

NOTICE
to the holders of
€135,000,000 1.950 per cent. Notes due 13 April 2024
(ISIN: XS1596790631)
issued by
SOCIETÀ METROPOLITANA ACQUE TORINO S.p.A.

In connection with the €135,000,000 1.950 per cent. Notes due 13 April 2024 (ISIN: XS1596790631) (the "**Notes**") issued by Società Metropolitana Acque Torino S.p.A. (the "**Issuer**"), the Issuer announces that a meeting (the "**Meeting**") of the holders of the Notes (the "**Noteholders**") is expected to take place at 15.30 hours (CET) on 14 March 2024.

The purpose of the Meeting, which is expected to be attended by all Noteholders, is to consider and, if thought fit, approve a resolution (the "**Resolution**") to amend the terms and conditions relating to the Notes (the "**Conditions**"). The rules concerning the meetings of Noteholders, which are subject to mandatory provisions of Italian law, are set out in Condition 13(a) (*Meetings of Noteholders*) of the Conditions and Schedule 3 (*Provisions for Meetings of Noteholders*) to the fiscal agency agreement relating to the Notes dated 13 April 2017 (the "**Agency Agreement**") between the Issuer and BNP Paribas, Luxembourg Branch as fiscal agent and paying agent (in such capacity, the "**Fiscal Agent**").

Except where expressly stated in this Notice or where the context requires otherwise, words and expressions in this Notice have the meanings given to them in the Conditions.

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Reasons for Meeting

The Issuer is calling the Meeting in order to seek the agreement of Noteholders to amendments to the Conditions that will ensure that the Notes remain outstanding for a further five years until 13 April 2029, together with a number of consequential amendments and some minor updates to the Conditions. The purpose of extending the maturity of the Notes is to assist the Issuer in financing the high level of investments over the period up to 2033, as initially envisaged under its industrial plan for the years 2020-2024 and subsequently revised upwards under the Economic-Financial Plan (*Piano Economico Finanziario*) issued by the local regulator for the period 2022-2033.

Effect of Resolution

The amendments are being proposed to Noteholders by way of the Resolution, the effect of which, if passed, will be to amend the Conditions as set out in full in the Schedule (*Amendments to Conditions*) to this Notice. Assuming the Resolution is passed, it will be registered at the Companies' Registry of Turin, together with the corresponding resolution of the Issuer's Board of Directors, by the Notary Public responsible for drafting the minutes of the Meeting. Upon registration, the Issuer and the Fiscal Agent will execute a supplemental fiscal agency agreement (the "**Supplemental Agency Agreement**") with a view to giving full effect to the amendments to the Conditions. This is expected to take place no later than five business days after the date of the Meeting, namely by 21 March 2024.

The effect of the amendments to the Conditions is summarised below.

Maturity

The scheduled redemption of the Notes, currently fixed for 13 April 2024 (the "**Existing Maturity Date**"), will not occur and the maturity of the Notes will be extended by five years. Accordingly, unless

previously redeemed or purchased, the Notes will be redeemed in whole on 13 April 2029. However, see also "*Put option*" below.

Interest

In addition, with effect from the Existing Maturity Date, the interest rate of the Notes will be reset at a level that reflects their extended maturity and current market conditions, on the basis of the following formula:

5-year mid swaps rate + 1.70%.

The amount of the reset interest will be determined two TARGET Settlement Days before the Existing Maturity Date, i.e. on 11 April 2024 at 11.00 (CET).

Put option

The Issuer also proposes to grant a put option for Noteholders not wishing to continue holding their Notes beyond the Existing Maturity Date. The put option will be exercisable by Noteholders over a period of 10 business days, commencing after the Resolution is registered at the Companies' Registry of Turin. Upon completion of registration, the Issuer will give notice to Noteholders announcing the outcome of the Meeting and setting the start and end dates of the put option exercise period, which will in any event be no later than 22 March 2024 and 5 April 2024, respectively.

Notes held by Noteholders exercising the put option will be redeemed on the Existing Maturity Date, together with accrued interest, and will be cancelled pursuant to Condition 7(g) (*Cancellation*) and will not be reissued or resold. As the Existing Maturity Date is not a business day, payment of principal and interest will be made on 15 April 2024, in accordance with Condition 8(d) (*Payment on business days*) of the Conditions.

Listing

The Issuer intends to maintain the admission of the Notes to trading on the regulated market of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**").

Participation

As mentioned above, the Meeting is expected to be attended in person by holders of Notes representing the entire outstanding principal amount of the Notes, who will be asked to dispense with the requirement to give prior notice of the Meeting. If, on the other hand, a Noteholder wishes to instruct a third party to attend on its behalf, a form of proxy is available from the Issuer on request. Holders of the Notes (or third parties duly authorised on their behalf) can validly attend the Meeting via videoconference.

Documents on Display

The following documents are available for inspection by Noteholders at the specified offices of the Fiscal Agent, at the Issuer's registered office and at the Meeting:

- the Conditions (both in their existing form and blacklined to show the amendments proposed at the Meeting); and
- the Agency Agreement, together with a draft of the Supplemental Agency Agreement.

Publication of this Notice

This Notice is being published on the websites of Euronext Dublin (<https://live.euronext.com>) and of the Issuer (<https://www.smatorino.it/bilanci/>), and delivered to Noteholders through Clearstream, Luxembourg and Euroclear. Any modifications of this Notice will be communicated to Noteholders in accordance with the Conditions.

Further notices and indicative timetable

The following table sets out the expected times and dates of the key events after the Meeting, including any further notices that the Issuer expects to publish. The times and dates below are indicative only.

| Date | Action |
|--------------------------------|--|
| 12 March 2024 | Proof of holding, dated 5 March 2024, to have been provided by Noteholders to Issuer |
| 14 March 2024 | Meeting held |
| No later than 21 March 2024 | If the resolution is passed, registration at Companies' Registry of Turin of resolution to have been completed (together with the corresponding resolution of the Issuer's Board of Directors) ⁽¹⁾ Signing of Supplemental Agency Agreement Further notice published, in which the Issuer: (i) confirms result of Meeting and registration of resolution; and (ii) sets date on which put option exercise period starts |
| No later than 22 March 2024 | Start date of put option exercise period |
| No later than 5 April 2024 | End date of put option exercise period ⁽²⁾ |
| No later than 8 April 2024 | Further notice published announcing the principal amount of Notes to be redeemed as a result of exercise of the put option |
| 11 April 2024 | Further notice published announcing determination of rate of interest applicable for the remaining duration of the Notes from (and including) 13 April 2024 |
| 15 April 2024 | Settlement date for Noteholders who exercise the put option ⁽³⁾ |

⁽¹⁾ If this occurs earlier than 21 March 2024, the dates of the put option exercise period will be brought forward.

⁽²⁾ Put option exercise period will have a duration of 10 business days.

⁽³⁾ Payable on this date, as 13 April 2024 is a Saturday and therefore not a business day.

Further Information

For further information, please contact:

Società Metropolitana Acque Torino S.p.A.
Corso XI Febbraio, 14
10152 Turin
Italy

Attn: Armando Quazzo, CEO
Email: armando.quazzo@smatorino.it

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For and on behalf of

SOCIETÀ METROPOLITANA ACQUE TORINO S.p.A.

Registered office: Corso XI Febbraio 14, 10152 Turin, Italy

Company registration number and tax code: 07937540016

Share capital: €345,533,761.65

Date: 11 March 2024

SCHEDULE
Amendments to Conditions

The table set out below sets out extracts from the wording of the Conditions which, under the Resolution, will be amended and/or inserted.

EXISTING WORDING

NEW WORDING

Opening paragraph:

- *definition of "Notes"*

The €135,000,000 1.950 per cent. Notes due 2024 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 14 (*Further issues*) and forming a single series therewith)

The €135,000,000 Puttable Resettable Fixed Rate Notes due 2029 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 14 (*Further issues*) and forming a single series therewith)

- *parties to the Fiscal Agency Agreement (other than the Issuer)*

BNP Paribas Securities Services, Luxembourg Branch as fiscal agent (the "**Fiscal Agent**" which expression shall include all persons for the time being acting as fiscal agent under the Fiscal Agency Agreement) and any other paying agents named therein (the "**Paying Agents**", which expression shall include all persons for the time being acting as paying agents under the Fiscal Agency Agreement)

BNP Paribas, Luxembourg Branch as fiscal agent (the "**Fiscal Agent**" which expression shall include all persons for the time being acting as fiscal agent under the Fiscal Agency Agreement), any other paying agents named therein (the "**Paying Agents**", which expression shall include all persons for the time being acting as paying agents under the Fiscal Agency Agreement) and any agent bank appointed thereunder from time to time (in such capacity, the "**Agent Bank**")

Condition 1(a) (Definitions)

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"**EUR 5 year Swap Rate**" has the meaning given to it in Condition 6A (*Determination of Reset Rate of Interest*).

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"**EUR 5 year Swap Rate Quotation**" means, in relation to period from (and including) the Interest Reset Date to (but excluding) the Final Maturity Date, the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap which:

- (i) has a term of five years commencing on the Reset Interest Determination Date;
- (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis);

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"**Interest Reset Date**" means 13 April 2024.

EXISTING WORDING

"Rate of Interest" means 1.950 per cent. per annum.

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NEW WORDING

"Rate of Interest" means:

- (i) for the period from (and including) the Issue Date to (but excluding) the Interest Reset Date, 1.950 per cent. per annum; and
- (ii) for the period from (and including) the Interest Reset Date to (but excluding) the Final Maturity Date, the Reset Rate of Interest.

"Reference Bank Rate" means the percentage rate determined by the Agent Bank on the basis of the EUR 5 year Swap Rate Quotations provided by the Reference Banks to the Issuer and notified to the Agent Bank at approximately 11.00 a.m. (CET) on the Reset Interest Determination Date.

"Reference Banks" means five major banks in the Euro-zone interbank market selected by the Issuer.

"Reset Interest Determination Date" means two TARGET Settlement Days before the Interest Reset Date.

"Reset Rate of Interest" means the EUR 5 year Swap Rate plus 1.70 per cent. per annum, as determined by the Agent Bank on the Reset Interest Determination Date.

"Screen Page" means the Thomson Reuters screen "ICESWAP2" (or such other page as may replace it on Thomson Reuters or, as the case may be, on such other information service that may replace Reuters providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the EUR 5 Year Swap Rate).

"Unconditional Put Option Exercise Period" means the period commencing on [•]¹ March 2024 and ending on [•] [March / April]² 2024.

Condition 6A (Unconditional redemption at the option of Noteholders)

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6A Determination of Reset Rate of Interest

- (a) For the purposes of determining the Reset Rate of Interest, the "EUR 5 year Swap Rate" means the annual mid-swap rate as displayed on the Screen Page as at 11.00 a.m. (CET) on the Reset Interest Determination Date.
- (b) If that rate does not appear on the Screen Page at such time on the Reset Interest Determination Date, the Issuer shall request each of the Reference Banks to provide it with its EUR 5 year Swap Rate Quotation (such EUR 5 year Swap Rate Quotation to be notified by the Issuer to the Agent Bank) and the Agent Bank will determine the EUR 5 year Swap Rate as the Reference Bank Rate on the Reset

¹ The business day after the Board resolution is registered at the Registry of Companies of Turin.

² Duration of the exercise period will be 10 business days.

EXISTING WORDING

NEW WORDING

Interest Determination Date.

- (c) If at least three quotations are provided by the Reference Banks, the EUR 5 year Swap Rate will be determined by the Agent Bank on the basis of the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).
- (d) If only two quotations are provided, the EUR 5 year Swap Rate will be the arithmetic mean of the quotations provided.
- (e) If only one quotation is provided, the Reference Banks Rate will be the quotation provided.
- (f) If no quotations are provided, the Reference Bank Rate for the relevant period will be equal to the last available EUR 5 year mid swap rate for euro swap transactions, expressed as an annual rate, on the Screen Page.
- (g) Upon its determination, notice of the Reset Rate of Interest will be given to Noteholders in accordance with Condition 15 (*Notices*).

Condition 7(a) (Final redemption)

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 13 April 2024 (the "**Final Maturity Date**").

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 13 April 2029 (the "**Final Maturity Date**").

Condition 7(c) (Redemption at the option of Noteholders upon a Put Event)

- first paragraph, first three lines:

If at any time while any Note remains outstanding a Put Event occurs, the holder of each Note will have the option (a "**Put Option**")

If at any time while any Note remains outstanding a Put Event occurs, the holder of each Note will have the option (a "**Conditional Put Option**")

- second paragraph, last three words:

the Put Option.

the Conditional Put Option.

- third paragraph, first five words:

To exercise the Put Option

To exercise the Conditional Put Option

Condition 7A (Unconditional redemption at the option of Noteholders)

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7A Unconditional redemption at the option of Noteholders

The holder of each Note will have the option (an "**Unconditional Put Option**") to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Interest Reset Date at its principal amount together with (or, where purchased, together with an amount equal to) accrued and unpaid interest (if any) to (but excluding) the Interest Reset Date. In order to exercise the Unconditional Put Option, the bearer of the

EXISTING WORDING

Condition 8(e) (Paying agents)

provided that it will maintain (i) a Fiscal Agent and (ii) a Paying Agent (who may be the Fiscal Agent) with a specified office in at least one major European city outside the Republic of Italy or (if different) the jurisdiction(s) to which the Issuer is subject for the purpose of Condition 9 (*Taxation*).

Condition 17(c) (Agent for service of process)

The Issuer irrevocably appoints The London Law Agency Limited of The White House, 57-63 Church Road, Wimbledon, London SW19 5SB as its agent in England to receive service of process in any Proceedings in England based on any of the Notes or the Coupons.

NEW WORDING

Permanent Global Note must, within the Unconditional Put Option Exercise Period, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Conditions 7(e) (*Notice of redemption*) and (g) (*Cancellation*) shall apply to this Condition as if set out *mutatis mutandis* herein.

provided that it will maintain (i) a Fiscal Agent, (ii) a Paying Agent (who may be the Fiscal Agent) with a specified office in at least one major European city outside the Republic of Italy or (if different) the jurisdiction(s) to which the Issuer is subject for the purpose of Condition 9 (*Taxation*), and (iii) until the Reset Rate of Interest has been calculated in accordance with Condition 6A (*Determination of Reset Rate of Interest*), an Agent Bank.

The Issuer irrevocably appoints The London Law Agency Limited of Collingham House, 6-12 Gladstone Road, Wimbledon, London SW19 1QT as its agent in England to receive service of process in any Proceedings in England based on any of the Notes or the Coupons.”