited and unconsolidated financial statements.

The audited opening balance sheet as of the Securitisation Undertaking as at 9 June 2022 is attached to this Prospectus as Appendix 1.

The financial statements as at 31 December 2022 will be the first audited annual financial statements of the Securitisation Undertaking. The financial statements as at 31 December 2022 are in the process of being audited and such audited annual financial statements are expected to be published in June 2023. Therefore, as of the date of this Prospectus, the Securitisation Undertaking has no published audited annual financial statements. The Securitisation Undertaking will not prepare any interim financial information.

Reports of the Compartments established from time to time will be prepared separately from the financial statements of the Securitisation Undertaking.

##### **4.8.3 Auditing of Historical Annual Financial Information**

All financial statements of the Securitisation Undertaking shall be made up in accordance with the applicable regulations and laws of the Grand Duchy of Luxembourg.

##### **4.8.4 Significant Changes in the Financial Position**

There has been no significant change in the financial position of the group of which the Issuer forms part since the Issuer's establishment on 9 June 2023.

**4.9 Litigation and Arbitration Proceedings**

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had since the Issuer's establishment on 9 June 2023, a significant effect on the financial position or profitability of the Issuer.

**4.10 Documents Available**

For the term of this Prospectus, the current Management Regulations of the Securitisation Undertaking are available on the following website: [telekia.lu](http://telekia.lu).

## 5. DESCRIPTION OF THE COMPARTMENT STRUCTURE

### 5.1 Compartments and General Estate

The Management Company is entitled to create one or more independent compartments within the meaning of the Luxembourg Securitisation Law, each compartment forming a separate co-ownership in the Securitisation Undertaking (each such compartment a "**Compartment**"), to which the Securitisation Undertaking or the Management Company may allocate a certain part or all of the assets of the Securitisation Undertaking. Each Compartment may be subject to specific management regulations, modifying and supplementing the general management regulations from time to time, as applicable to such Compartment.

Upon the creation of a Compartment, upon the issue of Financial Instruments by a Compartment or at any later stage, the Management Company may decide that a relevant Compartment will be regulated by Compartment-specific management regulations, which will modify and supplement the Management Regulations.

All assets allocated to a Compartment are exclusively available to holders of Financial Instruments issued thereunder and the creditors whose claims have arisen in connection with the creation, operation or liquidation of that Compartment.

Notwithstanding the foregoing, if, following the redemption or repayment in full of the borrowings and Financial Instruments of the Securitisation Undertaking attributable to a Compartment and the satisfaction in full and termination of all obligations of the Securitisation Undertaking to other creditors whose claims have arisen in connection with such borrowings and Financial Instruments or the creation, operation or liquidation of that Compartment, there remain assets in such Compartment, the Management Company may allocate such assets to another Compartment or to the General Estate (as defined below) of the Securitisation Undertaking.

Claims which are not incurred in relation to the creation, operation or liquidation of a specific Compartment shall not be payable out of the assets of any Compartment, but may be paid out of the General Estate (as defined below) of the Securitisation Undertaking or if such claims cannot be otherwise funded may be apportioned by the Management Company between the Securitisation Undertaking's Compartments on a pro rata basis of the assets of those Compartments or on such other basis as it may deem more appropriate.

The Management Company shall establish and maintain separate accounting records for each Compartment of the Securitisation Undertaking for the purpose of ascertaining the assets affected to each Compartment, such accounting records to be conclusive evidence of the assets contained in each compartment in the absence of manifest error.

The liquidation of a Compartment shall be decided by the Management Company, in accordance with the Terms and Conditions as well as the Management Regulations, as applicable in respect of such Compartment. Each Compartment may be separately liquidated without such liquidation having any effect on the Securitisation Undertaking or other Compartments.

Assets and liabilities of the Securitisation Undertaking which have not been allocated to a Compartment by the Management Company shall belong to the Securitisation Undertaking's general estate (the "**General Estate**").

The General Estate shall, in particular, contain all assets and liabilities which have not been allocated for or arisen in connection to the operation of a specific Compartment.

Claims which have been incurred in relation to the creation, operation or liquidation of a specific Compartment shall not be payable out of the General Estate but shall be paid out of the assets of the concerned Compartment.

### 5.2 Rights of Investors and creditors generally

The rights of the Investors and of the creditors are limited to the assets of the Securitisation Undertaking. Where such rights relate to a Compartment or have arisen in connection with the creation, the operation or the liquidation of a Compartment, they are limited to the assets of that Compartment.

The assets of a Compartment are exclusively available to satisfy the rights of holders of Financial Instruments issued under that Compartment and the rights of creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that Compartment.

As between Investors and creditors, each Compartment shall be treated as a separate entity.

### **5.3 Compartment 2**

By resolution dated 9 June 2023, the Management Company, acting on behalf of the Securitisation Undertaking, created Compartment 2 (where the Securitisation Undertaking when acting for and on behalf of its Compartment 2 is referred to as the "**Issuer**") to which all assets, rights and claims arising from the Notes will be allocated. Consequently, the assets of Compartment 2 are exclusively available to satisfy the rights of investors in relation to Compartment 2 and the rights of creditors whose claims have arisen in connection with the creation, the operation or the liquidation of Compartment 2.

The Noteholders only have - in accordance with the limited recourse provisions under § 2 (*Luxembourg Securitisation Law*) and § 3 (*Limited Recourse and Non-Petition*) of the Terms and Conditions - recourse against the assets of Compartment 2 and not against the assets allocated to other compartments (if any) created by the Management Company, acting on behalf of the Securitisation Undertaking or any other assets of the Securitisation Undertaking. Accordingly, once all the assets allocated to Compartment 2 have been realised, no further steps may be undertaken against the Securitisation Undertaking and/or the Management Company to recover any further amount due and the right to receive any such amount shall be extinguished.

If the proceeds realised by the Compartment 2 are not sufficient to cover all payments arising in connection with the relevant Notes as well as, if applicable, *vis-à-vis* other transaction parties, no other assets of the Securitisation Undertaking or another Compartment can be used to cover the shortfall. In such case, any claims of Noteholders or other transaction parties, if applicable, in respect of such shortfall will lapse.

## **6. ENTITIES PARTICIPATING IN THE ISSUE; DESCRIPTION OF MATERIAL CONTRACTS**

The Management Company, acting on behalf of the Telekia acting for an on behalf of its Compartment 2 as Issuer, has engaged and receives services from a number of third parties in connection with the issue. The following section contains a short description of such third parties and the material contracts entered into by the Management Company (acting on behalf of the Issuer) under which such third parties have been appointed. It can, however, not be excluded that the Management Company, acting on behalf of the Issuer, will appoint additional or replacement third parties or, as the case may be, will enter into other contracts in the future.

### **6.1 Corporate Services Provider**

Oaklet S.A., 7, Grand Rue, L-6630 Wasserbillig, Grand Duchy of Luxembourg (the "**Corporate Services Provider**") is a regulated corporate service provider which provides directors and administrative services in Luxembourg for vehicles and entities created for international securitisations and other structured finance transactions. The Corporate Services Provider is a 100% subsidiary of Oaklet GmbH.

The information in the immediately preceding paragraph regarding the Corporate Services Provider has been provided by the Corporate Services Provider. The Issuer confirms that the above information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by the Corporate Services Provider, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In accordance with the domiciliation and corporate services provider agreement dated 5 January 2018 (the "**Corporate Services Provider Agreement**") the Corporate Services Provider agrees to provide certain standard corporate services to the Management Company.

In particular, under the terms of the Corporate Services Provider Agreement, the Corporate Services Provider agrees to, amongst other things, (i) provide persons to act as directors from time to time of the Management Company, (ii) arranging for the preparation and filing of the annual financial statements of the Management Company, (iii) manage the general corporate affairs of the Management Company (including, without limitation, standard corporate secretarial services) and (iv) support the Management Company in monitoring and evaluating the services provided by third parties to the Securitisation Undertaking or the Issuer under any relevant agreements entered into between such third parties and the Securitisation Undertaking or, as the case may be, the Issuer (including, without limitation, the Reference Portfolio Advisory Agreement).

Under the terms of the Corporate Services Provider Agreement, the Corporate Services Provider can resign from its appointment or, as the case may be, the Issuer can terminate the appointment of the Corporate Services Provider upon not less than 90 calendar days prior notice, provided that such resignation or, as the case may be, termination of appointment shall not take effect unless a replacement Corporate Service Provider is appointed in respect of the Management Company. Further, either party may terminate the Corporate Services Provider Agreement with immediate effect in case of breach by the other party of any of its legal or regulatory obligations or its obligations under the Corporate Services Agreement.

The Corporate Services Provider Agreement is governed by the laws of the Grand Duchy of Luxembourg.

### **6.2 Reference Portfolio Advisor**

Aquila Capital Investmentgesellschaft mbH, Valentinskamp 70, 20355 Hamburg, Federal Republic of Germany (the "**Reference Portfolio Advisor**") is a regulated investment management company which provides a wide range of asset management services with a particular focus on sustainable investments, including renewable energy and green logistics, as well as real estate. The Reference Portfolio Advisor manages more than EUR 12.5 billion for institutional investors and is among Europe's largest investment companies in clean energy.



The information in the immediately preceding paragraph regarding the Reference Portfolio Advisor has been provided by the Reference Portfolio Advisor. The Issuer confirms that the above information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by the Reference Portfolio Advisor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In accordance with the reference portfolio advisory agreement dated on or about 15 June 2023 (the "**Reference Portfolio Advisory Agreement**") the Reference Portfolio Advisor agrees to provide certain reference portfolio advisory services in relation to the Reference Portfolio to the Issuer.

In particular, the Reference Portfolio Advisor agrees to (i) establish the notional Reference Portfolio on the Fixing Date in accordance with the Reference Portfolio Methodology, (ii) maintain the Reference Portfolio in accordance with the Reference Portfolio Methodology (including, without limitation, notional effect any Reference Portfolio Rebalancing from time to time), (iii) determine the Reference Portfolio Value as of each Reference Portfolio Valuation Date in accordance with the Components Valuation Principles and, (iv) upon request, provide to the Noteholders certain information about the Reference Portfolio and the Reference Portfolio Value.

Under the terms of the Reference Portfolio Advisory Agreement, the Reference Portfolio Advisor can resign from its appointment or, as the case may be, the Issuer can terminate the appointment of the Reference Portfolio Advisor upon not less than 60 calendar days prior notice, provided that such resignation or, as the case may be, termination of appointment shall not take effect unless the Issuer has appointed a successor reference portfolio advisor in relation to the Reference Portfolio.

The Reference Portfolio Advisory Agreement is governed by the laws of the Grand Duchy of Luxembourg.

### **6.3 Paying Agent**

Banque et Caisse d'Epargne de l'Etat, 1 Place de Metz, L-1930 Luxembourg, Grand Duchy of Luxembourg (the "**Paying Agent**") is leading Luxembourgish financial institution founded in 1856 and wholly owned by the government of the Grand Duchy of Luxembourg. The Paying Agent provides all the functions of a commercial bank, including retail banking and private banking, as well as performs account bank and paying agency functions in the context of multiple international securitisations and structured finance transactions. In terms of total assets, the Paying Agent is the second largest bank in the Grand Duchy of Luxembourg and the largest bank with domestic capital.

The information in the immediately preceding paragraph regarding the Paying Agent has been provided by the Paying Agent. The Issuer confirms that the above information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by the Paying Agent, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In accordance with the paying and settlement agency agreement dated on or about 15 June 2023 (the "**Paying Agency Agreement**") the Paying Agent agrees to provide certain standard paying and settlement agency services in relation to the Notes to the Issuer.

In particular, under the terms of the Paying Agency Agreement, the Paying Agent shall (i) assist with and perform certain settlement services in connection with the issuance of the Notes, (ii) arrange for payments to the Noteholder of amounts due under the Notes in accordance with the Terms and Conditions of the Notes via the Clearing System (subject to receiving corresponding amounts from the Issuer), (iii) issue replacement Notes and/or definitive Notes from time to time, (iv) maintain certain records in connection with the Notes, (v) arrange for the publication of notices to the Noteholders via the Clearing System and (vi) issue block voting certificates in connection with any meetings of the Noteholders.

Under the terms of the Paying Agency Agreement, the Paying Agent can resign from its appointment or, as the case may be, the Issuer can terminate the appointment of the Paying Agent upon not less than 60 (sixty) days' prior notice, provided that such resignation or, as the case may be, termination of appointment shall not take effect unless a replacement Paying Agent is appointed

in respect of the Issuer. The Paying Agency Agreement shall terminate automatically if the Paying Agent becomes insolvent. In such case, the Issuer shall forthwith appoint a successor paying agent.

The Paying Agency Agreement is governed by the laws of the Grand Duchy of Luxembourg.

#### **6.4 Calculation Agent**

Oaklet GmbH, Bettinastrasse 61, 60325 Frankfurt am Main, Germany (the "**Calculation Agent**") provides a full range of arranger, structuring and transaction management and support services in Germany in connection with international securitisations and other structured finance transactions. In particular, it acts as calculation agent in multiple securitisation transactions.

The information in the immediately preceding paragraph regarding the Calculation Agent has been provided by the Calculation Agent. The Issuer confirms that the above information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by the Calculation Agent, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In accordance with the calculation agency agreement dated on or about 15 June 2023 (the "**Calculation Agency Agreement**") the Calculation Agent agrees to provide certain standard calculation agency services in relation to the Notes to the Issuer.

In particular, under the terms of the Calculation Agency Agreement, the Calculation Agent agrees to (i) perform all calculation and determinations of amounts payable under the Notes as required under and in accordance with the Terms and Conditions of the Notes, as well as (ii) perform all calculations and determinates required to be made by it with respect to the Reference Portfolio in accordance with the Reference Portfolio Methodology (including, without limitation, in the context of any Reference Portfolio Rebalancing from time to time).

Under the terms of the Calculation Agency Agreement, the Calculation Agent can resign from its appointment or, as the case may be, the Issuer can terminate the appointment of the Calculation Agent upon not less than three (3) months' prior notice. The Issuer is obliged to notify the replacement calculation agent to the Calculation Agent not less than two (2) weeks prior to the expiry of such notice.

The Calculation Agency Agreement is governed by the laws of the Grand Duchy of Luxembourg.

#### **6.5 Reimbursement Agreements**

##### **6.5.1 Compartment 2 Unitholder Reimbursement Agreement**

Aurebia II S.à r.l. (the "**Unitholder**"), a limited liability company, incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 7, Grand Rue, L-6630 Wasserbillig, Grand Duchy of Luxembourg and registered with the Register of Trade and Companies of Luxembourg under number B 267257, holds the Compartment 2 Units in the Securitisation Undertaking. In turn, Stichting Aurebia, a foundation (*Stichting*) under Dutch law, with its registered address at Locatellikade 1, 1076AZ Amsterdam, Netherlands and registered with the Netherlands Chamber of Commerce under number 86046926, directly holds the entire issued share capital of Aurebia II S.à r.l. Stichting Aurebia is a foundation under Dutch law and, therefore, is not owned or controlled by any person.

In accordance with the reimbursement agreement dated on or about 15 June 2023 (the "**Compartment 2 Unitholder Reimbursement Agreement**") the Issuer agrees to reimburse the Compartment 2 Unitholder for or, as the case may be, settle for the account of the Compartment 2 Unitholder any fees, taxes or general operation and servicing fees and taxes of the Compartment 2 Unitholder.

For these purposes, "fees" means all reasonable fees, costs and other expenses (including, without limitation, administrative, servicing and operational costs, bank fees and the fees of lawyers, accountants or other professional advisors) reasonably incurred by the Compartment 2 Unitholder

in connection with the Compartment 2 Unitholder's subscription for and purchase, holding or transfer, assignment or other disposal of the Compartment 2 Units.

In addition, "taxes" means any present or future taxes, levies, imposts, assessments or fees of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of the Compartment 2 Unitholder's subscription for and purchase, holding or transfer, assignment or other disposal of the Compartment 2 Units (including, without limitation, any payments received by the Compartment 2 Unitholder under or in connection with the Compartment 2 Units).

Finally, "general operation and servicing fees and taxes" means a pro rata portion of all reasonable fees, costs and other expenses (including, without limitation, administrative, servicing and operational costs, bank fees and the fees of lawyers, accountants or other professional advisors) reasonably incurred by the Compartment 2 Unitholder in connection with the Compartment 2 Unitholder's general operation and servicing, as well as a pro rata portion of any present or future taxes, levies, imposts, assessments or fees of any nature (including interest, penalties and additions thereto) that is imposed by any governmental or other taxing authority in respect of the Compartment 2 Unitholder's general operation and servicing.

To the extent to which, at the time when the Compartment 2 Unitholder submits the relevant invoice to the Issuer or, as the case may be, provides to the Issuer the relevant evidence of payment in respect of such general operation and servicing fees and taxes, Compartment 2 is the only Compartment of the Securitisation Undertaking in existence, Compartment 2 would be liable to reimburse or, as the case may be, settle for the account of the Compartment 2 Unitholder the full amount of such fees and/or taxes. Conversely, to the extent to which multiple Compartments are in existence, such fees and/or taxes will be split and allocated in equal parts to all Compartments and, accordingly, Compartment 2 would be liable or reimburse or, as the case may be, settle for the account of the Compartment 2 Unitholder only its pro rata share of such fees and/or taxes. For the avoidance of doubt, in case of such split, Compartment 2 would not be liable under any circumstances for any part of such fees and/or taxes which has been allocated to any other Compartment.

Under the terms of the Compartment 2 Unitholder Reimbursement Agreement, the Compartment 2 Unitholder has undertaken that (i) it will not carry out any business activity or enter into any transactions other than subscribing for and purchasing Units issued by the Securitisation Undertaking or any of its Compartments, holding such Units, as well as any general operational and servicing matters and any matters incidental to such subscription and purchase or, as the case may be, holding of such Units and (ii) it will not transfer, assign or otherwise dispose of the Compartment 2 Units to any person or entity without the Issuer's prior written consent (such consent not to be unreasonably withheld or delayed).

#### 6.5.2 **General Estate Unitholder Reimbursement Agreement**

As set out in Section "4.6 *Major Shareholders*" above, Aurebia II S.à r.l. (the "**General Estate Unitholder**") holds the General Estate Units.

In accordance with a reimbursement agreement dated on or about 15 June 2023 (the "**General Estate Unitholder Reimbursement Agreement**"), the Issuer agrees to reimburse the General Estate Unitholder for or, as the case may be, settle for the account of the General Estate Unitholder a pro rata portion of any fees and taxes of the General Estate Unitholder incurred by the General Estate Unitholder or for which the General Estate Unitholder is held liable, which relate to or arise out of the General Estate Unitholder's holding of Units and/or shares, but which are not allocable to a specific Compartment.

Under the terms of the General Estate Unitholder Reimbursement Agreement, to the extent to which, at the time such fees and/or taxes are incurred, Compartment 2 is the only Compartment of the Securitisation Undertaking in existence, Compartment 2 would be liable to reimburse or, as the case may be, settle for the account of the General Estate Unitholder such fees and/or taxes in full. Conversely, to the extent to which multiple Compartments are in existence, such fees and/or taxes will be split and allocated in equal parts to all Compartments and, accordingly, Compartment 2

would be liable or reimburse or, as the case may be, settle for the account of the General Estate Unitholder only its pro rata share of such fees and/or taxes. For the avoidance of doubt, in case of such split, Compartment 2 would not be liable under any circumstances for any part of such fees and/or taxes which has been allocated to any other Compartment.

For these purposes, "fees" means all reasonable fees, costs and other expenses (including, without limitation, administrative, servicing and operational costs, bank fees and the fees of lawyers, accountants or other professional advisors) reasonably incurred by the General Estate Unitholder in connection with the General Estate Unitholder's subscription for and purchase, holding or transfer, assignment or other disposal of the General Estate Units.

In addition, "taxes" means any present or future taxes, levies, imposts, assessments or fees of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of the General Estate Unitholder's subscription for and purchase, holding or transfer, assignment or other disposal of the General Estate Units (including, without limitation, any payments received by the General Estate Unitholder under or in connection with the General Estate Units).

Under the terms of the General Estate Unitholder Reimbursement Agreement, the General Estate Unitholder has undertaken that (i) it will not carry out any business activity or enter into any transactions other than subscribing for and purchasing Units issued by the Securitisation Undertaking or any of its Compartments, holding such Units, as well as any general operational and servicing matters and any matters incidental to such subscription and purchase or, as the case may be, holding of such Units and (ii) it will not transfer, assign or otherwise dispose of the General Estate Units to any person or entity without the General Estate's prior written consent (such consent not to be unreasonably withheld or delayed).

#### **6.6 Other Material Contracts**

As of the date of this Prospectus, the Issuer has not entered into any other material contracts.

## 7. GENERAL INFORMATION ON THE NOTES

### 7.1 Type of Notes

The object of this Prospectus are the Green Development Notes 2 due 2028 (each a "Note" and together the "Notes") issued by Telekia acting for an on behalf of its Compartment 2 (the "Issuer") on the issue date ("Issue Date") in the size of up to 150,000 (in words: one hundred fifty thousand) Notes. The scheduled Issue Date of the Notes is 31 July 2023, but the Issuer reserves the right to postpone the Issue Date for a maximum period of ten (10) weeks if market conditions so require. In such case the Issuer will notify the postponed Issue Date to the relevant financial intermediaries by not less than ten (10) Business Days' prior written notice. Notice of any postponement of the scheduled Issue Date will be made to investors by means of a notice published on the website of the Issuer (telekia.lu).

Each Note issued by the Issuer on the Issue Date shall have a nominal amount of EUR 1,000 (in words: one thousand Euros) (the "Nominal Amount").

The Notes are issued as bearer securities under the laws of the Grand Duchy of Luxembourg. The Notes are not capital protected.

### 7.2 Overview of the Transaction

Any payments under the Notes are linked to the performance of a notional reference portfolio (the "Reference Portfolio"). For a detailed description of the Noteholders' rights attached to the Notes, see Section "7.9 Noteholders' Rights attached to the Notes" below. For a detailed description of the dependency of the Notes on the Reference Portfolio, the Reference Portfolio Components comprised therein and the Reference Portfolio Value, see Section "7.18 Functioning of the Notes and Dependency on the notional Reference Portfolio".

The Issuer intends to use the net issuance proceeds from the Notes *less* an amount equal to the Liquidity Reserve in respect of the Notes in order to hedge its obligations to pay Variable Coupon Amounts and the Redemption Amount in respect of the Notes by investing, directly or indirectly, in assets which have characteristics that demonstrate capacity to produce funds to service any payments due under the Notes. In particular, but without limitation, to hedge its obligations under the Notes, the Issuer may acquire one or more Reference Portfolio Components.

**For the avoidance of doubt:** Whilst the Variable Coupon Amounts and the Redemption Amount payable in accordance with the Terms and Conditions of the Notes are linked to the performance of the Reference Portfolio Components comprised in the Reference Portfolio from time to time (and, therefore, to the Reference Portfolio Value from time to time), the Issuer is not obliged to invest the net proceeds received from the issuance of the Notes in any Reference Portfolio Components at any time; the net proceeds will be used for hedging purposes of the Issuer only. The Noteholders do not have any direct interest in, or beneficial ownership of any Reference Portfolio Components at any time.

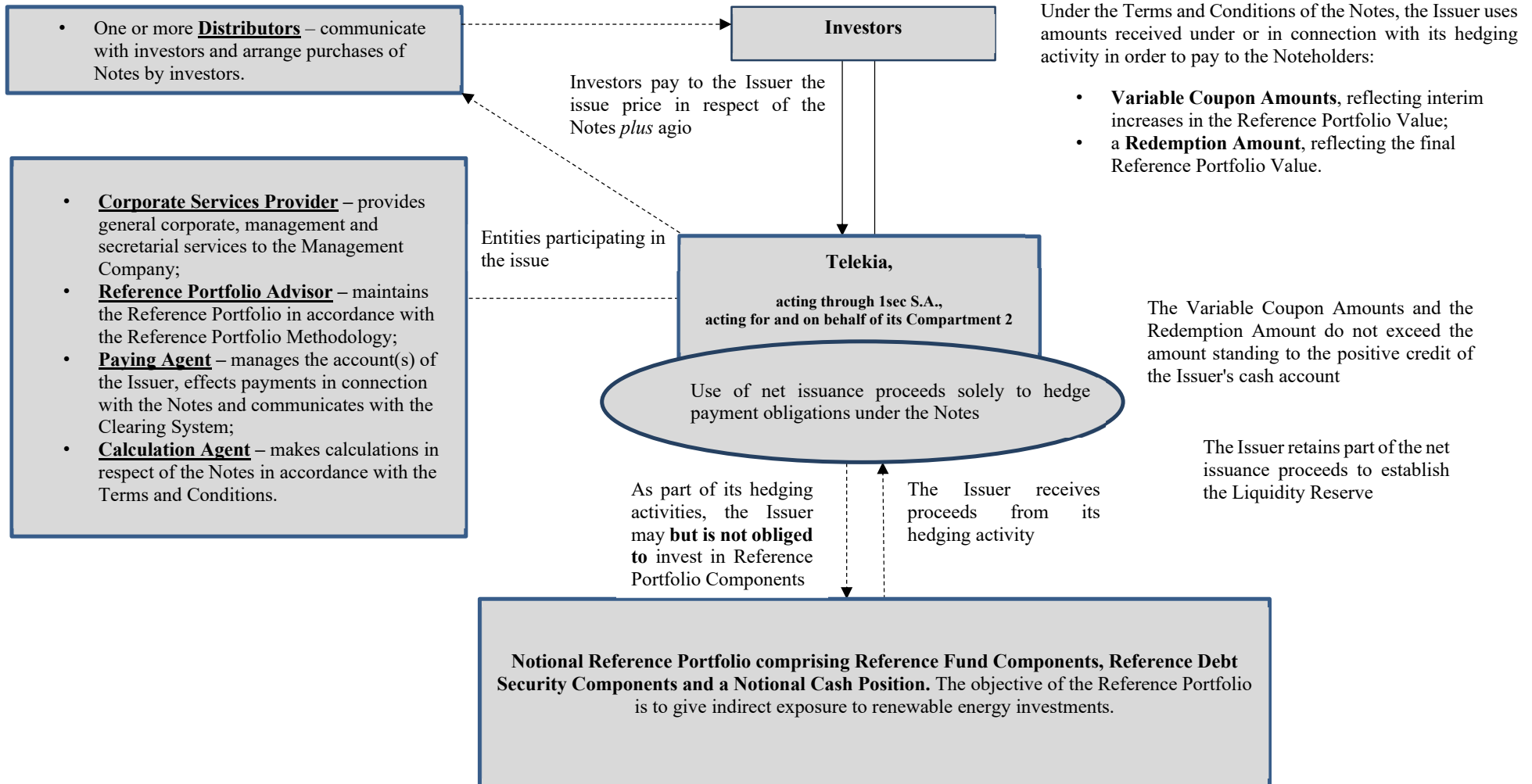
The Reference Portfolio is a static synthetic portfolio which has been created and is maintained by the Reference Portfolio Advisor solely for the purposes of being used as underlying of these Notes. The composition of the Reference Portfolio as of the Issue Date, including a description of each Reference Portfolio Component comprised in the initial Reference Portfolio and its weighting within the initial Reference Portfolio, is set out in Section "9.1 Initial Reference Portfolio" below. After the Issue Date, the Reference Portfolio Advisor may adjust the composition of the Reference Portfolio in response to the occurrence of certain external events in accordance with the objective criteria set out in Section "9. Information about the notional Reference Portfolio" below.

**The Issuer is not obliged vis-à-vis the Noteholders to acquire or otherwise invest into the Reference Portfolio Components at any time** and Noteholders have no rights in, or to require delivery of, any of such Reference Portfolio Components. References to any balancing, rebalancing, disposal, acquisition or financing of a Reference Portfolio Component have to be understood as reference to a notional transaction and should not be construed as imposing any obligation on the Issuer or any of its affiliates or subsidiaries, the Reference Portfolio Advisor or any person actually directly or indirectly, physically or synthetically to acquire, dispose of or effect

## General Information on the Notes

or take delivery of, or effect transactions in, any Reference Portfolio Components, securities, investments or other property, but are references to the change in the value of, or in notional amounts to be determined for the purposes of calculating the value of, and relate solely to the calculation of the value of any amounts payable in respect of the Notes.

7.3 Transaction Diagram



**7.4 Securities Identification Numbers**

The securities identification numbers of the Notes are:

ISIN	XS2635169316
Common Code	263516931

**7.5 Currency of the Notes**

The Notes are issued in Euro ("EUR") and all payments to the Noteholders are made in EUR.

**7.6 Form, Clearing System and Transferability of the Notes**

The Notes are issued in bearer form and represented by a permanent global bearer note (the "**Global Note**") without coupons and signed by two duly authorised representatives by the Management Company, acting on behalf of the Issuer. Each Global Note representing the Notes will be kept in custody by or on behalf of Clearstream Banking S.A., having its registered address at 42, Avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and Euroclear Bank SA/NV as operator of the Euroclear Systems, having its registered address at 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and any successor in such capacity (the "**Clearing System**") until all obligations of the Issuer under the Notes have been satisfied. The Global Note will be exchangeable for definitive Notes in bearer form only in limited circumstances.

There are no restrictions on the free transferability of the Notes. The Note are transferable as co-ownership interests in the Global Note in accordance with applicable law as well as the applicable provisions and rules of the Clearing System.

**7.7 Status of the Notes**

The Notes constitute direct, unsecured and limited recourse debt obligations of the Issuer and rank pari passu and rateably, without any preference among themselves, with all other existing direct, unsecured, limited recourse indebtedness of the Issuer, which has been or will be allocated to Compartment 2 but, in the event of insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation), only to the extent permitted by applicable laws relating to creditors' rights generally.

**7.8 Term of the Notes; Maturity Extension Option**

The Notes are scheduled to mature on 30 September 2028 (the "**Scheduled Maturity Date**").

The Issuer has the right (the "**Maturity Extension Option**") to extend the term of all Notes then outstanding by notification to the Noteholders (with a copy to the Calculation Agent and the Paying Agent) in accordance with § 24 of the Terms and Conditions (such notification is referred to as the "**Extension Notification**") by two (2) additional periods, each such period not exceeding one (1) year. The date on which the extension period ends after the exercise of the Maturity Extension Option by the Issuer will then be the Scheduled Maturity Date. Such Extension Notification shall be given by the Issuer with a notice period of at least one (1) calendar month prior to the Scheduled Maturity Date in effect at the time of the Extension Notification.

**7.9 Noteholders' Rights attached to the Notes**

*Entitlement to Payment of Redemption Amount*

The term of the Notes shall begin on the Issue Date and, provided that the Notes have not been redeemed early by the Issuer (as described in section "7.10 Ordinary Termination Right of the Issuer" or in section "7.11 Extraordinary Termination Right of the Issuer" below) and subject to the exercise of the Maturity Extension Option (as described in section "7.8 Term of the Notes; Maturity Extension Option" above) shall end on the Maturity Date. The Issuer shall initiate the redemption or, as the case may be, liquidation of all non-cash assets held by it for the purposes of hedging its payment obligations under the Notes with view to completing such liquidation by no later than the Scheduled Maturity Date. The Issuer shall pay to each Noteholder on the Maturity Date the Redemption Amount for each Note held by such Noteholder as of the Maturity Date.



The payment of the Redemption Amount by the Issuer shall be limited to the extent of available amounts credited to the balance of the Cash Account.

For a description of how the Redemption Amount is determined, see section "7.18 *Functioning of the Notes and Dependency on the notional Reference Portfolio*" below.

**"Business Day"** means each day (other than a Saturday, a Sunday or a public holiday) on which banks in the Federal Republic of Germany and in the Grand Duchy of Luxembourg are open for business and on which the Clearing System as well as all relevant parts of the real time gross settlement system operated by the Eurosystem or any successor system ("**T2**") are operational to forward the relevant payment.

**"Maturity Date"** means the earlier of:

- (a) the Scheduled Maturity Date, as may be extended from time to time by the Issuer as described in section "7.8 *Term of the Notes; Maturity Extension Option*" above; and
- (b) the ten<sup>th</sup> (10th) Business Day after the date on which the Issuer receives the final redemption or, as the case may be, liquidation proceeds in respect of all non-cash assets held by the Issuer for the purposes of hedging its payment obligations under the Notes (the "**Liquidation Completion Date**").

If (i) such date is not a Business Day or (ii) a reference portfolio determination disruption event has occurred and is continuing on such date, then the Maturity Date shall, if so determined by the Calculation Agent and subject to the occurrence of a note disruption event in accordance with § 8 of the Terms and Conditions, be postponed to the next succeeding Business Day on which no such event exists.

*Entitlement to Payment of Variable Coupon Amount*

Subject to § 3 and § 21 of the Terms and Conditions, in the period from (and including) the Issue Date to (but excluding) the Maturity Date or, if earlier, the Ordinary Termination Date or the Termination Date, each outstanding Note shall bear interest in an amount equal to the liquidity-contingent Variable Coupon Amount. Interest in respect of each Coupon Period shall be paid on the Coupon Payment Date in respect of such Coupon Period.

For a description of how the Variable Coupon Amount is determined, see section "7.18 *Functioning of the Notes and Dependency on the notional Reference Portfolio*" below.

The Issuer shall only pay a Variable Coupon Amount **if and to the extent that** the Calculation Agent, acting in its reasonable discretion, on the basis of the information provided by the Issuer, determines that, on the relevant Coupon Payment Date, the balance of the Cash Account following payment of a Variable Coupon Amount as described above shall be no lower than the Liquidity Reserve.

**"Coupon Payment Date"** means, in respect of any Coupon Period, the fifth (5<sup>th</sup>) Business Day after the end of the relevant Coupon Period, *provided that* the Coupon Payment Date in respect of the last Coupon Period shall be the earlier of (i) the Maturity Date in respect of the last outstanding Notes and (ii) the earlier of the Ordinary Termination Date and the Termination Date in respect of the Notes.

**"Coupon Period"** means (i) the period from (and including) the Issue Date to (and excluding) 30 September 2024 and (ii), thereafter, each period from (and including) 30 September of each calendar year to (but excluding) 30 September of the immediately succeeding calendar year, *provided that* the last Interest Period shall end on (and include) the earlier of (A) the Maturity Date in respect of the last outstanding Notes and (B) the earlier of the Ordinary Termination Date and the Termination Date in respect of the Notes.

**7.10 Ordinary Termination Right of the Issuer**

If and to the extent that, at any time, the Calculation Agent, acting in its reasonable discretion, on the basis of the information provided by the Issuer, determines that, on the immediately following

Coupon Payment Date, there would be a positive balance standing to the credit of the Cash Account after taking into account the Issuer's payment obligations on such Coupon Payment Date under limbs (a), (b) and (c) of the Priority of Payments and following deduction of the Liquidity Reserve, the Issuer shall have the right to ordinarily terminate all (but not some only) outstanding Notes on such Coupon Payment Date (the "**Ordinary Termination Date**") against payment of the Termination Amount.

To exercise its ordinary termination right, the Issuer shall give not less than ten (10) Business Days' prior written notice to the Noteholders in accordance with § 24 of these Terms and Conditions, stating that the Issuer exercises its ordinary termination right and specifying the relevant Ordinary Termination Date on which such termination would take effect.

Subject to the provisions of § 3, § 8 and § 21 of the Terms and Conditions, the "**Termination Amount**" per outstanding Note shall be an amount in EUR equal to:

- (a) the redemption or realisation proceeds with respect all non-cash assets held by the Issuer for the purposes of hedging its payment obligations under the Notes; *plus*
- (b) without double-counting, the positive balance (if any) standing to the credit of the Cash Account as of the date on which the Issuer receives such redemption or realisation proceeds in full; *minus*
- (c) an amount sufficient to discharge all of the Issuer's payment obligations under § 21 (1) (a), (b) and (c) of the Priority of Payments and following deduction of the Liquidity Reserve; the result floored at zero and then *divided by*
- (d) the number of all outstanding Notes as of the Ordinary Termination Date or, as the case may be, the Termination Date.

For the avoidance of doubt, the Termination Amount can be 0 (in words: zero).

#### **7.11 Extraordinary Termination Right of the Issuer**

Following the occurrence of a Termination Event (as defined below), the Issuer shall be entitled, but not obliged, to terminate and redeem all but not some of the outstanding Notes against payment of the Termination Amount on the Termination Payment Date by notifying the Noteholders in accordance with § 24 of the Terms and Conditions of the Business Day on which such extraordinary termination shall take effect (the "**Termination Date**"). The Issuer shall initiate the redemption or, as the case may be, liquidation of all non-cash assets held by it for the purposes of hedging its payment obligations under the Notes on the Termination Date. Following payment by the Issuer of the Termination Amount in respect of the Notes, the Notes shall be redeemed and all further claims by the Noteholders in respect of the Notes shall be extinguished.

"**Termination Event**" means the occurrence of any of the following, provided it has an adverse economic effect on the Notes:

- (a) An Issuer Liquidation Event occurs and:
  - (i) the Management Company, acting for and on behalf of the Issuer, declares the early liquidation of the Issuer (without having to liquidate any other compartment of the Securitisation Undertaking or the Securitisation Undertaking, except where no other compartment remains in existence as of the relevant Issuer Liquidation Date); or
  - (ii) the Issuer and/or the Securitisation Undertaking is put into forced liquidation pursuant to the Luxembourg Securitisation Law.
- (b) There is a risk that the Issuer may lose its status under the Luxembourg Securitisation Law or has to be subject to regulation within the meaning of the Luxembourg Securitisation Law.

- (c) The Issuer determines in its reasonable discretion that (i) the performance of its obligations under the Notes is or will become, in full or in part, unlawful, illegal or otherwise prohibited under current or future applicable legal provisions, rules, judgments, orders or directives of a government, administrative or legislative authority or power, or a court, or due to a change in interpretation thereof) or (ii) it will incur a materially increased cost in performing its obligations under such Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefits or other adverse effect on its tax position).
- (d) The Issuer is unable, after using commercially reasonable efforts, (i) to carry out, continue or process transactions or to acquire, replace, hold or sell assets, which the Issuer considers necessary for the hedging of price risks in relation to its obligations under the Notes or (ii) to realise, recover or remit the proceeds of any transaction or any asset.
- (e) Compared with the circumstances existing on the Issue Date, the Issuer is liable to pay materially higher taxes, duties, expenses or fees (other than any brokerage fees) ("**Increased Costs**") in order to (i) enter into, conduct or unwind any transactions or, as the case may be, acquire, exchange, hold or dispose of any assets which the Issuer considers necessary to secure its obligations under the Notes or (ii) realise, recover or remit the proceeds of such transactions or, as the case may be, assets, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or of any of its affiliated companies shall not constitute an Increased Costs.
- (f) Aquila Capital Investmentgesellschaft mbH ceases to be or act as Reference Portfolio Advisor or to manage and calculate the Reference Portfolio in accordance with the Reference Portfolio Methodology and the Issuer determines, in its reasonable discretion, that it cannot appoint an alternative or replacement reference portfolio advisor on substantially similar terms within a reasonable period of time.
- (g) At any time, a Note Disruption Event occurs in respect of any Reference Fund Component or Reference Debt Security Component.
- (h) The Issuer determines, in its reasonable discretion, that the Reference Portfolio qualifies as a "benchmark" within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 and the Issuer or the Calculation Agent, as the case may be, either (i) can no longer determine or calculate amounts payable under the Notes by reference to such "benchmark" or (ii) has control over the provision of such "benchmark" without having the appropriate authorisation, registration, recognition, endorsement, equivalence, approval or inclusion in any official register as required by law or regulation, in each case, for the purposes of performing its respective obligations under the Terms and Conditions.

"**Issuer Liquidation Date**" means the date on which the early liquidation of the Issuer is declared.

"**Issuer Liquidation Event**" means each of:

- (i) the Compartment Assets are insufficient for the Issuer to comply with its payment obligations under or in respect of the Notes; and
- (ii) the Issuer fulfils the criteria for becoming an authorised securitisation undertaking, but does not apply for, or receive, the required authorisation from the Commission de Surveillance du Secteur Financier (or any successor supervisory body or authority) within a reasonable period of time.

"**Termination Payment Date**" means the tenth (10<sup>th</sup>) Business Day following the date on which the Issuer receives the redemption or realisation proceeds with respect all non-cash assets held by the Issuer for the purposes of hedging its payment obligations under the Notes after the Issuer initiates the redemption or realisation of such non-cash assets on the Termination Date.

## 7.12 Indication of Yield

The yield of the Notes can only be determined at the end of the term, i.e. either upon maturity of the Notes (as described in section "7.8 *Term of the Notes; Maturity Extension Option*" above) or following an extraordinary termination by the Issuer (as described in section "7.11 *Extraordinary Termination Right of the Issuer*" above), each in accordance with the Terms and Conditions of the Notes, since only then all actual Coupon Amounts, if any, and the actual Redemption Amount or, as the case may be, Termination Amount and the actual term of the Notes are known in full. Consequently, no information on the expected yield of the Notes can be given.

In addition, the Coupon Amounts, if any payable under the Notes in accordance with the Terms and Conditions and variable and depend on the Reference Portfolio Value and, consequently, could even be zero (as described in section "7.18 *Functioning of the Notes and Dependency on the notional Reference Portfolio*" below).

For the calculation of the individual yield over the entire term, the Noteholder must take into account the price originally paid, the Variable Coupon Amounts, if any, the Redemption Amount or, as the case may be, the Termination Amount received, the actual term of its Notes and the individual transaction costs.

## 7.13 Limited Recourse and Non-Petition

All payment obligations of the Issuer under the Notes and any claims against the Issuer constitute obligations exclusively to make payments in an amount limited to any assets of Compartment 2 (the "**Compartment Assets**"). The Notes shall not give rise to any payment obligation in excess of the Compartment Assets and any accrued claims against the Issuer shall not become due, and recourse shall be limited, accordingly. Once all Compartment Assets have been realised and distributed, the Issuer shall not be committed to any further payments.

To the extent that the Compartment Assets are ultimately insufficient to satisfy the claims of the Noteholders in relation to Compartment 2, the Issuer or the Securitisation Undertaking shall not be liable for any shortfall arising and the Noteholders shall not have any further claims against the Issuer or the Securitisation Undertaking (unless such shortfall has been caused by the Issuer's wilful intent or by tortious action). Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time when no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claims of the Noteholders or creditors, and neither assets nor proceeds will be so available thereafter and the Noteholders or creditors shall, in particular, have no recourse and no other right on or claim against other assets of the Issuer or the Securitisation Undertaking, including the assets allocated to other Compartments or those who belong to the general estate of the Issuer, which are not allocated to Compartment 2 or any other Compartment. The claims for full payment shall in such case be extinguished.

The Noteholders undertake not to open or initiate or join any person initiating any legal proceeding against the Issuer or the Securitisation Undertaking in relation to the claims under the Notes, which lead or could lead to the opening of any insolvency proceedings or of similar proceedings aimed at liquidating the Issuer or the Securitisation Undertaking, the appointment of a liquidator or receiver or to the seizure or enforcement of any of the assets of the Issuer or the Securitisation Undertaking, including the assets allocated to other Compartments or those which belong to the general estate of the Securitisation Undertaking, which are not allocated to Compartment 2, **provided that** this undertaking shall not prevent any Noteholder from taking any steps against the Issuer which do not amount to the initiation or the threat of initiation of any insolvency proceedings in relation to the assets of the Issuer or the Securitisation Undertaking, or similar proceedings aimed at liquidating the Issuer or the Securitisation Undertaking or of any appointment of a liquidator or to the seizure or enforcement of any of the assets of the Issuer or the Securitisation Undertaking.

## 7.14 Priority of Payments

In accordance with the Terms and Conditions, the Issuer shall apply the positive balance (if any) standing to the credit of the Issuer's cash account for the following purposes and only in the following order (the "**Priority of Payments**"):

- (a) to pay any taxes due and payable by the Issuer or, as the case may be, other amounts due and payable by the Issuer to any creditor(s) of the Issuer preferred by law;
- (b) to pay and discharge any other obligations of the Issuer to third parties, in particular to the Management Company under the Management Regulations or to any other party in connection with the transaction agreements entered into by the Issuer;
- (c) to pay any Variable Coupon Amount due and payable on the Notes in accordance with § 9 of the Terms and Conditions;
- (d) to pay any Termination Amount due and payable on the Notes following (i) an ordinary termination of the Notes by the Issuer in accordance with § 12 of the Terms and Conditions or, as the case may be, (ii) an extraordinary termination of the Notes by the Issuer in accordance with § 13 of the Terms and Conditions;
- (e) to pay any other amounts under or in connection with the Terms and Conditions to the extent such amounts are due and payable.

Payments ranking on any level of the Priority of Payments shall only be made if and to the extent that all payments on all higher ranking levels due and payable on such date have been made in full and there is still a positive balance remaining to the credit of the Cash Account. All payments ranking on the same level of the Priority of Payments rank *pari passu* to and shall be made *pro rata* with each other.

#### **7.15 Law governing the Notes, Place of Performance and Place of Jurisdiction**

The Notes are governed by, and shall be construed in accordance with, the laws of the Grand Duchy of Luxembourg.

The place of performance is the Grand Duchy of Luxembourg.

The Luxembourg district courts are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection with the Notes may be brought in such courts.

#### **7.16 Calculation Agent; Paying Agent**

Subject to a substitution in accordance with the Terms and Conditions, Banque et Caisse d'Epargne de l'Etat, 1 Place de Metz, L-1930 Luxembourg, Grand Duchy of Luxembourg, has been appointed as the paying agent in relation to the Notes (the "**Paying Agent**") under the Paying Agency Agreement.

Subject to a substitution in accordance with the Terms and Conditions, Oaklet GmbH, Bettinastrasse 61, 60325 Frankfurt am Main, Germany, has been appointed as the calculation agent in relation to the Notes (the "**Calculation Agent**") under the Calculation Agency Agreement.

#### **7.17 Listing of the Notes**

The Issuer intends to apply to the Frankfurt Stock Exchange for the Notes to be admitted to trading on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange. The Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange is not a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and the Council of 15 May 2014 on Markets in Financial Instruments ("**MiFID II**"), as amended. First trading day is expected to be the Issue Date.

#### **7.18 Functioning of the Notes and Dependency on the notional Reference Portfolio**

The Notes allow investors to participate in the performance of a notional portfolio of renewable energy investments (the "**Reference Portfolio**"), created and maintained by the Reference Portfolio Advisor solely for the purposes of being used as underlying of the Notes. For the composition of the Reference Portfolio as of the Issue Date, including a description of each Reference Portfolio Component comprised in the initial Reference Portfolio and its weighting within the initial

Reference Portfolio, see Section "9.1 *Initial Reference Portfolio*" below. For the objective criteria in accordance with which, after the Issue Date, the Reference Portfolio Advisor may adjust the composition of the Reference Portfolio in response to the occurrence of certain external events, see the Reference Portfolio Methodology in Sections "9.4 *Changes in Composition; Reference Portfolio Rebalancing; Restrictions*" and "9.5 *Adjustments of the Reference Portfolio*" below.

In accordance with the Terms and Conditions of the Notes, each Noteholder is entitled to receive, (i) on the Maturity Date, the Redemption Amount per Note held by it and (ii) on each Coupon Payment Date, the corresponding Variable Coupon Amount per Note held by it. For the Noteholders' rights in connection with the Redemption Amount and the Variable Coupon Amounts payable under the Notes from time to time, see Section "7.9 *Noteholders' Rights attached to the Notes*" above.

Each of the Redemption Amount and the Variable Coupon Amount per Note depend on the performance of the notional Reference Portfolio.

In particular:

**"Redemption Amount"** means, subject § 3 and § 21 of the Terms and Conditions, in relation to each Note an amount in EUR equal to:

- (a) either:
  - (i) if the Maturity Date is determined in accordance with limb (a) of the definition of "Maturity Date", the Reference Portfolio Value on the Scheduled Maturity Date (for the avoidance of doubt, after taking into account any adjustments to the Reference Portfolio Value on such date); or
  - (ii) if the Maturity Date is determined in accordance with limb (b) of the definition of "Maturity Date", the positive balance (if any) standing to the credit of the Cash Account as of the Liquidation Completion Date; in either case, *minus*
- (b) an amount sufficient to discharge all of the Issuer's payment obligations under § 21 (1) (a), (b) and (c) of the Priority of Payments; the result floored at zero and then *divided by*
- (c) the number of all outstanding Notes as of the Maturity Date.

**"Reference Portfolio Value"** has the meaning given in Section "9.2.1 *Calculation of the Reference Portfolio Value; Suspension of the Calculation*" below.

Subject to the provisions of § 3, § 8 and § 21 of the Terms and Conditions, the **"Variable Coupon Amount"** per Note in respect of a Coupon Period shall be an amount in EUR equal to:

- (a) the greater of:
  - (i) either:
    - (A) the most recent Reference Portfolio Value determined on or prior to the Coupon Payment Date in respect of such Coupon Period *minus* the Reference Portfolio Value on the Issue Date; or
    - (B) such lower amount as determined by the Issuer in its sole and absolute discretion; and
  - (ii) zero; *minus*
- (b) an amount sufficient to discharge all of the Issuer's payment obligations under items (a) and (b) of the Priority of Payments and following deduction of the Liquidity Reserve; the result floored at zero;
 

*divided by*
- (b) the number of all outstanding Notes as of the relevant Coupon Payment Date.

## General Information on the Notes

**For the avoidance of doubt:** in case of negative performance of the Reference Portfolio and a decreasing or fluctuating Reference Portfolio Value, the Redemption Amount and each Variable Coupon Amount payable in accordance with the Terms and Conditions may be very low or equal to zero.

## **8. COSTS, FEES AND EXPENSES**

Investors in the Notes shall be aware that certain costs, fees and expenses will be incurred on the level of the Issuer and the notional Reference Portfolio. Any of these costs, fees and other expenses will have a negative impact on the value of the Notes.

### **8.1 Costs, Fees and Expenses of Material Service Providers**

The Corporate Services Provider, the Reference Portfolio Advisor, the Paying Agent and the Calculation Agent are entitled to receive from the Issuer payment of the following costs, fees and expenses under the terms of the respective material service agreement.

#### **8.1.1 Corporate Services Provider**

Under the terms of the Corporate Service Provider Agreement, as of the date of this Prospectus the Corporate Service Provider is entitled to receive an annual fee of EUR 20,000. The Corporate Service Provider is entitled to periodically review the applicable fee schedule and adjust its fees to take into account overall price increases as reflected in the Luxembourg price index published by the National Institute of Statistics and Economic Studies of the Grand Duchy of Luxembourg (*Institut national de la statistique et des études économiques du Grand-Duché du Luxembourg*) (STATEC).

The Issuer shall also pay to the Corporate Service Provider value added tax on the above fee.

Finally, under the terms of the Corporate Service Provider Agreement, the Corporate Services Provider is entitled to receive reimbursement for any reasonable costs and expenses which are incidental to and incurred in course of performing its duties under the Corporate Service Provider Agreement. Such costs and expenses may include administrative charges or costs, travel costs and the fees of any third party professional advisers engaged by the Corporate Service Provider (including, without limitation, lawyers and accountants).

Any such costs and expenses shall be allocated to the Compartment of the Securitisation Undertaking in connection with which such costs and expenses are incurred or, if such costs and expenses are not incurred in connection with a specific Compartment, shall be split equally and allocated to each Compartment of the Securitisation Undertaking which has been established and is in existence as of the date on which such costs and expenses are incurred.

#### **8.1.2 Reference Portfolio Advisor**

Under the terms of the Reference Portfolio Advisory Agreement, the Reference Portfolio Advisor is entitled to receive from the Issuer an annual fee of EUR 10,000 per annum.

The Issuer shall also pay to the Reference Portfolio Advisor value added tax on the above fee.

Such annual fee shall be payable by the Issuer on each Coupon Payment Date and on the Redemption Date.

#### **8.1.3 Paying Agent**

Under the terms of the Paying Agency Agreement, the Paying Agent is entitled to receive from the Issuer (i) a one-off acceptance fee of EUR 5,000, (ii) an annual fee of EUR 2,500 which shall accrue on the last day of each calendar quarter and be payable on the 15<sup>th</sup> calendar day of the following calendar month or, if such day is not a business day for the purposes of the Paying Agency Agreement, on the next following business day and (iii) a monthly custody fee of 0.03% of the value of the positions held by the Paying Agent (in its capacity as custodian) in the Issuer's securities account on the last business day of each calendar month, which shall accrue on the last business day of each calendar month.

The Issuer shall also pay to the Paying Agent value added tax on each of the above fees.

The fees described above do not relate to any service provided by the Paying Agent in connection with any Notes in definitive form. Under the terms of the Paying Agency Agreement, upon the



issuance of Notes in definitive form, the Issuer and the Paying Agent have agreed to negotiate in good faith the applicable fees payable by the Issuer to the Paying Agent in connection with the services to be provided by the Paying Agent in connection with the Notes in definitive form.

Further and in addition, the Issuer agrees to pay and reimburse any stamp duty and other documentary taxes or similar duties which may be payable by the Paying Agent in connection with the execution, delivery, performance and enforcement of the Paying Agency Agreement.

Finally, the Issuer agrees to pay and reimburse to the Paying Agent all reasonable out-of-pocket expenses incurred by the Paying Agent in connection with the services provided by the Paying Agent under the Paying Agency Agreement.

#### **8.1.4 Calculation Agent**

Under the terms of the Calculation Agency Agreement, the Calculation Agent is entitled to receive from the Issuer an annual fee of 0.24% per annum of the aggregate Nominal Amount of the Notes outstanding on the last day of each calendar quarter, calculated and payable in respect of each calendar quarter, *provided that* the Calculation Agent is entitled to receive a minimum annual fee of EUR 20,000.

The Issuer shall also pay to the Calculation Agent value added tax on the above fee.

Finally, the Issuer agrees to pay and reimburse to the Calculation Agent all reasonable out-of-pocket expenses incurred by the Calculation Agent in connection with the services provided by the Calculation Agent under the Calculation Agency Agreement.

### **8.2 Reimbursement Agreements**

Under the terms of the Compartment 2 Unitholder Reimbursement Agreement, the Issuer has agreed to reimburse or, as the case may be, settle for the account of the Unitholder certain fees and taxes of the Unitholder which chiefly relate to its subscription for and purchase, holding or transfer, assignment or other disposal of the Compartment 2 Units. See Section "6.5.1 *Compartment 2 Unitholder Reimbursement Agreement*" above.

Further, under the terms of the General Estate Unitholder Reimbursement Agreement, the Issuer has agreed to reimburse or, as the case may be, settle for the account of General Estate Unitholder a pro rata portion of any fees and taxes of the General Estate Unitholder incurred by the General Estate Unitholder or for which the General Estate Unitholder is held liable, which relate to or arise out of the General Estate Unitholder's holding of the General Estate Units, but which are not allocable to a specific Compartment. See Section "6.5.2 *General Estate Unitholder Reimbursement Agreement*" above.

### **8.3 Costs, Fees and Expenses on the level of the notional Reference Portfolio**

No costs, fees and expenses are expected to be incurred at the level of the notional Reference Portfolio other than any Notional Disposition Costs or, as the case may be, any Notional Acquisition Costs incurred in connection with any Reference Portfolio Rebalancing.

Any such Notional Disposition Costs or, as the case may be, Notional Acquisition Costs are not known as of the date of this Prospectus and would only become known at the point in time when the relevant Reference Portfolio Rebalancing is effected by the Reference Portfolio Advisor under the terms of the Reference Portfolio Advisory Agreement in accordance with the Reference Portfolio Methodology.

Any Notional Disposition Costs or Notional Acquisition Costs are expected to be at arm's-length market standard rates and, in accordance with the Reference Portfolio Methodology, will be notionally debited from the Notional Cash Position (thereby reducing the Reference Portfolio Value).

In accordance with the Reference Portfolio Methodology, Noteholders may receive information about any Notional Disposition Costs or Notional Acquisition Costs from time to time free of charge upon request from the Reference Portfolio Advisor.

## 9. INFORMATION ABOUT THE NOTIONAL REFERENCE PORTFOLIO

The payout of the Notes is linked to the performance of a notional portfolio of renewable energy investments (the "**Reference Portfolio**").

Aquila Capital Investmentgesellschaft mbH ("**ACI**"), Valentinskamp 70, 20355 Hamburg, Federal Republic of Germany, in its role as reference portfolio advisor (the "**Reference Portfolio Advisor**") to the Issuer has on the Issue Date, or such later date as notified to it by the Issuer as the date on which the Issuer has sold some or all of the Notes issued by the Issuer on the Issue Date to financial intermediaries, (the "**Fixing Date**") and solely for the purpose of calculation of any amounts payable by the Issuer in respect of the Notes under the Terms and Conditions shall create the Reference Portfolio as described below.

**Capitalised terms used, but not otherwise defined in the description of the Reference Portfolio set out in this Section "9. Information about the notional Reference Portfolio" shall have the meanings given in the Terms and Conditions.**

The Reference Portfolio is a static synthetic portfolio which has been proposed and is maintained and whose value is calculated from time to time in accordance with this Section "9. *Information about the notional Reference Portfolio*" (the "**Reference Portfolio Methodology**") solely for the purposes of being used as underlying of the Notes.

Section "9.1 *Initial Reference Portfolio*" sets out the universe of assets which may be included in the Reference Portfolio as of the Fixing Date, including detailed descriptions of each asset. The Reference Portfolio Advisor shall establish the Reference Portfolio by selecting one or more Reference Portfolio Components (as defined below) from such assets as of the Fixing Date. Such selection shall be made by the Reference Portfolio Advisor in its reasonable discretion, having regard for the prevailing market conditions on the Fixing Date. Section "9.2 *Calculation of the Reference Portfolio Value; Suspension of the Calculation*" sets out the frequency and methodology for determining the Reference Portfolio Value (as defined below).

It is intended that the composition of the Reference Portfolio shall remain unchanged, *unless* there is an increase in the positive balance of the Notional Cash Position or, exceptionally, certain events occur after the Issue Date which are outside the Reference Portfolio Advisor's control. In such circumstances, the Reference Portfolio Advisor may make certain adjustments to the composition of the Reference Portfolio. Such adjustments may comprise the notional purchase, acquisition or otherwise addition of one or more Reference Portfolio Components, the notional sale or otherwise disposal of one or more Reference Portfolio Components or other adjustments necessary or appropriate to preserve the Reference Portfolio Value.

Section "9.3 *Reference Portfolio Components comprised in the Reference Portfolio*" sets out the eligibility criteria which must be fulfilled by any assets notionally purchased, acquired or otherwise added to the Reference Portfolio after the Fixing Date. Section "9.4 *Changes in Composition; Reference Portfolio Rebalancing; Restrictions*" sets out the limited circumstances in which the Reference Portfolio Advisor may notionally purchase, acquire or otherwise add or, as the case may be, notionally sell or otherwise dispose of one or more Reference Portfolio Components (including, without limitation, the objective, non-discretionary process to be followed by the Reference Portfolio Advisor when selecting one or more Reference Portfolio Components to be notionally sold or otherwise disposed of). Finally, Section "9.5 *Adjustments of the Reference Portfolio*" describes certain disruption events which may occur in respect of the Reference Portfolio or one or more Reference Portfolio Components and the steps which the Reference Portfolio Advisor may take in such circumstances with view to preserving to the greatest extent possible the Reference Portfolio Value.

In case of any change in the composition of the Reference Portfolio, the Reference Portfolio Advisor shall promptly notify the Issuer of such change and the Issuer shall publish the updated composition of the Reference Portfolio, including detailed description of the Reference Portfolio Components comprised in the Reference Portfolio following such change, without undue delay on the website of the Issuer (telekia.lu).

There is no obligation on the Issuer to purchase or hold any Reference Portfolio Components and the Noteholders have no rights in, or to require delivery of, any of such Reference Portfolio Components at any time. References to any balancing, rebalancing, disposal, acquisition or financing of a Reference Portfolio Component have to be understood as reference to a notional transaction and should not be construed as imposing any obligation on the Issuer or any of its affiliates or subsidiaries, the Reference Portfolio Advisor

or any person actually directly or indirectly, physically or synthetically to acquire, dispose of or effect or take delivery of, or effect transactions in, any Reference Portfolio Components, securities, investments or other property, but are references to the change in the value of, or in notional amounts to be determined for the purposes of calculating the value of, and relate solely to the calculation of the value of any amounts payable in respect of the Notes.

**Whilst the Coupon Amounts and the Redemption Amount payable in accordance with the Terms and Conditions of the Notes are linked to the performance of the Reference Portfolio Components comprised in the Reference Portfolio from time to time (and, therefore, to the Reference Portfolio Value from time to time), the Issuer is not obliged to invest the net proceeds received from the issuance of the Notes in any Reference Portfolio Components at any time. The net proceeds will be used by the Issuer to hedge its obligations under the Notes only by tracking the risk and reward profile of the Reference Portfolio. Any hedging entered into by the Issuer shall have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes. The Noteholders do not have any direct interest in, or beneficial ownership of any Reference Portfolio Components at any time.**

Information on the Reference Portfolio Components contained herein is solely intended for the description of the Reference Portfolio and for the use of investors in the Notes and does not constitute an offer of any Reference Portfolio Components.

**The Reference Portfolio Advisor shall be entitled to resign at any time from its function as reference portfolio advisor in relation to the Reference Portfolio. Such resignation shall only become effective with the appointment of a successor reference portfolio advisor in relation to the Reference Portfolio. Resignation and appointment shall be notified by the Reference Portfolio Advisor to the Issuer and the Calculation Agent without undue delay.**

In addition to being set out in full in this Prospectus, the Reference Portfolio Methodology is also freely accessible on the website of the Issuer (telekia.lu). The current composition of the Reference Portfolio at any time is also freely accessible on such website.

The Noteholders can obtain information about the past and future performance of the Reference Portfolio and its volatility upon request and free of charge from the Reference Portfolio Advisor.

## **9.1 Initial Reference Portfolio**

### **9.1.1 The Reference Portfolio aims to replicate the performance of:**

- (a) a basket of reference money market instruments, fixed-income instruments and other short-term liquid investments (each, a "**Reference Debt Security Component**") comprised in the Reference Debt Security Investment Universe;
- (b) a basket of reference fund interests (each, a "**Reference Fund Component**") comprised in the Reference Funds Investment Universe; and
- (c) a notional EUR denominated cash position as well as notional EUR denominated cash equivalents (collectively, the "**Notional Cash Position**", and together with the Reference Fund Components and the Reference Debt Security Components, if any, the "**Reference Portfolio Components**"),

thereby mirroring risk adjusted returns of (direct and/or indirect) investments by a hypothetical investor in the form of a Luxembourg securitisation fund (*fonds de titrisation*) (the "**Hypothetical Investor**") in the Reference Fund Components and/or the Reference Debt Security Components.

The objective of the Reference Portfolio (the "**Reference Portfolio Objective**") is to give a Hypothetical Investor indirect exposure to investments in the clean energy sectors which comply with the eligibility criteria and investment limits set out in Section 9.3.1.

- 9.1.2 The value of the Reference Portfolio on the Fixing Date (the "**Initial Reference Portfolio Value**") is equal to (i) the issuance proceeds from the Notes issued by the Issuer on the Issue Date and sold to financial intermediaries on the Fixing Date less (ii) the Liquidity Reserve in respect of the Notes

**Description of the notional Reference Portfolio**

(as defined in the terms and conditions of the Notes). Information about the composition of the Reference Portfolio and about the Initial Reference Portfolio Value as of the Fixing Date and the Reference Portfolio Value as of any Reference Portfolio Valuation Date can be obtained free of charge at any time upon request from the Reference Portfolio Advisor.

The Initial Reference Portfolio Value shall be allocated on the Fixing Date between one or more of the following Reference Portfolio Components, as determined by the Reference Portfolio Advisor in its reasonable discretion, having regard for the prevailing market conditions on the Fixing Date:

<b>Reference Portfolio Component:</b>	<b>Weighting</b>
	(expressed as a percentage of the Initial Reference Portfolio Value, <i>provided that</i> the Reference Portfolio Advisor includes all ten (10) potential Reference Portfolio Components in the Reference Portfolio on the Fixing Date)
<b>Reference Debt Security Components:</b>	<b>95% in aggregate</b>
Up to EUR 4,000,000 uncleared bearer bonds issued by Aquila Capital Growth APAC Holding GmbH	9%
Up to EUR 4,000,000 uncleared bearer bonds issued by Aquila Clean Energy Holding GmbH	9%
Up to EUR 3,000,000 uncleared bearer bonds issued by Condor Projects XIII S.à r.l.	9%
Up to EUR 3,500,000 uncleared bearer bonds issued by European Sustainable Projects IV S.à r.l.	10%
Up to EUR 3,000,000 uncleared bearer bonds issued by European Sustainable Projects VIII S.à r.l.	10%
Up to EUR 4,000,000 uncleared bearer bonds issued by ACE Greece Projects I S.à r.l.	10%
Up to EUR 3,000,000 uncleared bearer bonds issued by ACE Italy Projects I S.à r.l.	10%
Up to EUR 3,500,000 uncleared bearer bonds issued by AQ Capital S.A.	9%
Up to EUR 5,000,000 uncleared bearer bonds issued by ACE Estonia Projects I S.à r.l.	9%
Up to EUR 4,000,000 uncleared bearer bonds issued by AQ Ampere GmbH	10%
<b>Reference Fund Components:</b>	<b>0 % in aggregate</b>
<b>Notional Cash Position:</b>	<b>5 %</b>

**For the avoidance of doubt:** if the Reference Portfolio Advisor allocates the Initial Reference Portfolio Value on the Fixing Date between some, but not all of the assets specified in the table above, the weighting

of the individual Reference Portfolio Components included in the Reference Portfolio as of the Fixing Date would be adjusted accordingly.

The Reference Portfolio Advisor shall notify to the Issuer and the Calculation Agent on the Fixing Date the composition of the Reference Portfolio and the weighting of the individual Reference Portfolio Components as of the Fixing Date.

No individual component shall have a value of more than EUR 25 million.

### 9.1.3 Reference Portfolio Components comprised in the initial Reference Portfolio

This Section "9.1.3 *Reference Portfolio Components comprised in the initial Reference Portfolio*" provides detailed description of the Reference Portfolio Components which the Reference Portfolio Advisor may include in the Reference Portfolio as of the Fixing Date.

#### 9.1.3.1 Growth APAC Holding Bonds

The up to EUR 4,000,000 uncleared bearer bonds (the "**Growth APAC Holding Bonds**") are issued by Aquila Capital Growth APAC Holding GmbH ("**Growth APAC Holding**"), incorporated as a private company with limited liability (*Gesellschaft mit beschränkter Haftung*) under the laws of the Federal Republic of Germany, with its registered office at Valentinskamp 70, 20355 Hamburg, Federal Republic of Germany and registered with the District Court (*Amtsgericht*) of Hamburg under number HRB 173707.

##### Issuer

Growth APAC Holding has been established as a development company.

Growth APAC Holding's purpose is the acquisition, holding, management and sale of shareholdings in companies in Germany and abroad, whose main business activity, in particular but not exclusively, is directly or indirectly in the acquisition, holding, management and disposal of investments in the energy sectors, climate protection, agricultural or maritime sectors and fintech including the financing of investments and the management of the own corporate assets. The company is in particular authorized to use (interim) financing by issuing bearer bonds.

##### Form and Denomination

Growth APAC Holding Bonds are issued by Growth APAC Holding as uncleared bearer bonds without a fixed denomination.

Each Growth APAC Holding Bond is constituted by the execution by Growth APAC Holding of a bearer bond certificate which embodies the rights arising out of such Growth APAC Holding Bond.

The nominal amount of each Growth APAC Holding Bond is stated on the relevant bearer bond certificate.

##### Transfer and Title

The Growth APAC Holding Bonds are freely transferrable. Title to each Growth APAC Holding Bond passes by physical transfer of the relevant bearer bond certificate. Each Growth APAC Holding Bond may be transferred in whole but not in part.

The Growth APAC Holding Bonds are not cleared.

##### Maturity

The scheduled maturity date of the Growth APAC Holding Bonds is 30 April 2025.

##### Status and Ranking

The Growth APAC Holding Bonds constitute direct, unsecured obligations of Growth APAC Holding and rank *pari passu* and ratably, without any preference among themselves, with all other existing direct, unsecured obligations of Growth APAC Holding arising under or in connection with any debt securities issued by Growth APAC Holding. The Growth APAC Holding Bonds rank junior to Growth APAC Holding's obligations under any loans and may also rank junior to other financing companies with which

Growth APAC Holding cooperates. In the event of Growth APAC Holding's insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation), the ranking of the Growth APAC Holding Bonds may be affected by the applicable laws relating to creditors' rights generally.

Interest / Coupon

Each Growth APAC Holding Bond bears interest on its outstanding nominal amount from but excluding the issue date at a fixed rate of 13 % per annum, accruing on a daily basis and payable in arrear, upon the redemption of such Growth APAC Holding Bond.

Redemption Rights

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

The holders of the Growth APAC Holding Bonds do not have any ordinary termination, redemption or exercise rights.

Governing Law

The Growth APAC Holding Bonds are governed by, and shall be construed in accordance with, Luxembourg law.

Originator

The Reference Portfolio Advisor is the originator of the Growth APAC Holding Bonds. For the full name, address and significant business activities of the Reference Portfolio Advisor, see section "6.2 Reference Portfolio Advisor".

Source of Information

The information in respect of the Growth APAC Holding Bonds contained in this section "9.1.3.1 Growth APAC Holding Bonds" has been provided by Growth APAC Holding in the terms and conditions of the Growth APAC Holding 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 Growth APAC Holding no facts have been omitted which would render the reproduced information misleading.

**9.1.3.2 Clean Energy Holding Bonds**

The up to EUR 4,000,000 uncleared bearer bonds (the "**Clean Energy Holding Bonds**") are issued by Aquila Clean Energy Holding GmbH ("**Clean Energy Holding**"), incorporated as a private company with limited liability (*Gesellschaft mit beschränkter Haftung*) under the laws of the Federal Republic of Germany, with its registered office at Valentinskamp 70, 20355 Hamburg, Federal Republic of Germany and registered with the District Court (*Amtsgericht*) of Hamburg under number HRB 170700.

Issuer

Clean Energy Holding has been established as a development company.

Clean Energy Holding's purpose is the acquisition, holding and management of shares in companies in Germany and abroad whose main business activity consists directly or indirectly in the acquisition, development, construction, operation and management of photovoltaic plants, wind energy plants, hydropower plants and/or energy infrastructure facilities such as plants for the storage, conversion or transmission of electricity and energy, the management, marketing and sale of the electrical energy generated by the photovoltaic plants, wind energy plants and/or hydropower plants and/or the energy

infrastructure facilities, as well as the granting of corporate loans to these companies. In particular, the company is authorized to issue bearer bonds for the purpose of interim financing of the acquisition.

#### Form and Denomination

Clean Energy Holding Bonds are issued by Clean Energy Holding as uncleared bearer bonds without a fixed denomination.

Each Clean Energy Holding Bond is constituted by the execution by Clean Energy Holding of a bearer bond certificate which embodies the rights arising out of such Clean Energy Holding Bond.

The nominal amount of each Clean Energy Holding Bond is stated on the relevant bearer bond certificate.

#### Transfer and Title

The Clean Energy Holding Bonds are freely transferrable. Title to each Clean Energy Holding Bond passes by physical transfer of the relevant bearer bond certificate. Each Clean Energy Holding Bond may be transferred in whole but not in part.

The Clean Energy Holding Bonds are not cleared.

#### Maturity

The scheduled maturity date of the Clean Energy Holding Bonds is 30 September 2024.

#### Status and Ranking

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

#### Interest / Coupon

Each Clean Energy Holding Bond bears interest on its outstanding nominal amount from but excluding the issue date at a fixed rate of 10,50% per annum, accruing on a daily basis and payable in arrear, upon the redemption of such Clean Energy Holding Bond.

#### Redemption Rights

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

The holders of the Clean Energy Holding Bonds do not have any ordinary termination, redemption or exercise rights.

#### Governing Law

The Growth Clean Energy Holding Bonds are governed by, and shall be construed in accordance with, Luxembourg law.

#### Originator

The Reference Portfolio Advisor is the originator of the Clean Energy Holding Bonds. For the full name, address and significant business activities of the Reference Portfolio Advisor, see section "6.2 *Reference Portfolio Advisor*".

#### Source of Information

The information in respect of the Clean Energy Holding Bonds contained in this section "9.1.3.1 *Clean Energy Holding Bonds*" has been provided by Clean Energy Holding in the terms and conditions of the Clean Energy Holding 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 Clean Energy Holding no facts have been omitted which would render the reproduced information misleading.

#### **9.1.3.3 Condor Projects XIII Bonds**

The up to EUR 3,000,000 uncleared bearer bonds (the "**Condor Projects XIII Bonds**") are issued by Condor Projects XIII S.à r.l. ("**Condor Projects XIII**"), 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 272755.

#### Issuer

Condor Projects XIII has been established as a development company.

The purpose of Condor Projects XIII 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 Condor Projects XIII has an interest, or guarantees; and, finally, to carry out any action directly or indirectly connected with this purpose. Condor Projects XIII 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 Condor Projects XIII Bonds are issued by Condor Projects XIII as uncleared bearer bonds without a fixed denomination.

Each Condor Projects XIII Bond is constituted by the execution by Condor Projects XIII of a bearer bond certificate which embodies the rights arising out of such Condor Projects XIII Bond.

The nominal amount of each Condor Projects XIII Bond is stated on the relevant bearer bond certificate.

#### Transfer and Title

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

The Condor Projects XIII Bonds are not cleared.

#### Maturity

The scheduled maturity date of the Condor Projects XIII Bonds is 31 May 2025.

#### Status and Ranking

The Condor Projects XIII Bonds constitute direct, unsecured obligations of Condor Projects XIII and rank pari passu and rateably, without any preference among themselves, with all other existing direct, unsecured



obligations of Condor Projects XIII arising under or in connection with any debt securities issued by Condor Projects XIII. The Condor Projects XIII Bonds rank junior to Condor Projects XIII'S obligations under any loans and may also rank junior to other financing companies with which Condor Projects XIII cooperates. In the event of Condor Projects XIII's insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation), the ranking of the Condor Projects XIII Bonds may be affected by the applicable laws relating to creditors' rights generally.

#### Interest / Coupon

Each Condor Projects XIII Bond bears interest on its outstanding nominal amount from but excluding the issue date at a fixed rate of 13 % per annum, accruing on a daily basis and payable in arrear, upon the redemption of such Condor Projects XIII Bond.

#### Redemption Rights

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

The holders of the Condor Projects XIII Bonds do not have any ordinary termination, redemption or exercise rights.

#### Governing Law

The Condor Projects XIII Bonds are governed by, and shall be construed in accordance with, Luxembourg law.

#### Originator

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

#### Source of Information

The information in respect of the Condor Projects XIII Bonds contained in this section "9.1.3.3 Condor Projects XIII Bonds" has been provided by Condor Projects XIII in the terms and conditions of the Condor Projects XIII 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 Condor Projects XIII no facts have been omitted which would render the reproduced information misleading.

#### **9.1.3.4 Sustainable Projects IV Bonds**

The up to EUR 3,500,000 uncleared bearer bonds (the "**Sustainable Projects IV Bonds**") are issued by European Sustainable Projects IV S.à r.l. ("**Sustainable Projects IV**"), 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 23, 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 249637.

#### Issuer

Sustainable Projects IV has been established as a development company.

The purpose of Sustainable Projects IV is the acquisition and holding of participations in any form in existing or to be established domestic and foreign companies or enterprises. Sustainable Projects IV may,

in particular, carry out the following activities in its jurisdiction of incorporation and in other countries: (i) the acquisition of participations in companies or undertakings by means of a cash contribution, transfer of assets, merger or in any other permissible manner; (ii) the formation of companies or undertakings; (iii) the raising of loans of any kind under all legally permissible conditions, and in particular the issue of debt securities of any kind; (iv) the conclusion of or participation in financing or the granting of security for its own purposes or for the benefit of companies or undertakings in which Sustainable Projects IV holds direct or indirect participations or which are part of the group of companies to which Sustainable Projects IV belongs; (v) to grant loans in any form to companies or undertakings in which it holds a direct or indirect participation or which form part of the group of companies to which Sustainable Projects IV belongs; (vi) to carry out studies and to provide technical, legal, accounting, financial, commercial and administrative or managerial support services on behalf of companies or undertakings.

#### Form and Denomination

The Sustainable Projects IV Bonds are issued by Sustainable Projects IV as uncleared bearer bonds without a fixed denomination.

Each Sustainable Projects IV Bond is constituted by the execution by Sustainable Projects IV of a bearer bond certificate which embodies the rights arising out of such Sustainable Projects IV Bond.

The nominal amount of each Sustainable Projects IV Bond is stated on the relevant bearer bond certificate.

#### Transfer and Title

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

The Sustainable Projects IV Bonds are not cleared.

#### Maturity

The scheduled maturity date of the Sustainable Projects IV Bonds is 31 October 2024.

#### Status and Ranking

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

#### Interest / Coupon

Each Sustainable Projects IV Bond bears interest on its outstanding nominal amount from but excluding the issue date at a fixed rate of 10.25 % per annum, accruing on a daily basis and payable in arrear, upon the redemption of such Sustainable Projects IV Bond.

#### Redemption Rights

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

The holders of the Sustainable Projects IV Bonds do not have any ordinary termination, redemption or exercise rights.

### Governing Law

The Sustainable Projects IV Bonds are governed by, and shall be construed in accordance with, Luxembourg law.

### Originator

The Reference Portfolio Advisor is the originator of the Sustainable Projects IV Bonds. For the full name, address and significant business activities of the Reference Portfolio Advisor, see section "6.2 *Reference Portfolio Advisor*".

### Source of Information

The information in respect of the Sustainable Projects IV Bonds contained in this section "9.1.3.3 *Sustainable Projects IV Bonds*" has been provided by Sustainable Projects IV in the terms and conditions of the Sustainable Projects IV 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 Sustainable Projects IV no facts have been omitted which would render the reproduced information misleading.

### **9.1.3.5 Sustainable Projects VIII Bonds**

The up to EUR 3,000,000 uncleared bearer bonds (the "**Sustainable Projects VIII Bonds**") are issued by European Sustainable Projects VIII S.à r.l. ("**Sustainable Projects VIII**"), 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 23, 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 249612.

### Issuer

Sustainable Projects VIII has been established as a development company.

The purpose of Sustainable Projects VIII 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 Sustainable Projects VIII has an interest, or guarantees and, finally, to carry out any action directly or indirectly connected with this purpose. Sustainable Projects VIII 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 Sustainable Projects VIII Bonds are issued by Sustainable Projects VIII as uncleared bearer bonds without a fixed denomination.

Each Sustainable Projects VIII Bond is constituted by the execution by Sustainable Projects VIII of a bearer bond certificate which embodies the rights arising out of such Sustainable Projects VIII Bond.

The nominal amount of each Sustainable Projects VIII Bond is stated on the relevant bearer bond certificate.

### Transfer and Title

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

The Sustainable Projects VIII Bonds are not cleared.

### Maturity

The scheduled maturity date of the Sustainable Projects VIII Bonds is 31 December 2023.

#### Status and Ranking

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

#### Interest / Coupon

Each Sustainable Projects VIII Bond bears interest on its outstanding nominal amount from but excluding the issue date at a fixed rate of 13.00 % per annum, accruing on a daily basis and payable in arrear, upon the redemption of such Sustainable Projects VIII Bond.

#### Redemption Rights

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

The holders of the Sustainable Projects VIII Bonds do not have any ordinary termination, redemption or exercise rights.

#### Governing Law

The Sustainable Projects VIII Bonds are governed by, and shall be construed in accordance with, Luxembourg law.

#### Originator

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

#### Source of Information

The information in respect of the Sustainable Projects VIII Bonds contained in this section "9.1.3.3 Sustainable Projects VIII Bonds" has been provided by Sustainable Projects VIII in the terms and conditions of the Sustainable Projects VIII 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 Sustainable Projects VIII no facts have been omitted which would render the reproduced information misleading.

#### **9.1.3.6 Greece Projects I Bonds**

The up to EUR 4,000,000 uncleared bearer bonds (the "**Greece Projects I Bonds**") are issued by ACE Greece Projects I S.à r.l. ("**ACE Greece Projects I**"), 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 23, 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 249632.

Issuer

ACE Greece Projects I has been established as a development company.

The purpose of ACE Greece Projects I is the acquisition and holding of participations in any form in existing or to be established domestic and foreign companies or enterprises. ACE Greece Projects I may, in particular, carry out the following activities in its jurisdiction of incorporation and in other countries: (i) the acquisition of participations in companies or undertakings by means of a cash contribution, transfer of assets, merger or in any other permissible manner; (ii) the formation of companies or undertakings; (iii) the raising of loans of any kind under all legally permissible conditions, and in particular the issue of debt securities of any kind; (iv) the conclusion of or participation in financing or the granting of securities for its own purposes or for the benefit of companies or undertakings in which ACE Greece Projects I holds direct or indirect participations or which are part of the group of companies to which ACE Greece Projects I belongs; (v) to grant loans in any form to companies or undertakings in which it holds a direct or indirect participation or which form part of the group of companies to which ACE Greece Projects I belongs; (vi) to carry out studies and to provide technical, legal, accounting, financial, commercial and administrative or managerial support services on behalf of companies or undertakings.

Form and Denomination

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

Each ACE Greece Projects I Bond is constituted by the execution by ACE Greece Projects I of a bearer bond certificate which embodies the rights arising out of such ACE Greece Projects I Bond.

The nominal amount of each ACE Greece Projects I Bond is stated on the relevant bearer bond certificate.

Transfer and Title

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

The ACE Greece Projects I Bonds are not cleared.

Maturity

The scheduled maturity date of the ACE Greece Projects I Bonds is 31 January 2024.

Status and Ranking

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

Interest / Coupon

Each ACE Greece Projects I Bond bears interest on its outstanding nominal amount from but excluding the issue date at a fixed rate of 13.00 % per annum, accruing on a daily basis and payable in arrear, upon the redemption of such ACE Greece Projects I Bond.

Redemption Rights

ACE Greece Projects I is entitled to redeem each ACE Greece Projects I Bond in whole or in part without notice. ACE Greece Projects I shall redeem each ACE Greece Projects I Bond at the latest on the scheduled maturity date. Upon redemption, each holder of an ACE Greece Projects I Bond is entitled to receive from

ACE Greece Projects I payment of a redemption amount equal to the outstanding nominal amount in respect of such ACE Greece Projects I Bond plus accrued interest. In case of redemption in part, the holder of each ACE Greece Projects I Bond is entitled to elect whether the amount payable by ACE Greece Projects I shall be treated as principal, interest or a combination of the two.

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

#### Governing Law

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

#### Originator

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

#### Source of Information

The information in respect of the ACE Greece Projects I Bonds contained in this section "9.1.3.3 *Greece Projects I Bonds*" has been provided by ACE Greece Projects I in the terms and conditions of the ACE Greece Projects I 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 Greece Projects I no facts have been omitted which would render the reproduced information misleading.

#### **9.1.3.7 Italy Projects I Bonds**

The up to EUR 3,000,000 uncleared bearer bonds (the "**Italy Projects I Bonds**") are issued by ACE Italy Projects I S.à r.l. ("**ACE Italy Projects I**"), 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 230452.

#### Issuer

ACE Italy Projects I has been established as a development company.

The purpose of ACE Italy Projects I is the acquisition and holding of participations in any form in existing or to be established domestic and foreign companies or enterprises. ACE Italy Projects I may, in particular, carry out the following activities in its jurisdiction of incorporation and in other countries: (i) the acquisition of participations in companies or undertakings by means of a cash contribution, transfer of assets, merger or in any other permissible manner; (ii) the formation of companies or undertakings; (iii) the raising of loans of any kind under all legally permissible conditions, and in particular the issue of debt securities of any kind; (iv) the conclusion of or participation in financing or the granting of securities for its own purposes or for the benefit of companies or undertakings in which ACE Italy Projects I holds direct or indirect participations or which are part of the group of companies to which ACE Italy Projects I belongs; (v) to grant loans in any form to companies or undertakings in which it holds a direct or indirect participation or which form part of the group of companies to which ACE Italy Projects I belongs; (vi) to carry out studies and to provide technical, legal, accounting, financial, commercial and administrative or managerial support services on behalf of companies or undertakings.

#### Form and Denomination

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

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

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

#### Transfer and Title

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

The ACE Italy Projects I Bonds are not cleared.

#### Maturity

The scheduled maturity date of the ACE Italy Projects I Bonds is 31 March 2024.

#### Status and Ranking

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

#### Interest / Coupon

Each ACE Italy Projects I Bond bears interest on its outstanding nominal amount from but excluding the issue date at a fixed rate of 13.00 % per annum, accruing on a daily basis and payable in arrear, upon the redemption of such ACE Italy Projects I Bond.

#### Redemption Rights

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

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

#### Governing Law

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

#### Source of Information

The information in respect of the ACE Italy Projects I Bonds contained in this section "9.1.3.7 Italy Projects I Bonds" has been provided by ACE Italy Projects I in the terms and conditions of the ACE Italy Projects I 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 I no facts have been omitted which would render the reproduced information misleading.

### 9.1.3.8 AQ Capital Bonds

The up to EUR 3,500,000 uncleared bearer bonds (the "AQ Capital Bonds") are issued by AQ Capital S.A. ("AQ Capital"), 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 5, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies (*Registre de Commerce et des Sociétés*) under number B 149708.

#### Issuer

AQ Capital has been established as a development company.

The purpose of AQ Capital is the acquisition of and participation in Luxembourg and foreign companies in any form, as well as the administration, management, control and development of such companies. AQ Capital may acquire, in particular by subscription, purchase, exchange or in any other manner, shares, stocks and/or other participations, bonds, debentures, depositary receipts and/or other debt instruments and generally any securities and/or financial instruments issued by any public or private company. It may participate in the establishment, development, management and control of any company or enterprise. It may invest directly or indirectly in real estate investments and acquire and manage a portfolio of patents or other intellectual property rights of any nature or origin. AQ Capital may borrow in any manner and in particular AQ Capital may finance itself by the issue of private placements, securities, bonds and debentures and any form of debt and/or equity securities. AQ Capital may lend capital without restriction to its subsidiaries, branches and agencies, associated companies and/or any other companies or persons.

#### Form and Denomination

The AQ Capital Bonds are issued by AQ Capital as uncleared bearer bonds without a fixed denomination.

Each AQ Capital Bond is constituted by the execution by AQ Capital of a bearer bond certificate which embodies the rights arising out of such AQ Capital Bond.

The nominal amount of each AQ Capital Bond is stated on the relevant bearer bond certificate.

#### Transfer and Title

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

The AQ Capital Bonds are not cleared.

#### Maturity

The scheduled maturity date of the AQ Capital Bonds is 30 April 2024.

#### Status and Ranking

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

#### Interest / Coupon

Each AQ Capital Bond bears interest on its outstanding nominal amount from but excluding the issue date at a fixed rate of 10.00 % per annum, accruing on a daily basis and payable in arrear, upon the redemption of such AQ Capital Bond.

#### Redemption Rights

AQ Capital is entitled to redeem each AQ Capital Bond in whole or in part without notice. AQ Capital shall redeem each AQ Capital Bond at the latest on the scheduled maturity date. Upon redemption, each holder



of an AQ Capital Bond is entitled to receive from AQ Capital payment of a redemption amount equal to the outstanding nominal amount in respect of such AQ Capital Bond plus accrued interest. In case of redemption in part, the holder of each AQ Capital Bond is entitled to elect whether the amount payable by AQ Capital shall be treated as principal, interest or a combination of the two.

The holders of the AQ Capital Bonds do not have any ordinary termination, redemption or exercise rights.

#### Governing Law

The AQ Capital are governed by, and shall be construed in accordance with, Luxembourg law.

#### Originator

The Reference Portfolio Advisor is the originator of the AQ Capital Bonds. For the full name, address and significant business activities of the Reference Portfolio Advisor, see section "6.2 Reference Portfolio Advisor".

#### Source of Information

The information in respect of the AQ Capital Bonds contained in this section "9.1.3.8 AQ Capital Bonds" has been provided by AQ Capital in the terms and conditions of the AQ Capital 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 AQ Capital no facts have been omitted which would render the reproduced information misleading.

#### **9.1.3.9 Estonia Projects I Bonds**

The up to EUR 5,000,000 uncleared bearer bonds (the "**Estonia Projects I Bonds**") are issued by ACE Estonia Projects I S.à r.l. ("**ACE Estonia Projects I**"), 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 23, 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 245083.

#### Issuer

ACE Estonia Projects I has been established as a development company.

The purpose of ACE Estonia Projects I is the acquisition and holding of participations in any form in existing or to be established domestic and foreign companies or enterprises. ACE Estonia Projects I may, in particular, carry out the following activities in its jurisdiction of incorporation and in other countries: (i) the acquisition of participations in companies or undertakings by means of a cash contribution, transfer of assets, merger or in any other permissible manner; (ii) the formation of companies or undertakings; (iii) the raising of loans of any kind under all legally permissible conditions, and in particular the issue of debt securities of any kind; (iv) the conclusion of or participation in financing or the granting of securities for its own purposes or for the benefit of companies or undertakings in which ACE Estonia Projects I holds direct or indirect participations or which are part of the group of companies to which ACE Estonia Projects I belongs; (v) to grant loans in any form to companies or undertakings in which it holds a direct or indirect participation or which form part of the group of companies to which ACE Estonia Projects I belongs; (vi) to carry out studies and to provide technical, legal, accounting, financial, commercial and administrative or managerial support services on behalf of companies or undertakings.

#### Form and Denomination

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

Each ACE Estonia Projects I Bond is constituted by the execution by ACE Estonia Projects I of a bearer bond certificate which embodies the rights arising out of such ACE Estonia Projects I Bond.

The nominal amount of each ACE Estonia Projects I Bond is stated on the relevant bearer bond certificate.

Transfer and Title

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

The ACE Estonia Projects I Bonds are not cleared.

Maturity

The scheduled maturity date of the ACE Estonia Projects I Bonds is 31 January 2024.

Status and Ranking

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

Interest / Coupon

Each ACE Estonia Projects I Bond bears interest on its outstanding nominal amount from but excluding the issue date at a fixed rate of 10.50 % per annum, accruing on a daily basis and payable in arrear, upon the redemption of such ACE Estonia Projects I Bond.

Redemption Rights

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

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

Governing Law

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

Originator

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

Source of Information

The information in respect of the ACE Estonia Projects I Bonds contained in this section "9.1.3.9 *Estonia Projects I Bonds*" has been provided by ACE Estonia Projects I in the terms and conditions of the ACE Estonia Projects I 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 Estonia Projects I no facts have been omitted which would render the reproduced information misleading.

### 9.1.3.10 AQ Ampere Bonds

The up to EUR 4,000,000 uncleared bearer bonds (the "AQ Ampere Bonds") are issued by AQ Ampere GmbH ("AQ Ampere"), incorporated as a private company with limited liability (*Gesellschaft mit beschränkter Haftung*) under the laws of the Federal Republic of Germany, with its registered office at Valentinskamp 70, 20355 Hamburg, Federal Republic of Germany and registered with the District Court (*Amtsgericht*) of Hamburg under number HRB 163268.

#### Issuer

AQ Ampere has been established as a development company.

The object of the company is the planning and project development of enterprises in the field of renewable energies (in particular photovoltaics and wind energy).

#### Form and Denomination

AQ Ampere Bonds are issued by AQ Ampere as uncleared bearer bonds without a fixed denomination.

Each AQ Ampere Bond is constituted by the execution by AQ Ampere of a bearer bond certificate which embodies the rights arising out of such AQ Ampere Bond.

The nominal amount of each AQ Ampere Bond is stated on the relevant bearer bond certificate.

#### Transfer and Title

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

The AQ Ampere Bonds are not cleared.

#### Maturity

The scheduled maturity date of the AQ Ampere Bonds is 28 February 2025.

#### Status and Ranking

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

#### Interest / Coupon

Each AQ Ampere Bond bears interest on its outstanding nominal amount from but excluding the issue date at a fixed rate of 9,50 % per annum, accruing on a daily basis and payable in arrear, upon the redemption of such AQ Ampere Bond.

#### Redemption Rights

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

The holders of the AQ Ampere Bonds do not have any ordinary termination, redemption or exercise rights.

#### Governing Law

The AQ Ampere Bonds are governed by, and shall be construed in accordance with, Luxembourg law.

Originator

The Reference Portfolio Advisor is the originator of the AQ Ampere Bonds. For the full name, address and significant business activities of the Reference Portfolio Advisor, see section "6.2 *Reference Portfolio Advisor*".

Source of Information

The information in respect of the AQ Ampere Bonds contained in this section "9.1.3.10 *AQ Ampere Bonds*" has been provided by AQ Ampere in the terms and conditions of the AQ Ampere 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 AQ Ampere no facts have been omitted which would render the reproduced information misleading.

**9.2 Calculation of the Reference Portfolio Value; Suspension of the Calculation**

9.2.1 Following the Fixing Date, the Reference Portfolio Advisor shall, subject to the occurrence of a Reference Portfolio Determination Disruption Event (as defined in Section 9.2.5) determine the value of the Reference Portfolio (the "**Reference Portfolio Value**") as of each Reference Portfolio Valuation Date as:

- (a) the value of the Reference Fund Components on the relevant Reference Portfolio Valuation Date, as determined by the Reference Portfolio Advisor in accordance with the Components Valuation Principles; **plus**
- (b) the value of any Reference Debt Security Components on the relevant Reference Portfolio Valuation Date, as determined by the Reference Portfolio Advisor in accordance with the Components Valuation Principles; **plus**
- (c) the value of the Notional Cash Position on the relevant Reference Portfolio Valuation Date, as determined by the Reference Portfolio Advisor in accordance with the Components Valuation Principles.

For these purposes, "**Reference Portfolio Valuation Date**" means the last calendar day of each of March, June, September and December, commencing in September 2023, and such other calendar day as the Reference Portfolio Advisor may in its discretion decide.

9.2.2 The Reference Portfolio Advisor shall determine the Reference Portfolio Value as of each Reference Portfolio Valuation Date once it has received all necessary information in connection with the relevant Reference Portfolio Components (such date, the "**Reference Portfolio Calculation Date**").

9.2.3 Without prejudice to Section 9.2.1, following the Fixing Date, the Reference Portfolio Advisor shall also determine the value of the Notional Cash Position in accordance with the Components Valuation Principles as of each Variable Coupon Payment Date and as of each date on which Notional Disposition Proceeds are received or Notional Disposition Costs or Notional Acquisition Costs are incurred in accordance with Section 9.4 (each such date and each Reference Portfolio Valuation Date, a "**Valuation Date**").

9.2.4 The value of any relevant Reference Portfolio Components shall be determined for the purposes of Section 9.2.1 or Section 9.2.3, as applicable, in accordance with the following valuation principles (the "**Components Valuation Principles**"):

- (a) Reference Portfolio Components listed on a stock exchange shall be valued at the last known price at the time of the calculation of the Reference Portfolio Value.
- (b) Reference Portfolio Components which are not listed on a stock exchange but which are traded on another regulated market which is recognised, open to the public and whose

mode of operating is lawful and proper, are valued at a price which is no lower than the bid price and no higher than the ask price at the time of the calculation of the Reference Portfolio Value and which the Reference Portfolio Advisor considers to be the best possible price at which the securities or money market instruments can be sold.

- (c) Reference Portfolio Components that are neither listed on a stock exchange nor traded on another regulated market are valued at their fair market value at the time of the calculation of the Reference Portfolio Value as determined by the Reference Portfolio Advisor in good faith by using generally accepted valuation rules verifiable by auditors.
- (d) The valuation of each Reference Fund comprised in the Reference Portfolio as Reference Portfolio Component shall generally be based on the last available valuation of the relevant Reference Fund (such as net asset value or latest available balance sheet).

The Reference Portfolio Advisor relies entirely on the information published in relation to the Reference Funds. If no current valuation of a Reference Fund is available at the time of the calculation of the Reference Portfolio Value, the Reference Portfolio Advisor may use both estimated current valuation and the latest available valuation; this also applies in full to the balance sheet information and values of associated companies. If necessary, the Reference Portfolio Advisor may adjust the net asset values of the Reference Funds or the balance sheet disclosures and values of investment companies if it considers that this more accurately reflects the fair value.

In case of any Reference Fund Components comprising companies whose business purpose relates to the production, trade, marketing or consulting in the sector set out in described in Section 9.3.1(i) of the Eligibility Criteria, the Reference Portfolio Advisor, in its reasonable discretion, may also take into account any other valuations of the Reference Funds prepared in accordance with the European Private Equity and Venture Capital Association (EVCA) guidelines or, as the case may be, the International Private Equity and Venture Capital Valuation (IPEV) guidelines.

- (e) Unless explicitly stated in Section 9.4, any notional distributions and redemptions in relation to any Reference Portfolio Components received by Hypothetical Investor are not taken into account when calculating the Reference Portfolio Value in accordance with this Section 9.2.
- (f) Cash and cash equivalents comprised in the Reference Portfolio as Reference Portfolio Components are valued at their nominal value plus accrued interest at the time of the calculation of the Reference Portfolio Value or the value of the Notional Cash Position, as applicable. Fixed-term deposits may be valued at the respective yield price, provided that a corresponding contract between the financial institution which holds the fixed-term deposits and the Reference Portfolio Advisor stipulates that these fixed-term deposits may be terminated at any time and that in the event of termination their realisation value corresponds to this yield price.
- (g) All assets and amounts (e.g. any Notional Disposition Proceeds or Notional Disposition Costs determined under Section 9.4.1(g) as well as any Notional Acquisition Costs determined under Section 9.4.1(j)) mirrored in the Reference Portfolio as part of or within any Reference Portfolio Component which are not denominated in the EUR will be valued at the last available average exchange rate at the time of the calculation of the Reference Portfolio Value or the value of the Notional Cash Position, as applicable.
- (h) The pro rata interest on shares, units, interests, participations or debt securities comprised in the Reference Portfolio as Reference Portfolio Components shall be included to the extent that it is not expressed in the market value.
- (i) All other shares, units, interests, debt securities or other assets comprised in the Reference Portfolio as Reference Portfolio Components shall be valued at their fair market value as determined in good faith by the Reference Portfolio Advisor.

- (j) Debt instruments comprised in the Reference Portfolio as Reference Portfolio Components that are not listed or traded on a stock exchange or other regulated market on which trading takes place on a regular basis and which are recognized and available to the public are generally valued at nominal value and, if different from nominal value, at cost plus accrued interest.

All Reference Portfolio Components shall be valued on the basis of their respective value with regard to the relevant Valuation Date.

If, in exceptional circumstances, such valuation is impracticable or inappropriate, the Reference Portfolio Advisor shall be entitled to choose prudently and with great care another method of valuing the Reference Portfolio Components appropriately.

9.2.5 The Reference Portfolio Advisor may at any time suspend the valuation of the Reference Portfolio Components as of each Valuation Date and the calculation of the Reference Portfolio Value on the relevant Reference Portfolio Calculation Date:

- (a) if one or more of the stock exchanges or markets relevant for the valuation of a substantial part of the Reference Portfolio Components comprised in the Reference Portfolio are closed (except on public holidays) or trading on them is restricted or suspended;
- (b) if, due to political, economic, military or monetary events or circumstances beyond the control and responsibility of the Reference Portfolio Advisor or the Hypothetical Investor, the disposal of the Reference Portfolio Components comprised in the Reference Portfolio is not reasonably or ordinarily possible, or would significantly harm the interests of a Hypothetical Investor, or if it is impossible for the Reference Portfolio Advisor to calculate the Reference Portfolio Value;
- (c) in the event of a failure of the communication channels normally used for the valuation of the Reference Portfolio Components comprised in the Reference Portfolio or if for any reason for which the Reference Portfolio Advisor and the Hypothetical Investor are not responsible the value of any Reference Portfolio Components cannot be determined as quickly and accurately as necessary;
- (d) if, due to currency restrictions or other restrictions affecting notional payment transactions, notional transactions in the Reference Portfolio Components comprised in the Reference Portfolio become impossible or notional purchases and notional sales of Reference Portfolio Components cannot be made at normal exchange rates;
- (e) where the suspension is required by law or by legal process; and/or
- (f) if the Reference Portfolio Advisor, decides for any reason that suspension is in the interest of a Hypothetical Investor,

where each such event constitutes a "**Reference Portfolio Determination Disruption Event**".

Any such suspension shall be notified by the Reference Portfolio Advisor to the Calculation Agent without undue delay.

### **9.3 Reference Portfolio Components comprised in the Reference Portfolio**

#### **9.3.1 Eligibility Criteria**

In accordance with the Reference Portfolio Objective, each Reference Fund Component and each Reference Debt Security Component should give a Hypothetical Investor indirect exposure to one or more of the following sectors within the following investment limits (the "**Eligibility Criteria**"):

- (i) Sectors:

- (A) Renewable energy generation: projects for the development, construction and operation of facilities for the generation of renewable energy, i.e. wind farms, photovoltaics power plants and hydro power plants; and
- (B) Energy distribution and storage: projects for the development, construction and operation of distribution and/or storage facilities for energy, i.e. electrical grids and components thereof, battery storage facilities and pumped hydro storage power plants,

together, "**Renewable Energy Investments**".

- (ii) Renewable Energy Investments shall only be located in:
  - (A) the European Economic Area ("**EEA**") or another European country (including the United Kingdom of Great Britain and Northern Ireland ("**UK**")); or ; and
  - (B) located in the following countries in the Asia-Pacific region: Taiwan, South Korea, Japan, Australia, New Zealand, Singapore, Vietnam, Philippines, Thailand, Indonesia, Malaysia (such countries together, "**APAC**").

### 9.3.2 Reference Debt Security Components

- (a) Subject to paragraph (b), the Reference Debt Security Components may comprise long positions in the universe of investments described below (the "**Reference Debt Security Investment Universe**").

The Reference Debt Security Investment Universe comprises non-equity securities, units, shares or participations which:

- (i) are either:
  - (A) money market instruments;
  - (B) fixed-income instruments;
  - (C) units, shares or participations in open-ended investment funds; or
  - (D) debt securities traded on a regulated market within the meaning of Article 2 j) of the Prospectus Regulation;
- (ii) are issued by issuers from various industries and sectors, as long as the business activity of the relevant issuer is consistent with the Eligibility Criteria;
- (iii) in the case of any units, shares or participations in open-ended investments funds, the relevant open-ended investment fund is either owned or advised by an Aquila Group Company or owned or advised by a third party which is not an Aquila Group Company, in each case, in the identification, due diligence and acquisition of the underlying project(s) and/or in the ongoing management of such project(s);
- (iv) in the case of any non-equity securities, are either subordinated or not subordinated to other payment obligations of the issuer of such non-equity securities;
- (v) in the case of any non-equity securities, constitute secured or unsecured payment obligations of the issuer of such non-equity securities;

- (vi) in the case of any non-equity securities, units, shares or participations other than debt securities, are listed and admitted to trading on a regulated or other market or are not listed and admitted to trading;
  - (vii) either have a credit rating assigned by a recognised rating agency or are unrated;
  - (viii) are either in bearer or registered form; and
  - (ix) are interest-bearing, *provided that* the relevant rate of interest may be either fixed rate or floating rate. For these purposes, zero-coupon notes and profit participation notes with variable coupon shall not constitute interest-bearing non-equity securities.
- (b) A Reference Debt Security Component may not comprise and, accordingly, the Reference Debt Security Investment Universe excludes:
- (i) bonds issued by issuers whose business activity is inconsistent with the Eligibility Criteria;
  - (ii) securities issued by an issuer that is near to or currently going through insolvency or failing to maintain certain covenants (being obligations incorporated into the debt or security, such as the ability to maintain a certain asset to liability ratio, or a particular credit rating);
  - (iii) asset backed securities created from the pooling of non-mortgage assets such as credit card receivables, student loans and auto loans and mortgage backed securities created from the pooling of mortgages;
  - (iv) collateralized debt obligations, being complex structured finance products backed by pools of loans and other assets;
  - (v) collateralized loan obligations, being single securities backed by a pool of debt such as corporate loans with low credit ratings or loans taken out by private equity firms to conduct leveraged buyouts; and
  - (vi) derivatives (meaning financial contracts whose values are dependent on an underlying asset, a group of assets, or a benchmark) for speculation purposes. For the avoidance of doubt, the Reference Debt Security Investment Universe may include derivatives for hedging purposes such as to minimize interest rate risk or currency risk in other allocations within the Reference Portfolio.

For the avoidance of doubt, the Reference Portfolio may not (directly) comprise any short selling positions in relation to Reference Debt Security Components.

- (c) The Reference Portfolio Advisor shall determine the value of the Reference Debt Security Components comprised in the Reference Portfolio as of each Reference Portfolio Valuation Date in accordance with the Components Valuation Principles.

### 9.3.3 Reference Fund Components

- (a) Subject to paragraph (b), the Reference Fund Components may comprise long positions in the universe of investments described below (the "**Reference Funds Investment Universe**").

The Reference Funds Investment Universe comprises shares, units or interests in funds (the "**Reference Funds**") which:

- (i) are managed by a legal person whose regular business is the management of one or more collective investment undertakings and who is regulated as an "AIFM" under and for the purposes of Directive 2011/61/EU ("AIFMD"), as amended



- from time to time and as implemented into national law by any Member State of the European Union;
- (ii) are constituted under the law of contract, under trust law, under statute or any other legal form;
  - (iii) are either "AIFs" within the meaning of AIFMD or reserved alternative investment funds;
  - (iv) are managed or advised by an Aquila Group Company in the identification, due diligence and acquisition of the underlying project(s) and/or in the ongoing management of such projects. For these purposes, an "**Aquila Group Company**" means ACI, a company controlled by ACI or a company under common control with ACI;
  - (v) in accordance with the respective AIF rules and/or instruments of incorporation are established in the Grand Duchy of Luxembourg or can be marketed with a passport in the Grand Duchy of Luxembourg;
  - (vi) are added to the Reference Portfolio either by way of notional primary transactions (fundraising by the relevant Reference Fund) or by way of notional secondary transactions (acquisition from an existing investor);
  - (vii) at the time of notional addition to the Reference Portfolio, are either no longer entitled to make any further drawings from their respective investors or are entitled to make further drawings from such investors over a maximum period of five (5) years;
  - (viii) are managed by an AIFM who performs an initial due diligence covering potential environmental, social and governance risks, monitors such risks on an ongoing basis over the lifetime of any relevant investments and considers sustainability-related industry standards;
  - (ix) are:
    - (A) closed-ended private market funds which are not listed on a public exchange with a maximum term (excluding any extension options) of twenty-five (25) years starting with the first closing date; or
    - (B) open-ended private market funds which are not listed on a public exchange, provided that the Reference Portfolio Advisor determines in good faith that an actual investment in such funds under normal market circumstances could be disposed of prior to the maturity of the Notes, in order to generate liquidity for the redemption of the Notes, if necessary;
  - (x) have a minimum (targeted) volume of EUR 10 million;
  - (xi) have a maximum targeted volume of EUR 1,000 million; and
  - (xii) are denominated in Euro.
- (b) A Reference Fund or Reference Fund Component may not comprise and, accordingly, the Reference Funds' Investments Universe excludes:
- (i) any fund which does not meet the Eligibility Criteria;
  - (ii) mutual funds, whose primary objective is to execute an investment strategy by investing in equity or debt securities of mainly listed issuers;

- (iii) commodity funds, which pursue a strategy of acquiring and holding direct holdings in commodities and/or commodity-linked derivative instruments;
- (iv) exchange trade funds, exchange traded commodities and index funds, defined as pooled investment securities that track a particular index, sector, commodity, or other asset and can be traded on an exchange;
- (v) hedge funds, applying strategies such as long/short, short only, market neutral, merger arbitrage, convertible arbitrage and event-driven strategies; and
- (vi) fund structures that can be classified as offshore funds, especially if they have been structurally set up in such a way that the structure gives rise to the assumption that it is designed for tax avoidance and/or tax shifting.

For the avoidance of doubt, the Reference Portfolio may not (directly) comprise any short selling positions in relation to Reference Fund Components (this does not apply to any short selling by the managers of any Reference Funds).

- (c) The Reference Portfolio Advisor shall determine the value of the Reference Fund Components comprised in the Reference Portfolio as of each Reference Portfolio Valuation Date in accordance with the Components Valuation Principles (as defined in Section 9.2.4).

#### 9.3.4 Notional Cash Position

- (a) The Reference Portfolio comprises the Notional Cash Position, representing a notional EUR denominated cash position as well as notional EUR denominated cash equivalents, where the Notional Cash Position in particular reflects any Notional Disposition Proceeds or Notional Redemption Amount notionally credited to or, as the case may be, any Notional Disposition Costs or Notional Acquisition Costs notionally debited from the Notional Cash Position; as well as any other amounts notionally credited to or, as the case may be, debited from the Notional Cash Position.
- (b) The balance of the Notional Cash Position is always either zero or positive. Any positive balance of the Notional Cash Position notionally accrues interest in accordance with prevailing standard market conditions, which is reflected in the notional value of the Notional Cash Position.
- (c) Certain fees may be levied by the AIFM of each Reference Fund Component or other parties in connection with each Reference Fund Component. Such fees shall be reflected in the value of such Reference Fund Component as determined in accordance with the Components Valuation Principles and shall not be separately taken into account for the purposes of determining the Reference Portfolio Value.
- (d) If, at any time, the Reference Portfolio Advisor determines that the positive balance notionally standing to the credit of the Notional Cash Position is lower than any amounts which should be notionally debited from the Notional Cash Position, the Reference Portfolio Advisor shall notionally redeem certain Reference Portfolio Components in accordance with Section 9.4.1(g) to increase the positive balance notionally standing to the credit of the Notional Cash Position.
- (e) The Notional Cash Position shall be notionally debited on each Variable Coupon Payment Date with an amount equal to (A) the most recent Reference Portfolio Value determined on or prior to such date *minus* the Reference Portfolio Value on the Fixing Date or (B) such lower amount as determined by the Issuer in its sole and absolute discretion and notified to the Reference Portfolio Advisor on or prior to such date.
- (f) The Reference Portfolio Advisor shall determine the value of the Notional Cash Position comprised in the Reference Portfolio in accordance with the Components Valuation Principles as of each Reference Portfolio Valuation Date, as of each Variable Coupon

Payment Date and as of each date on which Notional Disposition Proceeds are received or Notional Disposition Costs or Notional Acquisition Costs are incurred in accordance with Section 9.4.

**9.4 Changes in Composition; Reference Portfolio Rebalancing; Restrictions**

9.4.1 Subject to Sections 9.4.1(a) to 9.4.1(h) (inclusive), the Reference Portfolio Advisor may, having regard for the Reference Portfolio Objective, adjust the composition of the Reference Portfolio by re-allocating the Reference Portfolio Components, in particular by notionally subscribing for or otherwise acquiring one or more Reference Portfolio Components in accordance with Section 9.4.1(j) (each such adjustment, a "**Reference Portfolio Rebalancing**").

For the avoidance of doubt, the Reference Portfolio Advisor shall not be obliged to effect any Reference Portfolio Rebalancings if, in its reasonable discretion, it determines that such Reference Portfolio Rebalancing is contrary to the Reference Portfolio Objective.

(a) On the first Banking Day of each calendar month and such other Banking Days as the Reference Portfolio Advisor may in its discretion decide (each, a "**Target List Determination Date**"), the Reference Portfolio Advisor shall determine the target notional composition of the Reference Portfolio for the next following Reference Portfolio Valuation Date (the "**Target Composition**"). The target notional composition of the Reference Portfolio shall take into account each notional subscription for or otherwise acquisition of target Reference Portfolio Components which the Reference Portfolio Advisor determines to notionally take place in accordance with Section 9.4.1(j) during the period from (and including) the Target List Determination Date to (and including) the next following Reference Portfolio Valuation Date in accordance with the provisions of this Section 9.4.

For these purposes, "**Banking Day**" means every day on which the banks in Luxembourg and Frankfurt am Main are open for business (excluding Saturdays, Sundays, legal holidays, and 24 December and 31 December of every year).

(b) On each Reference Portfolio Valuation Date or, if such Reference Portfolio Valuation Date is not a Banking Day, on the next following Banking Day, the Reference Portfolio Advisor shall determine the notional composition of the Reference Portfolio as of such Reference Portfolio Valuation Date (the "**Valuation Date Composition**"). The Valuation Date Composition shall be identical to the Target Composition as of the immediately preceding Target List Determination Date, save that:

(i) the Reference Portfolio Advisor shall not include in the Valuation Date Composition:

(A) any target Reference Portfolio Components identified in the Target Composition for the purposes of Section 9.4.1(j), but which a Hypothetical Investor has been unable to notionally subscribe for or otherwise acquire due to events or circumstances outside its control; and

(B) any Reference Portfolio Component notionally redeemed, transferred or otherwise disposed of in accordance with Section 9.4.1(g) on or prior to such Reference Portfolio Valuation Date; and

(ii) the Reference Portfolio Advisor shall adjust the Notional Cash Position to reflect (i) an increase of the aggregate outstanding nominal amount of the Notes in accordance with Section 9.4.1(d), (ii) any Notional Distribution Amounts received by a Hypothetical Investor in accordance with Section 9.4.1(e), (iii) any Notional Redemption Amounts received by a Hypothetical Investor in accordance with Section 9.4.1(f), (iv) any Notional Disposition Proceeds received or any Notional Disposition Costs incurred by a Hypothetical Investor in accordance with Section 9.4.1(g) and (v) any Notional Acquisition Costs

incurred by a Hypothetical Investor in accordance with Section 9.4.1(j). For the avoidance of doubt, the positive balance of the Notional Cash Position specified in a Valuation Date Composition may be different to the positive balance of the Notional Cash Position specified in the immediately preceding Target Composition.

- (c) In addition to each Target List Composition and each Valuation Date Composition, the Reference Portfolio Advisor, in its reasonable discretion, may determine the composition of the Reference Portfolio from time to time on an interim basis.
- (d) If, at any time after the Fixing Date, the aggregate outstanding nominal amount of the Notes increases (including, without limitation, as a result of an issuance of further Notes), the Reference Portfolio Advisor shall notionally credit an amount reflecting such increase to the Notional Cash Position as of the next following Reference Portfolio Valuation Date (or, if such increase occurs on a Reference Portfolio Valuation Date, as of such Reference Portfolio Valuation Date).
- (e) If, at any time after the Fixing Date, a Hypothetical Investor holding any Reference Portfolio Component would receive a notional distribution or repayment in respect of such Reference Portfolio Component which does not arise out of or in connection with the redemption of such Reference Portfolio Component (the amount of such notional distribution or repayment, the "**Notional Distribution Amount**"), the Reference Portfolio Advisor shall notionally credit such Notional Distribution Amount to the Notional Cash Position as of the next following Reference Portfolio Valuation Date (or, if such notional distribution or repayment occurs on a Reference Portfolio Valuation Date, as of such Reference Portfolio Valuation Date).
- (f) If, at any time any Reference Portfolio Component held by a Hypothetical Investor redeems in accordance with its terms or is otherwise terminated by the issuer of such Reference Portfolio Component and a Hypothetical Investor holding such Reference Portfolio Component would receive a notional distribution or repayment in respect of such Reference Portfolio Component which arises out of or in connection with such redemption or termination (the "**Notional Redemption Amount**"), the Reference Portfolio Advisor shall notionally credit such Notional Redemption Amount to the Notional Cash Position as of the next following Reference Portfolio Valuation Date (or, if such notional distribution or repayment occurs on a Reference Portfolio Valuation Date, as of such Reference Portfolio Valuation Date).
- (g) The Reference Portfolio Advisor shall notionally redeem, transfer or otherwise dispose of any Reference Portfolio Components in the following circumstances:
  - (i) If, at any time, under the terms of any Reference Portfolio Component comprised in the Reference Portfolio or any subscription documentation in connection with such reference Portfolio Component entered into by a Hypothetical Investor, the Hypothetical Investor is obliged to dispose of or otherwise transfer such Reference Portfolio Component, then the Reference Portfolio Advisor shall notionally dispose of or otherwise transfer such Reference Portfolio Component.
  - (ii) If, at any time the Reference Portfolio Advisor determines that the positive balance notionally standing to the credit of the Notional Cash Position is lower than any amounts which should be notionally debited from the Notional Cash Position, the Reference Portfolio Advisor shall notionally redeem, dispose of or otherwise transfer certain Reference Portfolio Components, as selected by the Reference Portfolio Advisor in accordance with Section 9.4.4.

In connection with any notional redemption, transfer or otherwise disposition of any Reference Portfolio Components, the Reference Portfolio Advisor shall determine:

- (A) the notional proceeds in connection with such notional redemption, disposition or transfer received by the Hypothetical Investor and the time of receipt of such disposition or transfer proceeds (the "**Notional Disposition Proceeds**"); and
- (B) the notional costs in connection with such notional redemption, disposition or transfer of such Reference Portfolio Component incurred by such Hypothetical Investor in connection with such redemption, disposition or transfer and the time when such redemption, disposition or transfer costs are incurred (the "**Notional Disposition Costs**").

The Reference Portfolio Advisor shall adjust the composition of the Reference Portfolio to reflect such redemption, disposition, transfer or sale of Reference Portfolio Components and the Reference Portfolio Advisor shall notionally credit the Notional Disposition Proceeds to and notionally debit the Notional Disposition Costs from the Notional Cash Position at the time when such Notional Disposition Proceeds are received or such Notional Disposition Costs are incurred.

- (h) **For the avoidance of doubt:** neither the Hypothetical Investor, nor the Reference Portfolio Advisor shall, at any time, notionally initiate or request the redemption, disposition or voluntary transfer of any Reference Portfolio Components comprised in the Reference Portfolio other than in the circumstances described under Section 9.4.1(g).
- (i) If, at any time, any vote would be held in respect of any Reference Portfolio Component (including, without limitation, shareholder vote, partnership vote, noteholder vote or other vote of persons who, at such time, hold or are otherwise entitled to the benefit of one or more units of such Reference Portfolio Component), a Hypothetical Investor shall always abstain from such vote.
- (j) At any time after the Fixing Date when the value of the Notional Cash Position is greater than zero, following a decision by the Reference Portfolio Advisor to notionally add certain Reference Portfolio Components to the Reference Portfolio, the Reference Portfolio Advisor shall determine:
  - (i) which Reference Portfolio Components notionally subscribed for or otherwise acquired and the point in time when such notional subscription or acquisition, which shall be the date when a Hypothetical Investor would have notionally subscribed for or otherwise acquired the relevant Reference Portfolio Components, had such Hypothetical Investor initiated such subscription or acquisition at the point in time when the Reference Portfolio Advisor, in consultation with the Calculation Agent, decided to notionally add such Reference Portfolio Components to the Reference Portfolio; and
  - (ii) the notional investment costs which would have been incurred by such Hypothetical Investor in connection with such notional subscription or acquisition of Reference Portfolio Components (the "**Notional Acquisition Costs**"), *provided that*, at any time, the Notional Acquisition Costs shall not be higher than the balance of the Notional Cash Position at such time.

The Reference Portfolio Advisor shall adjust the composition of the Reference Portfolio to reflect such addition of Reference Portfolio Components and the Reference Portfolio Advisor shall notionally debit the Notional Acquisition Costs from the Notional Cash Position at the time when such Notional Acquisition Costs are incurred.

- 9.4.2 When deciding to notionally add certain Reference Portfolio Components to the Reference Portfolio in accordance with Section 9.4.1(j), the Reference Portfolio Advisor shall only be entitled to notionally add such Reference Portfolio Component if the Reference Portfolio Advisor determines that, on the Reference Portfolio Valuation Date immediately following such addition,

the following concentration limits shall not be breached or, if they are already breached following such addition, such breach shall not worsen:

- (a) no individual investment may constitute more than 50% of the Reference Portfolio Value;
- (b) no individual investment may constitute more than EUR 25 million;
- (c) the aggregate value of Renewable Energy Investments located in APAC shall not exceed 50% of the Reference Portfolio Value;
- (d) the value of Reference Fund Components may comprise no more than 25% of the Reference Portfolio Value;
- (e) the value of Reference Debt Security Components may comprise no more than 100% of the Reference Portfolio Value; and
- (f) the value of the Notional Cash Position may comprise no more than 15% of the Reference Portfolio Value.

9.4.3 Each Reference Portfolio Rebalancing in respect of any Reference Portfolio Component shall be effective as follows:

- (a) in case such Reference Portfolio Rebalancing comprises the notional redemption of one or more Reference Portfolio Components, in respect of each Reference Portfolio Component, on the date on which a Hypothetical Investor would have redeemed a holding of the relevant Reference Portfolio Component, had such Hypothetical Investor initiated such redemption on the date when the Reference Portfolio Advisor decided to effect the relevant Reference Portfolio Rebalancing; and
- (b) in case such Reference Portfolio Rebalancing comprises the notional subscription or acquisition of one or more Reference Portfolio Components, in respect of each Reference Portfolio Component, on the date on which a Hypothetical Investor would have notionally subscribed for or otherwise acquired the relevant Reference Portfolio Component, had such Hypothetical Investor initiated such subscription or acquisition on the date when the Reference Portfolio Component was added to the Target Composition.

9.4.4 Each time the Reference Portfolio Advisor is required to notionally redeem, dispose of or otherwise transfer one or more Reference Portfolio Components in the circumstances described in Section 9.4.1(g), the Reference Portfolio Advisor shall:

- (a) assign a ranking to each Reference Portfolio Component (other than the Notional Cash Position) based on the amount of anticipated Notional Disposition Proceeds *less* the anticipated Notional Disposition Costs (the "**Net Notional Disposition Proceeds**" in respect of such Reference Portfolio Component) if the Reference Portfolio Advisor were to redeem, dispose of or otherwise transfer such Reference Portfolio Component, as determined by the Reference Portfolio Advisor in its reasonable discretion. The Reference Portfolio Component with lowest Net Notional Disposition Proceeds shall have the lowest ranking and the Reference Portfolio Component with highest Net Notional Disposition Proceeds shall have the highest ranking;
- (b) assign a ranking to each Reference Portfolio Component (other than the Notional Cash Position) based on the liquidity of such Reference Portfolio Component if the Reference Portfolio Advisor were to redeem, dispose of or otherwise transfer such Reference Portfolio Component, as determined by the Reference Portfolio Advisor in its reasonable discretion. The most liquid Reference Portfolio Component shall have the lowest ranking and the least liquid Reference Portfolio Component shall have the highest ranking; and
- (c) in respect of each Reference Portfolio Component, add up the rankings assigned in accordance with Paragraph (a) and Paragraph (b) above.

The Reference Portfolio Advisor shall then notionally redeem, dispose of or otherwise transfer the Reference Portfolio Component with lowest aggregate ranking, *provided that*:

- (i) if the Net Notional Disposition Proceeds from the Reference Portfolio Component so selected would be lower than the shortfall in the positive balance notionally standing to the credit of the Notional Cash Position, the Reference Portfolio Advisor shall also notionally redeem, dispose of or otherwise transfer one or more Reference Portfolio Component(s) with the next lowest aggregate ranking, until the aggregate Net Notional Disposition Proceeds are sufficient to cover such shortfall; and
- (ii) where the shortfall in the positive balance notionally standing to the credit of the Notional Cash Position can be met by redeeming, disposing of or otherwise transferring only part of a Reference Portfolio Component only (e.g., only some of the units of such Reference Portfolio Component), the Reference Portfolio Advisor shall redeem, dispose of or otherwise transfer the smallest possible part or, as the case may be, fewest number of units of such Reference Portfolio Component and the remaining part or, as the case may be, units of such Reference Portfolio Component shall remain in the Reference Portfolio. For the avoidance of doubt, this Paragraph (ii) shall only apply if all Reference Portfolio Components (if any) with lower aggregate ranking have been redeemed, disposed of or otherwise transferred.

## **9.5 Adjustments of the Reference Portfolio**

9.5.1 If, at any time prior to a Reference Portfolio Valuation Date, the Reference Portfolio Advisor determines that a Reference Portfolio Disruption Event occurs in respect of any one or more Reference Portfolio Components, the Reference Portfolio Advisor shall make such adjustments (if any) to the Reference Portfolio (including, without limitation, the Reference Funds Investment Universe or, as the case may be, the Reference Debt Security Investment Universe in respect of the Reference Portfolio) as the Reference Portfolio Advisor determines, acting reasonably and having regard for the Reference Portfolio Objective, are necessary or appropriate to preserve to the greatest extent possible the Reference Portfolio Value which existed immediately prior to the occurrence of such Reference Portfolio Disruption Event.

For these purposes:

**"Reference Portfolio Disruption Event"** means, in respect of any Reference Portfolio Component, the occurrence of any one or more of the following events:

- (d) such Reference Portfolio Component or any component or underlying thereof is permanently discontinued or unavailable; or
- (e) due to events or circumstances outside its control, a Hypothetical Investor can no longer notionally subscribe for or otherwise acquire or, as the case may be, sell such Reference Portfolio Component,

in each case, as determined by the Reference Portfolio Advisor, acting reasonably.

### **9.5.2 Adjustments and Determinations**

- (a) Any adjustment to and/or determination in respect of the Reference Portfolio made by the Reference Portfolio Advisor in accordance with this Section 9.5 shall not constitute a Rebalancing.
- (b) The Reference Portfolio Advisor shall effect all adjustments to and/or determinations in respect of the Reference Portfolio in accordance with this Section 9.5, acting reasonably, having regard for the Reference Portfolio Objective and under consideration of the market conditions prevailing at the time such adjustments and/or determinations. Any

such adjustments and/or determinations made by the Reference Portfolio Advisor shall be final, conclusive and binding, except where there is a manifest error.

- (c) In connection with any adjustment to and/or determination in respect of the Reference Portfolio in accordance with this Section 9.5, the Reference Portfolio Advisor shall (i) determine the date on which such adjustment and/or determination shall take effect (the "**Adjustment Effective Date**") and, (ii) promptly and, in any event, within one (1) Business Day of deciding to make such adjustment and/or determination, notify such adjustment and/or determination and the relevant Adjustment Effective Date to the Issuer and the Calculation Agent.



## 10. TERMS AND CONDITIONS OF THE NOTES

### § 1

#### Issuer; Noteholder's Right

- (1) Telekia is a Luxembourg unregulated securitisation fund (*fonds de titrisation*) (the "**Securitisation Undertaking**"), consisting of one or several co-ownerships, within the meaning of, and governed by, the Luxembourg law of 22 March 2004 on securitisation, as amended (the "**Luxembourg Securitisation Law**"). The Securitisation Undertaking is established pursuant to its general management regulations, dated as of 9 June 2022 (as may be modified and supplemented by specific management regulations from time to time, the "**Management Regulations**"). The Securitisation Undertaking is acting through Isec S.A., a limited liability company (*société à responsabilité limitée*), incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 7, Grand Rue, L-6630 Wasserbillig, Grand Duchy of Luxembourg and registered with the Register of Trade and Companies of Luxembourg (*Registre de Commerce et des Sociétés de Luxembourg*) under the number B 220820 (the "**Management Company**"). By resolution dated 9 June 2023, the Management Company, acting on behalf of the Securitisation Undertaking, created Compartment 2 ("**Compartment 2**" or the "**Issuer**"). All references in these Terms and Conditions to the Issuer are to the Securitisation Undertaking, acting for and on behalf of its Compartment 2.
  
- (2) The Issuer intends to issue the Green Development Notes 2, ISIN: XS2635169316, linked to the performance of the Reference Portfolio, (each a "**Note**" and collectively the "**Notes**") on 31 July 2023 (the "**Issue Date**"), but the Issuer reserves the right to postpone the Issue Date for a maximum period of ten (10) weeks if market conditions so require. In such case the Issuer will give not less than ten (10) Business Days' prior written notice of the postponed Issue Date on the website of the Issuer (telekia.lu). Each Note issued by the Issuer on the Issue Date shall have a nominal amount of EUR 1,000 (in words: one thousand Euros) (the "**Nominal Amount**"). The aggregate nominal amount of all Notes issued by the Issuer from time to time shall be up to EUR 150,000,000 (in words: one hundred fifty million Euros) (the "**Aggregate Nominal Amount**").
  
- (3) Subject to an extraordinary termination and early redemption of the Notes by the Issuer (in accordance with § 13 of these Terms and Conditions) and subject to the provisions of § 3 and § 21 of these Terms and Conditions, the Issuer grants to each Noteholder, depending on the performance of the Reference Portfolio, in accordance with these Terms and Conditions, the right (the "**Noteholders' Right**") to receive:
  - (a) in accordance with § 7 of these Terms and Conditions, payment of the Redemption Amount on the respective Redemption Date(s) in respect of the Notes held by such Noteholder; as well as, if applicable,
  - (b) in accordance with § 9 of these Terms and Conditions, on any Coupon Payment Date payment of a Variable Coupon Amount; as well as, if applicable,
  - (c) in accordance with § 12 of these Terms and Conditions, following an exercise by the Issuer of its ordinary termination right, on the Ordinary Termination Date payment of the Termination Amount,

in each case, in EUR.

### § 2

#### Luxembourg Securitisation Law

- (1) Pursuant to the Luxembourg Securitisation Law, the general management regulations of the Securitisation Undertaking authorise its Management Company to create one or more independent parts of its estate (*patrimoine*) (each individual part referred to as a

"**Compartment**") distinguishable from the remaining part of the Securitisation Undertaking's estate by the nature of assets or liabilities relating to such Compartment. The assets and liabilities, investments and obligations of a Compartment are exclusively and only available to satisfy the rights of the creditors whose claims have arisen or will arise in connection with the creation, operation or liquidation of such Compartment.

- (2) The holders of the Notes (each a "**Noteholder**" and collectively the "**Noteholders**") acknowledge and accept that (a) the Securitisation Undertaking is subject to the Luxembourg Securitisation Law as an unregulated securitisation fund and (b) by resolution dated 9 June 2023, the Securitisation Undertaking, acting through the Management Company, has created Compartment 2 to which all assets, rights and claims arising from and relating to (i) the Notes and (ii) any Reference Portfolio Components held by the Issuer from time to time will be allocated. Consequently, the assets of Compartment 2 are exclusively available to satisfy the rights of the Noteholders and the rights of creditors whose claims have arisen in connection with the creation, the operation or the liquidation of Compartment 2. Furthermore, the Noteholders acknowledge and accept that they only have recourse, in accordance with § 3 of these Terms and Conditions, to the assets of Compartment 2 and not to the assets allocated to other Compartments (if any) created by the Securitisation Undertaking or any other assets of the Securitisation Undertaking. The Securitisation Undertaking has issued the Notes in respect of its Compartment 2 only so that any and all references to the Issuer in these Terms and Conditions shall be read as a reference restricted to Compartment 2 and to the assets and liabilities allocated thereto and not to the Securitisation Undertaking as a whole. Accordingly, once all the assets allocated to Compartment 2 have been realised, the Noteholders are not entitled to take any further steps against the Issuer to recover any further amount due under the Notes and the right to receive any such amount shall be extinguished.

### § 3

#### **Limited Recourse; Non-Petition**

- (1) All payment obligations of the Issuer under the Notes and any claims against the Issuer constitute obligations exclusively to make payments in an amount limited to any assets of the Compartment 2 (the "**Compartment Assets**"). The Notes shall not give rise to any payment obligation in excess of the Compartment Assets and any accrued claims against the Issuer shall not become due, and recourse shall be limited, accordingly. Once all Compartment Assets of the Compartment 2 have been realised and distributed, the Issuer shall not be committed to any further payments.
- (2) To the extent that the Compartment Assets are ultimately insufficient to satisfy the claims of the Noteholders in relation to that Compartment 2, the Issuer or the Securitisation Undertaking shall not be liable for any shortfall arising and the Noteholders shall not have any further claims against the Issuer or the Securitisation Undertaking (unless such shortfall has been caused by the Issuer's wilful intent or by tortious action). Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time when no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claims of the investors or creditors, and neither assets nor proceeds will be so available thereafter and the investors or creditors shall, in particular, have no recourse and no other right on or claim against other assets of the Issuer or the Securitisation Undertaking, including the assets allocated to other Compartments or those who belong to the general estate of the Securitisation Undertaking, which are not allocated to Compartment 2 and any other Compartment. The claims for full payment shall in such case be extinguished.
- (3) The Noteholders undertake not to open or initiate or join any person initiating any legal proceeding against the Issuer or the Securitisation Undertaking in relation to the claims under the Notes, which lead or could lead to the opening of any insolvency proceedings or of similar proceedings aimed at liquidating the Issuer or the Securitisation Undertaking, the appointment of a liquidator or receiver or to the seizure or enforcement of any of the assets of the Issuer or the Securitisation Undertaking, including the assets allocated to other Compartments or those which belong to the general estate of the Securitisation Undertaking, which are not allocated to

the Compartment 2, provided that this § 3 (2) shall not prevent any Noteholder from taking any steps against the Issuer which do not amount to the initiation or the threat of initiation of any insolvency proceedings in relation to the assets of the Issuer or the Securitisation Undertaking, or similar proceedings aimed at liquidating the Issuer or the Securitisation Undertaking or of any appointment of a liquidator or to the seizure or enforcement of any of the assets of the Issuer or the Securitisation Undertaking.

- (4) All payments by the Issuer shall be made subject to and in accordance with the Priority of Payments set out in § 21 of these Terms and Conditions.

#### § 4 Transfer and Title

- (1) Title to the Notes in definitive form will pass by delivery. The Issuer and/or the Paying Agent will (except as otherwise required by law or as otherwise ordered by a court of competent jurisdiction or an official authority) deem and treat the bearer of any Note in definitive form as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes.
- (2) Subject as set out below, title to the Notes will pass by delivery. The Issuer and/or the Paying Agent will (except as otherwise required by law or as otherwise ordered by a court of competent jurisdiction or an official authority) deem and treat the bearer of any Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of the Global Note, without prejudice to the provisions set out in the next succeeding paragraphs. The Global Note representing the Notes issued on the Issue Date will be deposited with the Common Depositary on or about the Issue Date.
- (3) Following any issues of Notes in accordance with § 22 (1) of these Terms and Conditions or any repurchases and cancellations of Notes in accordance with § 22 (2) of these Terms and Conditions, the Issuer shall arrange that the aggregate Nominal Amount of the Notes represented by the Global Note be written up or down accordingly on the date of each such issue or repurchase and cancellation of Notes.
- (4) The Global Note will be exchangeable for definitive Notes in bearer form only in limited circumstances.
- (5) For so long as the Notes are represented by the Global Note held on behalf of the Clearing System, each person (other than the Clearing System) who is for the time being shown in the records (the "**Records**") of the Clearing System as the Noteholder of a particular aggregate Nominal Amount of Notes (in which regard any note or other document issued by the Clearing System as to the aggregate Nominal Amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agent as the Noteholder of such aggregate Nominal Amount of Notes for all purposes other than with respect to payments of principal or interest in respect of such aggregate Nominal Amount of Notes, for which purpose the bearer of the Global Note shall be treated by the Issuer and the Paying Agent as the Noteholder of such aggregate Nominal Amount of Notes in accordance with and subject to the terms of the Global Note and the expression Noteholder and related expressions shall be construed accordingly.
- (6) The Notes which are represented by the Global Note will be transferable in accordance with the rules and procedures for the time being of the Clearing System.
- (7) The Global Note will become exchangeable in whole, but not in part, for Notes in definitive form in the denomination of EUR 1,000 with respect to the Notes when the Clearing System is closed for business for a period of 15 consecutive Business Days or permanently ceases business or announces an intention to do so.

- (8) Definitive Notes issued in exchange for the Global Note will be issued in bearer form only with coupons attached. The relevant definitive Notes will be made available by the Issuer to the persons set forth in the Records.
- (9) Definitive Notes will be signed (A) manually or in facsimile by any two members of the board of directors of the Management Company who are both in office at the time of the issue of such definitive Notes or (B) manually or in facsimile by one member of the board of directors of the Management Company who is in office at the time of the issue of such definitive Notes and manually by a person to whom the authority to sign has been delegated by the board of directors of the Management Company, provided that a true certified copy of the instrument delegating such authority to a person who is not member of the board of directors of the Management Company has been lodged with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*). Definitive Notes will be authenticated by the Paying Agent.
- (10) For these purposes:
- (a) "**Business Day**" means each day (other than a Saturday, a Sunday or a public holiday) on which banks in the Federal Republic of Germany and in the Grand Duchy of Luxembourg are open for business and on which the Clearing System as well as all relevant parts of the real time gross settlement system operated by the Eurosystem or any successor system ("**T2**") are operational to forward the relevant payment.
- (b) "**Clearing System**" means Clearstream Banking S.A., having its registered address at 42, Avenue John Fitzgerald Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg and Euroclear Bank SA/NV as operator of the Euroclear Systems, having its registered address at 1 Boulevard du Roi Albert IIB-1210 Brussels, Belgium.
- (c) "**Common Depository**" means a common depository for the Clearing System.

## § 5

### **Status of the Notes; Negative Pledge**

- (1) The Notes constitute direct, unsecured and limited recourse debt obligations of the Issuer and rank *pari passu* and rateably, without any preference among themselves, with all other existing direct, unsecured, limited recourse indebtedness of the Issuer, which has been or will be allocated to Compartment 2 but, in the event of insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation), only to the extent permitted by applicable laws relating to creditors' rights generally.
- (2) So long as the Notes remain outstanding, the Issuer may not create or permit to exist any mortgage, lien (other than liens arising by operation of law), pledge, charge or other security interest upon the whole or any part of its present or future assets or revenues allocated to Compartment 2 to secure any loan debt, guarantee or other obligation unless the Notes share in and are equally and rateably secured by such mortgage, lien, pledge, charge or other security interest, and the instrument creating such mortgage, lien, pledge, charge or other security interest expressly so provides.

## § 6

### **Reference Portfolio; Use of Issuance Proceeds; Cash Accounts Structure**

- (1) Payments under the Notes are linked to the performance of the Reference Portfolio managed by the Reference Portfolio Advisor in accordance with the Reference Portfolio Methodology. For these purposes:

- (a) **"Reference Portfolio"** means the reference portfolio composed by the Reference Portfolio Advisor in accordance with the Reference Portfolio Methodology, which aims to predominantly replicate the performance of a basket of Reference Debt Security Components and Reference Fund Components.
  - (b) **"Reference Portfolio Advisor"** means the entity appointed as reference portfolio advisor by the Issuer from time to time, initially being Aquila Capital Investmentgesellschaft mbH.
  - (c) **"Reference Debt Security Components"** has the meaning given in Section 9.1.1(a) of the Reference Portfolio Methodology.
  - (d) **"Reference Fund Components"** has the meaning given in Section 9.1.1(b) of the Reference Portfolio Methodology.
  - (e) **"Reference Portfolio Components"** has the meaning given in Section 9.1.1(b) of the Reference Portfolio Methodology.
  - (f) **"Reference Portfolio Methodology"** means the reference portfolio methodology set out in Section 9 of the most recent prospectus in respect of the Notes and also freely accessible on the website of the Issuer (telekia.lu).
- (2) The Issuer shall use all proceeds received from the issuance of the Notes, whether in cash or in kind, for general corporate purposes and in order to hedge its payment obligations under the Notes. When hedging its obligations under the Notes, the Issuer may, but shall not be obliged to, use some or all of the issuance proceeds to make direct or indirect investments in the Reference Fund Components and/or Reference Debt Security Components comprising the Reference Portfolio from time to time.

When hedging its payment obligations under the Notes, the Issuer shall:

- (a) after deducting all costs incurred in connection with the issuance of the Notes, establish and maintain at all times the Liquidity Reserve (as defined below) on the Cash Account maintained with the Account Bank (in each case, as defined in § 6 (3) of these Terms and Conditions);

where the **"Liquidity Reserve"** means at any time, an amount equal to the anticipated taxes, fees and other charges (including any fees payable to the service providers under the Transaction Agreements (§ 23 (1))) and any other relevant payments in connection with Compartment 2 (including any fees and costs accrued on the level of the Securitisation Undertaking, but allocated to Compartment 2 in accordance with the Management Regulations) and its hedging of its payment obligations under the Notes, which the Issuer expects it would have to pay or make during the next following 12 (in words: twelve) months.

The Liquidity Reserve shall be used by the Issuer only as described above and shall not be used to pay any other amounts as contemplated in § 21 (1) (c) of these Terms and Conditions. **(For the avoidance of doubt**, to the extent to which the Issuer terminates and early redeems the Notes in accordance with § 13 of these Terms and Conditions, the Liquidity Reserve standing to the credit of the Cash Account shall be taken into account for the purposes of calculating the Termination Amount);

- (b) pay any taxes and other mandatory fees, costs and charges, which the Issuer is required to pay by any court or any governmental or administrative authority in Luxembourg or which are imposed or levied pursuant to any applicable law;
- (c) pay any fees, costs and charges which may be duly payable by the Issuer, in particular under or in connection with the Transaction Agreements (§ 23 (1));

- (d) pay any interest, principal or any other amount which is due and payable by the Issuer to the Noteholders in accordance with these Terms and Conditions; and
- (e) make any other payments which may be due and payable by the Issuer from time to time,

in each case, subject to and in accordance with the Priority of Payments set out in § 21 of these Terms and Conditions.

- (3) In order to make payments due under or in connection with the Notes and in order to receive amounts due to it in connection with the issuance of the Notes as well in the course of hedging its payment obligations under the Notes, as well as under any related agreements, in accordance with the terms of the relevant paying agency agreement (as amended and/or restated from time to time) (the "**Paying Agency Agreement**"), the Issuer shall open a cash account (the "**Cash Account**") with Banque et Caisse de l'Epargne de l'Etat, Luxembourg, as account bank of the Issuer (the "**Account Bank**").

The Cash Account shall be credited with:

- (a) the net proceeds received by the Issuer in connection with the issuance of the Notes;
- (b) any distributions and proceeds or other payments to the Issuer (after deduction of all taxes, fees, costs and other relevant payments) in connection with any assets acquired by the Issuer in the course of hedging its payment obligations under the Notes and any other payments to the Issuer in connection with any related agreements;
- (c) any amounts of (positive) interest accruing to the Cash Account, in each case, until the date of its credit in accordance with the Paying Agency Agreement.

The Cash Account shall be debited with:

- (a) all amounts due from the Issuer in connection with hedging its payment obligations under the Notes, including, without limitation, the subscription for or, as the case may be, acquisition or purchase of any Reference Portfolio Components;
  - (b) any taxes and other mandatory fees, costs and charges, which the Issuer is required to pay by any court or any governmental or administrative authority in Luxembourg or which are imposed or levied pursuant to any applicable law;
  - (c) any amounts of (negative) interest to be deducted from the Cash Account, in each case, until the time of the debit in accordance with the Paying Agency Agreement;
  - (d) any payments of fees, costs and charges which may be duly payable and evidenced by the Issuer, in particular under or in connection with the Transaction Agreements; and
  - (e) any payments by the Issuer to the Noteholders under or in accordance with these Terms and Conditions.
- (4) The balance of the Cash Account may be 0 (in words: zero), but cannot become negative.
  - (5) In accordance with the terms of the Paying Agency Agreement, the balance of the Cash Account shall bear interest at such interest rate and over such interest periods as is customary for similar cash accounts held with an account bank. **For the avoidance of doubt:** In certain circumstances, such interest rate may be negative.

**§ 7**

**Maturity Date; Maturity Extension Option; Redemption Amount**

- (1) The term of the Notes shall begin on the Issue Date and, provided that the Notes have not been redeemed early by the Issuer in accordance with § 13 of these Terms and Conditions and subject to the exercise of the Maturity Extension Option in accordance with this § 7 (2) of these Terms and Conditions, shall end on the Maturity Date. The Issuer shall initiate the redemption or, as the case may be, liquidation of all non-cash assets held by it for the purposes of hedging its payment obligations under the Notes with view to completing such liquidation by no later than 30 September 2028 (the "**Scheduled Maturity Date**"). The Issuer shall pay to each Noteholder on the Maturity Date the Redemption Amount for each Note held by such Noteholder as of the Maturity Date.
- (2) The Issuer has the right (the "**Maturity Extension Option**") to extend the term of all Notes then outstanding by notification to the Noteholders (with a copy to the Calculation Agent and the Paying Agent) in accordance with § 24 of these Terms and Conditions (such notification is referred to as the "**Extension Notification**") by two (2) additional periods, each such period not exceeding one (1) year. The date on which the extension period ends after the exercise of the Maturity Extension Option by the Issuer will then be considered the "Scheduled Maturity Date". Such Extension Notification shall be given by the Issuer with a notice period of at least one (1) calendar month prior to the Scheduled Maturity Date in effect at the time of the Extension Notification.
- (3) The payment of the Redemption Amount by the Issuer shall be limited to the extent of available amounts credited to the balance of the Cash Account.
- (4) For the purposes of these Terms and Conditions:

"**Liquidation Completion Date**" means the tenth (10<sup>th</sup>) Business Day after the date on which the Issuer receives the final redemption or, as the case may be, liquidation proceeds in respect of all non-cash assets held by the Issuer for the purposes of hedging its payment obligations under the Notes.

"**Maturity Date**" means the earlier of:

- (a) the Scheduled Maturity Date, as may be extended from time to time by the Issuer in accordance with § 7 (2) of these Terms and Conditions; and
- (b) the Liquidation Completion Date.

If (i) such date is not a Business Day or (ii) a Reference Portfolio Determination Disruption Event has occurred and is continuing on such date, then the Maturity Date shall, if so determined by the Calculation Agent and subject to the occurrence of a Note Disruption Event in accordance with § 8 of these Terms and Conditions, be postponed to the next succeeding Business Day on which no such event exists.

"**Redemption Amount**" means, subject § 3 and § 21 of these Terms and Conditions, in relation to each Note an amount in EUR equal to:

- (a) either:
  - (i) if the Maturity Date is determined in accordance with limb (a) of the definition of "Maturity Date", the Reference Portfolio Value on the Scheduled Maturity Date (for the avoidance of doubt, after taking into account any adjustments to the Reference Portfolio Value on such date); or
  - (ii) if the Maturity Date is determined in accordance with limb (b) of the definition of "Maturity Date", the positive balance (if any) standing to the credit of the Cash Account as of the Liquidation Completion Date; in either case, *minus*

- (b) an amount sufficient to discharge all of the Issuer's payment obligations under § 21 (1) (a) to (c) of the Priority of Payments; the result floored at zero and then *divided by*
- (c) the number of all outstanding Notes as of the Maturity Date.

"**Reference Portfolio Determination Disruption Event**" means the suspension of the valuation of the Reference Portfolio Components as well as of the calculation of the Reference Portfolio Value in accordance with Section 9.2.5 of the Reference Portfolio Methodology.

"**Reference Portfolio Value**" has the meaning given in Section 9.2.1 of the Reference Portfolio Methodology.

## § 8

### Note Disruption Event, Adjustments

- (1) If, at any time, the Calculation Agent determines the existence of a Note Disruption Event on the Scheduled Maturity Date, the Issuer shall be entitled:
  - (a) to make such determinations and/or adjustments to these Terms and Conditions as it determines appropriate to account for the Note Disruption Event, which may include, without limitation,
    - (i) delaying any determination or payments (in whole or in part) in accordance with these Terms and Conditions until it determines that no Note Disruption Event exists, and/ or
    - (ii) making payments of any amount payable to Noteholders in accordance with these Terms and Conditions in instalments, and/or
  - (b) to adjust any amount payable in accordance with these Terms and Conditions to economically reflect the impact of the relevant Note Disruption Event on any non-cash assets held by the Issuer for the purposes of hedging its payment obligations under the Notes. In particular, but without limitation, in circumstances where the Calculation Agent determines that the net asset value of such non-cash assets held by the Issuer for the purposes of hedging its payment obligations under the Notes as of the Scheduled Maturity Date is not equal to the redemption or, as the case may be, liquidation proceeds which have been or would be received by the Issuer when redeeming or, as the case may be, liquidating such non-cash assets, the Issuer shall be entitled to adjust any amount payable in accordance with these Terms and Conditions as if these redemption or, as the case may be, liquidation proceeds had been used by the Reference Portfolio Advisor for the purposes of determining the relevant Reference Portfolio Value.
- (2) Adjustments and determinations pursuant to this § 8 of these Terms and Conditions shall be effected by the Issuer in its reasonable discretion, under consideration of the Reference Portfolio Value and the market conditions then prevailing and preserving the value of the Notes. Any adjustment or determination shall be notified to the Noteholders in accordance with § 24 of these Terms and Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.
- (3) For the purposes of these Terms and Conditions:

"**Components Valuation Principles**" has the meaning given in Section 9.2.4 of the Reference Portfolio Methodology.

A "**Note Disruption Event**" means the occurrence of (a) Reference Portfolio Disruption Event in respect of any Reference Portfolio Component(s) and/or (b) a Reference Portfolio



Determination Disruption Event in relation to a Reference Portfolio Valuation Date continues to exist for more than 20 (in words: twenty) consecutive Business Days, each within the meaning of the Reference Portfolio Methodology.

"Reference Portfolio Valuation Date" has the meaning given in Section 9.2.1 of the Reference Portfolio Methodology.

**§ 9**  
**Variable Coupon Amount**

- (1) Subject to § 3 and § 21 of these Terms and Conditions, in the period from (and including) the Issue Date to (but excluding) the Maturity Date or, if earlier, the Ordinary Termination Date or the Termination Date, each outstanding Note shall bear interest in an amount equal to the liquidity-contingent Variable Coupon Amount. Interest in respect of each Coupon Period shall be paid on the Coupon Payment Date in respect of such Coupon Period.
- (2) Subject to the provisions of § 3, § 8 and § 21 of these Terms and Conditions, the "**Variable Coupon Amount**" per Note in respect of a Coupon Period shall be an amount in EUR equal to:
  - (a) the greater of:
    - (i) either:
      - (A) the most recent Reference Portfolio Value determined on or prior to the Coupon Payment Date in respect of such Coupon Period *minus* the Reference Portfolio Value on the Issue Date; or
      - (B) such lower amount as determined by the Issuer in its sole and absolute discretion; and
    - (ii) zero;
  - (b) an amount sufficient to discharge all of the Issuer's payment obligations under items (a) and (b) of the Priority of Payments and following deduction of the Liquidity Reserve, the result floored at zero;
 

*divided by*
  - (c) the number of all outstanding Notes as of the relevant Coupon Payment Date.
- (3) The Issuer shall only pay a Variable Coupon Amount **if and to the extent that** the Calculation Agent, acting in its reasonable discretion, on the basis of the information provided by the Issuer, determines that, on the relevant Coupon Payment Date, the balance of the Cash Account following payment of a Variable Coupon Amount in accordance with § 9 (1) of these Terms and Conditions shall be no lower than the Liquidity Reserve.
- (4) The Calculation Agent shall calculate the Variable Coupon Amount in respect of a Coupon Period and the Issuer shall notify the Noteholders in accordance with § 24 of these Terms and Conditions of such Variable Coupon Amount prior to the relevant Coupon Payment Date.
- (5) For the purposes of these Terms and Conditions:
 

**"Coupon Payment Date"** means, in respect of any Coupon Period, the fifth (5<sup>th</sup>) Business Day after the end of the relevant Coupon Period, *provided that* the Coupon Payment Date in respect of the last Coupon Period shall be the earlier of (i) the Maturity Date in respect of the last

outstanding Notes and (ii) the Ordinary Termination Date or, as the case may be, the Termination Date in respect of the Notes.

**"Coupon Period"** means (i) the period from (and including) the Issue Date to (and including) 30 September 2024 and (ii), thereafter, each period from (and including) 30 September of each calendar year to (but excluding) 30 September of the immediately succeeding calendar year, *provided that* the last Interest Period shall end on (and include) the earlier of (A) the Maturity Date in respect of the last outstanding Notes and (B) the Ordinary Termination Date or, as the case may be, the Termination Date in respect of the Notes.

**§ 10  
Calculation Agent and Paying Agent**

- (1) Oaklet GmbH shall act as calculation agent in respect of the Notes (the **"Calculation Agent"**) and Banque et Caisse de l'Epargne de l'Etat, Luxembourg, shall act as paying agent in respect of the Notes (the **"Paying Agent"**).
- (2) The Issuer shall appoint the Calculation Agent under a calculation agency agreement (as amended and/or restated from time to time, the **"Calculation Agency Agreement"**) and shall appoint the Paying Agent under the Paying Agency Agreement.
- (3) The Issuer shall be entitled to replace the Calculation Agent at any time with another credit or financial services institution (an **"Institution"**) who has its head office or maintains a branch in a Member State of the European Union as well as to appoint or revoke the appointment of one or more additional calculation agents. The Issuer shall also be entitled to replace the Paying Agent at any time with another Institution who has its head office or maintains a branch in the Federal Republic of Germany or the Grand Duchy of Luxembourg, as well as to appoint or revoke the appointment of one or more additional paying agents. Any such replacement, appointment and revocation shall be notified to the Noteholders without undue delay in accordance with § 24 of these Terms and Conditions.
- (3) Each of the Calculation Agent and the Paying Agent shall be entitled to resign from its role as calculation agent or, as the case may be, paying agent in respect of the Notes at any time, provided that such resignation shall only take effect once the Issuer appoints another Institution as calculation agent or, as the case may be, paying agent in respect of the Notes. Any such resignation and appointment shall be notified to the Noteholders without undue delay in accordance with § 24 of these Terms and Conditions.
- (4) The Calculation Agent and the Paying Agent shall act at all times only as agents of the Issuer and shall have no obligations whatsoever vis-à-vis the Noteholders. In the absence of manifest error or fraud, all calculations and determinations by the Calculation Agent shall be final and binding on all parties. Neither the Issuer, nor the Paying Agent shall be responsible for investigating the entitlement of any Noteholder.

**§ 11  
No Ordinary Termination Right of the Noteholders**

- (1) The Noteholders shall not have an ordinary termination right in respect of the Notes.

**§ 12  
Ordinary Termination Right of the Issuer**

- (1) If and to the extent that, at any time, the Calculation Agent, acting in its reasonable discretion, on the basis of the information provided by the Issuer, determines that, on the immediately

following Coupon Payment Date, there would be a positive balance standing to the credit of the Cash Account after taking into account the Issuer's payment obligations on such Coupon Payment Date under limbs (a), (b) and (c) of the Priority of Payments and following deduction of the Liquidity Reserve, the Issuer shall have the right to ordinarily terminate all (but not some only) outstanding Notes on such Coupon Payment Date (the "**Ordinary Termination Date**") against payment of the Termination Amount.

- (2) To exercise its ordinary termination right in accordance with § 12 (1) of these Terms and Conditions, the Issuer shall give not less than ten (10) Business Days' prior written notice to the Noteholders in accordance with § 24 of these Terms and Conditions, stating that the Issuer exercises its ordinary termination right and specifying the relevant Ordinary Termination Date on which such termination would take effect.
- (3) Subject to the provisions of § 3, § 8 and § 21 of these Terms and Conditions, the "**Termination Amount**" per outstanding Note shall be an amount in EUR equal to:
  - (a) the redemption or realisation proceeds with respect all non-cash assets held by the Issuer for the purposes of hedging its payment obligations under the Notes; *plus*
  - (b) without double-counting, the positive balance (if any) standing to the credit of the Cash Account as of the date on which the Issuer receives such redemption or realisation proceeds in full; *minus*
  - (c) an amount sufficient to discharge all of the Issuer's payment obligations under § 21 (1) (a), (b) and (c) of the Priority of Payments and following deduction of the Liquidity Reserve; the result floored at zero and then *divided by*
  - (d) the number of all outstanding Notes as of the Ordinary Termination Date or, as the case may be, the Termination Date.

For the avoidance of doubt, the Termination Amount can be 0 (in words: zero).

### § 13

#### **Extraordinary Termination of the Issuer**

- (1) Following the occurrence of a Termination Event (as defined below), the Issuer shall be entitled, but not obliged, to terminate and redeem all but not some of the outstanding Notes against payment of the Termination Amount on the Termination Payment Date by notifying the Noteholders in accordance with § 24 of these Terms and Conditions of the Business Day on which such extraordinary termination shall take effect (the "**Termination Date**"). The Issuer shall initiate the redemption or, as the case may be, liquidation of all non-cash assets held by it for the purposes of hedging its payment obligations under the Notes on the Termination Date. Following payment by the Issuer of the Termination Amount in respect of the Notes, the Notes shall be redeemed and all further claims by the Noteholders in respect of the Notes shall be extinguished.
- (2) Each of the following shall constitute a "**Termination Event**", provided it has an adverse economic effect on the Notes:
  - (a) An Issuer Liquidation Event occurs and:
    - (i) the Management Company, acting for and on behalf of the Issuer, declares the early liquidation of the Issuer (without having to liquidate any other compartment of the Securitisation Undertaking or the Securitisation Undertaking, except where no other compartment remains in existence as of the relevant Issuer Liquidation Date); or

- (ii) the Issuer and/or the Securitisation Undertaking is put into forced liquidation pursuant to the Luxembourg Securitisation Law.
  - (b) There is a risk that the Issuer may lose its status under the Luxembourg Securitisation Law or has to be subject to regulation within the meaning of the Luxembourg Securitisation Law.
  - (c) The Issuer determines in its reasonable discretion that (i) the performance of its obligations under the Notes is or will become, in full or in part, unlawful, illegal or otherwise prohibited under current or future applicable legal provisions, rules, judgments, orders or directives of a government, administrative or legislative authority or power, or a court, or due to a change in interpretation thereof) or (ii) it will incur a materially increased cost in performing its obligations under such Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefits or other adverse effect on its tax position).
  - (d) The Issuer is unable, after using commercially reasonable efforts, (i) to carry out, continue or process transactions or to acquire, replace, hold or sell assets, which the Issuer considers necessary for the hedging of price risks in relation to its obligations under the Notes or (ii) to realise, recover or remit the proceeds of any transaction or any asset.
  - (e) Compared with the circumstances existing on the Issue Date, the Issuer is liable to pay materially higher taxes, duties, expenses or fees (other than any brokerage fees) ("**Increased Costs**") in order to (i) enter into, conduct or unwind any transactions or, as the case may be, acquire, exchange, hold or dispose of any assets which the Issuer considers necessary to secure its obligations under the Notes or (ii) realise, recover or remit the proceeds of such transactions or, as the case may be, assets, *provided that* any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or of any of its affiliated companies shall not constitute an Increased Costs.
  - (f) Aquila Capital Investmentgesellschaft mbH ceases to be or act as Reference Portfolio Advisor or to manage and calculate the Reference Portfolio in accordance with the Reference Portfolio Methodology and the Issuer determines, in its reasonable discretion, that it cannot appoint an alternative or replacement reference portfolio advisor on substantially similar terms within a reasonable period of time.
  - (g) At any time, a Note Disruption Event occurs in respect of any Reference Fund Component or Reference Debt Security Component.
  - (h) The Issuer determines, in its reasonable discretion, that the Reference Portfolio qualifies as a "benchmark" within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 and the Issuer or the Calculation Agent, as the case may be, either (i) can no longer determine or calculate amounts payable under the Notes by reference to such "benchmark" or (ii) has control over the provision of such "benchmark" without having the appropriate authorisation, registration, recognition, endorsement, equivalence, approval or inclusion in any official register as required by law or regulation, in each case, for the purposes of performing its respective obligations under these Terms and Conditions.
- (3) For these purposes:
- (a) "**Issuer Liquidation Date**" means the date on which the early liquidation of the Issuer is declared.
  - (b) "**Issuer Liquidation Event**" means each of:

- (i) the Compartment Assets are insufficient for the Issuer to comply with its payment obligations under or in respect of the Notes; and
  - (ii) the Issuer fulfils the criteria for becoming an authorised securitisation undertaking, but does not apply for, or receive, the required authorisation from the Commission de Surveillance du Secteur Financier (or any successor supervisory body or authority) within a reasonable period of time.
- (c) "**Termination Payment Date**" means the tenth (10<sup>th</sup>) Business Day following the date on which the Issuer receives the redemption or realisation proceeds with respect all non-cash assets held by the Issuer for the purposes of hedging its payment obligations under the Notes after the Issuer initiates the redemption or realisation of such non-cash assets on the Termination Date.

#### § 14 Payments

- (1) In case of definitive Notes, the Issuer shall arrange for the transfer of any relevant amount in EUR through the Paying Agent for payment to the Noteholders. Such payment shall be made by the Paying Agent only against presentation or surrender (and, in the case of part payment of any sum due, endorsement) of such definitive Notes at the specified office of the Paying Agent or, in case of payment of any Variable Coupon Amount, only against presentation or surrender (and, in the case of part payment of any amount due, endorsement) of the coupons of such definitive Notes at the specified office of the Paying Agent.
- (2) In case of definitive Notes, payments in respect of the Notes will be made by credit or transfer to a EUR denominated account maintained by the payee with, or, at the option of the payee by a cheque in EUR drawn on, a bank located in a Member State of the European Union.
- (3) Payments in respect of Notes represented by a Global Note will be made (subject as provided below) in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of the Paying Agent. A record of each payment made against presentation or surrender (as the case may be) (and, in the case of part payment of any sum due, endorsement) of any Global Note will be made on such Global Note by the Paying Agent to which it was presented or surrendered and such record shall be *prima facie* evidence that the payment in question has been made.
- (5) The bearer of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer's payment obligations in respect thereof will be discharged pro tanto by payment to, or to the order of, the bearer of such Global Note in respect of each amount so paid. Each of the persons shown in the records of the Clearing System as the beneficial holder of a particular principal amount of Notes represented by such Global Note must look solely to the Clearing System for his share of each payment made by the Issuer to, or to the order of, the bearer of such Global Note. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as such Global Note is outstanding and the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.
- (6) Every payment of any amount due in respect of the Notes to or to the account of the Paying Agent in the manner provided for in the Paying Agency Agreement shall operate in satisfaction *pro tanto* of the relative obligation of the Issuer in respect of such Notes to pay such amount.
- (7) Unless stated otherwise, all determinations to be made under these Terms and Conditions (including, without limitation, all determinations of any Redemption Amount, Variable Coupon Amount or Termination Amount) shall be made by the Calculation Agent. Any determinations

made by the Calculation Agent or by the Issuer under these Terms and Conditions shall (in the absence of wilful misconduct, bad faith or manifest error) be binding on the Noteholders.

- (8) For the purposes of these Terms and Conditions, any determination of fees, costs and charges payable by the Issuer will be made by the Issuer in a reasonable manner. Such determination shall (in the absence of wilful misconduct, bad faith or manifest error) be binding on the Noteholders. The determination of such fees, costs and charges shall not be subject to any external review.
- (9) When making payments to the Noteholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.
- (10) All payments will be subject to any fiscal or other laws and regulations applicable thereto in the place of payment. A payment made in accordance with the provisions of this § 14 shall be a good discharge of the Issuer.
- (11) The Noteholders shall not be entitled to any interest or any other payment for any delay after the due date in receiving the amount due as a result of the due date not being a Business Day or if the Noteholders are late in surrendering the relevant Notes or otherwise as provided in § 14 (1) and/or (3) of these Terms and Conditions.
- (12) To the extent the date on which any payment in respect of the Notes becomes due is not a Business Day, the Noteholders shall only be entitled to receive payment on the next following Business Day and shall have no claim to any additional interest or other payments with respect to such delay.

#### **§ 15 Taxation**

- (1) All payments by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Luxembourg or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
- (2) Notwithstanding any other provision in these Terms and Conditions, the Issuer or the Paying Agent shall be permitted to withhold or deduct any amounts 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 and any regulations or agreements thereunder or official interpretations thereof (FATCA).

#### **§ 16 Prescription**

- (1) Claims against the Issuer for any payment in respect of the Notes shall be prescribed and become void unless made within 10 (ten) years (in the case of principal) and 5 (five) years (in the case of interest) from the date on which the relevant payment first becomes due.
- (2) The Luxembourg act dated 3 September 1996 on the involuntary dispossession of bearer securities, as amended (the "**Involuntary Dispossession Act 1996**") requires that any amount that is payable under the Notes, (but has not yet been paid to the holders of the Notes), in the event that (i) an opposition has been filed in relation to the Notes and (ii) the Notes mature prior to becoming forfeited (as provided for in the Involuntary Dispossession Act 1996), is paid to

the *Caisse des consignations* in Luxembourg until the opposition has been withdrawn or the forfeiture of the Notes occurs.

**§ 17**  
**Meetings of the Noteholders**

- (1) Articles 470-1 to 470-20 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended (the "**Companies Act 1915**") are not applicable to the Notes.
- (2) The Paying Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the power to agree by Extraordinary Resolution to any modification of, among other things, the Terms and Conditions of the Notes (including, without limitation, the timing or quantum of any amounts payable by the Issuer under the Terms and Conditions of the Notes) or of the Paying Agency Agreement. An "**Extraordinary Resolution**" is, according to the Paying Agency Agreement, (a) a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of the Paying Agency Agreement by a majority of not less than 66.6 per cent. of the votes given on the poll or (b) a resolution in writing signed by or on behalf of all the Noteholders, which resolution in writing may be contained in one document or in several documents in similar form each signed by or on behalf of one or more of the Noteholders.
- (3) All resolutions which, in accordance with the provisions for convening meetings of the Noteholders set out in the Paying Agency Agreement, are not required to be in the form of Extraordinary Resolution will be adopted in the form of "**Ordinary Resolutions**", being a resolution adopted by a simple majority of the votes cast at a meeting of the Noteholders.
- (4) A meeting of the Noteholders may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten (10) per cent. in Nominal Amount of the Notes for the time being remaining outstanding. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 66.6 per cent. in Nominal Amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the Nominal Amount of the Notes so held or represented. The quorum at any meeting for passing an Ordinary Resolution will be one or more persons holding or representing not less than five (5) per cent. in Nominal Amount of the Notes for the time being outstanding.
- (5) An Extraordinary Resolution or an Ordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders and the holders of any coupons, whether or not they are present at the meeting.

**§ 18**  
**Modification**

- (1) The Issuer may make, without the consent of the Noteholders, any modification to the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated or to reflect any change of law which has an impact on the Issuer's obligations under the Notes.
- (2) Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders by way of a notice in accordance with § 24 of these Terms and Conditions.

**§ 19  
Substitution**

- (1) The Issuer may, under no circumstances, be replaced as issuer and the principal debtor under the Notes.

**§ 20  
Replacement of Notes**

- (1) The replacement of the Notes and any coupons, in the case of loss or theft, is subject to the procedure of the Involuntary Dispossession Act 1996.
- (2) If a Note or any coupon is mutilated or defaced, the mutilated or defaced Note or coupon must be surrendered before replacements will be issued.
- (3) Expenses and fees incurred by the Issuer in connection with the issue of replacement Notes and any coupons will be payable by the claimant to the Issuer before replacements will be issued.

**§ 21  
Priority of Payments**

- (1) The Issuer shall apply the positive balance (if any) standing to the credit of the Cash Account for the following purposes and only in the following order (the "**Priority of Payments**"):
  - (a) to pay any taxes due and payable by the Issuer or, as the case may be, other amounts due and payable by the Issuer to any creditor(s) of the Issuer preferred by law;
  - (b) to pay and discharge any other obligations of the Issuer to third parties, in particular to the Management Company under the Management Regulations or to any other party in connection with the Transaction Agreements;
  - (c) to pay any Variable Coupon Amount due and payable on the Notes in accordance with § 9 of these Terms and Conditions;
  - (d) to pay any Termination Amount due and payable on the Notes following (i) an ordinary termination of the Notes by the Issuer in accordance with § 12 of these Terms and Conditions or, as the case may be, (ii) an extraordinary termination of the Notes by the Issuer in accordance with § 13 of these Terms and Conditions;
  - (e) to pay any other amounts under or in connection with these Terms and Conditions to the extent such amounts are due and payable.
- (2) Payments ranking on any level of the Priority of Payments shall only be made if and to the extent that all payments on all higher ranking levels due and payable on such date have been made in full and there is still a positive balance remaining to the credit of the Cash Account. All payments ranking on the same level of the Priority of Payments rank *pari passu* to and shall be made pro rata with each other.

**§ 22  
Increase; Further Issuances; Purchase and Cancellation; Initial Issue Price**

- (1) The Issuer is entitled at any time, without the Noteholders' prior consent, to issue further notes in accordance with these Terms and Conditions with the same Terms and Conditions as the



Notes. Such further notes shall be consolidated and form a single tranche with the Notes. Following each such issuance, all references in these Terms and Conditions to the "Notes" shall be deemed to include all further notes so issued and consolidated.

- (2) The Issuer may at any time purchase Notes in the open market or otherwise and at any price. All Notes purchased by the Issuer shall be cancelled and may not be reissued or resold.
- (3) The issue price per Note for any Notes issued on the Issue Date shall be equal to the Nominal Amount per Note.

### **§ 23**

#### **Further Obligations of the Issuer**

- (1) The Issuer agrees, in relation to Compartment 2 and in particular to the Compartment Assets, not to assume any obligations other than those arising from or in connection with (i) any Reference Portfolio Components and any associated agreements (including, without limitation, any subscription agreement or partnership agreement in respect of any Reference Fund Component or Reference Debt Security Component), (ii) the Paying Agency Agreement, (iii) the Calculation Agency Agreement, (iv) any reference portfolio advisory agreement with the Reference Portfolio Advisor, (v) any reimbursement agreement(s) for taxes and/or fees, costs and expenses with the holder(s) of any units in the Issuer or with the holder(s) of any units in the Securitisation Undertaking or any Compartment of the Securitisation Undertaking (other than Compartment 2), in each case, as long as such holder(s) have no substantive business activity other than holding of such units and matters incidental thereto, and (vi) legal and tax advisory agreements, in each case, as may have been amended, novated, supplemented or extended from time to time, (together, the "**Transaction Agreements**") and not to perform any activities other than those arising from or in connection with the Transaction Agreements. Notwithstanding the above, the Issuer shall at any time be entitled to enter into obligations for the purposes of complying with any legal or regulatory requirements as well as, if necessary, of avoiding any detriment or other negative impact in relation to the Issuer, its board of directors, the other Compartments or the Noteholders.
- (2) The Issuer undertakes to limit its obligations that are not related to Compartment 2 or other Compartments and to include limitation of liability and non-petition clauses in all future agreements concerning obligations of Compartment 2 that are substantially the same as the provisions of § 3 of these Terms and Conditions.

### **§ 24**

#### **Notices**

- (1) All notices shall be in the English language.
- (2) As long as the Global Note representing any Notes is held by a Common Depository on behalf of the Clearing System, notices in respect of such Notes will be deemed to be validly given by the delivery of the relevant notice to the Clearing System for communication to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the day on which the said notice was given to the Clearing System. Notices in respect of Notes in definitive form (if issued) will be deemed to be validly given if published on the website of the Calculation Agent ([www.oaklet.de](http://www.oaklet.de) or any successor website designated for such purpose by notice to the Noteholders). Any such notice shall be deemed to have been given to the Noteholders on the day on which it is published on such website.
- (3) Notices to be given by the Noteholders shall be in writing and given by lodging the same, together (in the case of Notes in definitive form) with the Notes, with the Paying Agent. While the Notes are represented by the Global Note, such notice may be given by the Noteholders to

the Paying Agent through the Clearing System in such manner as the Paying Agent and/or the Clearing System, as the case may be, may approve for this purpose.

§ 25

**Governing Law, Partial Invalidity and Corrections**

- (1) The Notes are governed by, and shall be construed in accordance with, Luxembourg law.
- (2) The place of performance is the Grand Duchy of Luxembourg.
- (3) The Luxembourg district courts are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Noteholders irrevocably submit to the jurisdiction of the Luxembourg district courts and waive any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.
- (4) If any of the provisions of these Terms and Conditions is or becomes invalid in whole or in part, the remaining provisions shall remain valid. The invalid provision shall be replaced by a valid provision, which, to the extent legally possible, serves the economic purposes of the invalid provision. The same applies to gaps, if any, in these Terms and Conditions.

## 11. SUBSCRIPTION, SALE AND OFFER OF THE NOTES

### 11.1 Offer of the Notes

#### 11.1.1 Offer Period

The offer period is expected to commence on the day following the date of this Prospectus and terminate on 15 June 2024 (the expiration date of the Prospectus) subject to shortening the period (the "Offer Period").

During the Offer Period, the up to 150,000 (in words: one hundred fifty thousand) Notes will be offered by financial intermediaries to retail and institutional investors in compliance with applicable selling restrictions. An offer to the public will be made in the countries specified under section "3.4 Consent to the Use of the Prospectus" on page 60 of this Prospectus.

On completion of the offer of the Notes during the Offer Period, the Issuer will announce the results of the offer on the website of the Issuer (telekia.lu).

The Issuer reserves the right for any reason to close the Offer Period early. Notice of the early closure of the Offer Period will be made to investors by means of a notice published on the website of the Issuer (telekia.lu).

#### 11.1.2 Pricing of the Notes

The Notes will be issued to financial intermediaries. Investors can purchase the Notes through such financial intermediaries.

The scheduled Issue Date of the Notes is 31 July 2023, but the Issuer reserves the right to postpone the Issue Date for a maximum period of ten (10) weeks if market conditions so require. In such case the Issuer will notify the postponed Issue Date to the relevant financial intermediaries by not less than ten (10) Business Days' prior written notice. Notice of any postponement of the scheduled Issue Date will be made to investors by means of a notice published on the website of the Issuer (telekia.lu).

The issue price per Note on the Issue Date will be equal to the Nominal Amount per Note. An investor can purchase the Notes on the Issue Date against payment of the issue price *plus* an agio of up to 5 per cent (and, therefore, up to EUR 50 per Note), as set by the relevant financial intermediary.

At all times thereafter, the issue price per Note will be adjusted on a continuous basis and will reflect the market value of the Notes. The market value will reflect the demand for and supply of the Notes prevailing at the time of determination, the Reference Portfolio Value at such time, as well as anticipated developments of the Reference Portfolio Value, and prevailing market conditions. An investor can purchase the Notes after the Issue Date against payment of the relevant issue price *plus* an agio of up to 5 per cent, as set by the relevant financial intermediary.

Any agio paid by an investor in addition to the issue price may be used by the Issuer to pay the distribution fees of the relevant financial intermediary. Further and in addition, the Issuer may also use up to 1 per cent. of the issue price per Note to pay the distribution fees of the relevant financial intermediary.

The estimated total expenses of the issue and/or offer are EUR 178,000. Such expenses will be borne by the Issuer and will not be passed on to investors separately from the purchase price of the Notes. The only costs passed on to investors would be costs covered by the agio.

Information on any costs and expenses associated with the purchase of the Notes which are charged to investors by third parties other than the Issuer or financial intermediaries distributing the Notes, e.g. any costs and expenses charged by an investor's depository bank or any stock exchange, should be requested by investors from such third parties.

**11.1.3 Conditions and Details of the Offer**

The Issuer reserves the right to withdraw the offer and/or cancel the issuance of Notes for any reason at any time on or prior to the Issue Date (in respect of Notes issued on the Issue Date) or the relevant subsequent date on which Notes are issued in accordance with § 23 of the Terms and Conditions of the Notes (in respect of Notes issued on such subsequent date).

For the avoidance of doubt, if any application has been made by a financial intermediary to subscribe for and purchase any Notes (including, without limitation, at the request of an investor) and the Issuer exercises the right to withdraw the offer, such financial intermediary shall not be entitled to subscribe for or otherwise purchase any Notes. Notice of such withdrawal or cancellation of the issuance of the Notes will be made by means of a notice published on the website of the Issuer (telekia.lu).

Save for any relevant financial intermediary regarding its distribution fees as described above, as far as the Issuer is aware, no person involved in the issue and offer of the Notes has an interest material to the issue and offer of the Notes.

**11.1.4 Time Period during which the Offer of the Notes will be Open and Description of the Application Process**

The offer of the Notes will be open during the Offer Period (see section "11.1.1 *Continuous Offer to the Public*" above).

Investors can make applications for the purchase of Notes through financial intermediaries in accordance with the application process used by the relevant financial intermediary. In turn, financial intermediaries may make an application to the Issuer to subscribe for and purchase Notes.

Amendments to the Offer Period and the application process, if any, will be notified to investors by means of a notice published on the website of the Issuer (telekia.lu).

**11.1.5 Details of the Minimum and/or Maximum Amount of Application**

The minimum application of Notes per investor is 1 Note.

The maximum allocation of Notes will be subject only to availability at the time of the application.

There are no pre-identified allotment criteria. The Issuer will adopt allotment criteria that ensure equal treatment of prospective investors. All of the Notes requested during the Offer Period will be assigned up to the maximum amount of the offer.

**11.1.6 Details of the Method for Paying Up and Delivering the Notes**

The Notes will be sold against payment of the relevant issue price *plus* the relevant agio (if any) to the Issuer or to any agent designated by the Issuer. Each investor will be notified of the settlement arrangements in respect of any Notes it applies to subscribe for and purchase at the time of such investor's application.

**11.1.7 Manner and Date in which the Results of the Offer are to be made Public**

The Issuer will also regularly inform the Noteholders during the Offer Period about the number of Notes issued and sold to financial intermediaries by publishing the relevant information on the website of the Issuer (telekia.lu).

**11.1.8 Description of Possibility to Reduce Subscriptions and Manner for Refunding Excess Amount Paid by Applicants**

Not applicable, there is no possibility to reduce subscription.

**11.1.9 Information relating to the Offer of the Notes in Switzerland**

If an obligation to prepare a supplement to the Prospectus according to Article 56(5) FinSA is triggered during the Offer Period, financial intermediaries and any other investors who have

already subscribed or agreed to purchase or subscribe for Notes before any such supplement to the Prospectus is published have the right to withdraw their subscriptions and acceptance within a period of two days from the publication of such supplement regardless of whether the Offer Period closes prior to the expiry of such two day period.

## **11.2 Selling Restrictions**

### **11.2.1 General**

Any person subsequently offering, selling or recommending the Notes shall comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any other offering material relating to the Notes.

Persons into whose hands this Prospectus comes are required by the Issuer to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

### **11.2.2 European Economic Area**

Any person subsequently offering, selling or recommending the Notes which are the subject of the offering contemplated by this Prospectus will be required to represent and agree, in relation to each member state of the European Economic Area (each a "**Member State**"), that it has not made and will not make an offer of such Notes in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (i) approved prospectus: in the period beginning and ending on the dates specified in this Prospectus, provided that the Issuer has consented in writing to the use of this Prospectus for the purpose of such offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

**provided that** no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

### **11.2.3 United Kingdom - Retail selling restrictions**

Any person subsequently offering, selling or recommending the Notes has to ensure that it has not made and will not make an offer of Notes to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (i) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation) subject to obtaining the

prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

- (iii) at any time in any other circumstances falling within section 86 of the FSMA,

**provided that** no such offer of Notes referred to in (i) to (ii) above shall require the Issuer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision the expression "**offer of Notes to the public**" in relation to any Notes in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

#### 11.2.4 United Kingdom - Other regulatory restrictions

Any person subsequently offering, selling or recommending the Notes has to ensure that:

- (a) 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 the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

#### 11.2.5 United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered, sold or delivered within the United States of America (the "**United States**") to or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only (1) to "accredited investors" (as defined in Rule 501 of Regulation D under the Securities Act) in compliance with Rule 506(c) or Rule 506(b) of Regulation D under the Securities Act; (2) to 'qualified institutional buyers' as defined in Rule 144A under the Securities Act; and (3) in "offshore transactions" (as defined in Regulation S under the Securities Act) in reliance upon Regulation S under the Securities Act. Any person acting as a distributor of the Notes exclusively outside the United States has represented and agreed that neither it nor any persons acting on its behalf has offered, sold or delivered or will offer, sell or deliver any Notes within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each such distributor has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes offered in reliance on Regulation S. Terms used in this subparagraph have the meaning given to them by Regulation S.

#### 11.2.6 Switzerland

Any person subsequently offering, selling or recommending the Notes will acknowledge, represent and agree that:

- (i) the Notes and the Issuer, respectively, do not meet the requirements set forth in Article 70 FinSA in relation to structured products and, therefore, it has not offered and will not offer, directly or indirectly, Notes in or from Switzerland to private clients. For these purposes, a private client means a person who is not one (or more) of the following: (i) a professional client as defined in Article 4(3) FinSA (not having opted-in on the basis of Article 5(5) FinSA) or Article 5(1) FinSA; or (ii) an institutional client as defined in Article 4(4) FinSA; or (iii) a private client who has entered into a written investment advisory agreement or (discretionary) asset management agreement that is concluded for pecuniary

interest and is not covering only limited transactions. For these purposes "offer" refers to the respective definition in Article 3(g) FinSA and as further detailed in FinSO; and

- (ii) it has only made and will only make an offer of Notes to the public in Switzerland, other than pursuant to an exemption under Article 36(1) FinSA or where such offer does not qualify as a public offer in Switzerland, if and as from the date on which this Prospectus has been filed and deposited with a FINMA licensed review body (*Prüfstelle*) in Switzerland, entered on the list of approved prospectuses according to Article 64(5) FinSA and published according to Article 64 FinSA, in the period beginning and ending on the dates specified in this Prospectus. Otherwise, it has not offered and will not offer, directly or indirectly, Notes to the public in Switzerland, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in Switzerland, this Prospectus or any other offering material relating to the Notes, other than pursuant to an exemption under Article 36(1) FinSA or where such offer or distribution does not qualify as a public offer in Switzerland. For these purposes "public offer" refers to the respective definitions in Article 3(g) and (h) FinSA and as further detailed in FinSO;
- (iii) no key information document under Article 58 FinSA (*Basisinformationsblatt für Finanzinstrumente*) or Article 59 (2) FinSA has been prepared by the Issuer and, accordingly, it has not offered and will not offer Notes to private clients within the meaning of FinSA in Switzerland. For these purposes, a private client means a person who is not one (or more) of the following: (i) a professional client as defined in Article 4(3) FinSA (not having opted-in on the basis of Article 5(5) FinSA) or Article 5(1) FinSA; or (ii) an institutional client as defined in Article 4(4) FinSA; or (iii) a private client with an asset management agreement according to Article 58(2) FinSA. For these purposes "offer" refers to the interpretation of such term in Article 58 FinSA.

## 12. TAXATION OF THE NOTES

### Warning of the Taxation of the Notes

Prospective investors should be aware that the tax legislation of the respective investor's Member State and of the Grand Duchy of Luxembourg, i.e. the Issuer's country of establishment, as well as any jurisdiction whose law governs any Reference Portfolio Component or where any investment underlying any Reference Portfolio Component is located, may have an impact on the income received from the Notes.

In respect of the Notes, the Issuer does not assume any responsibility for the withholding of taxes at the source in the Grand Duchy of Luxembourg or in any other jurisdiction.

**It is highly recommended that prospective investors consult their own tax advisers as to the taxation of the Notes in the specific circumstances applicable to the respective investor.**

### Taxation in Luxembourg

The following is a non-exhaustive short summary of certain important Luxembourg tax principles together with consideration of certain administrative matters relating to the Issuer and is based on laws, regulations and practice in force and applied in Luxembourg (which may change during the life of the Luxembourg Issuer, possibly with retrospective effect, and no assurance is given that this will not be the case). This summary is believed to be correct as of the date of this Prospectus, but changes to laws, regulations and practice may affect the conclusions drawn below.

Prospective investors should satisfy themselves as to the overall tax consequences of the acquisition, ownership and disposition of Notes in their own particular circumstances by consulting their own professional advisers on the tax implications of their investment.

#### *General tax position of the Issuer*

As a Luxembourg securitisation fund, the Issuer will be considered as a "transparent" or "look-through" entity for Luxembourg tax purposes. As a consequence, the Issuer should, in principle, be fully disregarded and not be subject to corporate income tax assessed on profit (subject to the application of the reverse hybrid mismatch rule as discussed above), municipal business tax, or net wealth tax assessed on the net equity of Luxembourg companies.

The ATAD II may have an impact on the tax position of the Issuer if a hybrid mismatch is triggered. This would in particular be the case, and the Issuer may become a resident taxpayer taxable on (a portion of) its net income, if (i) it is viewed as a taxable person by one or more non-resident associated enterprises (i.e. its unitholders) holding in aggregate at least a 50% interest in the Issuer (either directly or indirectly), and (ii) such non-resident associated enterprise(s) is or are not taxed on the income attributable to it or them (through the Issuer) because of a hybrid mismatch.

#### *VAT position of the Issuer*

The Issuer, as a securitisation fund, is considered as a taxable person for Luxembourg VAT purposes. Any services supplied to the Issuer by non-Luxembourg suppliers (EU and non-EU suppliers) should be deemed to be located in Luxembourg, unless a specific provision departs from this general principle. In this respect, the Issuer would have to self-assess VAT on services or goods purchased from foreign suppliers under the reverse charge mechanism (normally at the standard rate of 16% for the year 2023). Such VAT would in principle represent a final cost for the Issuer (in the absence of any input VAT deduction right).

Provided that the Issuer does not carry out a non-EU financing activity, it would have no input VAT deduction right and no obligation to register for VAT purposes. The Issuer could however be required to register for Luxembourg VAT purposes after its establishment if (and as soon as) it (i) receives services from non-Luxembourg suppliers for which VAT must be self-assessed under the reverse charge mechanism or (ii) carries out intra-community acquisitions of goods for more than EUR 10,000.

However, the Luxembourg VAT law provides for a specific exemption on management services rendered to a securitisation entity (art. 44-1. (d) of the Luxembourg VAT Law). Therefore, management services provided to the Issuer should in principle benefit from such exemption (to the extent such services qualify as management services).



In this respect, it should however be noted that the Court of Justice of the European Union ("CJEU") issued a ruling regarding the scope of the VAT exemption for management of special investments funds (*Fiscale Eenheid X NV* C-595/13). Based on this ruling, this VAT exemption applies to investment undertakings that are subject to specific supervision at national level. However, the CJEU does not define to which extent an investment fund (or its equivalent like a securitisation fund) has to be subject to supervision in order to benefit from the VAT exemption. While this decision has no direct impact on the Luxembourg tax legislation (i.e. on article 44-1. (d) Luxembourg VAT Law), further decisions/discussions at EU level may influence the scope and application of the VAT exemption in the coming years, notably regarding securitisation companies which are not regulated.

### ***Global tax initiatives***

The OECD has published blueprints (commonly referred to as BEPS 2.0), divided into two "pillars" of issues, seeking to address tax challenges arising from digitalisation of the economy, and proposing fundamental changes to the international tax system. Pillar One proposes the reallocation of taxing rights between jurisdictions, and Pillar Two additional global anti-base erosion rules. The implementation of the Pillar One and Pillar Two proposals is scheduled for 2023. In December 2021, the OECD released the Pillar Two Model rules (Pillar 2) to provide for a framework implementing a 15% minimum tax (also the so called Global anti-Base Erosion or GloBE tax). By implementing two rules, the income inclusion rule (IIR) and the undertaxed payment rule (UTPR), income taxed at less than 15% would be targeted for an additional taxation. Furthermore, Pillar 2 includes a subject to tax rule (STTR) which permits source jurisdictions to withhold tax on certain types of related party transactions.

On 14 December 2022, the European Commission has adopted Council Directive 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union was adopted (the "**Pillar 2 Directive**"). Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with the Pillar 2 Directive by 31 December 2023.

On 11 May 2022, the EU Commission published a directive proposal laying down (i) a debt-equity bias reduction allowance and (ii) a new limitation to the tax deductibility of exceeding borrowing costs (the so-called "**DEBRA Proposal**"). The purpose of the DEBRA Proposal is to address the asymmetry in tax treatment between debt and equity financing by neutralising the bias against equity financing. The interest deduction limitation rule provided by the DEBRA Proposal will interact with the limitation of exceeding borrowing costs provided by the ATAD Provisions (see above). While the limitation of exceeding borrowing costs under the ATAD Provisions currently provides that such exceeding borrowing costs shall be deductible up to 30% of the taxable EBITDA (with a de minimis threshold of 3 million euros), the DEBRA Proposal limits the deductibility of interest to 85% of exceeding borrowing costs. Should the DEBRA Proposal be adopted, Member States would have to implement the directive into their national law by 31 December 2023 and the provisions would come into effect as of 1 January 2024.

Prospective Noteholders should be aware that such global tax initiatives (if and when implemented in local legislation) could further impact the tax position of the Issuer, the Reference Funds and the holders of Reference Funds Components.

### ***Foreign Account Tax Compliance***

In the present section, defined terms shall have the meaning ascribed to them in the Luxembourg IGA (as defined in the present section) unless otherwise specified in this Prospectus.

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (commonly known as "**FATCA**") generally impose a reporting regime and potentially a 30% withholding tax with respect to (i) certain US source income (including dividends and interest) ("**Withholdable Payments**") and (ii) beginning no earlier than two years after the date the final regulations defining "foreign passthru payments" are published in the U.S. Federal Register, a portion of certain non-US source payments from non-US entities that have entered into FFI Agreements (as defined below) to the extent attributable to Withholdable Payments ("**Passthru Payments**"). As a general matter, these rules are designed to require US persons' direct and indirect ownership of non-US accounts and non-US entities to be reported to the Internal Revenue Service (the "**IRS**"). The 30% withholding tax regime applies if there is a failure to provide required information regarding US ownership.

Generally, the rules subject all Withholdable Payments and, in the future, Passthru Payments received by a Foreign Financial Institution ("**FFI**") to 30% withholding tax (including the share that is allocable to non-US investors) unless the FFI enters into an agreement with the IRS (a "**FFI Agreement**") or complies with the terms of an applicable intergovernmental agreement (an "**IGA**"). Under an FFI Agreement or an applicable IGA, an FFI generally will be required to provide information, representations and waivers of non-US law as may be required to comply with the provisions of the new rules, including, information regarding its direct and indirect US accountholders.

In addition, FATCA may subject a non-U.S. investor's share of Withholdable Payments and Passthru Payments received by an FFI to a 30% withholding tax unless such investor provides information, representations and waivers of non-U.S. law to the FFI as may be required to comply with the provisions of the rules, including, information regarding certain U.S. direct and indirect owners of such non-U.S. investor.

The governments of Luxembourg and the United States have entered into an IGA regarding FATCA (the "**Luxembourg IGA**"), as transposed through the Law of 24 July 2015. Provided the Issuer adheres to any applicable terms of the Luxembourg IGA, the Issuer would not have to enter into an FFI agreement with the IRS and instead would be required to obtain information regarding accountholders and report such information to the Luxembourg government, which, in turn, would report such information to the IRS.

Each prospective investor should consult its own tax advisors regarding the requirements under FATCA with respect to its own situation.

#### ***Common Reporting Standard***

The Organisation for Economic Co-operation and Development has developed a global standard for the annual automatic exchange of financial information between tax authorities (the "**CRS**"). The CRS has been implemented into Luxembourg domestic law via the law dated 18 December 2015 concerning the automatic exchange of information on financial accounts and tax matters and implementing the EU Directive 2014/107/EU (the "**CRS Law**").

The regulation may impose obligations on the Issuer and the Noteholders, if the Issuer is actually regarded as a reporting Financial Institution under the CRS. Under this perspective, the Issuer could be required to conduct due diligence and obtain (among other things) confirmation of the tax residency (through the issuance of self-certifications forms by the Noteholders), tax identification number and CRS classification of the Noteholders in order to fulfil its own legal obligations pursuant to the CRS Law.

#### ***Reportable cross-border arrangements***

Following the adoption of the Luxembourg law of 25 March 2020, as further amended, (the "**DAC 6 Law**") implementing Council Directive (EU) 2018/822 of 25 May 2018 amending the Council Directive (EU) 2011/16/EU (the "**DAC**") as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements ("**DAC 6**"), certain intermediaries and, in certain cases, taxpayers have to report to the Luxembourg tax authorities within a specific timeframe certain information on reportable cross-border arrangements. A reportable cross-border arrangement covers any cross-border arrangement that is linked to one or more of certain types of taxes, and contains at least one hallmark (i.e. a characteristic or feature that presents an indication of a potential risk of tax avoidance) as set out in the DAC 6 Law. The reported information will be automatically exchanged by the Luxembourg tax authorities with the competent authorities of all other EU Member States. As the case may be, the Issuer may take any action that it deems required, necessary, advisable, desirable or convenient to comply with the reporting obligations imposed on intermediaries and/or taxpayers pursuant to the DAC 6 Law. Failure to provide the necessary information under the DAC 6 may result in the application of fines or penalties in the relevant EU jurisdiction(s) involved in the cross-border arrangement at stake. Under the DAC 6 Law, late, incomplete, or inaccurate reporting, or non-reporting may be subject to a maximum fine of EUR 250,000.

### 13. GENERAL INFORMATION

#### 13.1 Form and Publication of the Prospectus

This document constitutes a prospectus (the "**Prospectus**") within the meaning of Article 6 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**"). This Prospectus will be published in electronic form together with all information incorporated by reference (if any) on the website of the Issuer (telekia.lu). This Prospectus has been approved by the Liechtenstein Financial Market Authority (the "**FMA**") in its capacity as competent authority under the Prospectus Regulation.

#### 13.2 Approval and Notification of the Prospectus

- (a) This Prospectus has been approved by the FMA as competent authority under the Prospectus Regulation.
- (b) The FMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Prospectus Regulation.
- (c) Such approval should not be considered as an endorsement of the quality of the Notes that are the subject of this Prospectus.
- (d) Investors should make their own assessment as to the suitability of investing in the Notes.

By approving this Prospectus, the FMA assumes no responsibility as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer.

In order to be able to conduct a public offer of the Notes in the Federal Republic of Germany, the Issuer has requested a notification of the Prospectus pursuant to Article 25 of the Prospectus Regulation (the "**EEA Passport**") into the Federal Republic of Germany. The Issuer reserves the right to apply to the FMA for EEA Passports into further EEA states.

#### 13.3 Authorisation

The establishment of the Programme and the issuance of the Notes under this Prospectus have been authorised by a resolution of the Management Company on behalf of the Securitisation Undertaking dated 1 June 2023.

#### 13.4 Listing of the Notes and Admission to Trading

The Issuer intends to apply to the Frankfurt Stock Exchange for the Notes to be admitted to trading on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange. The Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange is not a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and the Council of 15 May 2014 on Markets in Financial Instruments ("**MiFID II**"), as amended.

The total expenses in connection with admission to trading of the Notes are expected to amount to EUR 2,000.

#### 13.5 Rating

Neither the Notes nor the Issuer have been rated.

#### 13.6 Interests of natural and legal Persons involved in the Issue/Offering of the Notes

Save for any fees payable to the financial intermediaries as of the date of this Prospectus so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to any issue/offer of the Notes. The intermediaries as well as the service providers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer in the ordinary course of business.

**13.7 Reasons for the offer and Use of Proceeds**

The reason for the issue of the Notes under this Programme is primarily to finance the general business development of the Issuer. The Issuer intends to make profits with the issue of the Notes.

The Issuer shall use the net proceeds received from the issuance of the Notes and amounts which arise out of or in connection with its hedging activity and/or the Notes strictly for and only in order to acquire directly or indirectly any Reference Portfolio Components and, thereby, **exclusively to hedge its obligations under the Notes. For the avoidance of doubt, the Issuer is not obliged vis-à-vis the Noteholders to acquire or otherwise invest into the Reference Portfolio Components at any time.**

**13.8 Post-issuance Information**

The Issuer does not intend to provide post-issuance information.

Notwithstanding the above, where a significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus which may affect the assessment of the Notes and which arises or is noted between the time when the Prospectus is approved and the closing of the Offer Period or the time when trading on a regulated market begins, whichever occurs later, the Issuer shall prepare and publish a supplement to this Prospectus in accordance with the Prospectus Regulation without undue delay.

**13.9 Documents on Display**

For the term of this Prospectus, copies of the following documents may, when published, be inspected during normal business hours at the specified office of the Paying Agent and will be available on the website of the Issuer (telekia.lu):

- (a) the Prospectus and any supplement thereto;
- (b) the constitutional documents of the Issuer; and
- (c) the documents containing any information incorporated by reference from time to time.

**14. INDEX OF DEFINED TERMS**

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Signed by **Telekia**, acting for the account of its **Compartment 2**,  
duly represented by its management company **Isec S.A.**

**APPENDIX 1  
OPENING BALANCE SHEET OF SECURITISATION UNDERTAKING**

**Audited opening balance sheet of Telekia as at 9 June 2022**

<b>in EUR</b>	<b>Telekia General Estate</b>	<b>Telekia Compartment 1</b>
Total assets	2,000.00	2,000.00
Total liabilities	0.00	0.00
Net assets at the beginning of the year	2,000.00	2,000.00
Number of units outstanding	2.00	2.00
Net asset value per unit	1,000.00	1,000.00