Second Supplement dated 4 February 2022 to the EMTN Programme Prospectus dated 14 June 2021

A2A S.p.A.

(*incorporated with limited liability under the laws of the Republic of Italy*)

€6,000,000,000
Euro Medium Term Note Programme

This second supplement (the **Second Supplement**) to the €6,000,000,000 EMTN Programme Prospectus dated 14 June 2021, as supplemented by the first supplement dated 21 October 2021 (the **EMTN Programme Prospectus**), constitutes a supplement to the EMTN Programme Prospectus pursuant to Article 23(1) of Regulation (EU) 2017/1129 (the **Prospectus Regulation**) and is prepared in connection with the €6,000,000,000
Euro Medium Term Note Programme (the **Programme**) established by A2A S.p.A. (**A2A**). Terms defined in the EMTN Programme Prospectus have the same meaning when used in this Second Supplement. This Second Supplement is supplemental to, and should be read in conjunction with, the EMTN Programme Prospectus.

The Issuer accepts responsibility for the information contained in this Second Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Second Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Second Supplement has been produced to: (a) incorporate by reference in the section of the EMTN Programme Prospectus entitled "*Documents Incorporated by Reference*": the press releases dated 11 November 2021, 10 December 2021, 31 December 2021 and 22 January 2022 (each a **Press Release** and together the **Press Releases**), (b) update each of the sections entitled "*Risk Factors*", "*Description of the Issuer*"**,** "*Regulation*" and "*General Information*" of the EMTN Programme Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Second Supplement or any statement incorporated by reference into the EMTN Programme Prospectus by this Second Supplement and (b) any other statement in or incorporated by reference in the EMTN Programme Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Second Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the EMTN Programme Prospectus has arisen or been noted, as the case may be, since the publication of the EMTN Programme Prospectus.

Copies of this Second Supplement and all documents incorporated by reference in the EMTN Programme Prospectus can be viewed on the website of the Luxembourg Stock Exchange at *www.bourse.lu* and on the website of A2A at https://www.a2a.eu/en/investors/debt.

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RISK FACTORS

i. *At page 23 of the EMTN Programme Prospectus, section "Risk Factors", the last paragraph of the Risk Factor entitled "Covid-19 virus emergency", shall be deleted in its entirety.*

ii. *At page 24 of the EMTN Programme Prospectus, section "Risk Factors", in the second paragraph of the Risk Factor entitled "The Group's regulated activities are dependent on, and governed by, concessions, licenses and other permits", the second and third bullet points shall be deleted in their entirety and replaced as follows:*

- "the large-scale concessions held by the Group in Valtellina, for a nominal concession power of approximately 200 MW, which have expired and are currently managed under a "temporary continuation" regime. The new rules introduced by the Simplification Law give powers and authority to set regulations, procedures and criteria for awarding concessions to the regions, which may be entrusted to private economic operators identified by tender, or to both public and private companies. The law of the Lombardy Region, establishing criteria for tendering, was published in April 2020 (Regional Law 8 April 2020, n. 5), challenged by the Italian Government in June 2020 and modified in November 2021; uncertainty remains as to how the new procedures, criteria and scheduling will operate for awarding concessions and how the authority will ultimately be granting any future concessions;

- the natural gas distribution network "Milan 1- City and Plant of Milan" Minimal Territorial Areas (**ATEM**), which was awarded in September 2018 to A2A's subsidiary Unareti S.p.A. (**Unareti**) and is still under dispute. In December 2021, Unareti S.p.A. and the municipality of Milan signed the contract (for further information, see the paragraph headed "*Legal proceedings*" of the section "*Description of the Issuer*" of the Base Prospectus incorporated by reference in this Prospectus and also the section of the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2020 headed "*Update of the main legal and tax disputes still pending*", incorporated by reference in this Prospectus).".

iii. *At page 24 of the EMTN Programme Prospectus, section "Risk Factors", the second paragraph of the Risk Factor entitled "The Group is exposed to revision of tariffs in waste, water and distribution networks sectors", shall be deleted in its entirety and replaced as follows:*

"As far as the remuneration of the electricity and gas distribution networks is concerned, the Weighted Average Cost of Capital (meaning a real pre-tax cost of capital based on factors including the cost of equity, the cost of debt, gearing levels, corporate tax rates and a tax adjustment factor[1]) has been updated from 2022 to 2027 (ARERA Resolution 614/2021/R/com). The mechanism is related both to the performance of certain macroeconomic indicators and to fiscal changes that have taken place; compared with the previous WACC (ARERA Resolution 583/2015/R/com), the new Resolution led to a worsening of the aforementioned remuneration.".

iv. *At page 25 of the EMTN Programme Prospectus, section "Risk Factors", in the Risk Factor entitled "Commodity and energy price risk", the reference to "CO2" shall be deleted and replaced with "CO_2".*

v. *At page 27 of the EMTN Programme Prospectus, section "Risk Factors", after the last sentence of the second paragraph of the Risk Factor headed "Risks related to socio-environmental context", the following sentence shall be added:*

"In February 2022 the "Capacity Market" tender for delivery in 2024 will be held.".

[1] The tax adjustment factor is a corrective factor that adjusts the real pre-tax WACC allowance to cover taxes paid on nominal profits.

vi. *At page 28 of the EMTN Programme Prospectus, section "Risk Factors", the second paragraph of the Risk Factor entitled "Increasing competition in the retail electric/natural gas markets", shall be deleted in its entirety and replaced as follows:*

"The provisions of Law 4 August 2017, No. 124 on the termination of price protection regimes for customers in the electricity and gas sectors, set for 1 January 2022 (Law No. 8 of 28 February 2020) and then postponed to 1 January 2024 (Decree No. 152 of 8 November 2021) will implement the full liberalization of the energy market. The Customers who, at 31 December 2023, will not have opted for a free market supplier autonomously will be assigned through an auction mechanism. Precise, definitive criteria governing the auction mechanism have not yet been set by the competent authorities. As at 31 December 2021, A2A Group still has a total of 1,025 million customers under the "protected price scheme". How the mechanism will be implemented may have potential negative effects on the Group results of operations.".

DOCUMENTS INCORPORATED BY REFERENCE

The information set out below supplements the section of the EMTN Programme Prospectus entitled "Documents Incorporated by Reference" on pages 40 to 43:

Press Releases

A copy of each Press Release has been filed with the CSSF and by virtue of this Second Supplement the Press Releases are incorporated by reference into the EMTN Programme Prospectus in their entirety.

Copies of the Press Releases incorporated by reference in the EMTN Programme Prospectus can be viewed on the website of the Luxembourg Stock Exchange at *www.bourse.lu* and on the website of A2A at https://www.a2a.eu/en/investors/press-releases.

Information incorporated by reference	**Pages**
"Press Release dated 11 November 2021 entitled "*A2A, results at September 30, 2021"* and available on A2A's website at: https://www.a2a.eu/en/a2a-results-september-30-2021	All
Press Release dated 10 December 2021 entitled "*A2A, growth continues in the circular economy – Acquired 100% of TecnoA, a leading company in the treatment of industrial waste%"* and available on A2A's website at: https://www.a2a.eu/en/a2a-growth-continues-circular-economy	All
Press Release dated 31 December 2021 entitled "*A2A and ACSM AGAM: signed preliminary sale of non-strategic natural gas distribution assets*" *%"* and available on A2A's website at: https://www.a2a.eu/en/a2a-acsm-agam-signed-preliminary-sale-non-strategic-natural-gas-distribution-assets	All
Press Release dated 22 January 2022 entitled "*A2A and Ardian sign two binding agreements for wind and photovoltaic portfolios*" and available on A2A's website at: https://a2a-be.s3.eu-west-1.amazonaws.com/a2a/2022-01/220122-A2A-Ardian_eng.pdf "	All

DESCRIPTION OF THE ISSUER

i. *At page 107 of the EMTN Programme Prospectus, section "Description of the Issuer", the sub-section headed "Strategy" shall be deleted and replaced as follows:*

*"*On 27 January 2022, the Board of Directors of the A2A Group approved the 2021-2030 Strategic Plan update. Sustainability still guides the new strategy that focuses the Plan on two industrial macro-trends, circular economy and energy transition, to which all the Group's Business areas contribute. A2A is committed over the next decade to making a concrete contribution to the achievement of 11 of the 17 Sustainable Development Goals of the UN 2030 Agenda.
Through the Plan, it has begun the strategic and cultural repositioning of A2A from multi-utility to Life Company, defining a new brand territory in which to operate. By dealing with energy, water and the environment, thanks to the circular use of natural resources, A2A takes care of the conditions necessary for life and its quality.

Long-term strategy shaped by sustainability, with €18 billion of investments (+€ 2 billion compared to the previous Plan) deployed for the development of circular economy and energy transition: two fundamental fields in safeguarding the future. Long-term investments in strategic infrastructures for Italy, and a rebalancing of A2A's portfolio, are two crucial elements for sustainable transition acceleration. The Strategic Plan foresees significant growth in terms of EBITDA, going from about €1.20 billion in 2020 to €2.9 billion in 2030.

Circular Economy, Euro 7 billion in investments 2021-2030

A2A plays a crucial role in the Circular Economy, focusing on water cycle, district heating and waste management activities. Throughout an investment plan of Euro 7 billion, the Group will pursue strategic actions aimed at increasing the recovery of materials and energy from waste, and reducing wastages (e.g. water losses, waste heat). The balance between recycling and energy recovery is an essential prerequisite for reducing the use of landfills until such use is completely phased out. A2A will become a strong European player in waste management. Such evolution is supported by (i) external growth transactions, (ii) strong presence in growing market segments (such as organic waste), (iii) strengthening of the industrial waste segment and (iv) enhancement of know-how on specific and significant issues (such as sludge treatment and water purification).
Under its Strategic Plan, by 2030 A2A is expected to:

- More than double material recovery to 2.2 million tons from sorted collection treated;
- Ramp-up energy recovery to 6.8 TWh;
- Increase the percentage of sorted collection to 77%;
- Strengthen the recycling cycle of plastics and paper.

In the bioenergy segment, A2A will develop more than 60 plants, 5 of which to obtain BIO-LNG that drastically reduce emissions in the mobility sector. In hydrogen production A2A will leverage low-cost base load sources, such as WTE energy, to develop a decentralized business model based on local ecosystems at the service of industry and heavy transport.
In compliance with the European law, regarding the selection and treatment of urban wastewater, A2A plans to increase the investments in water cycle with the aim of reducing pipeline water losses by 23% by 2030 (m^3 / km / day) and developing new purification capacities (1.9 million inhabitants served by 2030).
On district heating, the focus will be on (i) network development; and (ii) recovery of heat sources from production activities otherwise dispersed into the atmosphere.

Energy Transition, Euro 11 billion in investments 2021-2030

The challenging targets - from both a national and a European perspective - linked to decarbonisation and the reduction of GHG emissions, as well as technological and market evolution, require an acceleration of the energy transition from fossil fuels to renewable resources. A2A has substantially increased its long-term Capex plan to speed up the energy transition process allocating a total amount of Euro 11 billion of investment in support of decarbonisation and electrification throughout the ten year Business Plan.
The Energy Transition pillar envisages:

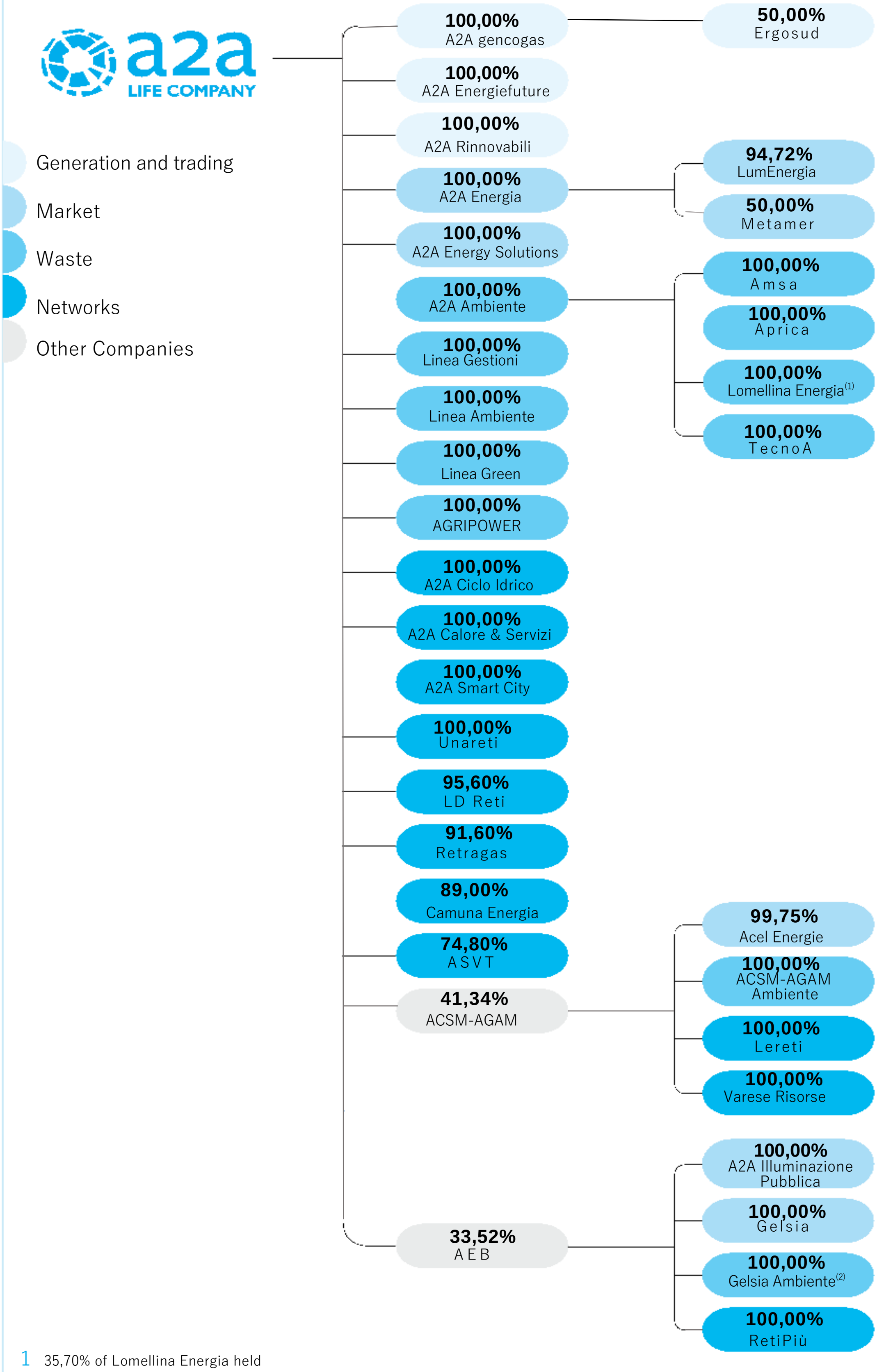
- The phase out of coal by 2022, anticipating the national target scheduled for 2025;

- The development of new RES (renewable sources) which will contribute to over 60% of the Group's energy production by 2030, well above the target of 55% of renewables in the Italian electricity mix by 2030;
- Various interventions aimed at improving the flexibility, the resilience and the adequacy of the electric system.

Investments in the Electricity Generation will be deployed mainly towards two technologies, solar and wind. During the front end of the Strategic Plan, M&A will contribute to create a development platform fueling an international and diversified growth. The organic growth of our portfolio will nevertheless remain the key driver of our renewable energy generation capacity throughout the duration of our Strategic Plan. As for investments planned under the 2021-2030 period A2A aims to:

- Foster generation capacity from renewable sources, solar and wind, up to 5.9 GW;
- Develop a new hydrogen-blending-ready combined cycle plant and a "gas peaker";
- Develop new electrical substations, of which 17 primary, 1,000 secondary, and 2,200 km of new lines;
- Install and operate over 24,000 charging points for electric vehicles;
- Serve 5.4 million electricity and gas customers nation-wide.".

ii. *At page 110 of the EMTN Programme Prospectus, section "Description of the Issuer", the chart in the sub-section headed "Group Structure and Business Model – Group Structure" shall be deleted and replaced in its entirety by the chart included in the following page of this Second Supplement:*



1 35,70% of Lomellina Energia held through Linea Ambiente S.r.l..
2 30% of Gelsia Ambiente held through A2A Integrambiente S.r.l..

i. *At page 120 of the EMTN Programme Prospectus, section "Description of the Issuer", sub-section entitled "Networks – Electricity networks and Gas networks": (i) the penultimate paragraph shall be deleted in its entirety; and (ii) the fourth paragraph shall be deleted and replaced as follows:*

*"*On 18 February 2021, 2i Rete Gas S.r.l. appealed to the Supreme Court to request ascertaining that the Council of State lacked jurisdiction, which issued sentence 5370 on 7 September 2020. At present, no request for suspension of the effectiveness of the sentence has been served, which should in any case be filed with the Council of State. Thus, Unareti and the Municipality of Milan, in its capacity as ATEM Milano 1, signed the service contract – which will be effective in March 2022 - on 16 December 2021. Within the terms, the Company will appear (by means of a counter-appeal) in order to participate in the trial, which will reasonably take several years, also considering that the Supreme Court of Cassation may await the outcome of an appeal on the matter, pending before the Court of Justice.*"*.

ii. *At page 124 of the EMTN Programme Prospectus, section "Description of the Issuer", sub-section entitled "Concessions – Hydroelectric plants" the last sentence of the fourth paragraph shall be deleted in its entirety and replaced as follows:*

"In Regione Lombardia such regulation has been introduced by Regional Law 5/2020, as subsequently supplemented by Regional Law 19/2021.".

iii. *At page 124 of the EMTN Programme Prospectus, section "Description of the Issuer", sub-section entitled "Concessions – Hydroelectric plants", the last paragraph shall be deleted in its entirety and replaced as follows:*

"By art. 31 of Regional Law 23/2019 Budget Reconciliation 2020-22, Regione Lombardia has established an obligation, with effect from 2020, to supply free energy to the region and the provinces for all holders of concessions of large derivation concessionaries, whether they are exercised before or after expiry. By Deliberation of the Regional Government (Delibera di Giunta Regionale) no. 3347/2020 (as updated from time to time), Regione Lombardia has implemented said obligation notably by specifying the amount of free energy due by each concessionaire to the region and the provinces and providing that energy shall be supplied either by physical energy delivery or through monetisation.".

iv. *At page 125 of the EMTN Programme Prospectus, section "Description of the Issuer", sub-section entitled "Concessions – Electricity distribution" the last paragraph shall be deleted in its entirety and replaced as follows:*

"The Issuer manages the energy distribution service for approximately 149 municipalities, including Milan and Brescia, the largest cities in Regione Lombardia. The energy distribution grid has a total range of approximately 19,400 km and serves 1.5 million users.".

v. *At page 128 of the EMTN Programme Prospectus, section "Description of the Issuer", sub-section entitled "Sustainable Finance", the third paragraph shall be deleted in its entirety and replaced as follows:*

"In 2021, the Group adopted a new Sustainable Finance Framework, combining both Use of Proceeds principles and Sustainability-Linked principles (the **Sustainable Finance Framework**). The Sustainable Finance Framework will be regularly updated and made available at the following section of A2A website: https://www.a2a.eu/en/investors/debt/sustainable-finance.
The Sustainable Finance Framework has been developed to show how A2A intends to continue supporting its sustainability strategy and vision via the utilisation of various Green & Sustainability-Linked financing instruments. The Sustainable Finance Framework gives investors:".

vi. *At page 130 of the EMTN Programme Prospectus, section "Description of the Issuer", the second paragraph of the sub-section headed "Legal proceedings" shall be deleted in its entirety and replaced as follows:*

*"*For a detailed description of the legal proceedings and investigations involving the companies belonging to the A2A Group and the related provisions, see the section headed "Update of the main legal and tax disputes still pending" of the Half-yearly Financial Report at 30 June 2021, incorporated by reference in this Base Prospectus (see "Documents Incorporated by Reference", above).".

vii. *At page 130 of the EMTN Programme Prospectus, section "Description of the Issuer", at the end of the fourth paragraph of the sub-section entitled "Legal Proceedings", the following sentences shall be added:*

*"*At this hearing, the objection filed by A2A Energie Future S.p.A. concerning the validity of the notification made by the Public Prosecutor has been accepted by the court. As at the date of this Second Supplement, such notification has not yet been served in the prescribed form and, therefore, the matter is still to be considered at investigation stage*".*

viii. *At page 130 of the EMTN Programme Prospectus, section "Description of the Issuer", in the last sentence of the last paragraph of the sub-section entitled "A2A and LGH: merger process", the words "is scheduled for 31 December 2021" shall be deleted and replaced as follows:*

"has been formalized on 15 December 2021".

ix. *At page 131 of the EMTN Programme Prospectus, section "Description of the Issuer", sub-section headed "Significant events after 31 December 2020", in the last sentence of the last paragraph headed "A2A S.p.A. and Ardian Infrastructure announced the execution of a non-binding term-sheet setting out the main terms of a partnership in energy generation and supply in Italy", the words "the end of 2021" shall be deleted and replaced as follows:*

"31 March 2022".

x. *At page 131 of the EMTN Programme Prospectus, section "Description of the Issuer", sub-section headed "A2A S.p.A. announces the start of an ordinary share buyback programme", the last paragraph shall be deleted in its entirety.*

xi. *At page 132 of the EMTN Programme Prospectus, section "Description of the Issuer", sub-section headed "Reference Shareholders", the reference to "1%" in the footnote (1) shall be deleted and replaced as follows:*

"3%".

xii. *At page 133 of the EMTN Programme Prospectus, section "Description of the Issuer", sub-section headed "Reference Shareholders", the first paragraph shall be deleted in its entirety and replaced as follows:*

"As at the date of this Second Supplement, A2A holds 0 treasury shares, representing 0 per cent. of the share capital consisting of 3,132,905,277 shares. For further information on transactions of treasury shares, see also "Treasury shares buy-back programmes" below.".

xiii. *At page 136 of the EMTN Programme Prospectus, section "Description of the Issuer", the first and third rows of the table inserted in the sub-section headed "Significant positions held by the members of the Board of Directors outside the Group" shall be deleted in their entirety and replaced as follows, respectively:*

Patuano Marco Emilio Angelo	Chairman	Member of the Board of Directors of Daphne 3 S.p.A. Member of the Board of Directors of Impulse S.a.R.L. Member of the Board of Directors of Digital Value S.p.A.
Mazzoncini Renato	Chief Executive Officer	Member of the Board of Directors of Phononic Vibes S.r.l.

xiv. *At page 138 of the EMTN Programme Prospectus, section "Description of the Issuer", the first row of the table inserted in the sub-section headed "Statutory Auditors" shall be deleted in its entirety and replaced as follows:*

Segala Chiara	Standing Auditor	Chairman of the Board of Statutory Auditors of Openjobmetis S.p.A. Member of the Board of Statutory Auditors of Normalien S.p.A. Member of the Board of Statutory Auditors of Fra.bo S.p.A. Sole Auditor of Valpres S.r.l. Sole Auditor of Valqui S.r.l. Member of the Board of Statutory Auditors of DIG SICAF S.p.A. Chairman of the Board of Statutory Auditors of Quanta Risorse Umane S.p.A. Member of the Board of Statutory Auditors of Brixia Finanziaria S.r.l. Member of the Board of Statutory Auditors of Tecnovielle S.p.A.

REGULATION

i. *At page 142 of the EMTN Programme Prospectus, section "REGULATION", sub-section headed "EU Energy Regulation: from the Third Energy Package to the Clean Energy Package*", the last paragraph shall be deleted in its entirety and replaced as follows:

"In November 2021, Legislative Decree No. 199/2021 was approved by the Italian parliament. This new act implements EU Directive 2018/2001 concerning the promotion of the use of energy from renewable sources. Pursuant to the mentioned Legislative Decree, several changes on renewables framework have been introduced. The main features are:

- the new RES penetration target on final consumptions to 2030 (including a detailed sub-target on RES penetration in both heating&cooling and transportation sectors). For further information, see the Promotion of Renewable Sources paragraph below;

- the new regulatory framework for RES support schemes that will be adopted in the upcoming years, aimed at promoting the development of RES power plants, RES system for heating&cooling, biomethane and other renewable gases (including hydrogen);

- several provisions to simplify and speed-up the permitting procedures for RES power plants; two new configurations for electricity self-consumption (renewables' self-consumers and renewables' energy communities) have been introduced, as well as a regulatory framework review concerning self-consumptions rules;

- the new sustainability criteria for power and CHP plants fuelled by solid and liquid biomass and biogas;

- other provisions are related to the promotions of district heating&cooling systems and EV charging stations deployment.

On 26 December 2021, Legislative Decree No. 210/2021, which implements the EU Directive on the internal electricity market (2019/944,) entered into force. It provides several changes in the regulatory and legislative framework of the electricity market (wholesale and retail market, distribution). Specific interventions by MiTE, ARERA and Terna will follow the publication of the Decree. The most relevant aspects are:

- introduction of a long-term procurement mechanism of new storage capacity through auctions held by Terna;
- with reference to the public service obligations of the electricity generation companies, criteria for the compensation of fixed costs are established in the event that the closure of the plants is denied for reasons linked to the security of the electric system;
- simplification of the requirements for physical self-consumption (SSPC "*Sistemi Semplici di Produzione e Consumo*");
- definition of the criteria for the removal of the PUN (*Prezzo Unico Nazionale*);
- introduction of the possibility, for distribution operators, to procure ancillary services in order to safely and reliably manage their networks;
- introduction of electric sub-concessions, limited to technical circumstances and through MiTE authorization.

In 2021 the EU adopted a "Fit for 55" package that includes initiatives on Revision of the EU Emissions Trading System (ETS), Carbon Border Adjustment Mechanism (CBAM) and a proposal for CBAM as own resource, Revision of the Energy Tax Directive, Amendment to the Renewable Energy Directive to implement the ambition of the new 2030 climate target (RED) and Energy Efficiency Directive (EED), Reducing methane emissions in the energy sector, Revision of the energy performance of Buildings Directive (EPBD), Revision of the Third Energy Package for gas (Directive 2009/73/EU and Regulation 715/2009/EU) to regulate competitive decarbonised gas markets and other initiatives in the energy transition and circular economy.".

ii. *At page 143 of the EMTN Programme Prospectus, section "REGULATION", sub-section headed "Decarbonised and low carbon gases: Hydrogen", after the last paragraph, the following paragraph shall be added:*

"On 15 December 2021, the EU Commission launched the "Hydrogen and Gas Market Decarbonisation package" (proposal of Regulation and Directive), in order to decarbonise the EU gas market by facilitating the uptake of renewable and low carbon gases, including hydrogen, and to ensure energy security for all citizens in Europe. The main objectives of this package are:

- to foster the deployment of renewable and low-carbon gases;
- to increase the EU energy security, as the natural gas import will be reduced. The domestic production of renewable gas will have positive effects on gas prices in the medium term;
- to create a hydrogen market with a fit-for-purpose infrastructure and cross-border coordination, including interconnectors.".

iii. *At page 143 of the EMTN Programme Prospectus, section "REGULATION", sub-section headed "Italian Energy Regulation", the second bullet point of the second paragraph shall be deleted in its entirety and replaced as follows:*

"

- defines and updates the tariff method for setting prices for energy and natural gas supply to vulnerable customers (until 31 December 2020 for small enterprises[2] in the electricity sector, until 31 December 2022 for micro-enterprises[3] in the electricity sector and domestic gas customers and until 31 December 2023 for domestic electricity customers, pursuant to Competition Law No. 124/2017, as amended by "Milleproroghe" Decree No. 183/2020 and "Recovery" Decree No. 152/2021);".

iv. *At page 143 of the EMTN Programme Prospectus, section "REGULATION", sub-section headed "Italian Energy Regulation", the reference to "2020" mentioned in the last paragraph shall be deleted and replaced by the following:*

"2021".

v. *At page 145 of the EMTN Programme Prospectus, section "REGULATION", sub-section headed "Italian Electricity Regulation", the last paragraph shall be deleted in its entirety and replaced as follows:*

"The "*servizio di maggior tutela*" will end on 1 January 2023 for the micro-enterprises in the electricity sector and domestic gas customers and 1 January 2024 for domestic electricity customers. We are still awaiting a Decree defining the modalities for the transition to the free market.".

vi. *At page 147 of the EMTN Programme Prospectus, section "REGULATION", sub-section headed "Generation", the paragraph beginning with "The auction for the delivery period 2024 is expected to be by the end of 2021" shall be deleted in its entirety.*

vii. *At page 147 of the EMTN Programme Prospectus, section "REGULATION", sub-section headed "Generation", the penultimate paragraph beginning with "In order to celebrate the next auction" shall be deleted in its entirety and replaced as follows:*

"The MiTE Decree 28 October 2021 approved the rules of the capacity remuneration mechanism that will be applied from delivery period 2024 and established that, after the auction for 2024, if Terna's adequacy assessments show that the Italian power system is adequate for 3 consecutive years, the mechanism should be phased out. It also confirmed the reliability standard (Loss of Load Expectations) applied in the auctions for the delivery periods 2022 and 2023.
Following the Decree, Terna published the final documents and established that the auction for the delivery period 2024 will be held on 21 February 2022.".

[2] Small enterprise means an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.
[3] Micro enterprise means an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.

viii. *At page 149 of the EMTN Programme Prospectus, section "REGULATION", sub-section headed "Promotion of Renewable Sources", before the last paragraph, the following paragraphs shall be added:*

"Through the approval of Legislative Decree No. 199/2021, transposing Directive 2018/2001 (so-called RED II), Italy has redefined the framework of the support schemes for renewable energies sources, in order to achieve the decarbonisation targets by 2030. The new Decree - which amends the previous regulatory framework on incentives for renewable sources (Legislative Decree No. 28 of 3 March 2011) - introduces in the Italian legislative framework the new renewables penetration targets by 2030 (at least 30% of gross final consumption) and outlines the main features of the new support schemes.

In detail, concerning electricity generation, the new Legislative Decree provides for as below:

- in the meantime, the new support mechanisms will be adopted, the extension of the current support mechanism (DM FER 2019), until the residual volumes of capacity are fully allocated. In this regard, the GSE has already defined the eighth competitive procedure (starting on 31 January 2022) and a possible ninth procedure, which will open on 31 May 2022;

- for RES power plants close to economic competitiveness (*i.e.* photovoltaic and wind), a new support scheme will be defined in the second half of 2022, with a five-year planning timeline. Plants with a capacity higher than 1 MW will be eligible to competitive procedures (auctions), the volumes of capacity will be allocated by geographical area and a plus on support scheme level for the use of storage systems will be provided. On the other hand, smaller power plants will be eligible for direct access to the support scheme (registers will be delated);

- in order to improve permitting procedures, in the second half of 2022 the Ministry of Ecological Transition will issue a ministerial decree defining the main criteria for the definition of eligible area (and not eligible) for the installation of renewable energy power plants: the regions shall identify these areas in order to reach at least the capacity targets carried out by the PNIEC for 2030, within 180 days from the date of publication of the ministerial decree. In eligible areas, the landscape authority opinion will not be binding for the authorisation, and the deadline to complete the permitting procedure will be reduced by one third.

- in the first half of 2022, the Ministry of Ecological Transition shall define how the resources of the Recovery and Resilience Fund will be allocated among agro-voltaic systems, biomethane, hydrogen, recharging stations and the development of new efficient district heating networks.

During 2021, the Government issued a new Simplification Decree Law (Decree Law 77/2021) aimed at improving the development of new renewable energy power plants in Italy. The main measures include the establishment of the new EIA Commission for PNIEC-PNRR projects (including photovoltaic and wind power), the introduction of the national EIA procedure for photovoltaic plants higher than 10 MW, the extension of the simplified permitting procedure for ground photovoltaic plants in industrial lands up to 20 MW connected to medium tension (with exemption of the EIA for plants up to 10 MW) and some others measures in order to promote repowering for existing power plants.".

ix. *At page 149 of the EMTN Programme Prospectus, section "REGULATION", sub-section headed "Promotion of Renewable Sources", in the last paragraph, the reference to "2020" shall be deleted and replaced as follows:*

"2021".

x. *At page 152 of the EMTN Programme Prospectus, section "REGULATION", sub-section headed "Wholesale market", the third bullet point of the third paragraph shall be deleted in its entirety and replaced as follows:*

*"*revision of the unbalancing regulation to be more cost-reflective. With Resolution 523/2021/R/eel, ARERA approved the reform of the unbalancing regulation. The most relevant innovations are:

i. the extension, starting from 1 April 2022, of the single price mechanism to all the units, without distinction based on the characteristics (relevant/non relevant units);

ii. the new methodology to calculate the imbalance price, that is equal to the weighted average of the balancing energy prices activated to meet Terna''s needs, including the secondary reserve;

iii. the extension of the macro-zone non-arbitrage fee ("*corrispettivo di non arbitraggio macrozonale*") to enabled units and the introduction of further fees for units that are not compliant with dispatching orders.*"*.

xi. *At page 153 of the EMTN Programme Prospectus, section "REGULATION", sub-section headed "Wholesale market", before the penultimate paragraph beginning with "With reference to the European integration", the following paragraph shall be added:*

"In November 2021, with Resolution 517/2021/R/eel and based on Terna's, ARERA approved the introduction of a new market session to be held on exceptional bases in case Terna foresees, with respect to the reference day, critical conditions in the procurement of the resources necessary for the safe operation of the national electricity system. This session allows Terna to procure resources for the replacement reserve before the Day Ahead Market.".

xii. *At pages 153 and 158 of the EMTN Programme Prospectus, section "REGULATION", sub-sections headed "Distribution" the reference to "MSE" shall be deleted and replaced as follows:*

"MiSE".

xiii. *At page 154 of the EMTN Programme Prospectus, section "REGULATION", sub-section headed "Tariff Structure", shall be deleted in its entirety and replaced as follows:*

"Pursuant to Law No. 481/95, ARERA is in charge of establishing the tariff regime, in order to guarantee the following objectives: certainty, transparency, consumer protection, and harmonisation between economic and general social objectives. The tariff regulation is based on "regulatory periods" characterized by fixed duration and stable tariff rules. On 1 January 2016, the sector entered a fifth regulatory period: the duration was set at eight years (2016-2023), compared with four years in the previous period, with an interim review every three years concerning some tariff parameters - *e.g.* inflation, productivity target (X-factor), as well as beta asset, risk measure included in the Weighted Average Cost of Capital (**WACC**).

While in the past the "cost-plus" method was adopted by the Regulator, since the third regulatory period it has been replaced by a mixed tariff methodology that makes use of the "price-cap" principle implemented with profit sharing arrangements to establish and update the operating costs reflected in the tariff, and the "Revalued Historic Cost" method to estimate the value of the assets to be depreciated and remunerated. The price-cap mechanism sets a limit on annual increases of the tariff share related to operating expenses (Opex) corresponding to the difference between the inflation rate and the predefined cost reduction rate (the **X-Factor**), and the efficiency gains are shared between companies and consumers; the Revalued Historic Cost is based on the effective capital expenditure sustained by a company, considering the inflation effects.

Regarding the fifth regulatory period, currently underway, ARERA approved at the end of December 2019 (Resolution 568/2019/R/eel) the regulatory scheme for the second sub-period (2020–23), in line with the previous one concerning the tariff methodology[4]. The rate of return on invested capital (WACC) - calculated and periodically

[4] According to the tariff regulation (Resolution 568/2019/R/eel), the regulatory scheme for the second sub-period (2020–23), which is in line with the previous one, applies a hybrid approach combining price-cap (applied to Opex) and cost-of-service regulation (applied to Capex). 2020 allowed Opex is based on 2018 actual Opex, as reported in Annual Unbundling Balance. The productivity target (X-factor), used for the Opex annual review and differentiated by activity (1.3% distribution and 0.7% metering), is basically defined due to redistribute to customers by 2023 the efficiency gained in the preceding regulatory periods - temporarily retained by distributors, under a symmetrical (50%:50%) profit-sharing.

reviewed according to the methodology defined in Resolution 614/2021/R/Com, was equal to 5.2% for 2022-24, decreasing by 0.7% from the value in force during the period 2020-2021.

The document fixed the methods and criteria for determining and updating WACC for gas transport, storage and distribution, and for electricity transmission and distribution in the second regulatory period (II PWACC), which has come into force since 1 January 2022.

The structure of the formula to calculate the WACC was defined as real pre-taxes (cost of equity plus cost of debt plus and F factor, tax adjustment factor) in line with the previous methodology. Nevertheless, the approach to determine Ke (cost of equity) and Kd (cost of debt) is mostly based on forward-looking view, including some variables and adjustments (*i.e.* Forward premium and Uncertainty premium) to account for the expected future interest rates and the risk of spot rates rising faster than forward rates suggest.

The duration of the six-year regulatory period was confirmed, as well as the three-year frequency of the subperiods, although for the first three years an annual trigger could be activated for single parameters (if their cumulated impact on WACC is higher than 50bps) such as nominal risk-free rate, inflation included in the RfR (isr), expected inflation (ia), the Italian SPREAD parameter used to calculate the CRP and iBoxx indices for the computation of the cost of debt.

Moreover, the method for calculating the Kd has been set up as follows:

1) 85% is the weight for the cost of the existing debt (embedded) and 15% is the weight for the cost of the new debt, which includes the forward (0.25%) and uncertainty premiums (0.50%);

2) ARERA referred to iBoxx BBB indices with a reference period of 10+ and 7-10 year maturities;

3) the gradual reduction of the cost of debt has been adopted: in the first three-year sub period, it is computed as the weighted average between the old value (2.4%, weighted at 66%) and the outcome of the new methodology (weighted at 33%); in the second sub period the average will be weighted as 33% for the old cost of debt (2.4%) and 66% for the new cost of debt.

The tax rate has been decreased to 29.5% from 31% of the previous figure. Finally, the beta asset has been increased by 0.02 up to a cap of 0.4 for the business with a previous beta below 0.4 (such as gas transport, electricity transmission and distribution), while the beta has remained the same for the other businesses. In particular, this parameter for the electricity distribution was raised to 0.4 (vs 0.39).

The productivity target (X-factor), used for the operative costs annual review and differentiated by activity (1.3% distribution and 0.7% metering), has been basically defined due to redistribute to customers by 2023 the efficiency gained in the preceding regulatory periods - temporarily retained by distributors, under a symmetrical (50%:50%) profit-sharing.

Furthermore, ARERA, with Resolution 271/2021/R/com, has provided for a gradual moving from building block approach (Capex and Opex treated separately) to ROSS regime (defined as Regulation by Expenditure and Service Objectives), to be defined in-depth through a consultation process: the first consultation document 615/2021/R/Com, concerning the so-called "ROSS-base" (*i.e.* not including the preparation of a business plan by each company to be submitted to the Regulator), was published at the end of December 2021.

According to the above-mentioned Resolution, this process for adopting this new approach - based on total expenditure (*i.e.* considering both operating and capital costs) must be completed by 31 December 2022 and will be progressively applied to all regulated electricity and gas sectors.

Concerning the quality regulation, updated for the second sub-period (2020-23) by Resolution 566/2019/R/eel, an output-based incentive mechanism has been defined, providing for rewards/penalties according to over-/underperformance in the continuity and reliability service (related to the duration and frequency of outages). This framework is aimed at supporting specific and strategic investments, in order to improve adequacy, resilience and security of the electricity distribution network such as quality of supply, reducing the gap in the service level between the different areas of Italy. In view of this, the Authority has adopted specific regulation tools, (*e.g.* "special" regulation and "experimental" regulation) allowing voluntary participation by distributors.".

xiv. *At page 159 of the EMTN Programme Prospectus, section "REGULATION", sub-section headed "Distribution", the penultimate paragraph shall be deleted and replaced as follows:*

"Currently, in addition to Torino 1 and 2, Valle d'Aosta, Napoli 1, Belluno and Udine 2 ATEMs, the unique tender in Lombardy, for which the assessment procedures have been definitively concluded, is related to Milan 1 - City and Plant of Milan ATEM (Milan city area and six neighbouring councils). On 5 September 2018 A2A, through the subsidiary company Unareti S.p.A, announced the official award of this tender with an overall score of 98.12 points out of 100; the service agreement between Unareti and the contracting authority (municipality of Milan) was signed on 16 December 2021 and the ATEM-based management is set to start in the 2nd quarter 2022. For further information related to the award of the tender, see section "Legal proceedings"."

xv. *At page 159 of the EMTN Programme Prospectus, section "REGULATION", the sub-section headed "Distribution Tariff Structure", the paragraph beginning with "The ARERA confirmed the tariff decoupling" shall be deleted in its entirety and replaced as follows:*

"ARERA confirmed the tariff decoupling system between the tariff valid for determining the operator's allowed incomes and the obligatory tariff actually applied to customers, unique for macro-areas. Any difference between them will be refunded by a compensation system. The tariff valid for determining the operator's allowed incomes is calculated in order to grant the financial remuneration of capital (as referred to t-1 year), to cover the depreciation charges, and to recognize operating costs determined parametrically (unique for metering activity, differentiated according to operator's size and served users' 'density for distribution activity) and updated through the price-cap method. As a consequence of Resolution 614/2021/R/Com regarding the new allowed WACC for second regulatory period (II PWACC), the WACC for gas distribution and metering activities have been fixed to 5.6% (vs 6.3% in the previous regulatory period). The asset beta for gas distribution and metering is equal to 0.439, unchanging as compared to the previous value. The level of this parameter will be reviewed at the beginning of the next tariff regulatory period (2026).
For more details concerning the WACC second regulatory period (II PWACC), entering in effect from 1 January 2022, as well as ROSS regulatory regime, refer to the previous paragraph relative to Electricity Distribution – Tariff Structure.".

xvi. *At page 162 of the EMTN Programme Prospectus, section "REGULATION", the sub-section headed "Natural Gas Balancing Market", the penultimate paragraph shall be deleted in its entirety and replaced as follows:*

"With Resolution 553/2021/R/gas, ARERA fixed the activation price of the peak shaving service (a non-market measure that can be activated in case of emergency) equal to 217 €/MWh. The definition of this price is relevant in case of activation of a non-market measure as it impacts the formation of the imbalance price (previously non-market measures were valued at 82.8 €/MWh).".

xvii. *At page 163 of the EMTN Programme Prospectus, section "REGULATION", the sub-section headed "Heat and Services", the first, the second and the last bullet points of the sixth paragraphs shall be deleted in their entirety and replaced as follows, respectively:*

"

- Resolution 661/2018/R/tlr, updated with Resolution 526/2021/R/tlr, defined the regulation of the commercial quality of district heating services (RQCT) for the period 1 January 2022 – 31 December 2025. The services subject to commercial quality include quotes, execution of works, activations, complaint handling, as well as prompt intervention;

- Resolution 24/2018/R/tlr, updated with Resolution 463/2021/R/tlr, defined the criteria for determining the connection fees and method of exercise of right of withdrawal by the user for district heating service and remote cooling (TUAR) for the period 1 January 2022 - 31 December 2025;

- Resolution 478/2020/R/tlr established the guidelines for the measure (TIMT) for the period 1 January 2022 – 31 December 2024.*"*.

xviii. *At pages 166 and 167 of the EMTN Programme Prospectus, section "REGULATION", sub-section headed "Water services regulation", the penultimate paragraph shall be deleted and replaced as follows:*

"Resolution 580/2019/R/idr the ARERA defined the tariff regulation framework applicable in the 2020-2023 period and with Resolution 639/2021/R/idr the Authority defined the rules and procedures for biennial intra period update for the years 2022 and 2023. The regulatory matrix mechanism was confirmed, with a limit of the annual increase of the tariff multiplier ϑ, the parameter that defines the cap on revenues, guaranteeing investment flexibility and improving the quality of the service. This limit is mainly linked to the expected retail inflation and an efficiency-sharing factor.".

xix. *At pages 169 of the EMTN Programme Prospectus, section "REGULATION", sub-section headed "Waste tariff mechanism", before the penultimate paragraph beginning with "In October 2021, ARERA" the following paragraph shall be added:*

*"*In this regard, by way of Council Resolution No. 5777/2021 of 21 December 2021, the Lombardy Region, complying with the provisions of Article 6 of ARERA Resolution 363/2021, declared all the treatment plants for unsorted waste and FORSU as "additional", taking into account Lombardy plant self-sufficiency and competitive gate prices. The Region has therefore reinforced the monitoring obligations for plant operators, reserving the possibility of revising this provision during the biennial updating of tariffs following any changes in market conditions and the adoption of the National Waste Management Plan.*"*.

xx. *At page 171 of the EMTN Programme Prospectus, section "REGULATION", sub-section headed "Environmental Code", before the last bullet point of the last paragraph, the following bullet points shall be added:*

"

- strengthening of Extended Producer Responsibility (EPR);
- definition of a "National waste management program" with the criteria and strategic guidelines to be followed by the Regions and Autonomous Provinces in drawing up regional waste management plans;".

GENERAL INFORMATION

The paragraph "Significant or Material Adverse Change" on page 189 of the EMTN Programme Prospectus shall be deleted and replaced with the following in its entirety:

"**Significant or Material Adverse Change**

Save as disclosed in the section "Description of the Issuer – Significant events after 30 June 2021", there has been no significant change in the financial performance or position of the Issuer or the Group since 30 September 2021 and there has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2020".