PROSPECTUS

Dated 16 June 2023

Floene Energias, S.A.

(incorporated with limited liability in Portugal)
(Legal Entity Identifier: 213800A9FKHWR4AHQG70)

EUR1,000,000,000
Euro Medium Term Note Programme

Under this EUR1,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), Floene Energias, S.A. (the "**Issuer**") may from time to time issue notes (the "**Notes**") denominated in any currency (as can be settled through Interbolsa from time to time) agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed EUR1,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".

The prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Regulation (EU) 2017/1129 of the European parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**") The Central Bank 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 nor as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Following the publication of the prospectus a supplement may be prepared by the Issuer and approved by the Central Bank in accordance with Article 23 of the Prospectus Regulation (each, a "**Prospectus Supplement**"). Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in the prospectus or in a document which is incorporated by reference in the prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

This prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA. The obligation to supplement this prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this prospectus is no longer valid.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this prospectus or publish a new prospectus for use in connection with any subsequent issue of Notes.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Notes issued under the Programme during the period of twelve months from the date of this Prospectus to be admitted to the official list (the "**Official List**") and trading on its regulated market (the "**Regulated Market**"). References in this Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the Euronext Dublin's Regulated Market and have been admitted to the Official List. The Market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended ("**MiFID II**").

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the "**Final Terms**") which will be delivered to the Central Bank and the Euronext Dublin. A copy of the relevant Final Terms will also be published on the website of the Euronext Dublin through a regulatory information service. Any websites referred to herein do not form part of this Prospectus.

The Issuer is rated BBB- and the Notes to be issued under the Programme are expected to be rated BBB- by S&P Global Ratings Europe Limited ("**Standard & Poor's**"). As at the date of this Prospectus, Standard & Poor's is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**EU CRA Regulation**"). For the purposes of the EU CRA Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK CRA Regulation**"), the credit ratings issued by Standard & Poor's have been endorsed by S&P Global Ratings UK Limited, which is a credit rating agency established in the UK and registered by the Financial Conduct Authority ("**FCA**")

under the UK CRA Regulation. Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by Standard & Poor's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act ("**Regulation S**") unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

Arrangers

BNP PARIBAS **Santander Corporate & Investment Banking**

Dealers

Banco Bilbao Vizcaya Argentaria, S.A. **BNP PARIBAS**

Mizuho **Santander Corporate & Investment Banking**

Prospectus dated 16 June 2023

IMPORTANT INFORMATION

This prospectus (the "**Prospectus**") comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation. When used in this Prospectus, "**Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended), and includes any relevant implementing measure in a relevant Member State of the European Economic Area (the "**EEA**").

The Issuer accepts responsibility for the information contained in this Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with any supplement thereto, if any. This Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Prospectus.

Neither the Dealers nor any of their respective affiliates have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or their respective affiliates as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the Programme or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. No Dealer or any of their affiliates accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

The information contained in this Prospectus is given as of the date hereof. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

Copies of each set of Final Terms or any Prospectus Supplement will be available on the website of Euronext Dublin at https://live.euronext.com/en/product/bonds-detail/30636/overview. The contents of this website, other than copies of those documents incorporated by reference into this Prospectus, are for information purposes only and do not form part of this Prospectus. See also "*General Information*" for more details.

The language of the Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

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

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend which will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

RATINGS

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

STABILISATION

In connection with the issue of any Tranche of Notes, one or more relevant Dealers (the "Stabilisation Manager(s)") (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation action may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or overallotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

BENCHMARK REGULATION

Amounts payable under the Floating Rate Notes may be calculated by reference to the Euro Interbank Offered Rate ("**EURIBOR**"), which is provided by the European Money Markets Institute (as administrator of EURIBOR). As at the date of this Prospectus, the European Money Markets Institute (as administrator of EURIBOR) appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**EU BMR**").

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 total exactly.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the UK, the EEA (including Portugal and Spain) and Japan, see "*Subscription and Sale*".

Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and

(v) is able to evaluate (either alone or with the help of a general adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

ALTERNATIVE PERFORMANCE MEASURES

This Prospectus contains certain management measures of performance or alternative performance measures ("**APMs**"), which are used by management to evaluate the Issuer's overall performance. These APMs are not audited, reviewed or subject to review by the Issuer's auditors and are not measurements required by, or presented in accordance with, International Financial Reporting Standards ("**IFRS**"). Accordingly, these APMs should not be considered as alternatives to any performance measures prepared in accordance with IFRS.

Many of these APMs are based on the Issuer's internal estimates, assumptions, calculations, and expectations of future results and there can be no guarantee that these results will actually be achieved. Accordingly, investors are cautioned not to place undue reliance on these APMs.

Furthermore, these APMs, as used by the Issuer, may not be comparable to other similarly titled measures used by other companies. Investors should not consider such APMs in isolation, as alternatives to the information calculated in accordance with IFRS, as indications of operating performance or as measures of the Issuer's profitability or liquidity. Such APMs must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS and investors are advised to review these APMs in conjunction with the audited consolidated annual financial statements incorporated by reference in this Prospectus.

The descriptions (including definitions, explanations and reconciliations) of all APMs are defined below.

Capital Expenditure ("**CAPEX**") corresponds to "Additions" of the "Intangible Assets", as presented in the note of the consolidated financial statements of the Issuer related to "Intangible Assets".

EBITDA corresponds to the sum of "Sales", "Services rendered" and "Other operating income", deducted of "Cost of sales", "Supplies and external services", "Staff costs", "Other operating costs" and "Impairment losses on accounts receivable", as presented in the consolidated income statement of the Issuer. For the year ended 31 December 2022, the EBITDA was EUR 102,266 thousand.

EBITDA Reconciliations for 2022	**€'000**
Sales	3,842
Services rendered	155,515
Other operating income	47,499
Cost of sales	-2,566
Supplies and external services	-40,979
Staff costs	-22,477
Impairment losses on accounts receivable	-87
Other operating costs	-38,481
EBITDA	**102,266**

CAPEX Reconciliations for 2022	**€'000**
Additions - Intangible Assets	41,190
CAPEX	**41,190**

Free Cash Flow ("**FCF**") corresponds to Cash flow from operating activities and Cash flow used in investing activities, as presented in the consolidated statement of cash flow of the Issuer. For the year ended 31 December 2022, the Free Cash Flow was EUR 48,734 thousand.

FCF Reconciliations for 2022	€'000
Cash flows from operating activities	82,644
Cash flows used in investing activities	-33,910
FCF	**48,734**

Net Debt corresponds to the sum of Bank loans and Bonds and notes as presented in the note of the consolidated financial statements of the Issuer related to "Financial Debt", deducted of cash and cash equivalents, as presented in the note of the consolidated financial statements of the Issuer related to "Cash and cash equivalents". For the year ended 31 December 2022, the Net Debt was EUR 585,856 thousand.

Net debt Reconciliations for 2022	€'000
Bank loans	5,208
Bonds and notes	668,171
Cash and cash equivalents	-87,523
Net debt	**585,856**

Net Debt to EBITDA ratio corresponds to the ratio of Net Debt as EBITDA as defined above. For the year ended 31 December 2022, the Net Debt to EBITDA ratio was 5.7x.

Net Debt to EBITDA ratio Reconciliations for 2022	€'000
Net debt	585,856
EBITDA	102,266
	5.7x

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following:

1. the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2021, together with the audit report thereon, which appear on pages 57 to 114 of the Issuer's annual report and accounts for the year ended 2021 (the "**2021 Annual Report**") available at https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202306/582569fc-2f4d-4ce4-b385-1bcc851b8cc9.pdf; and

2. the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2022, together with the audit report thereon, which appear on pages 102 to 163 of the Issuer's annual report and accounts for the year ended 2022 (the "**2022 Annual Report**") available at https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202306/7e7d78b7-a451-4aba-8e74-b72661c6e0e2.pdf,

together, the "**Documents Incorporated by Reference**").

The Documents Incorporated by Reference have been previously published or are published simultaneously with this Prospectus and have been filed with the Central Bank. The Documents Incorporated by Reference shall be incorporated in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Those parts of the documents incorporated by reference in this Prospectus which are not specifically incorporated by reference in this Prospectus are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the website of Euronext Dublin at https://live.euronext.com/en/product/bonds-detail/30636/overview.

PRESENTATION OF INFORMATION

In this Prospectus, all references to:

- laws and regulations refer to such laws and regulations as amended from time to time;
- "**EUR**", "**euro**" and "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- "**U.S. dollars**", "**U.S.$**", "**USD**" and "**$**" are to the lawful currency of the United States;
- "**Sterling**", "**GBP**" and "**£**" are to the lawful currency of the UK;
- "**JPY**", "**Yen**" and "**¥**" are to the lawful currency of Japan;
- "**AUD**" and "A$" are to the lawful currency of Australia;
- "**CHF**" are to the lawful currency of Switzerland; and
- "**CAD**" are to the lawful currency of Canada.

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

*This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No. 2019/980, as amended (the "**Commission Delegated Regulation**").*

Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this Overview.

Issuer:	Floene Energias, S.A.
Legal Entity Identifier:	213800A9FKHWR4AHQG70
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" below.
Description:	Euro Medium Term Note Programme
Arrangers:	Banco Santander Totta, S.A. BNP Paribas
Dealers:	Banco Bilbao Vizcaya Argentaria, S.A. Banco Santander Totta, S.A. BNP Paribas Mizuho Securities Europe GmbH and any other Dealers appointed from time to time in accordance with the Programme Agreement (as defined below).
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Prospectus. **Notes having a maturity of less than one year** The Issuer will not issue Notes with a maturity date falling less than 12 months following their issue date.
Agent:	Caixa – Banco de Investimento, S.A.

Paying Agent:	The Agent, and any other Paying Agent appointed from time to time by the Issuer in accordance with the Agency Agreement (as defined below).
Programme Size:	Up to EUR1,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) aggregate nominal amount of Notes outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Specified Currencies:	Subject to any applicable legal or regulatory restrictions, Notes may only be denominated in Euro, U.S. dollars, Sterling, Japanese yen, Swiss francs, Australian dollars and Canadian dollars or any other currency as can be settled through Interbolsa from time to time, as agreed between the Issuer and the relevant Dealer, in all cases subject to the compliance with all applicable legal and/or regulatory and/or central bank requirements.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par value or at a discount to, or premium over, the par value of the relevant Notes as at the Issue Date.
Clearing Systems:	Interbolsa, Euroclear and/or Clearstream, Luxembourg (each as defined below) and any additional or alternative clearing system specified in the applicable Final Terms.
Form of Notes:	The Notes will be issued in dematerialised book-entry form (*forma escritural*) and shall be registered securities (*nominativas*). Interbolsa, at the Issuer's request, can ask the Affiliate Members of Interbolsa for information regarding the identity of the Noteholders and transmit such information to the Issuer. Form and title to the book-entry Notes will be evidenced by book-entries in accordance with the provisions of the Portuguese Securities Code and the applicable CMVM and Interbolsa regulations. No physical document of title will be issued in respect of book-entry Notes.
Fixed Rate Notes:	Fixed interest will be payable in respect of Fixed Rate Notes on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(b) on the basis of the reference rate set out in the applicable Final Terms.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Step-up/Step-down Rate of Interest:

If Step-up/Step-down Rate of Interest is specified as being applicable in the applicable Final Terms:

(a) in respect of Rated Securities, the Rate of Interest shall be increased by the Step-up Margin if (i) the rating of the Notes assigned by a Rating Agency (from whom the Issuer has solicited a Rating) falls below an Investment Grade Rating such that no Rating Agencies assign an Investment Grade Rating to the Notes or (ii) a withdrawal of a Rating of the Notes such that no Rating Agency assigns a Rating to the Notes (a "**Step-up Rating Change**"); and

(b) any such increase shall cease to apply if the rating of the Notes assigned by any Rating Agency is subsequently raised to, or confirmed or assigned as, at least an Investment Grade Rating (a "**Step-down Rating Change**").

In each case, the relevant increase or decrease shall take effect from and including the Interest Payment Date immediately following the date of the Step-up Rating Change or Step Down Rating Change, subject to the terms of Condition 5.3.

Benchmark Discontinuation

On the occurrence of a Benchmark Event, an Independent Financial Adviser (as defined in the Terms and Conditions) may

	determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments in accordance with Condition 5.2(h) (*Benchmark Discontinuation*).
Redemption:	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices as may be agreed between the Issuer and the relevant Dealer. In particular, if Event Put is specified in the applicable Final Terms, the Notes may be redeemed at the option of the Noteholders following certain sales or disposals of assets and/or loss of licences and/or change of control which cause either a Negative Rating Event or a Rating Downgrade, as further described in Condition 7.6.
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, and save that the minimum denomination of each Note will be EUR100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 3.
Restrictive Covenants:	The Issuer is subject to certain additional restrictive covenants relating to its business and including, in certain circumstances, restrictions on transactions except on arm's length terms, the provision of funding in certain circumstances and disposals to and acquisitions from Affiliates, as further described in Condition 4.
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 9.

Substitution:	The terms of the Notes will contain a substitution provision as further described in Condition 15. In the event of any substitution pursuant to Condition 15 (except where the Substituted Debtor is the Successor in Business of the Issuer) the Issuer, acting either through its head office or through an international branch as it may determine in its sole discretion, shall irrevocably and unconditionally guarantee in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as principal debtor and (without prejudice to such guarantee) shall remain bound by the obligations (other than the obligations to make payments of interest or principal) of the Issuer under the Notes and the Agency Agreement (with any consequential amendments as may be necessary).
Modification:	The Agent and the Issuer may, in accordance with Condition 12, without the consent of the Noteholders, make any modification of the Notes which (a) is not prejudicial to the interests of the Noteholders, (b) is of a formal, minor or technical nature; (c) is made to correct a manifest or proven error; or (d) is to comply with mandatory provisions of any applicable law or regulation. Any modification so made shall be binding on all Noteholders.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Conditions 2 and 3) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.
Representative of Noteholders:	The Noteholders may appoint a common representative.
Credit Ratings:	The Issuer is rated BBB- and the Notes to be issued under the Programme are expected to be rated BBB- by Standard & Poor's. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Use of Proceeds:	The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes or for such other reason as may be specified in the applicable Final Terms.
Listing:	Application is expected to be made for Notes issued under the Programme to be listed on the official list of Euronext Dublin and to be admitted to trading on the regulated market of the Euronext Dublin.

Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law save that, the form (*forma de representação*) and transfer of the Notes, the creation (if any) of security over the Notes and the Interbolsa procedures for the exercise of rights under the Notes are governed by, and shall be construed in accordance with, Portuguese law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the UK, the EEA (including Portugal and Spain) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".
United States Selling Restrictions:	The Issuer is Category 2 for the purposes of Regulation S. The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the "**TEFRA C**") unless the Notes are issued in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable**.**

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There are a wide range of factors which, individually or together, could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Prospectus the principal risks which the Issuer believes could materially adversely affect its business and ability to make payments due under the Notes.

In addition, the principal risks which the Issuer believes are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

The risks described below are the risks that the Issuer believes could have a negative impact on its strategy, stakeholders (including its employees), the regions in which it operates, its operations, results and assets. Furthermore, these risks may have an impact on the return for the business, financial condition and/or results of operations of the Issuer.

The Issuer is subject to political, legal and regulatory risks.

The Issuer carries out activities related to regulated natural gas infrastructure. These activities are based on licence and concession agreements with the Portuguese authorities that encompass compensation systems geared to safeguard the recovery of the Issuer's investments and operational costs. Consequently, the recovery of such investments and costs is conditional upon the terms and stability of such legal and regulatory frameworks, which are out of the Issuer's scope of control. As such, any change at that level could adversely affect the Issuer's results of operations and financial condition.

Concessions, licences and permits might, in some cases, be granted for certain periods of time only or might be subject to early termination or revocation ("revogação" or "resgate") under certain circumstances, including as a result of legal proceedings, challenges, disputes, legal or regulatory changes and/or failure to comply with the terms of the relevant concession, licence or permit. Upon termination of a concession or the expiration of a licence or permit, the fixed assets associated with such concessions, licences or permits, in general, revert to the government or municipality, which granted the relevant concession, licence or permit. Under these circumstances, although specified compensatory amounts might be payable to the Issuer with respect to these assets, such amounts, if any, may not be sufficient to compensate the Issuer for its actual or anticipated loss and the loss of any of these assets may adversely affect the Issuer's business, financial condition, prospects and/or results of operations. Moreover, if a concession is terminated by the Portuguese Republic on the grounds that the Issuer has breached the terms of such concession, the concession assets would revert to the Portuguese Republic. In such circumstances, the Issuer would not be entitled to any compensation and the Portuguese Republic may be entitled to indemnities against civil liability. The loss of any of the Issuer's concession assets could have a material adverse effect on its results of operations and potentially on its financial condition.

The Portuguese Republic has created the current legal and regulatory framework governing the Portuguese electricity and natural gas sectors in which the Issuer operates. Laws, regulations and policies, as well as decisions of the European Union (the "**EU**"), the Portuguese Republic and the Portuguese regulatory authorities

may have a material effect on the Issuer's business, financial condition and/or results of operations. The Issuer cannot predict to what extent regulatory changes will be made in the future or, if any such regulatory changes are made, the effects these changes would have on its business, financial condition and/or results of operations.

The Portuguese Republic has established an independent regulator, the Entidade Reguladora dos Serviços Energéticos ("**ERSE**") to regulate natural gas industries in Portugal. The ERSE Tariff Code (Regulamento Tarifário, www.erse.pt) defines the remuneration that the Issuer may receive in these regulated sectors. In attempting to achieve an appropriate balance between the interests of electricity and natural gas consumers, as well as the interests of the Issuer and those of other participants in the energy sector in generating an appropriate remuneration, ERSE may take actions that have an adverse impact on the Issuer's profitability. Although ERSE is an independent regulator entrusted with powers to sanction energy providers, the Portuguese Republic could also pass laws or take other actions that could have a material impact on the Issuer's business.

It should be highlighted that proposals to amend ERSE's regulations are submitted to public consultation (*consulta pública*) processes to allow all stakeholders to participate in their definition.

Changes to the rules applicable to the municipal underground contribution on the occupancy of municipal subsoil ("**TOS**") could have a material adverse effect on the Issuer's business, financial condition and/or results of operations.

As of 31 December 2022, 38 municipalities in Portugal had enacted Law no. 53-E/2006, of 29 December 2005, as amended ("**Law 53-E/2006**"), which sets out the legal framework applicable to municipal charges and contributions to the gas sector, and were charging TOS to the Issuer's affiliates. The Issuer's affiliates are entitled to invoice such TOS costs to the suppliers and end-clients in accordance with the Issuer's affiliates concession agreements and licences, which clearly state that DSOs have the right to pass the fees or charges imposed by any public entities on to the users of its infrastructures including TOS. This practice is further reinforced in the rules of the TOS Repercussion Procedure Manual approved by ERSE under Directive no. 12/2014, of 14 July 2014 (the "**TOS Repercussion Procedure Manual**").

In 2008 Council of Ministers Resolution no. 98/2008, of 23 June 2008, approved the draft of the natural gas distribution concession agreements that were entered into by the Issuer's affiliates that hold natural gas distribution concessions. In line with this Council of Ministers Resolution, all the concession agreements specifically provide that the costs of TOS charged by the municipalities shall not be borne by the concessionaires and shall be passed along to the natural gas suppliers and end clients. A similar rule is enshrined in Ministerial Order no. 1213/2010, of 2 December 2010 (the "**2010 Ministerial Order**"), which provides the template of the local natural gas distribution permits.

In 2016, the state budget law for 2017, Law no. 42/2016, of 28 December 2016 ("**Law 42/2016**"), introduced a provision stating that TOS could no longer be invoiced to end-clients. It was commonly interpreted that this measure would not be immediately applicable, since it is in direct contradiction with the natural gas distribution concession agreements, the 2010 Ministerial Order, and the rules in the TOS Repercussion Procedure Manual. In addition, article 70 of Decree-Law no. 25/2017, of 3 March 2017, which established the execution norms for the 2017 state budget, indicated that ERSE should conduct a study on the consequences of such measure in the economic and financial balance of the natural gas operators and after such study was completed the government would amend the relevant legal framework regarding the pass-through of the TOS to the end-clients. The study published by ERSE stated that if TOS was not charged by the DSO's to suppliers and final consumers, that this would put the economic and technical balance of the system at risk. This would also trigger an economical re-balance mechanism which is objectively stated in the Concession Agreement for this specific situation. The study also stated that the DSOs may continue to pass-through the TOS charges to suppliers or consumers until the law undergoes the necessary review and operational changes. The government never amended such legal framework.

The Issuer is aware of three recent decisions from the Supreme Administrative Court in court cases opposing end-clients to natural gas suppliers where the court upheld the claimants' (end-clients) petition that Article 85 of Law 42/2016 was immediately applicable and that the clients were wrongly charged the TOS by the supplier. These decisions are only applicable for the situations presented in the abovementioned claims and neither the Issuer nor its affiliates are parties to these court cases and the Issuer is unaware if appeals to the Constitutional Court or any other instances have been filed.

Notwithstanding the above, the Issuer's affiliates' concession agreements clearly state that the TOS costs are not to be borne by the concessionaires and that is also an assumption of the financial balance of the concessions. Under the natural gas distribution concessions and licences the Issuer is entitled to rebalancing mechanisms aimed to guarantee the financial balance of the underlying business of the Issuer in cases of *(i)* unilateral modifications due to public interest reasons imposed by the grantor to the operation conditions of the natural gas assets, provided that as a result of such modification the operating companies' costs increase or they lose revenues and/or *(ii)* legislative modifications with direct impact on the revenues and costs related to the natural gas activities. However, this rebalancing would take some time and there is no certainty of the outcome. This could have a detrimental impact on the Issuer's profit and could impair its ability to make payments, or meet its obligations, under the Notes.

The Issuer's future profitability may be adversely affected by changes in the tariff and remuneration regime established by ERSE.

The vast majority of the Issuer revenues are generated by a remuneration on the natural gas distribution assets, which are regulated. Tariffs are set annually by ERSE within the parameters of regulatory frameworks it establishes, which are revised by ERSE every four years. Although ERSE takes into account the information provided by operators, including the Issuer, to determine both the tariffs and the parameters, the Issuer cannot ensure whether ERSE, in the future, will not determine tariffs at a lower level than the Issuer considers appropriate, materially modify the regulatory framework or set out tariffs in a manner that could have a material adverse effect on the Issuer's business, financial condition and/or results of operations.

The current regulatory period started on 1 January 2020 and will end on 31 December 2023. A new regulatory period will commence in January 2024 and will expire in December 2027, the parameters for which were published by ERSE on 1 June 2023. These new parameters are aligned with the Issuer´s expectations, with no expected impact on the Issuer's business, financial condition and/or results of operations.

The Issuer is subject to risks associated with the successful conclusion of a carve-out process from Galp

Following the acquisition of a 75 per cent. stake in the Issuer by Allianz Capital Partners in 2021, the Issuer has started a carve-out process from its former parent Galp Energia, SGPS, S.A. ("**Galp**"). This carve-out process is ongoing and as a result, a number of the Issuer's support functions are still supplied by Galp, through a Transitional Service Agreement (TSA) that regulates the service level provided. A transition plan is in place to ensure the Issuer becomes operationally independent by 2025 but there are risks around the successful completion of this transfer within this timeline.

This carve-out includes an internal restructuring process and the reinforcement of new competencies, namely in corporate areas. If the Issuer fails to attract, retain, motivate and organise highly skilled human resources in the future, this may have an adverse impact on the success of its business and consequently on its financial condition and results of operations.

The carve-out process currently in progress also includes IT processes which are critical to ensure business continuity and quality service performance.

The Issuer is subject to risks associated with business continuity and effective crisis management.

The Issuer is subject to business continuity risk, both of its own and of its partners, and may suffer financial losses resulting from any kind of interruption to business, namely due to natural disasters, industrial accidents, power outages, and loss of information technology ("**IT**") systems. Although the Issuer has in place risk mitigation measures, it is subject to cyber risk and its impacts may negatively affect the Issuer's reputation, operational performance and/or financial condition.

Crisis management plans and the ability to deal with a crisis scenario are essential to deal with emergencies at every level of the operations of the Issuer. If the Issuer does not respond or if it is perceived not to respond in an appropriate manner to either an external or internal crisis, the Issuer's business and operations could be severely disrupted, with a potential negative effect on the Issuer's reputation, results of operations and financial condition. Additionally, an inability to restore or replace critical capacity to an agreed level within an agreed time frame could prolong the impact of any disruption.

Cyber Security Risk and IT Service Failure

It is critical for the Issuer to maintain a high degree of focus on the effectiveness, availability, integrity and security of information systems. The volume and complexity of cyber security threats from hostile nation states, terrorists, hacktivists, criminals or insiders are increasing and constantly evolving. Increasing use of information technology gives rise to new types of cyber and information security threats that are continuously being utilised by state sponsored cells as well as smaller groups. This means cyber security and IT failure is a risk to the business of the Issuer and could result in loss or delays in services supporting the core business and services of the Issuer.

Floene has implemented several security measures, that are being executed and seamlessly integrated within the current Transitional Service Agreement framework. These activities include: (i) measures to improve the cyber culture; (ii) constant tracking and mitigation of vulnerabilities; (iii) advanced cyber security protection including identification of phishing attempts; (iv) advanced Cyber Incident Monitoring and Response; (v) a dedicated and professional cyber security team. Additionally, the Issuer is working together with industry peers and government agencies to shape its delivery of the security programme and complying with applicable laws, regulations and directives. Furthermore, threat intelligence and response capability has been adopted to reduce cyber risk. There is on-going work to maintain and improve business continuity and disaster recovery procedures focused on protecting the Issuer's assets against the consequences of geo-political risk.

However, notwithstanding the foregoing, there remains a risk that the Issuer's security measures will not be sufficient to prevent, respond to or recover from all possible breaches. A breach of its information system could cause a serious disruption to the business of the Issuer, and therefore its ability to meet its respective payment obligations under the Notes or comply with the terms and conditions of the Notes.

Further, loss of or misuse of data or interruptions to key business systems could have an adverse impact on the security of critical national infrastructure and the Issuer's operational assets, financial performance and customer service metrics. In addition, this could result in breaches of applicable legislation, laws and regulations, which could lead to significant penalties that could have an adverse impact on the Issuer's financial condition and/or reputation.

The Issuer could be adversely affected by a change in tax laws, rules and regulation and increased taxes or decreased tax benefits.

Changes to tax laws, rules and regulations by Portuguese tax authorities or other governmental bodies, including changes in the interpretation or implementation thereof, could have a material adverse effect on the Issuer's business, financial condition and/or results of operations. For example, in 2014, legislation required that energy operators in Portugal pay an "Energy Sector Extraordinary Contribution" ("**ESEC**").

With regard to regulated activities, the ESEC is levied on the higher of the following: (i) the value of the relevant regulated assets (as recognised by ERSE and used by ERSE for the purposes of determining the allowed revenues for the following year); or (ii) the net book value of such assets as of 1 January 2015 or the first day of the relevant financial year. The ESEC is levied at a rate of 0.85 per cent. The ESEC cannot be, directly or indirectly, passed through to tariffs nor can it be considered for purposes of determining the respective capital cost of the Issuer's regulated assets. In addition, the ESEC is not deductible for corporate tax purposes.

The Issuer's affiliates have been challenging the legality and constitutionality of the ESEC since its inception and have not paid the ESEC voluntarily but have rather commenced legal proceedings since May 2015 to contest the validity of each ESEC.

The amount of non-paid and disputed ESEC under the open court cases amounts to EUR 76,640,054 (fully provisioned as of 31 December 2022), of which EUR 49,661,610 pertains to ESEC from 2018 onwards (2018 included). The two constitutional court rulings in favour of the Issuer's affiliates in respect of the 2018 ESEC suggest that all remaining court cases in relation to the 2018 and onwards ESEC may be ruled in favour of the Issuer's affiliates. Additionally, two more favourable court decisions were published, by Tax and Administrative Regional Courts that based their decisions on the Constitutional Court ruling previously mentioned. This demonstrates that courts have already begun to give the issuer favourable decisions, without the need to appeal to the constitutional court.

It is possible that the ESEC will be revoked in the near future. Should ESEC continue to apply, the Issuer intends to continue initiating legal proceedings to contest the respective payments. The extension of the ESEC (or imposition of similar or higher taxes) could have a material adverse effect on the Issuer's business, financial condition and/or results of operations and could adversely affect its ability to pay dividends.

Failure to report data accurately and in compliance with standards may result in regulatory action, legal liability and damage to the Issuer's reputation.

External reporting of financial and non-financial data is reliant on the integrity of systems and people. Failure to report data accurately and in compliance with external standards could result in regulatory action, legal liability and damage to the reputation of the Issuer, with a potential adverse impact on the Issuer's results of operations and financial condition.

The Issuer's current insurance coverage for all its operational risks may not be sufficient.

Natural gas distribution activities involve significant hazards. The Issuer's operations are subject to risks generally that can result in personal injuries, loss of life and property and environmental damage.

In line with industry best practices, the Issuer contracts insurance to cover business-specific risks. The insured risks include, among other hazards, damage to property and equipment, industry liability, cyber-security, pollution and contamination, third-party liability of Executive Directors and staff, and work accidents.

Nevertheless, some major risks inherent in the Issuer's activities cannot reasonably be insured for a commercially appropriate sum. In addition, the Issuer's insurance policies contain exclusions that could result in limited coverage in certain circumstances. Furthermore, the Issuer may not be able to maintain adequate insurance at rates or on terms that it considers reasonable or acceptable, or be able to obtain insurance against certain risks that could materialise in the future. As such, under extreme conditions, the Issuer may incur substantial losses following events that are not covered by insurance, which would have an adverse impact on the business, financial condition and/or results of operations of the Issuer.

The Issuer is subject to extensive environmental regulation.

The Issuer is subject to the effects of government policies to curb climate change, including extensive environmental, health and safety laws and regulations, which include, for example, those relating to emissions,

energy consumption and waste treatment and disposal. These initiatives may affect the conditions in which the Issuer conducts its business, with a potential negative impact on its results of operations and financial condition.

The Issuer has made, and will continue to make, expenditures to comply with environmental, health and safety laws and regulations. To the extent that the cost of compliance increases and the Issuer cannot pass on future increases to its customers, such increases may have an adverse effect on the Issuer's results of operations and financial condition. Failure to comply with environmental, health and safety laws and regulations could result in substantial cost for the Issuer, as well as liabilities vis-à-vis third parties or governmental authorities, which would impair the Issuer's ability to meet its payment obligations under the Notes or comply with the terms and conditions of the Notes.

Climate change risk

The Issuer is also subject to National and European regulations associated with the transition to a low-carbon economy, changes in environmental policies and requirements, technology, market, etc. Recent European regulation has defined very ambitious targets to achieve global decarbonisation goals, with a strategy to expedite the reduction of greenhouse gas emissions and reduce the use of fossil fuels. Portugal has a legally binding target to achieve net-zero emissions by 2050, with interim targets and milestones set through a carbon budget setting process. This process will result in the gradual but continual decarbonisation of the energy system, including ensuring the reduction of the use of fossil fuels such as natural gas.

Every initiative towards the energy future is a complex balance between three competing needs of the energy trilemma: affordability, security of supply and decarbonisation. The Issuer is engaging with stakeholders and working with other gas networks to demonstrate the role of low carbon gas in resolving this trilemma, namely renewable gases such as green hydrogen and Biomethane. The Issuer is currently delivering projects to evidence that hydrogen is safe and both technically and economically feasible for use in the Issuer's networks and in homes and businesses.

However, notwithstanding the foregoing, insufficient legislative framework for renewable and low-carbon gases or the failure to achieve the injection of renewable gases into the gas grid in a timely and sustainable manner will have a negative impact in the Issuer´s operations and its assets may become stranded in the long term. There is a risk that the Issuer may not generate sufficient revenues at that point in time to enable it to meet its payment obligations under the Notes or comply with the terms and conditions of the Notes.

Increasing gas prices

The Issuer is exposed to risks within the gas market arising from demand volatility due to increasing natural gas commodity prices where those can lead to a move from natural gas to other energies from end consumers in their production processes. Higher sustained gas prices may also lead to lower consumption over time, potentially reducing the use of gas networks in the future. This situation may cause delay in the recovery of the allowed revenues, with possible cash-flow constraints in periods of strong demand decrease, and as a result the Issuer may not have sufficient revenues to enable it to meet its payment obligations under the Notes or comply with the terms and conditions of the Notes.

The Issuer's financial condition may be adversely affected by a number of factors, including restrictions in borrowing and debt arrangements and volatility in the global credit markets.

The Issuer's business is partly financed through debt. A shortage of liquidity, lack of funding, pressure on capital and extreme price volatility across a wide range of asset classes are putting financial institutions under considerable pressure and, in certain cases, placing downward pressure on credit availability for companies.

Any increase in the financing needs of the Issuer may have a negative impact on its financial performance and gearing ratio, affecting both its borrowing capacity and the cost of those borrowings.

The Issuer is exposed to the risk that credit facilities may not be available to refinance maturing debt or to meet cash shortfalls in a timely manner, or at an acceptable and competitive rate, in order to allow the Issuer to fulfil its financial commitments, which could have a material adverse effect on its business or financial condition.

The Issuer may be affected by downgrades in its credit rating.

The Issuer's ability to obtain funding on favourable terms depends on various factors including its financial stability as reflected by its results of operations and credit ratings by internationally recognised credit agencies.

The Issuer has been rated by Standard & Poor's since 2016, and its rating was reaffirmed as BBB- in December 2022, with a stable outlook The stable outlook is supported by the Issuer's financial policy and commitment to the current rating level.

The Issuer's credit rating and costs of funding are influenced by, amongst other things, Standard & Poor's rating methodology, the credit rating of Portugal's sovereign debt and by Standard & Poor's view of the Portuguese and European Regulated Gas Sectors, over which the Issuer has no control.

A change in the rating methodology used by Standard & Poor could result in a downgrade of the Issuer's credit rating. Any downgrade in the Issuer's credit rating (be it related to a change in the rating methodology used by Standard & Poor or otherwise) may impact the Issuer's ability to raise funding and could materially adversely affect its business, financial condition and/or results of operations. A downgrade in country risk score and sovereign rating on Portugal according to Standard & Poor's view, could also impact the Issuer's ability to raise funding and could materially adversely affect its business, financial condition and/or results of operations.

The Issuer may be adversely affected by interest rate fluctuations.

Interest rate fluctuations have an effect on both the Issuer's revenue and financing costs. Firstly, ERSE has been establishing the rate of return ("**RoR**") for the Issuer's natural gas distribution businesses on the basis of indexation to the average 10 year Portuguese Republic treasury bond rates, with base rates determined for each regulatory period. Accordingly, if bond yields decline, the RoRs on the Issuer's natural gas distribution businesses automatically decline in tandem. However, it should be noted that, during each regulatory period, the RoR varies between a cap and a floor. For the current regulatory period started 1 January 2020 until 31 December 2023 (4 years), the RoR floor is set at 4.7 per cent. and the cap at 9.0 per cent. On 1 June 2023, the published RoR for 2022 was 5.49 per cent. and was estimated to be at 5.89 per cent. for 2023. For the period starting in January 2024 until December 2027, the RoR floor is set at 3.5 per cent and the cap at 7.8 per cent.

Secondly, despite any ability to access the market for instruments designed to hedge interest rate risk, the Issuer's funding costs may be affected by volatile market rates. In 2023 the Issuer entered into a bank term facility with a variable interest rate. That is, any movement in the reference interest rate will impact the Issuer's funding costs.

The Issuer may incur future costs with respect to its defined benefit pension plans.

Under the pension plans of Lisboagás, a subsidiary of the Issuer, benefit payments are calculated as a complement to the social security pension, based on years of service and salary. The most critical risks relating to pensions accounting often relate to the returns on pension plan assets and the discount rate used to assess the present value of future payments. Pension liabilities can place significant pressure on cash flows. In particular, if the defined benefit pension fund of Lisboagás is underfunded, the Issuer may be required to make additional contributions to the funds, which could adversely affect its business, financial condition and/or results of operations.

The Issuer is exposed to health, safety and environmental risks, which may negatively affect its reputation, operational performance or financial condition.

Given the Issuer's operations, the potential risks for health, safety and the environment are considerable. This includes major incidents involving safe processes and installations, failure to meet approved policies, natural disasters and civil unrest, civil war and terrorism. The Issuer is further exposed to generic operational, health and personal safety risks and criminal activities.

Such incidents may cause injury or loss of life, environmental damage or the destruction of premises, and, depending on their cause, severity and extent, they may negatively affect the Issuer's reputation, operational performance and/or financial condition. The Issuer has, in its opinion, appropriate insurance in place to mitigate this risk but there is no guarantee that such insurance would cover all future liabilities.

The Issuer conducts its operations through subsidiaries.

The Issuer is a holding company which is dependent on the earnings and cash flows of its operating subsidiaries to meet its debt servicing obligations. The Issuer's subsidiaries are not guarantors of the Notes and are not bound by obligations under the Notes. As a result, the right of the Noteholders to receive payments under the Notes will be structurally subordinated to all liabilities of all of the Issuer's operating subsidiaries and the assets of any such subsidiaries will in the first instance be used to pay their creditors.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

With respect to the Issuer Residual Call Option (Condition 7.5), there is no obligation on the Issuer to inform investors if and/or when the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued. The relevant Issuer has the right to redeem the Notes pursuant to Condition 7.5 at the Optional Redemption Amount specified for such purpose in the applicable Final Terms, notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Issuer Residual Call Option (Condition 7.5) by the relevant Issuer, the Notes may have been trading significantly above such redemption price. Exercise of the Issuer Residual Call Option (Condition 7.5) may therefore (subject to the price at which Noteholders purchased the relevant Notes) result in Noteholders receiving less than their initial investment on such redemption of the Notes. The Paying Agent will be responsible for monitoring whether the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued or for ensuring that the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued when the Issuer Residual Call Option is exercised.

Fallback arrangements could adversely affect certain Floating Rate Notes

(See Condition 5 (Interest and other Calculations) of the Terms and Conditions of the Notes)

Condition 5.2 (*Interest on Floating Rate Notes*) sets out how the Rate of Interest for Floating Rate Notes is determined, including a number of fallbacks. A particular risk is that, through the operation of such fallbacks and where Screen Rate Determination is specified as the manner in which the Rate of Interest is to be determined, the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date and the Floating Rate Notes will, in effect, become fixed rate Notes. The mechanisms for the determination of the Rate of Interest for Floating Rate Notes may lead to uncertainty as to the Rate of Interest that would be applicable and may adversely affect the value of, and return on, such Floating Rate Notes. Further, the operation of these fallback arrangements could result in a different return for Noteholders (which may include payment of a lower Rate of Interest) than they might receive under other similar securities which contain different or no fallback arrangements (including which they may otherwise receive in the event that legislative measures or other initiatives (if any) are introduced to transition from any given interbank offered rate to an alternative rate).

Furthermore, there is uncertainty as to the continuation of the Original Reference Rate, in particular where the Original Reference Rate is an interbank offered rate (an "**IBOR**") (for example, EURIBOR). If a Benchmark Event (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate) occurs in respect of a Floating Rate Note, the fallback arrangements in Condition 5.2(i) (*Benchmark Discontinuation*) apply with a view to determining, through an Independent Financial Adviser to be appointed by the Issuer (on a reasonable endeavours basis), a Successor Rate or Alternative Rate and (where applicable) the Adjustment Spread and other Benchmark Adjustments.

The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest will result in the Notes linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form. Further, it may not be possible to determine or apply an Adjustment Spread and even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Noteholder.

The Issuer may be unable to appoint an Independent Financial Adviser or the Independent Financial Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Conditions. Where the Issuer is unable to appoint an Independent Financial Adviser in a timely manner, or the Independent Financial Adviser is unable to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event will result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Financial Adviser or, the Independent Financial Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the Floating Rate Notes, in effect, becoming fixed rate Notes.

If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

(See Condition 5 (Interest) of the Terms and Conditions of the Notes

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market in, and the market value of, the Notes since the Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The conditions of the Notes contain provisions which may permit their modification and a substitution of the Issuer without the consent of all investors.

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Agent and the Issuer may, without the consent of the Noteholders, make any modification of the Notes, the Agency Agreement, or the Interbolsa Instrument in certain circumstances as further described in Condition 12.

The conditions of the Notes also provide that the Issuer may, without the consent of the Noteholders, and without regard to the interests of particular Noteholders, be replaced and substituted by *(i)* any Successor in Business of the Issuer; or *(ii)* any other company, in each case as principal debtor in respect of the Notes, in the circumstances described in Condition 15.

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

Withholding under Portuguese tax law

Under Portuguese tax law, interest and other types of investment income derived from Notes issued by Portuguese resident entities are generally subject to Portuguese domestic withholding tax, currently assessed at the rate of 25 per cent. in case of resident or non-resident legal persons. However, in the case of resident entities,

as well as for non-resident investors holding a Portuguese permanent establishment to which the income is allocated, such withholding tax rate is withheld on account of the final income tax due, while in the case of non-residents without a Portuguese permanent establishment to which the income is allocated, such withholding tax will be deemed as final, unless a withholding tax exemption applies. Also as a rule interest and other types of investment income derived from Notes issued by Portuguese resident entities and paid to resident or non-resident individual investors are subject to Portuguese final withholding tax at the rate of 28 per cent. unless the individual resident elects to aggregate such income to his taxable income, subject to (i) progressive income tax rates of up to 48 per cent. and depending on the total income obtained by an individual on each tax year; and (ii) an additional income tax of up to 2.5 per cent. on the portion of taxable income exceeding EUR80,000 up to EUR250,000 and 5 per cent. on the portion of taxable income exceeding EUR250,000. (see "*Taxation – Portugal*"). However, interest and other types of investment income paid or made available to accounts opened in the name of one or several accountholders acting on behalf of undisclosed third parties is subject to a withholding tax rate of 35 per cent., except where the beneficial owner(s) of such income is/are disclosed, in which case the general rules will apply. A final withholding tax rate of 35 per cent. applies in case of investment income payments to individuals or companies domiciled in one of the "low tax jurisdictions" set out in the list approved by Ministerial Order (*Portaria*) no. 150/2004, of 13 February 2004, as amended from time to time (*Lista dos países, territórios e regiões com regimes de tributação privilegiada, claramente mais favoráveis*) ("**Ministerial Order no. 150/2004**").

Notwithstanding the above, said non-resident investors (both individual and corporate) without a Portuguese permanent establishment to which the income may be attributable, eligible for the debt securities special tax exemption regime which was approved by Decree-law no. 193/2005, of 7 November 2005, as amended ("**Decree-law no. 193/2005**"), may benefit from an upfront withholding tax exemption, provided that certain formal procedures and requirements are met (see "*Taxation – Portugal*", for information on these formal procedures and certification requirements). Failure to comply with these procedures and certifications will result in the application of the Portuguese domestic withholding rate of 25 per cent. (in case of non-resident legal persons), 28 per cent. (in case of non-resident individuals) or 35 per cent. (in case of investment income payments to (i) individuals or legal persons who are resident in the countries and territories included in the Portuguese "blacklist" approved by Ministerial Order no. 150/2004, or (ii) accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties in which the beneficiaries are not disclosed) which may be reduced in relation to entities or individuals domiciled in certain jurisdictions pursuant to the provisions of treaties for the avoidance of double taxation entered into by Portugal, as may be in force from time to time provided that the formal procedures and certification requirements established by the relevant treaties are complied with (see "*Taxation – Portugal*").

Risks related to procedures for collection of Noteholders' details

It is expected that the direct registering entities, the participants and the clearing systems will follow certain procedures to facilitate the collection from the Noteholders of the information referred to in "*Withholding under Portuguese tax law*" above required to comply with the procedures and certifications required by Decree-law no. 193/2005. Under Decree-law no. 193/2005, the obligation of collecting from the Noteholders proof of their non-Portuguese resident status and of the compliance with the other requirements for the exemption rests with the direct registering entities, the participants and the entities managing the international clearing systems. A summary of those procedures is also set out in "*Taxation – Portugal*". Such procedures may be revised from time to time in accordance with applicable Portuguese laws and regulations, further to clarifications from the Portuguese tax authorities regarding such laws and regulations and the operational procedures of the clearing systems.

Noteholders must seek their own advice to ensure that they comply with all applicable procedures and to ensure the correct tax treatment of their Notes. None of the Issuer, the Dealers, the Agent or the clearing systems assumes any responsibility in this regard.

Administrative cooperation in the field of taxation

The EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**Savings Directive**"), as amended by Council Directive 2014/48/EU, of 24 March 2014, was repealed by Council Directive 2015/2060, of 10 November 2015. The aim was the adoption of a single and more comprehensive cooperation system in the field of taxation in the European Union under Council Directive 2011/16/EU, of 15 February 2011. The new regime under Council Directive 2011/16/EU, as amended by Council Directive 2014/107/EU, of 9 December 2014, introduced the automatic exchange of information in the field of taxation concerning bank accounts and is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. This regime is generally broader in scope than the Savings Directive.

Under Council Directive 2014/107/EU, of 9 December 2014 financial institutions are required to report to the tax authorities of their respective Member State (for the exchange of information with the state of residence) information regarding bank accounts, including custodial accounts, held by individual persons residing in a different Member State or entities which are controlled by one or more individual persons residing in a different Member State, after having applied the due diligence rules foreseen in the Directive. The information refers to the account balance at the end of the calendar year, income paid or credited in the account and the proceeds from the sale or redemption of the financial assets paid or credited in the account during the calendar year to which the financial institution acted as custodian, broker, nominee, or otherwise as an agent for the account holder, among others.

Decree-law no. 64/2016, of 11 October, transposed Council Directive 2014/107/EU, of 9 December 2014 into Portuguese law.

Noteholders will have a claim under the Notes against the Issuer only.

The Notes will be direct obligations of the Issuer. Noteholders will have a claim under the Notes against the Issuer only. The shareholders of the Issuer do not in any way guarantee or have any liability whatsoever in relation to the Notes. If there are insufficient funds available to the Issuer to pay in full any principal, interest and other amounts due in respect of the Notes, Noteholders will have a claim in respect of any such unpaid amounts against the Issuer only and not against the shareholders of the Issuer.

The value of the Notes could be adversely affected by a change in English law, Portuguese law or administrative practice.

Certain provisions of the Notes are governed by Portuguese law in effect as at the date of this Prospectus. These provisions include those relating to the form *(forma de representação)* and transfer of the Notes, the creation (if any) of security over the Notes and the Interbolsa procedures for the exercise of rights under the Notes. Otherwise the conditions of the Notes are based on English law in effect as at the date of this Prospectus.

No assurance can be given as to the impact of any possible judicial decision or change to English or, as the case may be, Portuguese law or administrative practice after the date of this Prospectus. Any such change could materially adversely impact the value of any Notes affected by it.

Certain risks related to Floating Rate Notes referencing benchmarks that are subject to regulation and reform

EURIBOR and other rates and indices which are deemed to be "benchmarks" are the subject of national, international and other regulatory guidance and proposals for reform. Some of these reforms are already

effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a "benchmark".

Regulation (EU) 2016/1011 (the "**EU BMR**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK BMR**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU BMR and the UK BMR (together, the "**BMRs**") could have a material impact on any Notes linked to EURIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the BMRs, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of, the published rate or level, of the benchmark. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the BMRs and other applicable regulations, and the risks associated therewith. Whilst no changes to the EURIBOR methodology are expected in the short term, the European Money Markets Institute ("**EMMI**") which sets and administers EURIBOR has stated that it remains committed to reforming the EURIBOR quote-based methodology to anchor it in transactions and adapt it to the evolving market circumstances. Actions by the EMMI, regulators or law enforcement agencies may therefore affect EURIBOR (and/or the determination or availability thereof) in unknown ways which could adversely affect the determination of the rate of interest on the Notes and/or the liquidity of the Notes and their market value. Other interbank offered rates ("**IBORs**") suffer similar weaknesses and although work continues on reforming their respective methodologies to make them more grounded in actual transactions, they may be discontinued or be subject to changes in their administration.

Changes to the administration of an IBOR or the emergence of alternatives to an IBOR, may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Notes referencing or linked to such IBOR. The development of alternatives to an IBOR may result in Notes linked to or referencing such IBOR performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequences could have a material adverse effect on the value of, and return on, any such Notes linked to or referencing such IBOR. Whilst alternatives to certain IBORs for use in the bond market are being developed, outstanding Notes linked to or referencing an IBOR may transition away from such IBOR in accordance with the particular fallback arrangements set out in their terms and conditions. The operation of these fallback arrangements could result in a different return for Noteholders (which may include payment of a lower Rate of Interest) than they might receive under other similar securities which contain different or no fallback arrangements (including those which they may otherwise receive in the event that legislative measures or other initiatives (if any) are introduced to transition from any given IBOR to an alternative rate). Any such consequences could have a material adverse effect on the value of, and return on, any such Notes linked to or referencing such IBOR.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU BMR and/or the UK BMR, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes referencing a benchmark.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes.

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of any Notes.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

The Issuer is rated BBB- and the Notes to be issued under the Programme are expected to be rated BBB- by Standard & Poor's.

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and

registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances whilst the registration application is pending). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are restricted from using a rating for UK regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes, EU and UK regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in EU and UK regulated investors selling the Notes which may impact the value of the Notes and any secondary market.

There can be no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the credit rating agencies (or any of them) as a result of changes in, or unavailability of, information or if, in the credit rating agencies' judgment, circumstances so warrant. If any rating assigned to the Notes is lowered or withdrawn, the market value of the Notes may be reduced. Future events, including events affecting the Issuer and/or circumstances relating to the gas industry generally, could have an adverse impact on the ratings of the Notes.

FORM OF THE NOTES

Form of the Notes

Notes to be issued under the Programme will be represented in dematerialised book-entry form *(forma escritural)* and are registered securities (*nominativas*).

Form and title to the book-entry Notes will be evidenced by book-entries in accordance with the provisions of the Portuguese Securities Code and the applicable CMVM and Interbolsa regulations. No physical document of title will be issued in respect of book-entry Notes.

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency, and save that the minimum denomination of each Note will be EUR100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

The book-entry Notes will be registered in the relevant issue account opened by the Issuer with Interbolsa and will be held in control accounts by each Affiliate Member of Interbolsa (as defined below) on behalf of the holders of the book-entry Notes. Such control accounts reflect at all times the aggregate of book-entry Notes held in the individual securities accounts opened by the holders of the book-entry Notes with each of the Affiliate Members of Interbolsa.

In this Prospectus, "**Interbolsa**" means Interbolsa - Sociedade Gestora de Sistemas de Liquidação de Sistemas Centralizados de Valores Mobiliários, S.A., the Portuguese central securities depository, also acting as operator and manager of "**CVM**" (*Central de Valores Mobiliários*), the Portuguese centralised system of registration of securities. The expression "**Affiliate Member of Interbolsa**" means any authorised financial intermediary entitled to hold control accounts with Interbolsa on behalf of their customers and includes any depository banks appointed by Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") for the purposes of holding such accounts with Interbolsa on behalf of Euroclear and Clearstream, Luxembourg.

Any reference herein to Interbolsa, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

Each person shown in the records of an Affiliate Member of Interbolsa as having an interest in book-entry Notes shall be treated as the holder of the book-entry Notes recorded therein except as otherwise required by law.

Clearing and Settlement

CVM is the Portuguese centralised system *(sistema centralizado)* for the registration and control of securities operated by Interbolsa. CVM is composed of interconnected securities accounts, through which securities (and inherent rights) are created, held and transferred. This allows Interbolsa to control the amount of securities created, held and transferred at all times. Issuers of securities, financial intermediaries, Affiliate Members of Interbolsa and the Bank of Portugal, all participate in CVM.

CVM provides for all the procedures required for the exercise of ownership rights inherent to the book-entry Notes held through Interbolsa.

In relation to each issue of securities, CVM comprises *inter alia, (a)* the issue account, opened by the relevant issuer in CVM and which reflects the full amount of securities issued; *(b)* the individual accounts, opened in

the Affiliate Members of Interbolsa by their respective customers; and *(c)* the control accounts opened by each Affiliate Member of Interbolsa, and which reflect, at all times, the aggregate nominal amount of securities held in the individual securities accounts opened by holders of securities with each of the Affiliate Members of Interbolsa.

Each person shown in the records of an Affiliate Member of Interbolsa as having an interest in Notes shall be treated as the holder of the principal amount of the Notes recorded.

Notes held through Interbolsa will be attributed an International Securities Identification Number (ISIN) code through Interbolsa's codification system and will be accepted for registration and clearing through the centralised securities system operated by Interbolsa and settled by Interbolsa's settlement system.

Exercise of Financial Rights

Payment of principal and interest in respect of the Notes will be subject to Portuguese laws and regulations, notably the regulations from time to time issued and applied by the Comissão do Mercado de Valores Mobiliários, the Portuguese Securities Market Commission **("CMVM**") and by Interbolsa.

The Issuer must give Interbolsa advance notice of all payments and provide all necessary information for that purpose, including the identity of the financial intermediary (which shall be a participant in Interbolsa) appointed by the Issuer to act as the Paying Agent in respect of the Notes and is responsible for the relevant payments.

Prior to any payment, such Paying Agent shall provide Interbolsa with a statement of acceptance of its role of Paying Agent.

Interbolsa must notify such Paying Agent of the amounts to be settled, which will be determined by Interbolsa on the basis of the account balances of the control accounts of each relevant Affiliate Member of Interbolsa.

On the date on which any payment in respect of the Notes is to be made, the corresponding entries and counter-entries will be made by Interbolsa *(i)* in the T2 current accounts held by such Paying Agent and by the relevant Affiliate Members of Interbolsa in the case of payments in euro or *(ii)* in the Caixa Geral de Depósitos, S.A. current accounts held by such Paying Agent and by the relevant Affiliate Members of Interbolsa in the case of payments in currencies acceptable by Interbolsa other than euro.

Whilst the Notes are held through Interbolsa, payment of principal and interest in respect of the Notes will be *(i)* if made in euro *(a)* credited, according to the procedures and regulations of Interbolsa, from the payment current account which the relevant Paying Agent (acting on behalf of the Issuer) has indicated to, and has been accepted by, Interbolsa to be used on the relevant Paying Agent's behalf for payments in respect of securities held through Interbolsa to the payment current accounts held according to the applicable procedures and regulations of Interbolsa by the Affiliate Members of Interbolsa whose control accounts with Interbolsa are credited with such Notes and thereafter *(b)* credited by such Affiliate Members of Interbolsa from the aforementioned payment current accounts to the accounts of the owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or Clearstream, Luxembourg, as the case may be; or *(ii)* if made in currencies other than euro *(a)* transferred, on the payment date and according to the procedures and regulations applicable by Interbolsa, from the account held by the relevant Paying Agent in the Foreign Currency Settlement System (*Sistema de Liquidação em Moeda Estrangeira*), managed by Caixa Geral de Depósitos, S.A., to the relevant accounts of the relevant Affiliate Members of Interbolsa, and thereafter *(b)* transferred by such Affiliate Members of Interbolsa from such relevant accounts to the accounts of the owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those

Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or Clearstream, Luxembourg, as the case may be.

APPLICABLE FINAL TERMS

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

PROHIBITION OF SALES TO UK RETAIL INVESTORS –The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended from time to time ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

UK MiFIR Product Governance / Target Market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers'target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[Date]

FLOENE ENERGIAS, S.A.

Legal Entity Identifier: 213800A9FKHWR4AHQG70

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]
under the EUR1,000,000,000
Euro Medium Term Note Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 16 June 2023 [and the supplement[s] to it dated [●] [and [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the "**Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8.2 of the Prospectus Regulation and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus has been published on the Euronext Dublin plc's website (https://live.euronext.com/en/markets/dublin/bonds/list).

"**Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended), and includes any relevant implementing measure in the Relevant Member State.

1	Issuer:	Floene Energias, S.A.
2	(a) Series Number:	[●]
	(b) Tranche Number:	[●]
	(c) Date on which the Notes will be consolidated and form a single Series:	[The Notes will be consolidated and form a single Series with [●] on [[●] / the Issue Date] [Not Applicable]
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount:	
	(a) Series:	[●]
	(b) Tranche:	[●]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6	(a) Specified Denomination:	[●]
	(b) Calculation Amount:	[●]
7	(a) Issue Date:	[●]
	(b) Interest Commencement Date:	[[●]/Issue Date/Not Applicable]
8	Maturity Date:	[[●]/ Interest Payment Date falling in or nearest to [●]]
9	Interest Basis:	[[●] per cent. Fixed Rate] [[●] month EURIBOR] +/- [●] per cent. Floating Rate]

		[Zero coupon] (further particulars specified below)
10	Change of Interest Basis:	[●] [Not Applicable]
11	Put/Call Options:	[Not Applicable] [Event Put] [Issuer Call] [Issuer Maturity Par Call] [Issuer Residual Call] [(further particulars specified below)]
12	Date [Board] approval for issuance of Notes obtained:	[●] [Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13	Fixed Rate Note Provisions		[Applicable/Not Applicable]
	(a)	Rate(s) of Interest:	[●] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[[●] in each year up to and including the Maturity Date] [●]
	(c)	Fixed Coupon Amount(s):	[●] per Specified Denomination
	(d)	Broken Amount(s):	[[●] per Specified Denomination, payable on the Interest Payment Date falling [in/on] [●]] [Not Applicable]
	(e)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)]
	(f)	Determination Date(s):	[[●] in each year] [Not Applicable]
	(g)	Step-up/Step-down Rate of Interest:	[Applicable] [Not Applicable]
	(h)	Step-up Margin:	[[●] per cent. per annum] [Not Applicable]
14	Floating Rate Note Provisions		[Applicable/Not Applicable]
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[●]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
	(c)	Additional Business Centre(s):	[●] [Not Applicable]
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
	(e)	Party Responsible for Calculating the Rate of Interest and the Interest Amount (if not the Agent)	[●]
	(f)	Screen Rate Determination:	[Applicable/Not Applicable]
		• Reference Rate:	[●] month EURIBOR

	•	Interest Determination Date(s):	[●]
	•	Relevant Screen Page:	[●]
	(g)	ISDA Determination:	[Applicable/Not Applicable]
	•	Floating Rate Option:	[●]
	•	Designated Maturity:	[●]
	•	Reset Date:	[●]
	•	Compounding:	[Applicable/Not Applicable]
	•	Compounding Method:	[Compounding with Lookback Lookback: [●] Applicable Business Days] [Compounding with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [●]/[Not Applicable]] [Compounding with Lockout Lockout: [●] Lockout Period Business Days Lockout Period Business Days: [●]/[Applicable Business Days]]
	(h)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
	(i)	Margin(s):	[+/-] [●] per cent. per annum
	(j)	Minimum Rate of Interest:	[●] per cent. per annum
	(k)	Maximum Rate of Interest:	[●] per cent. per annum
	(l)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
	(m)	Step-up/Step-down Rate of Interest:	[Applicable] [Not Applicable]
	(n)	Step-up Margin:	[[●] per cent. per annum] [Not Applicable]
15	Zero Coupon Note Provisions		[Applicable/Not Applicable]
	(a)	Accrual Yield:	[●] per cent. per annum
	(b)	Reference Price:	[●]

	(c) Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

16	Notice periods for Condition 7.2:	Minimum period: [30] days Maximum period: [60] days
17	Issuer Call:	[Applicable/Not Applicable]
	(a) Optional Redemption Date(s):	[●]
	(b) Optional Redemption Amount:	[[●] per Specified Denomination] [Make-Whole Amount]
	(c) Reference Bond:	[●]
	(d) Redemption Margin:	[●]
	(e) Quotation Time:	[●]
	(f) If redeemable in part:	
	(i) Minimum Redemption Amount:	[●] [Not Applicable]
	(ii) Maximum Redemption Amount:	[●] [Not Applicable]
	(g) Notice periods:	Minimum period: [15] days Maximum period: [30] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*)
18	Issuer Maturity Par Call:	[Applicable/Not Applicable]
	Par Call Commencement Date:	[●]
	Notice periods	Minimum period: [●] days Maximum period: [●] days
19	Issuer Residual Call	[Applicable/Not Applicable]
	(a) Optional Redemption Amount	[●] [Par] per Calculation Amount
	(b) Notice periods	Minimum period: [●] days Maximum period: [●] days
20	Event Put:	[Applicable/Not Applicable]
	(a) Material Licence Event:	[Applicable/Not Applicable]
	(b) Material Disposal Event:	[Applicable/Not Applicable]
	(c) Change of Control Event:	[Applicable/Not Applicable]

	(d) Event Put Redemption Amount:	[●] per Specified Denomination] [in respect of a [Material Licence Event/Material Disposal Event/ Change of Control Event]]
	(e) Event Put Redemption Date:	[●] days after the last day on which Noteholders are able to exercise the Event Put, being [●] days after the end of the Relevant Event Period. (*Ensure that this date falls sufficiently after the date referred to in paragraph (f) below*)
	(f) Period for exercising Event Put:	Not later than the date falling [●] days after the end of the Relevant Event Period. (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent*)
21	Final Redemption Amount:	[●] per Specified Denomination
22	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	[●] per Specified Denomination

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23	Form of Notes:	Dematerialised book-entry form (*forma escritural*) and registered (*nominativas*) held through Interbolsa
24	Additional Financial Centre(s):	[Not Applicable/[●]]

Third Party Information

[[●] has been extracted from [●]]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of **Floene Energias, S.A.**

By: .....

Duly authorised

PART B — OTHER INFORMATION

1 **LISTING AND ADMISSION TO TRADING**

(i) Listing and Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Euronext Dublin's regulated market with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Euronext Dublin's regulated market with effect from [●].]
(ii) Estimate of total expenses related to admission to trading:	[●]

2 **RATINGS**

Ratings:	[The Notes to be issued [have been/are expected to be] rated: [*insert details*]] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*]. [Each of [*defined terms*] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**EU CRA Regulation**") [and has been endorsed by [*defined terms*] established in the United Kingdom and registered by the Financial Conduct Authority under the EU CRA Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]] [brief description of ratings definitions] [Not Applicable]

3 **USE OF PROCEEDS**

[As specified in the Prospectus] [●]

4 **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] 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 and its affiliates in the ordinary course of business [and [●]]]

5 **YIELD** (Fixed Rate Notes only)

Indication of yield:	[●] [Not Applicable] The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of further yield.

6 **HISTORIC INTEREST RATES** (Floating Rate Notes only)

[Details of historic [EURIBOR] rates can be obtained from [Reuters].] [Not Applicable]

7 **OPERATIONAL INFORMATION**

(i)	ISIN Code:	[●]
(ii)	Common Code:	[●]
(iii)	CFI	[[Include code], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]/[Not Available]
(iv)	FISN	[[Include code], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]/[Not Available]
(v)	Any clearing system(s) other than Interbolsa, Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/[●]]
(vi)	Delivery:	Delivery [against/free of] payment
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[●] [Not Applicable]
(viii)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with Interbolsa as common safekeeper [(and registered in the name of a nominee of Interbolsa acting as a common safekeeper,)][include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/[No. While the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with Interbolsa as common safekeeper [(and registered in the name of a nominee of Interbolsa acting as a common safekeeper,)][include this text for registered notes]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition

will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

8 **DISTRIBUTION**

(i)	If syndicated, names of Managers:	[Not Applicable/[●]]
(ii)	Date of Subscription Agreement:	[●]
(iii)	If non-syndicated, name of relevant Dealer:	[Not Applicable/[●]]
(iv)	Stabilisation Manager(s) (if any)	[Not Applicable/[●]]
(v)	U.S. Selling Restrictions:	Reg. S Compliance Category 2; [TEFRA C applies / TEFRA not applicable]

TERMS AND CONDITIONS OF THE NOTES

The following (save for any sentences in italics) are the Terms and Conditions of the Notes which will be applicable to each Note. The applicable Final Terms in relation to any Tranche of Notes will complete the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be applicable to each Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Floene Energias, S.A. (the "**Issuer**") pursuant to the Agency Agreement (as defined below).

References herein to the Notes shall be references to the Notes of this Series and shall mean the book-entries representing the Notes while held through Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. ("**Interbolsa**"), as management entity of the Portuguese Centralised System of Registration of Securities ("**Central de Valores Mobiliários**").

The Notes have the benefit of a deed poll given by the Issuer in favour of the Noteholders dated 16 June 2023 (such deed poll as amended and/or supplemented and/or restated from time to time pursuant to the amendment provisions specified therein, the "**Interbolsa Instrument**") and of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the Agency Agreement) dated 16 June 2023 and made and agreed between the Issuer and Caixa – Banco de Investimento, S.A. as agent (the "**Agent**", which expression shall include any successor agent) and any other paying agents named therein (together with the Agent, the Paying Agents, which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the applicable Final Terms which complete these Terms and Conditions (the "**Conditions**"). References to the "**applicable Final Terms**" are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof).

Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean the persons in whose name the Notes are registered in the individual securities account held with an Affiliate Member of Interbolsa (as defined below) in accordance with Portuguese law and the relevant Interbolsa procedures and, for the purposes of Condition 8, the effective beneficiary of the income attributable thereto.

In the Conditions, the expression "**Affiliate Member of Interbolsa**" means any authorised financial intermediary entitled to hold control accounts with Interbolsa on behalf of Noteholders and includes any depository banks appointed by Euroclear and Clearstream, Luxembourg, for the purposes of holding accounts on behalf of Euroclear and Clearstream, Luxembourg; "**Clearstream, Luxembourg**" means Clearstream Banking S.A.; and "**Euroclear**" means Euroclear Bank SA/NV.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Interbolsa Instrument and the Agency Agreement are available for inspection during normal business hours at the specified office of the Agent. As the Notes are to be admitted to trading on the regulated market of the Euronext Dublin, the applicable Final Terms will be published on the website of the Euronext Dublin through a regulatory information service. The Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Interbolsa Instrument, the Agency Agreement and the applicable Final

Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Interbolsa Instrument or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Interbolsa Instrument and the Agency Agreement, the Interbolsa Instrument shall prevail, and that in the event of inconsistency between the Interbolsa Instrument or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In these Conditions, "**euro**" and "**EUR**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1 FORM, DENOMINATION AND TITLE

The Notes are issued in the currency (the "**Specified Currency**") and the denomination (the "**Specified Denomination**") specified in the applicable Final Terms, provided that the minimum Specified Denomination of each Note will be EUR100,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

The Notes are held through Interbolsa in dematerialised book entry form (*forma escritural*) and are registered securities (*nominativas*), and title to the Notes is evidenced by registration in the relevant individual securities accounts held with an Affiliate Member of Interbolsa in accordance with the provisions of the "**Portuguese Securities Code**" (*Código dos Valores Mobiliários*) enacted by Decree-law no. 486/99, of 13 November 1999, as amended, and the applicable regulations of Comissão do Mercado de Valores Mobiliários, the Portuguese Securities Market Commission (CMVM). No physical document of title will be issued in respect of the Notes. Each person shown in the relevant individual securities accounts held with an Affiliate Member of Interbolsa as having an interest in Notes shall be treated as the holder of the principal amount of the Notes recorded therein. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the registered holder of any Note as the absolute owner thereof (whether or not overdue) for all purposes. One or more certificates in relation to the Notes will be delivered by the relevant Affiliate Member of Interbolsa in respect of its holding of the Notes upon the request by the relevant Noteholder and in accordance with that Affiliate Member of Interbolsa's procedures and pursuant to article 78 of the Portuguese Securities Code.

The transferability of the Notes is not restricted. Subject as set out below, title to Notes will pass upon registration of transfers in the relevant individual securities accounts held with an Affiliate Member of Interbolsa in accordance with the provisions of the Portuguese Securities Code and the relevant procedures of Interbolsa. Notes may, subject to compliance with all applicable rules, restrictions and requirements of Interbolsa and Portuguese law, be transferred to a person who wishes to hold such Note. No holder of a Note will be able to transfer such Note, except in accordance with Portuguese law and with the applicable procedures of Interbolsa.

Any reference herein to Interbolsa, Euroclear or Clearstream, Luxembourg shall, wherever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms. The holders of Notes will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2 STATUS OF THE NOTES

The Notes are direct, unconditional, unsubordinated and (subject to the provisions of this Condition 2 and Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

3 NEGATIVE PLEDGE

So long as any of the Notes remains outstanding, the Issuer will not (and will procure that none of its Material Subsidiaries will) create or have outstanding any Security Interest other than any Permitted Security upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital) to secure any Loan Stock of any Person without at the same time or prior thereto at the option of the Issuer either:

(i) securing the Notes equally and rateably with such Loan Stock; or

(ii) providing such other security for or other arrangement in respect of the Notes as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

4 COVENANTS

So long as any Note remains outstanding:

(a) *Arm's length terms:* except for any Group Transaction and unless otherwise permitted pursuant to Conditions (c) or 4(d), the Issuer shall not, and shall procure that no member of the Group shall, enter into any transaction except on arm's length terms and for full market value (or on terms more favourable for the relevant member of the Group);

(b) *Restrictions on Creditor of Indebtedness:* the Issuer shall not, and shall procure that no member of the Group shall, be a creditor in respect of any Indebtedness, nor provide any guarantees or indemnities in respect of the Indebtedness of any other party, except (in either case) for any Permitted Indebtedness;

(c) *No disposals to Affiliates:* the Issuer shall not, and shall procure that no member of the Group shall, dispose of any asset to an Affiliate (which is not a member of the Group) unless such disposal is on arm's length terms and for full market value (or on terms more favourable for the relevant member of the Group) and:

(i) the net proceeds of any such disposal by themselves or when aggregated with the net proceeds of each other disposal made in the same Relevant Period do not in aggregate exceed EUR20,000,000; or

(ii) such disposal is a disposal of Cash to fund a Distribution; or

(iii) if there are Rated Securities, having consulted with the relevant Rating Agencies, in the reasonable opinion of the Issuer, any current Rating assigned to the Rated Securities would not be withdrawn or reduced from an Investment Grade Rating to a rating below an Investment Grade Rating by any Rating Agency or, if a Rating Agency shall already have rated the Rated Securities below an Investment Grade Rating, any such rating would not be lowered one (or more) full rating notch (for example, Bal to Ba2 by Moody's or BB+ to BB by S&P or Fitch) in whole or in part as a result of such disposal;

(d) *No acquisitions from Affiliates:* the Issuer shall not, and shall procure that no member of the Group shall, acquire any asset from an Affiliate (which is not a member of the Group) unless such acquisition is on

arm's length terms and for full market value (or on terms more favourable for the relevant member of the Group) and:

(i) the consideration payable for such acquisition by itself or when aggregated with the consideration paid or payable in respect of each other acquisition undertaken in the same Relevant Period does not in aggregate exceed EUR20,000,000; or

(ii) if there are Rated Securities, having consulted with the relevant Rating Agencies, in the reasonable opinion of the Issuer, any current Rating assigned to the Rated Securities would not be withdrawn or reduced from an Investment Grade Rating to a rating below an Investment Grade Rating by any Rating Agency or, if a Rating Agency shall already have rated the Rated Securities below an Investment Grade Rating, any such rating would not be lowered one (or more) full rating notch (for example, Bal to Ba2 by Moody's or BB+ to BB by S&P or Fitch) in whole or in part as a result of such acquisition;

5 INTEREST

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest subunit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 5.1:

(a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of *(I)* the number of days in such Determination Period and *(II)* the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of *(x)* the number of days in such Determination Period and *(y)* the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of *(x)* the number of days in such Determination Period and *(y)* the number of Determination Dates that would occur in one calendar year; and

(b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

5.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, "**Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and *(x)* if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or *(y)* if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date *(a)* in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or *(b)* in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event *(i)* such Interest Payment Date shall be brought forward to the immediately preceding Business Day and *(ii)* each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms;

(C) the relevant Reset Date is the day specified in the applicable Final Terms;

(D) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified in the applicable Final Terms and:

a. Compounding with Lookback is specified as the Compounding Method, Lookback is the number of Applicable Business Days specified;

b. Compounding with Observation Period Shift is specified as the Compounding Method, (a) Observation Period Shift is the number of Observation Period Shift Business Days specified and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified; or

c. Compounding with Lockout is specified as the Compounding Method, (a) Lockout is the number of Lockout Period Business Days specified and (b) Lockout Period Business Days, if applicable, are the days specified.

(E) references in the relevant ISDA Definitions to:

a. "Confirmation" shall be deemed to be references to the applicable Final Terms;

b. "Calculation Period" shall be deemed to be references to the relevant Interest Period;

c. "Termination Date" shall be deemed to be references to the Maturity Date;

d. "Effective Date" shall be deemed to be references to the Interest Commencement Date; and

e. "Payment Date" shall be deemed to be references to the relevant Interest Payment Date.

For the purposes of this subparagraph (i), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Compounding with Lookback**", "**Lookback**", "**Applicable Business Days**", "**Overnight Floating Rate Option**", "**Compounding with Observation Period Shift**", "**Observation Period Shift Business Days**", "**Observation Period Shift Additional Business Days**", "**Lockout Period Business Days**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

(A) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(I) the offered quotation; or

(II) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service that displays the information) as at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(B) If the Relevant Screen Page is not available or if, in the case of paragraph 5.2(b)(ii)(A)I, no offered quotation appears or, in the case of subclause 5.2(b)(ii)(A)II, fewer than three offered quotations appear, in each case as at the Specified Time, subject as provided below, the Agent shall request, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

(C) If on any Interest Determination Date:

(I) one only or none of the Reference Banks provides the Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any); or

(II) if fewer than two of the Reference Banks provide the Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Agent it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any),

provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(c) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Designated Maturity**" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(d) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(e) Determination of Rate of Interest and calculation of Interest Amounts

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included

in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(f) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 11 as soon as possible after their determination but in no event later than the fourth Lisbon Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 11. For the purposes of this paragraph, the expression "**Lisbon Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Lisbon and (in relation only to any date for payment or purchase of euro) which is a TARGET Business Day.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer and the Noteholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(h) References to Agent

References in this Condition 5.2 to "the Agent" shall be deemed to refer instead to such other person as identified in the Applicable Final Terms if such Final Terms name another person as the party for calculating the Rate of Interest and the Interest Amount.

(i) Benchmark Discontinuation

Notwithstanding the forgoing provisions:

(i) *Independent Financial Adviser*: If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Financial Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.2(i)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5.2(i)(iii)) and any Benchmark Amendments (in accordance with Condition 5.2(i)(iv)). In making such determination, the Independent Financial Adviser appointed pursuant to this Condition 5.2(i) shall act in good faith as an expert. In the absence of bad faith or fraud, the Independent Financial Adviser shall have no liability whatsoever to the Agent, the Paying Agents, or the Noteholders for any determination made by it, pursuant to this Condition 5.2(i).

If (i) the Issuer is unable to appoint an Independent Financial Adviser; or (ii) the Independent Financial Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5.2(i)(i) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5.2(i)(i).

(ii) *Successor Rate or Alternative Rate*: If the Independent Financial Adviser determines that:

a. there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5.2(i); or

b. there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest

(or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5.2(i)).

(iii) *Adjustment Spread*: The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) *Benchmark Amendments:* If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5.2(i) and the Independent Financial Adviser, determines (i) that amendments to these Conditions, the Agency Agreement and/or the Programme Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.2(i)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Agency Agreement and/or the Programme Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Agent of a certificate signed by two Authorised Signatories of the Issuer pursuant to Condition 5.2(i)(v), the Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Programme Agreement), provided that the Agent shall not be obliged so to concur if in the opinion of the Agent doing so would (i) impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent in these Conditions or the Programme Agreement (including, for the avoidance of doubt, any subscription agreement) in any way, or (ii) expose the Agent to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction.

In connection with any such variation in accordance with this Condition 5.2(i)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) *Notices, etc.*: Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5.2(i) will be notified promptly by the Issuer to the Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 11 (Notices), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(vi) No later than notifying the Agent of the same, the Issuer shall deliver to the Agent a certificate signed by two Authorised Signatories of the Issuer:

a. confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5.2(i); and

b. certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Agent, the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Agent's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Agent, the Calculation Agent, the Paying Agents and the Noteholders.

(vii) *Survival of Original Reference Rate*: Without prejudice to the obligations of the Issuer under Condition 5.2(i)(i), 5.2(i)(ii), 5.2(i)(iii) and 5.2(i)(iv), the Original Reference Rate and the fallback provisions provided for in Condition 5.2(b)(ii)(B) will continue to apply unless and until a Benchmark Event has occurred.

5.3 Step-up/Step-down Rate of Interest

If Step-up/Step-down Rate of Interest is specified as being applicable in the applicable Final Terms, the Rate of Interest shall be subject to adjustment by the amount (a "**Step-up Margin**") specified in the applicable Final Terms in the event of any Step-up Rating Change or any subsequent Step-down Rating Change, as the case may be, in accordance with the following provisions in respect of those Notes ("**Applicable Notes**").

For any Interest Period commencing on or after the first Interest Payment Date immediately following the date of a Step-up Rating Change, if any, the Rate of Interest shall be increased by the Step-up Margin specified in the applicable Final Terms.

In the event that a Step-down Rating Change occurs after the date of a Step-up Rating Change (or on the same date but subsequent thereto), then for any Interest Period commencing on the first Interest Payment Date following the date of such Step-down Rating Change, the Rate of Interest shall be the initial Rate of Interest as specified in the Final Terms.

The Issuer shall cause each Rating Change (if any) and the applicable Rate of Interest (as adjusted in accordance with this Condition 5.3) to be notified to the Agent and any stock exchange on which the relevant Notes are for the time being listed and the Noteholders (in accordance with Condition 11) as soon as practicable after such Rating Change.

For the avoidance of doubt, a Step-up Rating Change may occur more than once, if a Step-down Rating Change has occurred prior to the relevant subsequent Step-up Rating Change.

5.4 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 11.

6 PAYMENTS

6.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency; and

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and *(ii)* any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

6.2 Payments in respect of the Notes

Whilst the Notes are held through Interbolsa, payment of principal and interest in respect of the Notes will be *(i)* if made in euro *(a)* credited, according to the procedures and regulations of Interbolsa, from the payment current account which the relevant Paying Agent (acting on behalf of the Issuer) has indicated to, and has been accepted by, Interbolsa to be used on the relevant Paying Agent's behalf for payments in respect of securities held through Interbolsa to the payment current accounts held according to the applicable procedures and regulations of Interbolsa by the Affiliate Members whose control accounts with Interbolsa are credited with such Notes of and thereafter *(b)* credited by such Affiliate Members of Interbolsa from the aforementioned payment current accounts to the accounts of the owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or Clearstream, Luxembourg, as the case may be; or *(ii)* if made in currencies other than euro *(a)* transferred, on the payment date and according to the procedures and regulations applicable by Interbolsa, from the account held by the relevant Paying Agent in the Foreign Currency Settlement System (*Sistema de Liquidação em Moeda Estrangeira*), managed by Caixa Geral de Depósitos, S.A., to the relevant accounts of the relevant Affiliate Members of Interbolsa, and thereafter *(b)* transferred by such Affiliate Members of Interbolsa from such relevant accounts to the accounts of the owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or Clearstream, Luxembourg, as the case may be.

6.3 General provisions applicable to payments

The holder of a Note, as shown in the relevant individual securities accounts held with an Affiliate Member of Interbolsa as having an interest in Notes shall be the only person entitled to receive payments in respect of Notes recorded therein.

The Issuer will be discharged by payment to the Noteholders according to the procedures and regulations of Interbolsa in respect of each amount so paid.

6.4 Payment Day

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 13) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Lisbon and London and any Additional Financial Centre (other than T2) specified in the applicable Final Terms;

(b) if T2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the T2 is open for the settlement of payments in euro; and

(c) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the T2 is open.

6.5 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 8;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Zero Coupon Notes, the Amortised Face Amount; and

(f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

7 REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

7.2 Redemption for tax reasons

Subject to Condition 7.7, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a

Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 11, the Noteholders (which notice shall be irrevocable), if:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts described in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Relevant Jurisdiction or any political subdivision of, or any authority in, or of, the Relevant Jurisdiction having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the Notes; and

(b) such obligation is continuing and cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders (i) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Agent shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in which event they shall be conclusive and binding on the Noteholders.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

7.3 Redemption at the option of the Issuer (Issuer Call)

(a) If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only (as specified in the applicable Final Terms) of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. The Optional Redemption Amount will be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms.

(b) If Make-Whole Amount is specified in the Final Terms as the Optional Redemption Amount, the Optional Redemption Amount shall be an amount equal to an amount calculated by the Independent Financial Adviser equal to the higher of (i) 100 per cent. of the nominal amount outstanding of the Notes to be redeemed or (ii) the sum of the present values of the nominal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Note (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at the Reference Bond Rate, plus the Redemption Margin.

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the nominal amount of all outstanding Notes will be reduced proportionally.

In the case of a partial redemption the notice to Noteholders shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

7.4 Redemption at the option of the Issuer (Issuer Maturity Par Call)

If Issuer Maturity Par Call is specified in the applicable Final Terms, the Issuer may, on giving not less than the minimum period of notice nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or, if so provided, some of the Notes at any time during the period commencing on (and including) the day that is specified in the applicable Final Terms (the "**Par Call Period Commencement Date**") to (but excluding) the Maturity Date, at the Final Redemption Amount specified in the applicable Final Terms together with interest accrued (if any) to (but excluding) the date fixed for redemption.

7.5 Redemption at the option of the Issuer (Issuer Residual Call)

If Issuer Residual Call is specified as being applicable in the applicable Final Terms and, at any time, the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued (for these purposes, any further notes issued pursuant to Condition 14 and consolidated with this Series of Notes shall be deemed to have been originally issued, but excluding any Notes redeemed pursuant to Condition 7.3), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if such Note is not a Floating Rate Note) or on any Interest Payment Date (if such Note is a Floating Rate Note), on giving not less than the minimum period of notice nor more than the maximum period of notice specified in applicable Final Terms to the Agent and, in accordance with Condition 11, the Noteholders (which notice shall be irrevocable) at the Optional Redemption Amount specified for such purpose together, if appropriate, with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 7.5.

The Paying Agent will not be responsible for monitoring whether the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued or for ensuring that the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued when the Issuer Residual Call option is exercised.

7.6 Redemption at the option of the Noteholders (Event Put)

If Event Put is specified as being applicable in the applicable Final Terms, if a Relevant Event occurs and, within the applicable Relevant Event Period either a Negative Rating Event or a Rating Downgrade occurs, then, unless the Issuer shall have previously given notice under Condition 7.2, Condition 7.3, Condition 7.4 or Condition 7.5 or, in respect of the occurrence of a previous Relevant Event, in accordance with this Condition 7.6, upon the holder of any Note giving notice to the Issuer in accordance with Condition 11 not later than the date specified in the applicable Final Terms after the end of the Relevant Event Period, the Issuer will, upon the expiry of such notice, redeem such Note on the Event Put Redemption Date specified in the applicable Final Terms and at the Event Put Redemption Amount

specified in the applicable Final Terms, together, if appropriate, with interest accrued to (but excluding) the Event Put Redemption Date.

Promptly upon the Issuer becoming aware that a Relevant Event has occurred, the Issuer shall give notice (a "**Relevant Event Notice**") to the Agent and to the Noteholders in accordance with Condition 11 specifying the nature of the Relevant Event and the procedure and other pertinent information for exercising the Event Put.

To exercise the right to require redemption of this Note under this Condition 7.6, the holder of this Note must deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account to which payment is to be made under this Condition 7.6. Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable. The right to require redemption will be exercised directly against the Issuer, through the relevant Paying Agent.

7.7 Early Redemption Amounts

For the purpose of Condition 7.2 above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

(a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and

(b) each Zero Coupon Note will be redeemed at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

Early Redemption Amount=$RP\times(1+AY)^{y}$

where:

"RP" means the Reference Price;

"AY" means the Accrual Yield expressed as a decimal; and

"y" is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

7.8 Purchases

Subject to applicable provisions of Portuguese law, the Issuer or any of its Subsidiaries (as defined below) may at any time purchase or otherwise acquire Notes at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the relevant Subsidiary (as the case may be), cancelled.

7.9 Cancellation

All Notes which are redeemed will forthwith be cancelled in accordance with Interbolsa regulations. All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.8 above shall be cancelled by Interbolsa in accordance with Interbolsa regulations and cannot be held, reissued or resold.

7.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 7.1, 7.2, 7.3, 7.4, 7.5 or 7.6, above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.7(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 11.

8 TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any taxes imposed or levied in the Relevant Jurisdiction, unless the withholding or deduction of the taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction, except that no additional amounts shall be payable in relation to any payment in respect of any Notes:

(a) to, or to a third party on behalf of, a Noteholder who is liable to the taxes in respect of the Notes by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of Notes; or

(b) to, or to a third party on behalf of, a Noteholder that may qualify for the application of Decree-law no. 193/2005, of 7 November 2005, as amended from time to time ("**Decree-law no. 193/2005**"), and in respect of whom all procedures and information required from a Noteholder in order to comply with Decree-law no. 193/2005, and any implementing legislation, are not performed or received, as the case may be, in due time; or

(c) to, or to a third party on behalf of, a Noteholder resident for tax purposes in the Relevant Jurisdiction, or a resident in a country, territory or region subject to a clearly more favourable tax regime (a tax haven jurisdiction) as defined in Ministerial Order (*Portaria*) no. 150/2004, of 13 February 2004, as amended from time to time, issued by the Portuguese Minister of State and Finance (*Portaria do Ministério das Finanças e da Administração Pública no. 150/2004*) with the exception of *(a)* central banks and governmental agencies, as well as international institutions recognised by the Tax Jurisdiction, of those tax haven jurisdictions, and *(b)* tax haven jurisdictions which have a double taxation treaty in force or a tax information exchange agreement in force with Portugal; or

(d) to, or to a third party on behalf of *(i)* a Portuguese resident legal entity subject to Portuguese corporation tax with the exception of entities that benefit from an exemption from Portuguese withholding tax or from Portuguese income tax exemptions, or *(ii)* a legal entity not resident in Portugal with a permanent establishment in Portugal to which the income or gains obtained from the Notes are attributable (with the exception of entities which benefit from a Portuguese withholding tax waiver); or

(e) presented for payment by or on behalf of a Noteholder who would not be liable for or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(f) presented for payment into an account held on behalf of undisclosed beneficial owners where such beneficial owners are not disclosed for purposes of payment and such disclosure is required by law; or

(g) for any taxes that that are imposed or withheld pursuant to Sections 1471 through 1474 of the Code, any regulations or any official guidance thereunder or agreements (including any intergovernmental agreements or any laws, rules or practices implementing such intergovernmental agreements) entered into in connection therewith.

9 EVENTS OF DEFAULT

If any or more of the following events (each an "**Event of Default**") shall occur and be continuing:

(a) the Issuer fails to pay any amount of principal or interest due in respect of the Notes and the default continues for a period of 7 days in the case of principal and 14 days in the case of interest; or

(b) the Issuer fails to perform or observe any of its other obligations under these Conditions and such failure continues unremedied for a period of 30 days, or in the case of failure by the Issuer to comply with Condition 4(e) 90 days, after any Noteholder has given written notice to the Issuer requiring the failure to be remedied; or

(c) *(i)* any Indebtedness for Borrowed Money of the Issuer or any Material Subsidiary becomes due and payable prior to the stated maturity thereof following the occurrence of any event of default (howsoever described); or *(ii)* any Indebtedness for Borrowed Money of the Issuer or any Material Subsidiary is not paid on the due date of payment (as extended by any applicable grace period); or *(iii)* following the occurrence of any event of default (howsoever described), any guarantee or indemnity in respect of Indebtedness for Borrowed Money given by the Issuer or any Material Subsidiary is not honoured when due (as extended by any applicable grace period); or *(iv)* any security interest, present or future, over the assets of the Issuer or any Material Subsidiary for any Indebtedness for Borrowed Money becomes enforceable following the occurrence of any event of default (howsoever described) and steps are taken to enforce the same, ***provided that*** an event described in this subparagraph (c) shall not constitute an Event of Default (I) if it is being contested in good faith by appropriate means by the Issuer or the relevant Material Subsidiary, as the case may be, and the Issuer or such Material Subsidiary, as the case may be, has been advised by recognised independent legal advisers of good repute that it is reasonable to do so; or (II) if the Indebtedness for Borrowed Money, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money in respect of which any of the events specified above has occurred and is continuing, does not exceed EUR30,000,000 (or its equivalent in any other currency or currencies); or

(d) if *(i)* any steps are taken with a view to the liquidation or dissolution of the Issuer or any Material Subsidiary or the Issuer or any Material Subsidiary becomes insolvent, is unable to pay its debts or admits in writing its inability to pay its debts as and when the same fall due, or a receiver, liquidator or similar officer shall be appointed over all or any part of the Issuer or any Material Subsidiary's assets or an application shall be made for a moratorium or an arrangement with creditors of the Issuer or any Material Subsidiary or proceedings shall be commenced in relation to the Issuer or any Material Subsidiary under any legal reconstruction, readjustment of debts, dissolution or liquidation law or regulation, or a distress shall be levied or sued out upon all or any part of the Issuer or any Material Subsidiary's assets or anything analogous to the foregoing shall occur; and *(ii)* in any case shall not be discharged for 60 days, ***provided that*** no such event shall constitute an Event of Default if (A) it arises for the purposes of a Permitted

Transaction; or (B) it is being contested in good faith by appropriate means by the Issuer or the relevant Material Subsidiary, as the case may be, and the Issuer or such Material Subsidiary, as the case may be, has been advised by recognised independent legal advisers of good repute that it is reasonable to do so; or

(e) save for the purposes of a Permitted Transaction *(i)* the Issuer ceases or *(ii)* the Issuer and its Material Subsidiaries taken as a whole cease, in each case to carry on the whole or substantially the whole of the business conducted by it or them; or

(f) any authorisation, approval, consent, decree, registration, publication, notarisation or other requirement of any governmental or public body or authority necessary to enable or permit the Issuer to comply with its obligations under the Notes, or to carry out the whole or substantially the whole of its business, is revoked, withdrawn or withheld or otherwise fails to remain in full force and effect or any law, decree or directive of any competent authority of Portugal is enacted or issued which materially impairs the ability or right of the Issuer to perform such obligations or to carry out the whole or substantially the whole of its business; or

(g) any event occurs which under the laws of any Relevant Jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs; or

(h) it is or becomes unlawful for the Issuer to perform or comply with any of its material obligations under the Notes,

any Noteholder may by written notice to the Issuer and to the Agent at the specified office of the Agent, declare the principal amount outstanding of the Notes to be forthwith due and payable whereupon the same shall become forthwith due and payable at their Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind, ***provided that*** any such action is not contrary to the terms of any Extraordinary Resolution or other resolution of the Noteholders.

No later than 30 days prior to any Solvent Voluntary Reorganisation, the Issuer shall notify the Noteholders in accordance with Condition 11 of its intention to carry out a Solvent Voluntary Reorganisation. Following such Solvent Voluntary Reorganisation, the Issuer shall make available for inspection by Noteholders a report signed by two directors of the Issuer confirming on behalf of the Issuer that such event was a Solvent Voluntary Reorganisation and such report shall (unless the contrary be proven) be sufficient evidence of such confirmation of the Issuer.

10 PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(a) there will at all times be an Agent;

(b) so long as any of the Notes are registered with Interbolsa there will at all times be a Paying Agent having a specified office in such place of registration and complying with any requirements that may be imposed by the rules and regulations of Interbolsa;

(c) so long as any of the Notes are listed on any stock exchange or listed or admitted to trading by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(d) there will at all times be a Paying Agent in Portugal capable of making payment in respect of the Notes as contemplated by these terms and conditions of the Notes, the Agency Agreement and applicable Portuguese laws and regulations.

Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 11.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor Paying Agent.

11 NOTICES

All notices regarding the Notes will be deemed to be validly given if published in accordance with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading, which may include publication in a leading English language daily newspaper of general circulation in Dublin. It is expected that any such publication in a newspaper will be made in the *The Irish Times* in Dublin. The Issuer shall comply with disclosure obligations applicable to listed companies under Portuguese law in respect of notices relating to the Notes, which are integrated in and held through Interbolsa in dematerialised book-entry form. Any notice shall be deemed to have been given on the date of publication or, if published more than once or on different dates, on the date of the first publication.

Notices to be given by any Noteholder shall be in writing and given by lodging the same either with the Issuer or with the Agent.

12 MEETINGS OF NOTEHOLDERS AND MODIFICATION

The Interbolsa Instrument contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by resolution of a modification of these Conditions or any of the provisions of the Agency Agreement.

The quorum at any meeting convened to vote on a resolution will be any person or persons holding or representing Notes whatever the nominal amount of the relevant Series of Notes so held or represented, save in the case of an Extraordinary Resolution when the quorum shall be any person or persons holding or representing in the aggregate not less than 50 per cent. in nominal amount of the relevant Series of Notes for the time being outstanding (or, in the case of a meeting the business of which includes a Reserved Matter, holding or representing in the aggregate not less than three quarters in nominal amount of the relevant Series of Notes for the time being outstanding), or, at any adjourned meeting, any person or persons holding or representing Notes whatever the nominal amount of the relevant Series of Notes so held or represented (or, in the case of an adjourned meeting the business of which includes a Reserved Matter, holding not less than one quarter in nominal amount of the relevant Series of Notes for the time being outstanding).

The majorities required to approve a resolution at any meeting convened in accordance with the applicable rules shall be: *(i)* if in respect of a resolution other than an Extraordinary Resolution, the majority of the votes cast at the relevant meeting; or *(ii)* if in respect of an Extraordinary Resolution, at least 50 per cent. in nominal amount of the relevant Series of Notes for the time being outstanding or, at any adjourned meeting, 2/3 of the votes cast at the relevant meeting.

The power to resolve on any Reserved Matter is exercisable only by Extraordinary Resolution. For the purposes of these Conditions, a "**Reserved Matter**" means any proposal (unless such change is expressly permitted without the consent of Holders pursuant to these Conditions): *(i)* to change any date fixed for payment of principal or interest in respect of the Notes, *(ii)* to reduce the amount of principal or interest due on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity; *(iii)* to effect the exchange, conversion or substitution of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; *(iv)* to change the currency in which amounts due in respect of the Notes are payable; (v) to alter the priority of payment of interest or principal in respect of the Notes; or *(vi)* to amend this definition.

A resolution approved at any meeting of the holders of Notes of a Series shall be binding on all the holders of Notes of such Series, whether or not they are present at the meeting.

The chairman of the general shareholders meeting of the Issuer may at any time and, if required in writing by the Issuer or Noteholders holding not less than ten per cent. in nominal amount of the relevant Series of Notes for the time being outstanding, shall convene a meeting of the relevant Noteholders unless the Noteholders have appointed a common representative in which case the meetings shall be convened by the common representative and if it fails for a period of seven days to convene the meeting, the meeting may be convened by the chairman of the general shareholders meeting of the Issuer. If the chairman of the general shareholders meeting of the Issuer fails to convene the meeting, then at least ten per cent. in nominal amount of the relevant Series of Notes for the time being outstanding held or represented by any person or persons may request the competent court in Portugal to convene the meeting.

The Agent and the Issuer may, without the consent of the Noteholders (and by acquiring the Notes, the Noteholders agree that the Agent and the Issuer may, without the consent of the Noteholders) make any modification (except as mentioned in these Conditions) of the Notes, the Agency Agreement or the Interbolsa Instrument which:

(a) is not prejudicial to the interests of the Noteholders;

(b) is of a formal, minor or technical nature;

(c) is made to correct a manifest or proven error; or

(d) is to comply with mandatory provisions of any applicable law or regulation.

Any modification so made shall be binding on all Noteholders and shall be notified to the Noteholders in accordance with Condition 11 as soon as practicable after it has been agreed.

13 PRESCRIPTION

The Notes will become void unless claims in respect of principal and/or interest are presented within 10 years (in the case of principal) and 5 years (in the case of interest) in each case from the date on which such payment first becomes due, subject in each case to the provisions of Condition 6.

14 FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes of such Series.

15 SUBSTITUTION

15.1 Conditions Precedent to Substitution

The Issuer may, without the consent of the Noteholders, be replaced and substituted by (i) any Successor in Business of the Issuer; or (ii) any other company, in each case as principal debtor (the "**Substituted Debtor**") in respect of the Notes provided that:

(a) no Event of Default has occurred and is continuing;

(b) a deed poll (to be available for inspection by Noteholders at the specified office of the Agent) and such other documents (if any) as may be necessary to give full effect to the substitution (together the "**Documents**") are executed by the Substituted Debtor pursuant to which *(i)* the Substituted Debtor shall undertake in favour of each Noteholder to be bound by the Conditions and the provisions of the Interbolsa Instrument and the Agency Agreement (with any consequential amendments as may be necessary) as fully as if the Substituted Debtor had been named in the Notes, the Interbolsa Instrument and the Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer (or any previous substitute); ***and*** *(ii)* except where the Substituted Debtor is the Successor in Business of the Issuer, the Issuer, acting either through its head office or through an international branch as it may determine in its sole discretion, shall irrevocably and unconditionally guarantee (the "**Guarantee**") in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as principal debtor and (without prejudice to such guarantee) shall remain bound by the obligations (other than the obligations to make payments of interest or principal) of the Issuer under the Notes and the Agency Agreement (with any consequential amendments as may be necessary);

(c) without prejudice to the generality of subparagraph 15.1(b) above, where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than Portugal, the Documents contain a covenant by the Substituted Debtor and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant in terms no less favourable to Noteholders (as determined by the Issuer) than the provisions of Condition 8 with the substitution for the references to Portugal in the definition of "Relevant Jurisdiction" of references to the territory or territories in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes;

(d) the Substituted Debtor and the Issuer, by means of the deed poll, jointly and severally agree to indemnify and hold harmless each Noteholder against *(i)* any tax, duty, assessment or governmental charge with respect to any Note which (A) is or may be imposed, incurred by or levied on it by (or by any authority in or of) the jurisdiction of the country of the Substituted Debtor's and the Issuer's residence for tax purposes and, if different, of its jurisdiction of incorporation; and (B) which would not have been so imposed had the substitution not been made; and *(ii)* any tax, duty, assessment or governmental charge, and any liability, charge, cost or expense, in connection with the substitution;

(e) the Documents contain a warranty and representation by the Substituted Debtor and the Issuer that *(i)* each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents (if any) for such substitution and for the performance by each of the Substituted Debtor and the Issuer of its obligations under the Documents and the Notes and that any such approvals and consents are in full force and effect; and *(ii)* the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents and the Notes are all legal, valid and binding in accordance with their respective terms;

(f) following the proposed substitution of the Substituted Debtor, the Notes will continue to be listed on each stock exchange on which the Notes are listed;

(g) the Substituted Debtor has delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of lawyers in the jurisdiction of the Substituted Debtor to the effect that the Documents and its obligations under the Notes constitute legal, valid, binding and enforceable obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of the substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Agent;

(h) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of lawyers in the jurisdiction of the Issuer to the effect that the Documents (including the Guarantee (if applicable)) constitute legal, valid, binding and enforceable obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Agent;

(i) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of English lawyers to the effect that the Documents constitute legal, valid, binding and enforceable obligations of the parties thereto under English law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Agent; and

(j) the Substituted Debtor (if not incorporated in England or Wales) shall have appointed the process agent appointed by the Issuer in Condition 17 or another person with an office in England as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes.

No later than 30 days prior to any substitution to a Successor in Business of the Issuer, the Issuer shall notify the Noteholders in accordance with Condition 11 of its intention to create a Successor in Business of the Issuer. Following creation of a Successor in Business of the Issuer, the Issuer shall make available for inspection by Noteholders a report signed by two directors of the Issuer confirming on behalf of the Issuer that a company was a Successor in Business of the Issuer and such report shall (unless the contrary be proven) be sufficient evidence of such confirmation of the Issuer.

15.2 Assumption by Substituted Debtor

Upon execution of the Documents as referred to in Condition 15.1, the Substituted Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer (or of any previous substitute under these provisions) and the Notes shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer (or such previous substitute as aforesaid) from all of its obligations as principal debtor in respect of the Notes, notwithstanding the provisions of subparagraph 15.1(b) and 15.1(d).

15.3 Further substitution

After a substitution pursuant to Condition 15.1 the Substituted Debtor may, without the consent of the Noteholders, effect a further substitution. All the provisions specified in Conditions 15.1 and 15.2 shall apply *mutatis mutandis,* to such further substitution and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor, ***provided that***, in the event of a further substitution (except where the Substituted Debtor is the Successor in Business of the Issuer in both the original substitution and each further substitution), Floene Energias, S.A. or its Successor in Business (and not any other Substituted Debtor in respect of any

substitution occurring prior to the relevant further substitution), acting either through its head office or through an international branch as it may determine in its sole discretion, shall irrevocably and unconditionally guarantee in favour of each Noteholder the payment of all sums payable by the Substituted Debtor as principal debtor and (without prejudice to such guarantee) shall remain bound by the obligations (other than the obligations to make payments of interest or principal) of the Issuer under the Notes and the Agency Agreement (with any consequential amendments as may be necessary) and Conditions 15.1 and 15.2 shall be construed accordingly.

15.4 Reversal

After a substitution pursuant to Condition 15.1 or 15.3 any Substituted Debtor may, without the consent of any Noteholder, reverse the substitution, mutatis mutandis.

15.5 Deposit of Documents

The Documents shall be deposited with and held by the Agent for so long as any Note remains outstanding and for so long as any claim made against the Substituted Debtor or the Issuer by any Noteholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder to production of the Documents for the enforcement of any of the Notes or the Documents.

15.6 Notice of Substitution

Before such substitution comes into effect, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 11.

16 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17 GOVERNING LAW AND SUBMISSION TO JURISDICTION

17.1 Governing law

The Notes and the Interbolsa Instrument and any non-contractual obligations arising out of or in connection with the Notes and the Interbolsa Instrument are governed by, and shall be construed in accordance with, English law, save that the form (*forma de representação*) and transfer of the Notes, the creation (if any) of security over the Notes and the Interbolsa procedures for the exercise of rights under the Notes are governed by, and shall be construed in accordance with, Portuguese law.

The Agency Agreement and any non-contractual obligations arising out of or in connection with this Agreement are governed by, and shall be construed in accordance with, Portuguese law.

17.2 Submission to jurisdiction

(a) Subject to Condition 17.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes (a "**Dispute**") and accordingly each of the Issuer and any Noteholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 17.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Noteholders may, in respect of any Dispute or Disputes, take *(i)* proceedings in any other court with jurisdiction; and *(ii)* concurrent proceedings in any number of jurisdictions.

17.3 Appointment of Process Agent

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at 8th Floor 100 Bishopsgate, London, United Kingdom, EC2N 4AG, as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

18 DEFINITIONS

"**Acceptable Bank**" means a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of at least BBB or Baa2 (or their respective equivalents at any Rating Agency for the time being).

"**Accounting Principles**" means the principles adopted by the Issuer in the preparation of the relevant Audited Consolidated Financial Statements.

"**Accrual Period**" has the meaning given to it in Condition 5.1.

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;

or (if no such recommendation has been made, or in the case of an Alternative Rate)

(ii) the Independent Financial Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate;

or (if the Independent Financial Adviser determines that no such spread is customarily applied)

(iii) the Independent Financial Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

"**Affiliate**" means:

(a) in relation to any Person, a Subsidiary of that Person or a Holding Company of that Person or any other Subsidiary of that Holding Company; and

(b) for the purposes of limb (c) of the definition of Allianz Shareholders:

(i) a person managed or advised by Allianz Capital Partners GmbH or by any of its Affiliates referred to in paragraph (a) above;

(ii) any fund in which Allianz Capital Partners GmbH or any of its Affiliates referred to in paragraph (a) above is a general partner or a manager; or

(iii) any group undertaking of any Affiliate referred to in paragraph (i) or (ii) above.

For the avoidance of doubt, Galp Energia, SGPS, S.A. shall not be considered an Affiliate of the Issuer or any member of the Group.

"**Affiliate Member of Interbolsa**" has the meaning given to it in the preamble to these Conditions.

"**Allianz Shareholders**" means:

(a) Allianz Infrastructure Luxembourg II S.À R.L.;

(b) Allianz European Infrastructure Acquisition Holding S.À R.L.; and

(c) any Affiliate of Allianz Infrastructure Luxembourg II S.À R.L. or Allianz European Infrastructure Acquisition Holding S.À R.L. (including any Affiliate under paragraph (b) of the definition of Affiliate).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Financial Adviser determines in accordance with Condition 5.2(i)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes and in respect of the same period of interest.

"**Agency Agreement**" has the meaning given to it in the preamble to these Conditions.

"**Agent**" has the meaning given to it in the preamble to these Conditions.

"**Amortised Face Amount**" has the meaning given to it in Condition 7.7.

"**applicable Final Terms**" has the meaning given to it in the preamble to these Conditions.

"**Applicable Notes**" has the meaning given to it in Condition 5.3.

"**Audited Consolidated Financial Statements**" means the annual audited consolidated financial statements of the Group.

"**Benchmark Amendments**" has the meaning given to it in Condition 5.2(i)(iv).

"**Benchmark Event**" means:

(a) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist;

(b) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(c) a public statement by the administrator or the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(d) a public statement by the administrator or the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes;

(e) a public statement by the administrator or the supervisor for the administrator of the Original Reference Rate announcing that the Original Reference Rate is no longer representative; or

(f) it has become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

provided that in the case of sub-paragraphs (b), (c) and (d), the Benchmark Event shall occur on the date that falls six months prior to the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement.

"**Business Day**" means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Lisbon and London and each Additional Business Centre (other than T2) specified in the applicable Final Terms;

(b) if T2 is specified as an Additional Business Centre in the applicable Final Terms, any day on which T2 is open for the settlement of payments in euro (a "**TARGET Business Day**"); and

(c) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, any day on which the T2 is open.

"**Calculation Amount**" means the amount specified as such in the Final Terms.

"**Calculation Date**" means 31 December in each year.

"**Cash**" means, at any time, cash denominated in euro, sterling, US Dollars and any other currency in hand or at a bank and (in the latter case) credited to an account in the name of a member of the Group with a bank or financial institution and to which a member of the Group is alone (or together with other members of the Group) beneficially entitled and for so long as:

(a) that cash is repayable within 10 business days after the relevant date of calculation;

(b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Group or of any other person whatsoever or on the satisfaction of any other condition;

(c) there is no Security Interest over that cash except for any Security Interest constituted by a netting or set-off arrangement entered into by members of the Group in the ordinary course of their banking arrangements; and

(d) the cash is freely and (except as mentioned in paragraph (c) above) immediately available.

"**Cash Equivalent Investments**" means at any time:

(a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;

(b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, Australia, Canada or any member state of the European Economic Area which (in the case of a member state) has a credit rating of either A-1 or higher by S&P or Fl or higher by Fitch or P-1 or higher by Moody's, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;

(c) commercial paper not convertible or exchangeable to any other security:

(i) for which a recognised trading market exists;

(ii) issued by an issuer incorporated in the United States of America, the United Kingdom, Australia, Canada, any member state of the European Economic Area;

(iii) which matures within one year after the relevant date of calculation; and

(iv) which has a credit rating of either A-1 or higher by S&P or F 1 or higher by Fitch or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;

(d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent); or

(e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (iii) can be turned into cash on not more than 30 days' notice,

in each case, denominated in euro, sterling or US Dollars and to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security Interest.

"**Central de Valores Mobiliários**" has the meaning given to it in the preamble to these Conditions.

"**Change of Control Event**" means the Allianz Shareholders, Marubeni Corporation and Toho Gas Co., Ltd. (when taken together) cease to directly or indirectly:

(a) hold beneficially more than 50 per cent. of the issued share capital of the Issuer (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or

(b) have the power to appoint or remove more than 50 per cent. of the directors of the Issuer; or

(c) have the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of the Issuer.

"**Clearstream, Luxembourg**" has the meaning given to it in the preamble to these Conditions.

"**Code**" has the meaning given to it in Condition 6.1.

"**Conditions**" has the meaning given to it in the preamble to these Conditions.

"**Day Count Fraction**" has the meaning given to it in Condition 5.1 and Condition 5.2(e), as the case may be.

"**Decree-law no. 193/2005**" has the meaning given to it in Condition 8.

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

"**Determination Date**" means the date specified as such in the applicable Final Terms or, if none is so specified, the Interest Payment Date.

"**Disposal Percentage**" means, in relation to a sale, transfer or other disposal or dispossession of any Disposed Assets, the ratio of (a) the aggregate Relevant EBITDA attributable to such Disposed Assets to (b) the consolidated Relevant EBITDA of the Group, expressed as a percentage.

"**Disposed Assets**" means, where any member of the Group sells, transfers or otherwise disposes of or is dispossessed by any means (but excluding sales, transfers, disposals or dispossessions which, when taken together with any related lease back or similar arrangements entered into in the ordinary course of business, have the result that Relevant EBITDA directly attributable to any such undertaking, property or assets continues to accrue to a wholly owned member of the Group), otherwise than to a wholly owned member of the Group, of the whole or any part (whether by a single transaction or by a number of transactions whether related or not) of its undertaking or property or assets, the undertaking, property or assets sold, transferred or otherwise disposed of or of which it is so dispossessed.

"**Dispute**" has the meaning given to it in Condition 17.2.

"**Distribution**" means the Issuer doing any of the following:

(a) making any loan to its shareholders or any Affiliate thereof (other than a member of the Group);

(b) declaring, making or paying any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);

(c) repaying or distributing any dividend or share premium reserve; or

(d) redeeming, repurchasing, defeasing, retiring or repaying any of its share capital or resolve to do so.

"**Documents**" has the meaning given to it in Condition 15.

"**Early Redemption Amount**" means the redemption amount calculated pursuant to Condition 7.7.

"**Relevant EBITDA**" means the consolidated operating profit before taxation of the Group:

(a) **after adding back** any amount attributable to the amortisation, depreciation or impairment of assets (including financial instruments) of members of the Group;

(b) **after adding back** any amount attributable to the amortisation of goodwill;

(c) **before taking into account** any unrealised gains or losses on any derivative instrument;

(d) **before taking into account** any Pension Items or any structural adjustment for part-time early retirement; and

(e) **before taking in account** any Exceptional Items,

each as determined by the most recent Audited Consolidated Financial Statements at the time of the relevant Loss of Relevant Licence or sale, transfer or other disposal or dispossession of any Disposed Assets or (in the case of a determination of Relevant EBITDA for any Relevant Period) determined by reference to the Audited Consolidated Financial Statements in respect of each Calculation Date.

"**Euro**" has the meaning given to it in the preamble to these Conditions.

"**Euroclear**" has the meaning given to it in the preamble to these Conditions.

"**Euro-zone**" means the region comprising member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Event of Default**" has the meaning given to it in Condition 9.

"**Exceptional Items**" means any material items of an unusual, infrequent, or non-recurring nature which represent gains or losses, including, but not limited to, those arising on:

(a) the restructuring of the activities of an entity and reversals of any provisions for the cost of restructuring;

(b) costs, disposals, revaluations, write downs or impairment of non-current assets or any reversal of any write down or impairment; and

(c) disposals of assets associated with discontinued operations

"**Final Redemption Amount**" means the amount specified as such in the applicable Final Terms.

"**Finance Lease**" means any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease.

"**Fitch**" means Fitch Ratings Limited.

"**Fixed Interest Period**" has the meaning given to it in Condition 5.1.

"**Gross Redemption Yield**" means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Independent Financial Adviser on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields", page 4, Section One: Price/Yield Formulae "Conventional Gilts"; Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published 8 June 1998, as amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) or on such other basis as agreed between the Issuer and the Independent Financial Adviser.

"**Group**" means the Issuer and its Subsidiaries taken as a whole.

"**Group Transaction**" means any transaction between members of the Group (including any such transactions entered into for the purposes of or pursuant to a Solvent Voluntary Reorganisation).

"**Guarantee**" has the meaning given to it in Condition 15.

"**Holding Company**" means, in relation to any Person, any other Person in respect of which it is a Subsidiary.

"**IFA Selected Bond**" means a government security or securities selected by the Independent Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes.

"**Indebtedness**" means any Indebtedness for Borrowed Money other than any indebtedness which is owed to a Holding Company of the Issuer or any of its Affiliates and which is subordinated to the Notes.

"**Indebtedness for Borrowed Money**" means *(i)* any indebtedness (whether being principal, premium interest or other amounts) for or in respect of notes, bonds, debentures, debenture stock, loan stock or other securities; or *(ii)* any borrowed money, in each case other than Intra-Group Indebtedness.

"**Independent Financial Adviser**" means an independent financial institution of international repute appointed by the Issuer at its own expense.

"**Interbolsa**" has the meaning given to it in the preamble to these Conditions.

"**Interbolsa Instrument**" has the meaning given to it in the preamble to these Conditions.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the applicable Final Terms.

"**Interest Determination Date**" means the second day on which T2 is open prior to the start of each Interest Period if EURIBOR, or as otherwise specified in the applicable Final Terms.

"**Interest Payment Date**" has the meaning given to it in Condition 5.2(a).

"**Interest Period**" has the meaning given to it in Condition 5.2(a).

"**Intra-Group Indebtedness**" means money borrowed by one entity within the Group from another entity within the Group.

"**Investment Grade Rating**" means a Rating of at least BBB- or Baa3 (or their respective equivalents at each Rating Agency for the time being).

"**ISDA Definitions**" has the meaning given to it in Condition 5.2(b).

"**ISDA Rate**" has the meaning given to it in Condition 5.2(b).

"**Issuer**" has the meaning given to it in the preamble to these Conditions.

"**Joint Venture**" means any arrangement or agreement for any joint venture, co-operation or partnership pursuant to required or conducive to the operation of the business of the Group.

"**Loan Stock**" means *(i)* indebtedness (other than the Notes) having an original maturity of more than one year which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other debt securities (not comprising, for the avoidance of doubt, preference shares or other equity securities) which for the time being are, or are intended to be with the consent of the issuer thereof, quoted, listed, ordinarily dealt in or traded on any stock exchange and/or quotation system or over-the-counter or other securities market other than any such indebtedness where the majority thereof is initially placed with investors domiciled in Portugal and who purchase such indebtedness in Portugal and *(ii)* any guarantee or indemnity in respect of any such indebtedness.

"**Loss of Relevant Licence**" means:

(a) the revocation or termination by any event of any Relevant Licence as a result of a final decision from the relevant administration that cannot be appealed in an administrative proceeding provided that the enforceability of such final decision is not preventatively suspended within a judicial proceeding, without such Relevant Licence being replaced, renewed or extended; or

(b) the withdrawal or surrender of any Relevant Licence without such Relevant Licence being replaced, renewed or extended.

"**Margin**" means the rate per annum (expressed as a percentage) specified as such in the relevant Final Terms.

"**Maturity Date**" means the maturity date specified in the applicable Final Terms, provided that such date shall never be specified as falling less than 12 months from the Issue Date as specified in the applicable Final Terms.

a "**Material Disposal Event**" shall be deemed to have occurred at any time (whether or not approved by the board of directors of the relevant members of the Group) that the sum of all (if any) Disposal Percentages for the Group is more than 35 per cent. in any relevant period, where "**relevant period**" means (i) on or before the third anniversary of the Issue Date of the first Tranche of Notes (the "**Initial Issue Date**"), the period from and including the Initial Issue Date to the relevant time, and (ii) after the third anniversary of the Initial Issue Date, any period of 36 consecutive months commencing on or after the Initial Issue Date.

a "**Material Licence Event**" shall be deemed to have occurred at any time (whether or not approved by the board of directors of relevant members of the Group) that the sum of all (if any) Relevant Licence Percentages for the Group is more than 35 per cent. in any relevant period, where "**relevant period**" means (i) on or before the third anniversary of the Issue Date, the period from and including the Issue Date to the relevant time, and (ii) after the third anniversary of the Issue Date, any period of 36 consecutive months commencing on or after the Issue Date.

"**Material Subsidiary**" means at any time a Subsidiary of the Issuer:

(a) whose total assets or revenues (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest consolidated accounts of the Issuer relate, are equal to) not less than 10 (ten) per cent. of the consolidated total assets or consolidated revenues of the Issuer, all as calculated by reference to the then most recent financial statements of that Subsidiary (consolidated or, as the case may be, unconsolidated) and the most recent consolidated financial statements of the Issuer; or

(b) to which the whole or substantially the whole of the assets and undertaking of a Subsidiary is transferred which, immediately prior to such transfer, is a Material Subsidiary,

provided that:

(i) in subparagraph (a), if the Subsidiary was acquired after the financial period to which the most recent consolidated accounts of the Issuer relate, the reference to the then latest consolidated accounts of the Issuer shall, until consolidated accounts of the Issuer for the financial period in which the acquisition is made have been approved, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant accounts, adjusted as deemed appropriate by the Issuer;

(ii) in subparagraph (b), the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of the transfer have been approved, save if the transferor Subsidiary or the transferee Subsidiary qualify as a Material Subsidiary on or at any time after the date on which such consolidated accounts have been approved as aforesaid by virtue of the provisions of subparagraph (a) above; and

(iii) any reference to "financial statements" or "accounts" in these Conditions refer to such "financial statements" or "accounts" as approved by the relevant company's shareholders meeting.

A Noteholder shall be entitled to request at any time a report signed by two directors of the Issuer confirming on behalf of the Issuer that a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period, a Material Subsidiary. Any such report shall be made available for inspection by all Noteholders, and notification thereof shall be delivered in accordance with Condition 11 within 14 days of such request, and such report shall (unless the contrary be proven) be sufficient evidence of such confirmation of the Issuer.

"**Moody's**" means Moody's Investors Service, Inc.

a "**Negative Rating Event**" shall be deemed to have occurred in respect of a Relevant Event if there are no Rated Securities at the date of the Relevant Event and either:

(a) the Issuer does not, either prior to or not later than 21 days after the Relevant Event occurs, seek and thereafter through the Relevant Event Period use all reasonable endeavours to obtain, a rating of the Notes or any other Rateable Debt from a Rating Agency; or

(b) if the Issuer does so seek and use such endeavours, it is unable to obtain a rating of the Notes or any other Rateable Debt from a Rating Agency of an Investment Grade Rating.

"**Notes**" has the meaning given to it in the preamble to these Conditions.

"**Noteholders**" or "**holders**" has the meaning given to it in the preamble to these Conditions.

"**Optional Redemption Amount**" means the amount specified as such in the applicable Final Terms.

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

"**Paying Agents**" has the meaning given to it in the preamble to these Conditions.

"**Payment Day**" has the meaning given to it in Condition 6.4.

"**Pension Items**" means any income or charge attributable to a post-employment benefit scheme other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme.

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

"**Permitted Indebtedness**" means:

(a) any guarantee or indemnity in respect of, any Indebtedness of any member of the Group;

(b) any loan provided to, or any guarantee or indemnity in respect of Indebtedness owing by, any Affiliate, provided that any such loan, guarantee or indemnity complies with Condition 4(a);

(c) any loan provided to, or any guarantee or indemnity in respect of any Indebtedness of, a Joint Venture, provided that such loan, guarantee or indemnity complies with Condition 4(a);

(d) any amount due to the Issuer or any member of the Group by way of deferred consideration for any disposal by the Issuer or any member of the Group, where such disposal is not otherwise restricted by these Conditions;

For the purposes of this definition of Permitted Indebtedness, "**loan**" shall mean any moneys provided by a Person as lender to any other Person as borrower (whether with or without interest).

"**Permitted Security**" means:

(a) in the case of a consolidation or merger of the Issuer or any Material Subsidiary with or into another company (the "**Combining Company**") any Security Interest over assets of the Combining Company (prior to consolidation or merger with the Issuer or the relevant Material Subsidiary) provided that:

(i) such Security Interest was created by the Combining Company over assets owned by the Combining Company prior to consolidation or merger with the Issuer or the relevant Material Subsidiary;

(ii) such Security Interest is existing at the time of such consolidation or merger;

(iii) such Security Interest was not created in contemplation of such consolidation or merger; and

(iv) the amount secured by such Security Interest is not increased thereafter; or

(b) any Security Interest on or with respect to assets (including but not limited to receivables) of the Issuer or any Material Subsidiary which is created in respect of indebtedness raised in the context of project finance

transactions, securitisations or like arrangements in accordance with normal market practice (or guarantees or indemnities of such indebtedness) and whereby the payment obligations of the Issuer or the relevant Material Subsidiary in respect of such indebtedness (or guarantees or indemnities of such indebtedness) are limited to the value of such assets; or

(c) any Security Interest created before the Issue Date of the first Tranche of the Notes; or

(d) any Security Interest arising by operation of law.

"**Permitted Transaction**" means (i) a transaction on terms previously approved by an Extraordinary Resolution or (ii) a Solvent Voluntary Reorganisation of any Group member (other than the Issuer) in connection with any combination with, or transfer of any or all of its business and/or assets to, the Issuer or another Group Member or (iii) a reorganisation, reconstruction, amalgamation, merger, consolidation or transfer of undertakings, assets or rights resulting in a Successor in Business of the Issuer provided that the Issuer exercises its rights pursuant to Condition 15 to be replaced and substituted by the Successor in Business at the same time as the relevant entity becomes the Successor in Business of the Issuer.

"**Portuguese Securities Code**" has the meaning given to it in Condition 1.

"**Public Announcement**" means the date the Issuer gives notice of the occurrence of the Relevant Event to Noteholders (or, in the case of a Change of Control Event, any earlier date on which a public announcement or statement is made by the Issuer, any actual or potential bidder or any advisor thereto relating to any potential Change of Control Event where within 180 days following the date of such announcement or statement, a Change of Control Event occurs).

"**Put Notice**" has the meaning given to it in Condition 7.6.

"**Rateable Debt**" means any unsecured and subordinated debt of the Issuer having an initial maturity of five years or more.

"**Rated Securities**" means the Notes, if and for so long as they shall have an effective Rating from a Rating Agency, and otherwise any Rateable Debt which is Rated by a Rating Agency.

"**Rating**" means a long-term credit rating ascribed by a Rating Agency (whether preliminary of final) at the request (or with the consent of) the Issuer and "**Rated**" shall be construed accordingly.

"**Rating Agency**" means any of (a) Fitch, (b) Moody's, (c) S&P and (in each case, including in the case of any references to any specific Rating Agency) their respective affiliates and successors and "**Rating Agencies**" shall be construed accordingly.

"**Rating Change**" means a Step-up Rating Change and/or a Step-down Rating Change.

a "**Rating Downgrade**" shall be deemed to have occurred in respect of the Relevant Event, if there are Rated Securities at the date of the Relevant Event and:

(a) in circumstances where the Rated Securities are assigned an Investment Grade Rating by at least one Rating Agency, the Investment Grade Rating assigned to the Rated Securities by each such Rating Agency is withdrawn or reduced to a rating below an Investment Grade Rating; or

(b) in circumstances where the Rated Securities are not assigned an Investment Grade Rating by at least one Rating Agency, a rating by one of the Rating Agencies is lowered one (or more) full rating notch (for example, Ba 1 to Ba2 by Moody's or BB+ to BB by S&P or Fitch),

provided that a Rating Downgrade otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Relevant Event if each such Rating Agency (in the case of

(a) above) or the relevant Rating Agency (in the case of (b) above) making the reduction in rating to which this definition would otherwise apply does not announce or publicly confirm, or inform the Issuer in writing, that the reduction was, in whole or in part, the result of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Relevant Event (whether or not the applicable Relevant Event shall have occurred at the time of the Rating Downgrade).

"**Redemption Margin**" shall be as set out in the applicable Final Terms.

"**Reference Banks**" means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Agent.

"**Reference Bond**" shall be as set out in the applicable Final Terms or, if no such bond is set out or if such bond is no longer outstanding, shall be the IFA Selected Bond.

"**Reference Bond Price**" means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Independent Financial Adviser obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations.

"**Reference Bond Rate**" means, with respect to any date of redemption, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption.

"**Reference Date**" will be set out in the relevant notice of redemption.

"**Reference Government Bond Dealer**" means each of five banks selected by the Issuer (or the Independent Financial Adviser on its behalf), or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues.

"**Reference Government Bond Dealer Quotations**" means, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Independent Financial Adviser, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Independent Financial Adviser by such Reference Government Bond Dealer.

"**Reference Rate**" means EURIBOR, or as may be otherwise specified in the applicable Final Terms.

"**Relevant Event**" means any one or more Material Licence Event, Material Disposal Event and/or Change of Control Event in each case if specified as applicable in the applicable Final Terms.

"**Relevant Event Notice**" has the meaning given to it in Condition 7.6.

"**Relevant Event Period**" means:

(a) if at the time the Relevant Event occurs there are Rated Securities, the period beginning on and including the date of the relevant Public Announcement and ending on the date falling 90 days after the Relevant Event occurs; or

(b) if at the time the Relevant Event occurs there are no Rated Securities, the period beginning on and including the date on which the Relevant Event occurs and ending on the date falling 90 days after the later of (i) the date on which the Issuer seeks to obtain a rating as contemplated in the definition of Negative Rating Event prior to the expiry of the 21 days referred to in that definition, and (ii) the date of the relevant Public Announcement,

or, in the case of either (a) or (b) above, such longer period in which the Rated Security is under consideration (such consideration having been announced publicly within the first mentioned 90 day period) for rating review or, as the case may be, rating by any Rating Agency.

"**Relevant Jurisdiction**" means the Portuguese Republic or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax in which the Issuer becomes tax resident.

"**Relevant Licence**" means, from time to time, any licence(s) or other authorisation(s) granted to members of the Group which means that the activity of natural gas distribution and/or commercialisation cannot be carried on by such member of the Group without such licence, exemption, permission or other authorisation.

"**Relevant Licence Percentage**" means, in relation to a Loss of Relevant Licence, the ratio of (a) the aggregate Relevant EBITDA associated with such Relevant Licence to (b) the aggregate Relevant EBITDA of the Group, expressed as a percentage.

"**Relevant Period**" means each period of 12 months, ending on the relevant Calculation Date.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Remaining Term Interest**" means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from (and including) the date on which such Note is to be redeemed by the Issuer pursuant to Condition 7.3 to (but excluding) the Maturity Date or, if Issuer Maturity Par Call is specified as applicable in the applicable Final Terms pursuant to Condition 7.4, to (but excluding) the Par Call Period Commencement Date.

"**Reserved Matter**" has the meaning given to it in Condition 12.

"**S&P**" means S&P Global Ratings Europe Limited.

"**Security Interest**" means a mortgage, lien, pledge, charge or other security interest.

"**Series**" has the meaning given to it in the preamble to these Conditions.

"**Solvent Voluntary Reorganisation**" means a reorganisation, reconstruction, amalgamation, merger, consolidation or transfer of undertakings, assets or rights (a "**reorganisation**") in each case where the aggregate amount of the undertakings, assets and rights of the Group owned, controlled or otherwise held, directly or indirectly, by the Issuer immediately following the completion of such reorganisation is not substantially less than the corresponding amount of undertakings, assets and rights owned, controlled or otherwise held, directly or indirectly, by the Issuer immediately prior to the completion of such reorganisation.

"**Specified Currency**" has the meaning given to it in Condition 1.

"**Specified Denomination**" has the meaning given to it in Condition 1.

"**Specified Duration**" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the applicable Final Terms or, if none is specified, a period of time equal to the relative Interest Period, ignoring any adjustment pursuant to the Business Day Convention.

"**Specified Time**" means 11.00 a.m. Brussels time, in the case of a determination of EURIBOR.

"**Step-up Margin**" has the meaning given to it in Condition 5.3.

"**Step-down Rating Change**" means the first public announcement after a Step-up Rating Change by any Rating Agency of an increase in, or confirmation or assignment of, the Rating of the Notes to at least an Investment Grade Rating. For the avoidance of doubt, any further increases in the credit rating of the Notes above Baa3 or BBB- shall not constitute a Step-down Rating Change.

"**Step-up Rating Change**" means, in respect of Rated Securities, (i) the public announcement by a Rating Agency (from whom the Issuer has solicited a Rating) of a decrease in the Rating of the Notes such that no Rating Agencies assign an Investment Grade Rating to the Notes or (ii) a withdrawal of a Rating of the Notes such that no Rating Agency assigns a Rating to the Notes. For the avoidance of doubt, any further decrease in the credit rating of the Notes below Baa3 or BBB- shall not constitute a Step-up Rating Change.

"**Subsidiary**" means, in respect of any Person, an entity from time to time in respect of which such Person *(a)* has the right to appoint the majority of the members of the board of directors or similar board or *(b)* owns directly or indirectly more than 50 per cent. of *(i)* the share capital or similar right of ownership or *(ii)* voting rights (by contract or otherwise).

"**Substituted Debtor**" has the meaning given to it in Condition 15.

"**Sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

"**Successor in Business**" means, in relation to any Person (the "**Predecessor**"), any company which, as a result of any reorganisation, reconstruction, amalgamation, merger, consolidation or transfer of undertakings, assets or rights:

(a) acquires or owns (directly or indirectly) the whole or substantially the whole of the undertakings, assets and rights that were owned (directly or indirectly) by the Predecessor immediately prior thereto, as certified by two directors of the Predecessor; and

(b) carries on (directly or indirectly) the whole or substantially the whole of the business that was carried on (directly or indirectly) by the Predecessor immediately prior thereto.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

"**Sterling**", "**GBP**" and "**£**" are to the lawful currency of the United Kingdom.

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system.

"**Tranche**" has the meaning given to it in the preamble to these Conditions.

"**Trade Instruments**" means any performance bonds, advance payment bonds or documentary letters of credit issued in respect of the obligations of any member of the Group arising in the ordinary course of trading of that member of the Group.

"**US Dollars**", "**U.S.$**", "**USD**" and "**$**" are to the lawful currency of the United States.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes or for such other reason as may be specified in the applicable Final Terms.

DESCRIPTION OF THE ISSUER

OVERVIEW

Floene Energias, S.A. (the Issuer) is a limited liability company (*sociedade anónima*) incorporated under the laws of Portugal and registered with the Commercial Registry of Lisbon under no. 509148247 (LEI: 213800A9FKHWR4AHQG70). Its registered head office is located at Rua Tomás da Fonseca, Torre C, 1600-209 Lisbon, Portugal.

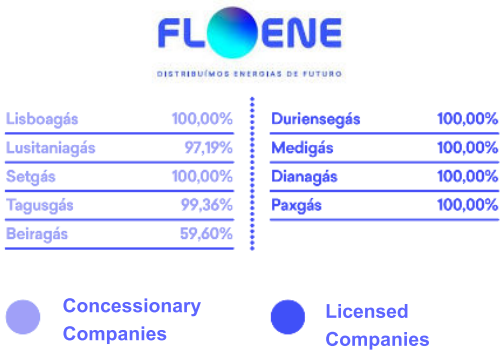
As at the date of this Prospectus, the Issuer's share capital is EUR89,529,141 consisting of 89,529,141 shares of EUR1 nominal value each. The Issuer owned by Allianz Capital Partners ("**ACP**"), Meet Europe Natural Gas (a consortium formed by the Japanese companies Marubeni Corporation and Toho Gas Co.Ltd.) ("**Meet**") and Petrogal, S.A., which is a fully owned subsidiary of Galp Energia, SGPS, S.A. ("**Galp**").. ACP holds a 75.01 per cent. stake, Meet a 22.50 per cent. stake and Galp a 2.49 per cent. stake in the Issuer. Please see further details in the section *"Ownership"* below.

The Issuer is the majority shareholder of nine of the eleven gas distribution companies in Portugal. It is the largest gas distributor operator in the country. It is present in 106 municipalities across the country and operates a modern network of over 13.7 thousand kilometres, mostly made up of polyethylene (94 per cent.). Through its subsidiaries, the Issuer supplies more than one million connection points and distributes about 17 terawatt-hour ("**TWh**") of gas per year in Portugal.

The Issuer was incorporated on 2 December 2009 under the name Galp Gás Natural Distribuição, SGPS, S.A. Its business was the management of equity participations in other companies. On 1 April 2014, the Issuer changed its corporate name to Galp Gás Natural Distribuição, S.A., and its business activity was amended to include the exercise of activities in the energy sector, the distribution of natural gas through distribution system operators ("**DSOs**"), and granting services related to management support. On 17 October 2022, the Issuer launched the new brand and changed its name to Floene Energias, S.A.

DESCRIPTION OF THE ISSUER GROUP

As of the date of this Prospectus, the Issuer has the following subsidiaries (the Issuer together with its subsidiaries, the **Issuer Group**):



BUSINESS DESCRIPTION

Gas Distribution Activity

Overview

The Issuer Group is responsible for the operation, expansion and maintenance of regional gas distribution networks. With over 1.1 million connection points (from a total of 1.6 million in Portugal), the Issuer Group is the largest natural gas distribution group operating in Portugal. Approximately 17 TWh of gas is distributed each year through a distribution infrastructure of about 13,700 kilometres, with the largest DSOs in terms of network being Lisboagás, Lusitaniagás and Setgás. Additionally, the Issuer operates a modern network with an overall average age of sixteen years, with 94 per cent. built in polyethylene.

The Issuer Group operates in a fully regulated sector, with a consolidated regulated asset base ("**RAB**") of EUR1 billion as of 31 December 2022. The regulatory framework is set by ERSE[1], an independent body responsible for the regulation of the gas and electricity sectors in Portugal.

The Portuguese gas distribution activities started in April 1997 in Valongo**,** followed by the regional distributors in Lisbon (Lisboagás), Leiria, Coimbra and Aveiro (Lusitaniagás) and in Setubal (Setgás). The gas distribution network has since developed to other areas in Portugal. Floene currently owns five regional gas distributors that operate under concession contracts (Lisboagás, Lusitaniagás, Setgás, Tagusgás and Beiragás), which represent about 93 per cent. of EBITDA, and four autonomous gas distribution units which operate under license contracts (Duriensegás, Medigás, Dianagás, and Paxgás), representing about 7 per cent. of EBITDA.

The current concession contracts between the Portuguese State and the regional distributors were signed in April 2008. These contracts set out rules applicable to the distribution of natural gas under a 40-year concession period (starting on 1 January 2008). Autonomous gas distribution units operate under a 20-year agreement and the contracts were signed between 2007, 2009 and 2022.

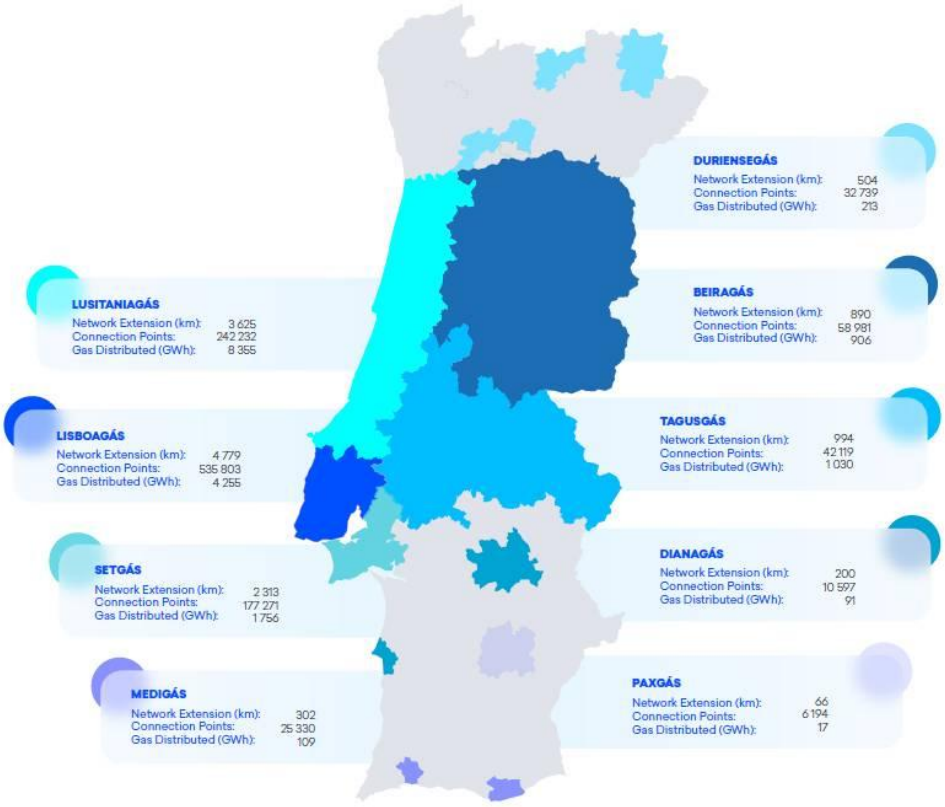
Key operational indicators

The table below is a summary of selected operational information of the Issuer Group as of 31 December 2022

2022	
Connection Points ('000s)	1,131
Network Length (km)	13,673
Gas Distributed (GWh)	16,733

[1] The legal entity governed by public law and its statutes (approved by Decree-law no. 97/2002, of 12 April 2022, as amended by Decree-law no. 84/2013, of 25 June 2013) with administrative and financial autonomy. ERSE is responsible for the regulation of the natural gás and electricity markets in Portugal with a wide scope of attributions foreseen in Decree-law no. 140/2006, of 26 Jule 2006, as amended by Decree Law no. 231/2012, of 26 October 2013.

The breakdown of operational indicators by each distributor, as of 31 December 2022, is as follows:



Gas Supply Activity

The Issuer is also present in six of the eleven gas supply companies, as last resort supplier ("**LRS**"), also a regulated activity. This is done through its DSOs, where these companies have less than 100,000 end consumers, namely Tagusgás, Beiragás, Duriensegás, Medigás, Dianagás and Paxgás

In September 2022, the Portuguese government passed a legislation piece that allows customers with annual consumption equal to or less than 10,000 m^3 to return to the regulated market. This measure had a direct and immediate impact on families, as it offered a substantially lower energy price alternative to the liberalised market. As the Issuer has holdings in six last resort suppliers, this measure impacted the number of customers supplied by these DSOs, which increased by about 57 per cent. since the beginning of 2022. Still, this business represented approximately one per cent of the Issuer Group's EBITDA in 2022.

For further information regarding the Portuguese natural gas distribution sector and regulatory framework please see section "*Description of the Portuguese Gas Distribution Sector*".

ORGANISATIONAL STRUCTURE

The Issuer Group is organised through centralised management functions at the Issuer level, including the functions of process management, regulatory compliance, operating assets management, performance and holding management and commercial management. This centralisation allows for more efficient operations, while ensuring control and aligned practices across the Issuer's subsidiaries. The nine subsidiaries and their employees are responsible for the operation of the respective gas distribution networks. The board of directors of each DSO includes three Executive Committee members of the Issuer, except for Beiragás, where the composition of board of directors includes two additional members representing the minority shareholders.

INVESTMENTS

CAPEX executed in the year ended 31 December 2022 amounted to EUR41 million, an increase of 23.9 per cent. year on year, with business development representing 64 per cent. of the total. The investment in the distribution activity includes safety and continuity of supply, with market development up to the end consumer. In 2022, investments made in business development amounted to EUR26.3 million, of which 73 per cent. were related to the construction of distribution networks and branches. Investment in other infrastructure amounted to EUR6.3 million, based on the economic rationality and operational efficiency of assets, as well as the technical component of the solution for supplying new locations. Investment in other activities amounted to EUR8.6 million, mostly directed towards operational improvement, modernisation of existing assets, and adaptation of business information systems, as well as the requirements arising from regulatory changes.

thousands of €	2022	2021	%Var. YoY
Business development	26,319	22,299	18.0%
Other infrastructure	6,289	4,668	34.7%
Other investments	8,582	6,265	37.0%
CAPEX	**41,190**	**33,232**	**23.9%**

The Issuer planned a total CAPEX of approximately EUR200 million for the business plan over the period of 2023 through 2027.

The Issuer's investment plan aims for the development of its infrastructure and the gas distribution sector, to be a key lever in the energy transition process and ensure the preparation for the injection of renewable gases in the distribution infrastructure, as per the Portuguese Government's energy policy objectives, particularly in the National Plan for Energy and Climate 2030 (*Plano Nacional de Energia e Clima 2030*) ("**PNEC 2030**").

Climate change has brought decarbonisation to the forefront of Portuguese and European policies. The Portuguese government has set net-zero and other climate change focused targets. The growing concern around the need to meet these targets has a significant impact on the energy sector. The adequacy of the gas infrastructure is a critical factor in achieving national energy policy targets, and renewable gases are perceived as playing a key role in the decarbonisation process.

The Issuer assumes its leading position, ensuring that its distribution network is prepared to safely and efficiently inject renewable gases into this network, while also promoting greater equity and territorial cohesion. The introduction of renewable gases such as biomethane and green hydrogen into the distribution network will have impacts at industry and regional levels, generating positive externalities for the industry and the local economy.

Biomethane fosters a circular economy by promoting more sustainable management of urban, industrial, and agricultural waste.

Green hydrogen offers a decarbonisation pathway for intensive heat industries and greater integration of the energy system.

The Issuer is working with different partners on projects involving green hydrogen and its injection into the gas grid as well as initiatives aimed at promoting energy efficiency and knowledge of renewable gases, namely:

Green Hydrogen ("H2") Injection Initiatives:

- *Retrofit Project*: This is a project to assess the fitness of current Issuer assets to distribute hydrogen and develop a plan to ensure the gas grid is ready for the conversion to 100 per cent. H2.

- *Green Pipeline Project – The Natural Energy of Hydrogen*: this is a pilot project developed in Seixal in which H2 is injected into the gas grid, supplying about 80 (mainly domestic) clients. The project includes the construction and operation of 1,400 meters of a new grid segment, in which 100 per cent. of H2 has been circulating since the beginning of 2023, connecting the hydrogen production site to the injection and mixing point. Clients are supplied with a mix of natural gas and green hydrogen, with a 2 per cent. hydrogen blend increasing up to 20 per cent.

- *H2GVillage*: This is a project in a consortium with REN and High Lab, among others, targeting the conversion of Sines and industrial and logistics area networks and moving customers from natural gas to H2. An application for funding (through IAPMEI, Portuguese Government agency for supporting investment and innovation Recovery and Resilience Plan - PRR) is underway.

Improving efficiency and knowledge on renewable gases:

- *Roadmap for industrial decarbonisation*: This roadmap promotes the usage of renewable gases, namely Hydrogen, in the industrial sector demonstrating their relevance in decarbonising hard to abate industries (program approved by ERSE under the PPEC program – Plan Promoting the Efficiency in Energy Consumption).

- *Pilot projects*: These projects involve developing partnerships with the ceramics and paper industries to study and promote the decarbonisation of high-energy-consuming industries by identifying the most significant technical and technological challenges for these customers and jointly develop decarbonisation routes.

- *Replacement of non-energy efficient equipment in the residential segment (approved by ERSE under the PPEC program)*: This initiative consists of an awareness plan to promote responsible energy use, and a programme to replace older residential equipment by more efficient and modern boilers.

- *Gas Tracking Mechanism and Gas Quality Tracking System (GQTS)*: This gas tracking system will consist of a software that allows for a preliminary study of network segments where the injection of renewable gases occurs. The analysis includes the assessment of the gas mix characteristics, in order to be compliant with quality and safety criteria.

- *Gas networks model for the future*: The Issuer is developing a forward-looking vision for the gas distribution network by estimating the gas composition and demand (natural gas, H2, Biomethane) at both national and local levels, across various timeframes and scenarios, thereby deriving insights to guide investment priorities.

The Energy sector in Portugal has been experiencing a positive momentum in the last number of years, with the deployment of policies and legal framework that are supportive of the decarbonisation process and the important role of renewable gases. The National Energy & Climate Plan (PNEC 2030) confirms that the gas infrastructure will play a key role in the distribution of renewable gases. The National Strategy for Hydrogen ("**EN-H2**") defines specific targets for the injections of H2 into the gas grids by 2030 (10-15 per cent.). The Portuguese Recovery and Resilience Plan (PRR) approved funds for supporting the development of renewable gases

(namely through the increase in the installed capacity of Electrolysers) and towards the decarbonisation of the industrial sector.

Floene has received over 80 requests for injection into the gas grid in the last 18 months. These requests relate mostly to H2 but they also include biomethane projects. These requests represent a potential of renewable gas equivalent to about 12 per cent. of current gas volume distributed.

In addition to the national sector's global decarbonisation initiatives, Floene is also committed to reducing its own carbon footprint. In 2021, the Company began disclosing carbon emissions resulting from direct activity (scope 1) and electricity purchases (scope 2) for the 2020 base year. Floene established reduction targets for emissions (scope 1 and 2) through a short-term decarbonisation plan (2022-2025), with the goal of reducing emissions by 25 per cent. by 2025 (compared to the 2020 base year). The level of emissions assessed in the base year was 18,157 tons of CO2eq. and by 2022 Floene had registered a 17 per cent. reduction to 15,008 tons of CO2eq.

DEBT ARRANGEMENTS

Used Facilities	Amount (thousands of €)	Maturity
EMTN 2016 Bond	420,000	2023
Bond Loan	70,000	2024
Term Loan	180,000	2026
Project Finance (at Beiragás level)	**5,208**	**2027**

Unused Facilities	Amount (thousands of €)	Maturity
Overdraft Line	20,000	One year, renewable every year.
Backstop Facility	420,000	Up to one year after utilisation

ADDITIONAL FINANCIAL METRICS

thousands of €	2022	2021
EBITDA	**102,266**	**98,503**
Free Cash Flow	**48,734**	**32,880**
Net Debt	**585,856**	**607,528**
Net Debt to EBITDA ratio	**5.7x**	**6.2x**

MANAGEMENT

As at the date of this Prospectus, the members of the board of directors of the Issuer, their position on the board and their principal activities outside the Issuer, where applicable and appropriate, are the following:

Name	Position
Diogo António Rodrigues da Silveira	President
Roxana Tataru	Member
Karl Klaus Liebel	Member
Ippei Kojima	Member
Nuno Luís Mendes Holbech Bastos	Member
Gabriel Nuno Charrua de Sousa	Executive Member
Satoshi Kanomata	Executive Member
Pedro Álvaro de Brito Gomes Doutel	Executive Member
Carlos Miguel Faria da Silva	Executive Member

Diogo da Silveira has been Chairman of Floene Energias, S.A. since April 2021. In addition, he is a non-executive Director at Savannah Resources since October 2022, a member of the Audit and Remuneration Committees, and is an Entrerpreneur at Last Mile Logístics Dingoo & Sportsclub and Corporate Board Advisor at Solidal. Prior to joining Floene. Among other functions, Diogo was CEO at: Navigator for five years; Açoreana Seguros for six years; ONI for two years; and at Isory in France and Novis/Clix. He was a partner at McKinsey & Co in the Paris office for five years and in Iberia for four years. He holds an MBA from Insead, Research Scholar from Berkeley UC (USA) and a degree in Engineering (*Diplôme d'Ingénieur*) from the Ecole Centrale de Lille (France).

Roxana Tataru is a Director at Allianz Capital Partners and joined Floene as member of the Board of Directors (non-executive) in September 2022. Since joining Allianz in 2017, she has been involved in the acquisition and management of several investments in the infrastructure sector. In addition to Floene, Roxana is a board member at Affinity Water, the UK's largest water-only supply company, Porterbrook, a rolling stock leasing business in the United Kingdom. and Net4Gas Holding, the gas Transmission System Operator in the Czech Republic. Prior to joining Allianz, Roxana spent five years at Royal Bank of Canada providing M&A advisory services in relation to assets in the European regulated utility, transportation, and renewable space. Roxana holds a Bsc in Management, Accounting & Finance from Manchester Business School.

Karl Liebel is a Director at Allianz Capital Partners and joined Floene Board of Directors (non-executive), after its acquisition in March 2021. In addition, he holds Board positions at On-street parking operator and at Chicago

Parking Meters. Since joining Allianz Capital Partners in 2007, he has been involved in sourcing and execution of various private equity and infrastructure transactions with a focus on the energy, manufacturing, transportation sectors. Prior to joining Allianz Capital Partners in 2007, Karl spent five years at Morgan Stanley in its investment banking and capital markets division. Karl holds a BA in Accounting and Finance from the University of St. Gallen and a major in Business Administration from the Wharton School of the University of Pennsylvania.

Ippei Kojima is a General Manager at Marubeni Corporation at Energy Infrastructure in Europe and Oceania and joined Floene as member of the Board of Diretors (non-executive) in April 2021. Additionally, Ippei is a Board member at Allgas, a gas distribution network in Queensland, Australia, and BioWatt Facilities Management, a biomethane developer in the United Kingdom. Ippei holds an LL.M from Cornell Law School and is admitted in New York as an Attorney at Law.

Nuno Bastos has joined Floene as non-executive Director in the beginning of 2022. He has more than twenty years experience, the last fifteen in the energy landscape namely on the natural gas value chain. He is currently the Head of Corporate Finance and M&A of Grupo Galp and prior was the Chief of Staff of the Chairman when joined Galp in 2015. His experience in the energy industry started in 2008 in EDP Gas, the Natural Gas Business Unit of EDP as manager on Regulation, Planning and M&A. Nuno started his career as Financial Auditor in Arthur Andersen/Deloitte and joined the Planning and Control team on the mobile telecom business with Optimus (meanwhileNOS). Nuno. has a degree in economics and an Executive MBA from Porto Business School.

Gabriel Sousa has been a Member of the Board of Directors since January 2015, and CEO of Floene since November 2016. Before joining the Issuer, Gabriel was the General Manager of Lusitaniagás since September 2007. With more than 20 years of experience in the natural gas sector, Gabriel joined Lusitaniagás in 1995, where he worked as a commercial manager between 1999 and 2006. He then moved to Beiragás as general manager for one year. Gabriel is a Board Member of the European associations EUROGAS and GD4S (Gas Distributors for Sustainability), as well as APEG (Portuguese Association of Natural Gas Companies) and a member of the Distribution Committee of the International Gas Union. Gabriel holds a Degree in Mechanical Engineering from Universidade de Coimbra and an Executive MBA from AESE/IESE.

Satoshi Kanomata: joined Floene as Chief Strategy Officer in 2023. Prior to joining the Issuer, he was Chief Strategy and Financial Officer at Biowatt Facilities Management, where he oversaw and established the financial and business strategy of the company (since November 2021). Satoshi has also been responsible for the Infrastructure Project Unit at Marubeni Europe, as a Senior Development Director (since 2020) and as a General manager (from 2016-2020). Satoshi joined Marubeni in 1990, after graduating from Keio University (BA in Laws) and has extensive experience in developing industrial plants projects and circular economy business.

Pedro Doutel has been the Chief Financial Officer since October 2021. Before joining the Issuer, Pedro was CFO at Oramix, a data management and cybersecurity services company and. Group CFO at Omni Helicopters International, a private equity-owned helicopter specialist Group, active in off-shore oil & gas operations in Brazil and Africa. Overall, Pedro has 15 years' experience as CFO, including tenures at LeYa and Martifer. After his graduation in 1993 from Universidade Católica Portuguesa with a Business Administration degree, Pedro worked in auditing for three years at Arthur Andersen (currently Deloitte), after which he transitioned to investment banking, having worked for 10 years at BNP Paribas and Banco Efisa, based in Lisbon.

Miguel Faria was appointed Chief Operating Officer in June 2023. Before joining the Issuer, Miguel was six years at The Navigator Company ("**Navigator**") where he held positions as Project Director of Wood Sourcing, Industrial Director and Director of Innovation and Lean Management. Before joining Navigator, Miguel was Head of Strategy, M&A and New Business at Suzano Pulp and Paper, having joined in 2014 from Votorantim

Cimentos. Miguel graduated from Instituto Superior Técnico in 2003 with a degree in Civil Engineering. In 2006, Miguel completed a Postgraduation in Engineering Policy and Management of Technology, also at Instituto Superior Técnico of Lisbon, and in 2011 an MBA degree from Instead, France.

Conflicts of interests

The members of the Issuer's Board of Directors do not have, as of the date hereof, any conflicts, or any potential conflicts, between their duties to the Issuer in such capacities and their private interests or other duties.

OWNERSHIP

In March 2021, ACP completed the acquisition of its 75.01 per cent. stake in the Issuer. This stake resulted from the execution of the share purchase agreement signed on 26 October 2020 between Galp Energia, SGPS, S.A., through its subsidiary Galp New Energies, S.A., and Allianz Infrastructure Luxembourg II S.A RL. and Allianz European Infrastructure Acquisition Holding S. A RL. The remaining share capital of the Issuer is held by Meet and Petrogal, S.A., with 22.50 per cent. and 2.49 per cent., respectively.

Allianz Capital Partners

ACP, part of Allianz Global Investors, is one of the Allianz Group's asset managers. Allianz Group (listed on the German Stock Exchange, rated Aa3/AA by Moody's and S&P), one of the world's leading insurers and asset managers with over €500 billion of own assets and an additional € 1.7 trillion of third-party assets under management.

ACP has over 130 employees in 5 locations (Munich, London, Luxembourg, New York and Singapore), ACP invests in infrastructure assets, renewables and private equity. ACP as c.€56bn of assets under management, of which c.€21bn are invested in infrastructure. The infrastructure portfolio currently comprises of 24 investments in Austria, Czech Republic, France, Germany, Norway, India, Romania, Spain, Portugal, UK, and the US across various sectors.

ACP has been the majority shareholder of Floene since March 2021, reinforcing the strong shareholder commitment to create an independent network operator. The stable regulatory framework of the energy sector in Portugal and the critical role of Floene in the national decarbonisation plan were key factors of this investment.

Marubeni

Marubeni is a major Japanese integrated trading and investment business conglomerate that handles products in a broad range of business activities and wide-ranging fields. It is the fourth largest among top trading houses globally, on a revenue basis. Marubeni's key sectors are food (largest grain handler), energy and infrastructure. The Group operates five business groups: Consumer Products, Materials, Energy & Infrastructure, Transportation & Industrial Machinery, Financial Business and CDIO (Chief Digital Innovation Officer).

In April 2022, S&P assigned a BBB+ rating to Marubeni driven by a strengthened portfolio as well as global economic recovery due to the accumulation of profit and conservative financial management prioritising better financial health.

Toho Gas

Toho Gas is the third largest gas utility in Japan. Headquartered in Nagoya, Aichi, the company benefits from the high concentration of manufacturing and assembly plants and the many large-scale customers with high demand for gas in this area. The company is mainly involved in the supply and distribution of natural gas and liquefied petroleum gas (LPG) to urban areas within the Tokai region and operates in the three business

segments: Gas (manufacture, supply and sale of gas), Liquefied Petroleum Gas (encompassing its electricity business, and other energy commercialisation activities), and Construction and Equipment (providing piping works for gas supply and the sale of gas equipment).

EXTERNAL AUDITOR

The Issuer's external auditor is PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda., member number 183 of the Portuguese Institute of Statutory Auditors (*Ordem dos Revisores Oficiais de Contas)* and registered at CMVM under number 20161485, with its registered head office at Palácio Sottomayor, Rua Sousa Martins, number 1 – 3rd floor, 1069-316 Lisbon, represented by Rita da Silva Gonçalves dos Santos, ROC no 1681, as Effective and José Manuel Henriques Bernardo, ROC no. 903, as alternate.

DESCRIPTION OF THE PORTUGUESE GAS DISTRIBUTION SECTOR

The legal framework of the Portuguese gas sector is primarily set out in one Portuguese law: Decree-law no. 62/2020, of 28 August 2020 as amended by Decree-Law no. 70/2022, of 14 October 2022 ("**Gas Regulatory Framework**"), that sets out the organisation and operation rules of the Portuguese National Gas System and the respective legal regime.

The Gas Regulatory Framework and ancillary legislation and regulation sets the grounds for renewable gases (i.e. gaseous fuels generated from processes using energy from renewable sources as per the meaning of Directive (EU) 2018/2001, of the European Parliament and of the Council, of 11 December 2018) and renewable energy (i.e. energy from renewable non-fossil sources, notably wind, solar, aerothermal, geothermal, hydrothermal and ocean, water, biomass, landfill gases, gases from waste water treatment plants and biogases).

ERSE is established as an independent regulator, regulating notably the natural gas sector in Portugal which comprises the following activities: (i) acquisition/import (unregulated activity), (ii) reception, storage and regasification (regulated activity), (iii) underground storage (regulated activity), (iv) transmission and technical global management of the system (regulated activity), (v) distribution (regulated activity), (vi) commercialisation/supply (regulated and unregulated activity). Without prejudice to the competences assigned to other administrative bodies, such as Direcão-Geral de Energia e Geologia ("**DGEG**") or Portuguese Competition Authority ("**PCA**"), these activities are regulated by ERSE.

The gas distribution and supply activity has been regulated since 2008 by ERSE. Since then, DSOs with more than 100,000 clients had to separate their supply and distribution activities. DSOs that do not reach the 100,000 clients threshold, were granted last resort supplier licences, whereby they are allowed to supply gas to customers who chose to remain under the regulated tariff regime[2].

The current regulatory framework of the gas distribution sector follows a revenue-cap, RAB-based system which provides for OPEX recovery, and enables operators to earn a fair RoR on the capital invested. The framework was applied for the first time in 2008 at a 9 per cent. base RoR, and features a floor and cap mechanism for allowed returns.

The regulatory framework originally featured 3-year regulatory periods, with the first one spanning from 2008-2010. The sector is currently in the 5th regulatory period, which started in January 2020. In 2020, ERSE decided to increase the regulatory period to 4 years, as such the current period will end in December 2023. The sixth regulatory period will extend from January 2024 to December 2027.

Gas distribution involves the distribution of natural and renewable gases through medium and low-pressure pipelines, and comprises the operation of the respective distribution network, which is performed by the distribution system operator. Such activity is considered to be of public service and is one of the main activities of the National Gas System (*Sistema Nacional de Gás* or "**SNG"**). According to the applicable legal framework, gas distribution is described as the transmission of natural gas through medium and low-pressure grids, for its delivery to the end consumer, excluding the supply activity[3].

From a historical perspective, it is important to note that the Issuer's subsidiaries (the "**Subsidiaries**") have been restructured as a result of the implementation of the European competitive internal market and unbundling regime imposed by Directive 2003/55/ EC[4], which was implemented in Decree-law no. 30/2006, of 15 February

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[2] Applicable for 20 years, starting from 1st January 2008 until 2027.

[3] Which is an activity which is legally independent from the gas distribution.

[4] Repealed and replaced by Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC.

2006, and Decree-law no. 140/2006, of 26 July 2006 concerning common rules for the internal market in gas, incorporated in Gas Regulatory Framework

Prior to 2021, the Issuer's DSOs, were part of Galp Energia Group, which also engaged in gas supply activities.

The Issuer's shareholder structure underwent a significant change in March 2021 with the entry of ACP, which now holds a qualified stake of 75.01 per cent. Since this acquisition, which resulted in a reduction of Galp's share capital to 2.49 per cent., the Issuer is no longer part of a vertically integrated Group and has started a carve-out process with the aim to internalise services and competencies that will allow the Company to become a stand-alone entity by the end of 2025.

Pursuant to the regulatory requirements imposed by the European Union legislation, article 143 of the Gas Regulatory Framework provides notably the following:

a) The DSO must be independent from activities not related to distribution, as per the following minimum criteria:

- Managers cannot participate in corporate bodies or in the corporate structure of companies carrying out other natural gas activities (such as storage, transmission network and trading/supply).
- Professional interests of managers should be safeguarded in order to ensure their independence.
- The DSO shall keep and publish an ethical code of conduct on the functional independence of the network operations.
- The DSO shall differentiate their image/communications from other entities operating within the National Gas System, as per the Commercial Relations Regulation.
- The DSO may not hold stakes (whether directly or through a controlled company) in companies engaged in other natural gas activities.

b) The legal and functional separation mentioned above is only required in relation to a DSO with more than 100,000 end consumers.

The requirements of legal and functional unbundling referred above, led to the Subsidiaries serving more than 100,000 customers (Lisboagás, Lusitaniagás and Setgás), which, at the relevant time (2006), were responsible for the distribution and supply of gas on an exclusive basis within their concession areas, having to separate those activities. This led to the creation of different companies for the gas supply activity as a last resort supplier, to which the assets of those Subsidiaries were transferred.

In particular, the legal framework initially introduced by Decree-law no. 30/2006 and by Decree-law no. 140/2006, later revoked and replaced by Decree-law no.62/2020, imposed the amendment of the concession agreements of the Subsidiaries pursuant to the legal bases provided for in Decree-law no. 140/2006 in order to reflect the unbundling rules.

The Portuguese legal framework distinguishes between two different types of gas distribution activity: (i) regional gas distribution and (ii) local gas distribution. In Portugal, the gas distribution activity is carried out by six regional operators (five of them part of Issuer Group) and five local operators (four of them part of Issuer Group).

Regional gas distribution is subject to a public service concession awarded by the Portuguese State and on an exclusive basis in the relevant concession area.

Under these concession agreements, the distribution network is directly connected to the high-pressure transmission network and to the end consumers' installations (creating the connection between the transmission network and the end consumers). Some concessions include local distribution networks, supplied by liquified natural gas ("**LNG**") delivered to autonomous gas units ("**AGU**").

Concessions are awarded for a maximum period of 40 years starting from 1 January 2008 and can be renewed once if justified by public interest reasons and only if the concessionaire has fulfilled all its obligations. With the termination of the concession agreement all assets used in the performance of the distribution activity, which are legally considered as an integral part of the concession, are transferred to the Portuguese State. If the concession agreement is terminated on the expiry date, the concessionaire is entitled to compensation corresponding to the book value of the assets to be transferred to the Portuguese State by reference to the last approved balance sheet, net of amortisations and financial contributions and non-reimbursable subsidies. In the event the agreement is terminated by the Portuguese State due to a serious breach of the agreement by the concessionaire, the latter is not entitled to any compensation whatsoever. In the event of redemption of the concession by the Portuguese State for public interest reasons, the concessionaire is entitled to be compensated by an amount corresponding to the book value of the assets (net of amortisations and financial contributions and non-reimbursable subsidies) and indemnified by loss of profit. The concessionaires have the right to the financial rebalance of the concessions in case of: (i) unilateral modification of the conditions of operation of the concession or for reasons of public interest, imposed by the Portuguese State, provided that, as a direct result thereof, there is an increase in the costs or a loss of profits for the concessionaire; and (ii) legislative changes that have a direct impact on the profits or costs regarding the activities under the concession. The right to financial rebalance occurs insofar as the impact over the profits or costs cannot be passed on to end consumers via tariffs or otherwise recovered (as per the relevant regulatory framework of the activity), or the concessionaires may not, legitimately, proceed to such rebalance by resorting to means arising from correct and prudent management.

Local gas distribution through AGUs is allowed in specific areas, which are not already covered by the existing regional gas distribution concessions via licences. Such activity is also developed on an exclusive basis in a specific area and under a permit issued by the Portuguese Government[5]. The law establishes that these permits are granted for a maximum period of 20 years considering the expansion of the gas system, the amortisation of the construction and installation and development costs of the distribution network. The scope of the licenses includes both the distribution of natural gas as well as the reception, storage and regasification of natural gas in autonomous units allocated to the distribution grid. Similar to the regional gas distribution concessions, all assets are transferred to the Portuguese State upon the termination of the permit and DGEG may launch a tender offer for new licenses, since these are. not automatically renewable upon the license holder's request, and do not feature pre-emption rights.

According to article 35 of the Gas Regulatory Framework, local gas distribution activity comprises the exploitation of facilities for the reception, storage and regasification of liquefied natural gas[6], since the areas involved have no physical connection with the natural gas transmission network. Such facilities are supplied by road tankers that are loaded at LNG terminals[7]. Afterwards, those facilities are directly connected with the distribution network, in order to supply the gas to the end consumer.

Similar to regional gas distribution concessions, local gas distribution licences include a financial rebalancing mechanism which may be triggered the event of: (i) unilateral modification, imposed by the Portuguese State, and (ii) legislative alterations which have a direct impact on the profits or costs regarding the licensed activity.

The DSOs exploit both regional and local gas distribution facilities under the necessary authorisations (concession agreements and licences permits).

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[5] As general rule the member of the Government responsible for the energy sector.

[6] Commonly known as LNG, natural gas that is liquefied through the reduction of its temperature.

[7] Portugal has one LNG terminal located at Sines, exploited by REN Atlantic° — Terminal de GNL, S.A.

The DSOs acting under the regional concession contracts are: (i) Beiragás; (ii) Lisboagás; (iii) Lusitaniagás; (iv) Setgás and (v) Tagusgás, and (vi) Portgás - Sociedade de Produção e Distribuição de Gás, S.A. ("**Portgás**")).

Conversely, the Subsidiaries that are local distributors of gas are: (i) Dianagás; (ii) Duriensegás; (iii) Medigás and (iv) Paxgás, and (v) Sonorgás.

The Subsidiaries are the leading DSO in Portugal, holding 16.7 TWh of gas distributed in 2022 through a network of over 13,600 km, over 1 million connection points and RAB of c.€1bn – thus managing about 72 per cent. of the gas distribution network under the public service regime.

In addition to any other obligations required by the Regulations applicable to the Portuguese gas system, gas distributors (either regional or local) are legally obliged to comply with the following obligations:

a) Ensure the operation and maintenance of the respective distribution infrastructures in safe conditions, whilst maintaining reliability and quality of service;

b) In the case of local gas distributors, to ensure the operation and maintenance of the facilities used for the reception, storage and regasification of LNG, in safe conditions, whilst maintaining reliability and quality of service;

c) Manage gas flows in the relevant distribution network, ensuring their interoperability with other grids and infrastructures to which they may be connected, in compliance with the applicable regulations;

d) Ensure the provision of long-term capacity of the relevant distribution network, contributing to a safe supply, pursuant to the approved Plan for the Development and Investment in the Distribution Network *("Plano de Desenvolvimento e Investimento na Rede de Distribuição"* — "**PDIRD**");

e) Ensure planning, expansion and technical management of the relevant distribution network, in order to allow third-party access, in a non-discriminatory and transparent manner, and to manage efficiently the infrastructures and the available technical resources;

f) Non-discrimination between users or categories of distribution network users;

g) Provide to the distribution network users all information they need to access the grid;

h) Provide to the operator of any other grid to which it may be connected and also the market players all the necessary information in order to allow a coordinated development of the several grids and a safe and efficient operation of the National Gas System;

i) Ensure the necessary treatment of the data concerning the distribution network usage in compliance with the legal provisions of personal data protection and to preserve the confidentiality of commercially sensitive information obtained in the performance of the gas distribution activity;

j) Provide to the regulatory entities all the information needed to carry out their specific mandates and market knowledge;

k) Submit to ERSE an annual report describing the claims submitted, as well as its results, under the terms of the Quality of Service Regulation.

All DSOs have the obligation to install and maintain meter devices in the consumer's premises, and to perform the necessary readings with the frequency established in ERSE's Regulations, in order to provide the gas supplier with the necessary data to invoice their clients".

The allowed revenues of the gas distribution grid operators are recovered through the application of the access tariffs approved by ERSE each year, which is the price that the distribution grid operators are entitled to charge

to those who access their facilities. The tariffs applicable to each agent performing an activity part of the National Gas System are determined every year by ERSE, in order that each agent receives, every year, the allowed revenues as determined in accordance with the formula set out in the Tariffs Regulation of the Gas Sector (the "**Tariffs Regulation**").

From an economic perspective, the Portuguese regulatory framework offers significant (financial) protection to DSO´s. First, against inflation, since rising costs are reflected into the tariff as allowed OPEX is indexed to inflation. Secondly, providing stable remuneration as at the beginning of each regulatory period, as ERSE defines a base RoR on regulated assets with an associated cap and floor for the whole regulatory period. The RoR is reviewed annually and updated by the 10-year Portuguese sovereign bond yield average over the previous 12 months (excluding the lowest and the highest registries). Thirdly, the framework also offers protection against gas volume fluctuation. Tariffs are based on expected gas volumes distributed, which can lead to under/over recovery. Each year, cash receipts are adjusted for the under/over recovery of tariffs on year n-2, such that deviation in cash flows are only temporary. Finally, CAPEX changes are reflected in changes to the RAB annually (based on a five-year plan updated every two years).

The allowed revenues are calculated under the aforementioned formula take into account different aspects of the distribution activity, *inter alia* (i) the remuneration of the assets that are an integral part of the distribution activity (calculated as the average RAB during the relevant period multiplied by the RoR), (ii) the amortisation of such assets (by applying a linear depreciation approach to the initial RAB); and (iii) the exploitation costs ("**OPEX**") dully recognised by ERSE based on an efficient management[8] (price-cap model).

To manage the credit risk within the SNG, ERSE appointed an independent entity the "Gestor Integrado de Garantias" ("**GIG**"), according to its Directive 7/2021. The GIG acts as a credit guarantor for the DSOs in their business relationship with gas suppliers, namely within the scope of network use agreements. Whenever a market agent defaults on its responsibilities under the network use agreement established with a DSO, the GIG ensures the respective guarantee is released to the benefit of the DSO.

All distribution network operators are legally obliged to prepare and submit to DGEG and ERSE, every 2 years, a PDIRD, covering a period of five years.

The PDIRD must provide for the existence of suitable capacity in the distribution networks and the investments necessary to comply with the service quality technical requirements.

The PDIRD is subject to DGEG's, ERSE's and the transmission system operator's ("**TSO**") opinion, and subsequently submitted for approval by the Portuguese Government.

The latest PDIRD developed by the Issuers' DSOs covers the period 2023-2027 and is currently awaiting approval by the Portuguese Government.

Over the past three years, the existing Portuguese legislation has been progressively amended to include possible injection of renewable gases in the natural gas distribution network – the (new) Gas Regulatory Framework – as well as to allow such renewable gases to be issued guarantees of origin or to exempt them from certain taxes (notably Special Consumption Tax). Also, the energy sector-related regulations (issued by ERSE) are being updated in all aspects that may impact the activities through the value chain of renewable gases, notably the regulations on the distribution and transmission applicable to the DSOs and TSO and the quality regulation.

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[8] The invoice of the client has three key variables: (i) the price of the energy consumed and (ii) the access tariffs to the facilities used and (iii) other gas system costs related with transmission, system technical management and switching.

In the context of energy transition, the National Strategy for Hydrogen ("**EN-H2**") was adopted in May 2020 with the main objective of introducing "*an element of incentive and stability for the energy sector, promoting the gradual introduction of hydrogen as a sustainable pillar and integrated in a more comprehensive strategy of transition to a decarbonised economy, as a strategic opportunity for the country*".

The EN-H2 is one of the key instruments of the Portuguese Government to promote decarbonisation of the energy sector and recognises the central role of gas grids in this process. The adequacy of the gas infrastructure is therefore a critical factor in achieving the Portuguese national energy policy targets, which recognises that renewable gases will play a key role in the decarbonisation process. The Issuer assumes a central role in this transition, ensuring that the distribution network is prepared to safely and efficiently inject renewable gases.

The EN-H2 is consistent with the European Union legislation, notably the European Commission's Hydrogen Strategy for a climate-neutral Europe, that establishes hydrogen as key priority to achieve the European Green Deal and Europe's clean energy transition.

The express main goal for the creation of a "hydrogen economy" is improving the autonomy of the Portuguese energy sector. The EN-H2 sets out a 10 per cent. to 15 per cent. H2 blending target into the Portuguese gas network by 2030, increasing to 75 per cent. to 80 per cent. by 2050.

Following the implementation of EN-H2, the EU "Fit for 55" package was released on 14 July 2021 and 15 December 2021, entailing further legislative and policy proposals to enable the EU to meet emissions target.

Another fundamental instrument for creating conditions and promoting national decarbonisation is the PNEC 2030. According to PNEC 2030, the natural gas distribution infrastructure will play an important role in enabling the introduction, distribution, and consumption of renewable gases, particularly biomethane and hydrogen, in various sectors of the economy, allowing for higher levels of renewable energy incorporation into the final energy consumption.

Finally, it is noteworthy that on 8 March 2022 the European Commission put forward an outline of a plan containing a series of measures to respond to rising energy prices in the EU and to replenish gas stocks. In particular REPowerEU aims at larger volumes of biomethane and renewable hydrogen production and imports and, in particular, proposes a 'Hydrogen Accelerator' programme to spur an additional 15 million tonnes of renewable hydrogen by 2030.

Meanwhile, the European Commission initiative on an EU Hydrogen Bank has been published, introducing inter alia auctions for domestic green hydrogen under the innovation funds (COM(2023)156). It takes the form of a Communication, hence it is not legally binding; although not explicitly referring to future legislative action on hydrogen, it mentions the European Commission intends to operationalise the EU Hydrogen Bank by end of 2023.

TAXATION

Portugal

The following description summarises the material anticipated tax consequences relating to an investment in the Notes according to Portuguese law. The description does not deal with all possible consequences of an investment in the Notes and is not intended as tax advice. Accordingly, each prospective investor should consult its own professional advisor regarding the tax consequences to it of an investment in the Notes under local or foreign laws to which it may be subject. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

1 Portuguese Republic Taxation

Portuguese taxation relating to all payments by the Issuer in respect of Notes issued within the scope of Decree-law no. 193/2005

Economic benefits derived from interest, amortisation, reimbursement premiums and other types of remuneration arising from the Notes are qualified as investment income for Portuguese tax purposes. Gains obtained with the repayment and disposal of Notes are qualified as capital gains for Portuguese tax purposes.

This section summarises the tax consequences of holding Notes issued by the Issuer when such Notes are integrated *(i)* and held through Interbolsa, as management entity of the "**CVM**" (*Central de Valores Mobiliários*), the Portuguese centralised system of registration of securities or *(ii)* in an international clearing system operated by a managing entity established in a member state of the EU other than Portugal or *(iii)* in an EEA Member State provided, in this case, that such State is bound to cooperate with Portugal under an administrative cooperation arrangement in tax matters similar to the exchange of information schemes in relation to tax matters existing within the EU Member States or *(iv)* integrated in other centralised systems not covered above provided that, in this last case, the Portuguese Government authorises the application of Decree-law no. 193/2005 and have been issued within the scope of Decree-law no. 193/2005. References in this section are construed accordingly.

Investment income (i.e. economic benefits derived from interest, amortisation or reimbursement premiums as well as other forms of remuneration which may be paid under the Notes) on the Notes, paid to a corporate holder of Notes (who is the effective beneficiary thereof (the "**Beneficiary**")) resident for tax purposes in Portuguese territory or to a non-Portuguese resident having a permanent establishment therein to which income is attributable, is subject to withholding tax currently at a rate of 25 per cent., except where the Beneficiary is either a Portuguese resident financial institution (or a non-resident financial institution having a permanent establishment in the Portuguese territory to which income is imputable) or benefits from a reduction or a withholding tax exemption as specified by current Portuguese tax law (such as pension funds, retirement and/or education savings funds, share savings funds, venture capital funds and collective investment undertakings constituted under the laws of Portugal). In relation to Beneficiaries that are corporate entities resident in Portuguese territory (or non-residents having a permanent establishment therein to which income is imputable), withholding tax is treated as a payment in advance and, therefore, such Beneficiaries are entitled to claim appropriate credit against their final corporate income tax liability. If the payment of interest or other investment income on Notes is made available to Portuguese resident individuals, withholding tax applies at a rate of 28 per cent., which is the final tax on that income unless the individual elects to aggregate such income to his taxable income, subject to tax at progressive income tax rates of up to 48 per cent. In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding EUR80,000 as follows: (i) 2.5 per cent. on the part of the taxable income exceeding EUR80,000 up to EUR250,000 and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding EUR250,000.

Investment income paid or made available (either to legal person or individuals) on accounts held by one or more parties on account of unidentified third parties is subject to a withholding tax rate of 35 per cent., except where the beneficial owner of the income is identified, in which case the general rules mentioned above will apply.

Capital gains obtained on the disposal of Notes issued by the Issuer, by corporate entities resident for tax purposes in the Portuguese Republic and by non-residents corporate entities with a permanent establishment therein to which the income or gain are attributable are included in their taxable income and are subject to corporate income tax at a 21 per cent. tax rate or at a 17 per cent. tax rate on the first EUR 50,000 in the case of small or small and medium-sized enterprises or small and mid-capitalisation enterprises (Small Mid Cap), to which may be added a municipal surcharge (*derrama municipal*) of up to 1.5 per cent. of its taxable income. A state surcharge (*derrama estadual*) also applies at 3 per cent. on the portion of taxable profits in excess of EUR1,500,000 and up to EUR7,500,000, 5 per cent. on the portion of taxable profits in excess of EUR7,500,000 and up to EUR35,000,000 and 9 per cent. on the portion of taxable profits in excess of EUR35,000,000.

Capital gains obtained on the disposal of Notes issued by the Issuer, by individuals resident for tax purposes in the Portuguese Republic are subject to tax at a rate of 28 per cent. levied on the positive difference between the capital gains and capital losses realised on the transfer of securities and derivatives of each year, unless the individual elects to include such income in his taxable income, subject to tax at progressive income tax rates of up to 48 per cent. In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding EUR80,000 as follows: (i) 2.5 per cent. on the part of the taxable income exceeding EUR80,000 up to EUR250,000 and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding EUR250,000. The positive balance between capital gains and capital losses arising from the transfer for consideration of shares and other securities is mandatorily accumulated and taxed at progressive rate if the assets have been held for less than 365 days and the taxable income of the taxpayer, including the balance of the capital gains and capital losses, amounts to or exceeds EUR78,834.

Pursuant to Decree-law no. 193/2005, investment income paid on, as well as capital gains derived from a sale or other disposition of the Notes, to non-Portuguese resident Noteholders will be exempt from Portuguese income tax provided the debt securities are integrated in *(i)* a centralised system for securities managed by an entity resident for tax purposes in Portugal (such as the CVM managed by Interbolsa), or *(ii)* an international clearing system operated by a managing entity established in a member state of the EU other than Portugal or in an EEA Member State provided, in this case, that such State is bound to cooperate with Portugal under an administrative cooperation arrangement in tax matters similar to the exchange of information schemes in relation to tax matters existing within the EU Member States or *(iii)* integrated in other centralised systems not covered above provided that, in this last case, the Portuguese Government authorises the application of Decree-law no. 193/2005, and the beneficiaries are:

(i) central banks or governmental agencies; or

(ii) international bodies recognised by the Portuguese State; or

(iii) entities resident in countries or jurisdictions with which Portugal has a double tax treaty in force or a tax information exchange agreement; or

(iv) other entities without headquarters, effective management or a permanent establishment in the Portuguese territory to which the relevant income is attributable and which are not domiciled in a blacklisted jurisdiction as set out in the Ministerial Order no. 150/2004, as amended.

For purposes of application at source of this tax exemption regime, Decree-law no. 193/2005 requires completion of certain procedures and the provision of certain information. Under these procedures (which are

aimed at verifying the non-resident status of the Noteholder), the Noteholder is required to hold the Notes through an account with one of the following entities:

(i) a direct registered entity, which is the entity with which the debt securities accounts that are integrated in the centralised system are opened;

(ii) an indirect registered entity, which, although not assuming the role of the "direct registered entities", is a client of the latter; or

(iii) an international clearing system, which is an entity that proceeds, in the international market, to clear, settle or transfer securities which are integrated in centralised systems or in their own registration systems.

Domestic Cleared Notes — held through a direct registered entity

Direct registered entities are required to register the Noteholders in one of two accounts: (i) an exempt account or (ii) a non-exempt account. Registration in the exempt account is crucial for the tax exemption to apply upfront and requires evidence of the non-resident status of the Beneficiary, to be provided by the Noteholder to the direct registered entity, as follows:

(a) if the Noteholder is a central bank, an international body recognised as such by the Portuguese State, or a public law entity and respective agencies, a declaration issued by the beneficial owner of the Notes itself duly signed and authenticated, or proof of non-residence pursuant to (d) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;

(b) if the Noteholder is a credit institution, a financial company, a pension fund or an insurance company domiciled in any OECD country or in a country with which Portugal has entered into a double taxation treaty, certification shall be made by means of the following: (A) its tax identification official document; or (B) a certificate issued by the entity responsible for such supervision or registration, or by tax authorities, confirming the legal existence of the beneficial owner of the Notes and its domicile; or (C) proof of non-residence pursuant to (d) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;

(c) if the Noteholder is an investment fund or other collective investment scheme domiciled in any OECD country or in a country with which Portugal has entered into a double tax treaty in force or a tax information exchange agreement in force, it shall make proof of its non-resident status by providing any of the following documents: *(a)* a declaration issued by the entity responsible for its supervision or registration or by the relevant tax authority, confirming its legal existence, domicile and law of incorporation; or *(b)* proof of non-residence pursuant to the terms of paragraph (d) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;

(d) other investors will be required to make proof of their non-resident status by way of: *(a)* a certificate of residence or equivalent document issued by the relevant tax authorities; *(b)* a document issued by the relevant Portuguese Consulate certifying residence abroad; or *(c)* a document specifically issued by an official entity which forms part of the public administration (either central, regional or peripheral, indirect or autonomous) of the relevant country. The Noteholder must provide an original or a certified copy of such documents and, as a rule, if such documents do not refer to a specific year

and do not expire, they must have been issued within the three years prior to the relevant payment or maturity dates or, if issued after the relevant payment or maturity dates, within the following three months. The Noteholder must inform the registering entity immediately of any change in the requirement conditions that may eliminate the tax exemption.

Internationally Cleared Notes – held through an entity managing an international clearing system

Pursuant to the requirements set forth in the tax regime, if the Notes are registered in an account held by an international clearing system operated by a managing entity, the latter shall transmit, on each interest payment date and each relevant redemption date, to the direct register entity or to its representative, and with respect to all accounts under its management, the identification and quantity of securities, as well as the amount of income, and, when applicable, the amount of tax withheld, segregated by the following categories of beneficiaries:

(a) entities with residence, headquarters, effective management or permanent establishment to which the income would be imputable and which are non-exempt and subject to withholding;

(b) entities which have residence in country, territory or region with a more favourable tax regime, included in the Portuguese "blacklist" (countries and territories listed in Ministerial Order no. 150/2004) and which are non-exempt and subject to withholding;

(c) entities with residence, headquarters, effective management or permanent establishment to which the income would be imputable, and which are exempt or not subject to withholding;

(d) other entities which do not have residence, headquarters, effective management or permanent establishment to which the income generated by the securities would be imputable.

On each interest payment date and each relevant redemption date, the following information with respect to the beneficiaries that fall within the categories mentioned in paragraphs (a), (b) and (c) above, should also be transmitted:

(a) name and address;

(b) tax identification number (if applicable);

(c) identification and quantity of the securities held; and

(d) amount of income generated by the securities.

If the conditions for the exemption to apply are met, but, due to inaccurate or insufficient information, tax was withheld, a special refund procedure is available under the special regime approved by Decree-law no. 193/2005, as amended. The refund claim is to be submitted to the direct register entity of the Notes within 6 months from the date the withholding took place.

The refund of withholding tax after the above six-month period is to be claimed from the Portuguese tax authorities within two years, starting from the term of the year in which the withholding took place.

A special tax form for these purposes was approved by Order (*Despacho*) 2937/2014, published in the Portuguese Official Gazette, second series, no. 37, of 21 February 2014, issued by the Portuguese Minister Secretary of State and Tax Matters (currently *Secretário de Estado e Assuntos Fiscais*) and may be available at www.portaldasfinancas.gov.pt.

The absence of evidence of non-residence in respect to any non-resident entity which benefits from the above mentioned tax exemption regime shall result in the loss of the tax exemption and consequent submission to applicable Portuguese general tax provisions

Portuguese taxation relating to all payments by the Issuer in respect of Notes issued out of the scope of Decree-law no. 193/2005

The tax considerations made above in relation to corporate holders of Notes resident for tax purposes in Portuguese territory, non-Portuguese resident having a permanent establishment therein to which income is attributable, investment income paid or made available on accounts held by one or more parties on account of unidentified third parties, as well as to individuals resident for tax purposes in the Portuguese Republic also apply in case of Notes issued out of the scope of Decree-law no. 193/2005.

Investment income paid to non-Portuguese resident corporate entities or individuals in respect of Notes are subject to withholding tax at a rate of 25 per cent. (in case of corporate entities), at a rate of 28 per cent. (in case of individuals) or at a rate of 35 per cent. (in case of investment income payments *(i)* to individuals or corporate entities domiciled in a "low tax jurisdiction" list approved by Ministerial Order no. 150/2004, or *(ii)* to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties, in which the relevant beneficial owner(s) of the income is/are not identified), as the case may be; or if applicable, at reduced withholding tax rates pursuant to tax treaties signed by the Portuguese Republic, provided that the procedures and certification requirements established by the relevant tax law are complied with.

Capital gains obtained from a sale or other disposition of Notes by individuals non-resident in Portugal for tax purposes are exempt from Portuguese capital gains taxation, unless the individual is domiciled in a "low tax jurisdiction" list approved by Ministerial Order no.150/2004. If the exemption does not apply, the positive difference obtained in a tax year between such gains and gains on other securities and losses in securities is subject to tax at 28 per cent., which is the final tax on that income. Accrued interest does not qualify as capital gains for tax purposes but instead as investment income.

Capital gains obtained on the disposal of Notes by a legal person non-resident in Portugal for tax purposes and without a permanent establishment in Portugal to which gains are attributable are exempt from Portuguese capital gains taxation, unless the holder is domiciled in a "low tax jurisdiction" list approved by Ministerial Order no.150/2004 or the share capital of the holder is more than 25 per cent. directly or indirectly held by Portuguese resident entities (the referred 25 per cent. threshold will not be applicable to the taxation of capital gains obtained on the disposal of securities when the following cumulative requirements are met by the seller: (a) it is an entity resident in the European Union or in the EEA State or in any country with which Portugal has a double tax treaty in force that foresees the exchange of information; (b) such entity is subject and not exempt to a corporate income tax listed in article 2 of Council Directive 2011/96/EU, of 30 November, or a tax of similar nature with a rate not lower than 60 per cent. of the Portuguese IRC rate; (c) it holds at least 10 per cent. of the share capital or voting rights regarding the entity subject to disposal for at least 1 year uninterruptedly; and (d) it does not intervene in an artificial arrangement or a series of artificial arrangements that have been put into place for the main purpose, or one of the main purposes, of obtaining a tax advantage. Although the abovementioned cumulative requirements are in full force and effect since 31 March 2016 and apply to securities in general, the law is not clear on the application thereof in order for holders of debt representative securities to benefit from the relevant capital gains exemption, as some of the alluded requirements appear not to apply to debt representative securities). If the exemption does not apply, the capital gains will be subject to tax at 25 per cent.

Under the tax treaties entered into by Portugal, the above capital gains are usually not subject to Portuguese tax, but the applicable rules should be confirmed on a case by case basis.

Administrative cooperation in the field of taxation

The regime under Council Directive 2011/16/EU, as amended by Council Directive 2014/107/EU, of 9 December 2014, introduced the automatic exchange of information in the field of taxation concerning bank accounts and is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014.

Under Council Directive 2014/107/EU, of 9 December 2014, financial institutions are required to report to the tax authorities of their respective Member State (for the exchange of information with the state of residence) information regarding bank accounts, including depository and custodial accounts, held by individual persons residing in a different Member State or entities which are controlled by one or more individual persons residing in a different Member State, after having applied the due diligence rules foreseen in the Council Directive. The information refers not only to personal information such as name, address, state of residence, tax identification number and date and place of birth, but also, and (i) in case of depository accounts, income paid or credited in the account during the calendar year; or, (ii) in the case of custodial accounts, the total gross amount of interest, dividends and any other income generated, as well as the proceeds from the sale or redemption of the financial assets paid or credited in the account during the calendar year to which the financial institution acted as custodian, broker, nominee, or otherwise as an agent for the account holder, among others.

Portugal has implemented Directive 2011/16/EU through Decree-Law No. 61/2013, of 10 May 2013.

Also, Council Directive 2014/107/EU was implemented through Decree-Law 64/2016, of 11 October (as amended by Law No. 98/2017, of 24 August 2017 and by Law No. 17/2019, of 14 February 2019). Under such law, financial institutions will be required to collect information regarding certain accountholders and report such information to Portuguese Tax Authorities which, in turn, will report such information to the relevant Tax Authorities of EU Member States or States which have signed the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information for the Common Reporting Standard.

In view of the abovementioned regimes, all information regarding the registration of the financial institution, the procedures to comply with the reporting obligations and the forms to use for that end were provided by the Ministry of Finance, through Order 302-B/2016, of 2 December 2016, Order 302-C/2016, of 2 December 2016, Order 302-D/2016, of 2 December 2016 and Order 302-E/2016, of 2 December 2016, all as amended from time to time.

The deadline for the financial institutions to report to the Portuguese tax authorities the mentioned information for 2023 year (with reference to 2022 year) is 31 May. This is an amendment recently introduced for 2023 since until last year financial institutions had to report such information until 31 July.

2 Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA, and including an intermediary through which Notes are held) may be required to withhold at a rate of 30 per cent. on certain payments it makes ("**foreign passthru payments")** to persons that fail to meet certain certification, reporting or related requirements. The term "foreign passthru payment" is not yet defined. A number of jurisdictions (including Portugal, which entered into an intergovernmental agreement based largely on the Model 1 IGA on 6 August 2015) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. The United States has reached a Model 1 intergovernmental agreement with Portugal, signed on 6 August 2015 and ratified by Portugal on 5 August 2016. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including

whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes (as described under Condition 14) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Portugal has implemented, through Law no. 82-B/2014, of 31 December 2014 and Decree-Law no. 64/2016, of 11 October (amended by Law 98/2017, of 24 August and by Law No. 17/2019, of 14 February 2019), the legal framework based on reciprocal exchange of information on financial accounts subject to disclosure in order to comply with FATCA.

The deadline for the financial institutions to report to the Portuguese tax authorities the mentioned information for 2023 year (with reference to 2022 year) was 31 May. This is an amendment recently introduced for 2023 since until last year financial institutions had to report such information until 31 July.

Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement dated 25 August 2016 and amended and restated on 16 June 2023 (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the "**Programme Agreement**"), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under *"Form of the Notes"* and *"Terms and Conditions of the Notes"*. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Selling Restrictions

United States

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

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

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering of such Notes and the completion of the distribution of such Notes (as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part), within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

Until 40 days after the commencement of the offering of any Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms, as the case may be, in relation thereto to any retail investor in the European Economic Area.

For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

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

Prohibition of Sales to United Kingdom Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the United Kingdom.

For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or

(b) a customer within the meaning of the provisions of FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

For the purposes of this provision the expression an "**offer of Notes to the public**" in relation to any Notes 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 the Notes.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act of 2000, as amended ("**FSMA**") by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Portugal

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes may not be and will not be offered to the public in Portugal under circumstances which are deemed to be a public offer under the Portuguese Securities Code unless the requirements and provisions applicable to public offerings in Portugal are met, including, without limitation, all registration, filing, approval or recognition procedures with the CMVM and, if relevant, any other competent authorities, is made. In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (i) it has not directly or indirectly taken any action or offered, advertised, marketed, invited to subscribe, gathered investment intentions, sold or delivered and will not directly or indirectly take any action, offer, advertise, invite to subscribe, gather investment intentions, sell, re-sell, re-offer or deliver any Notes in circumstances which could qualify as a public offer (*oferta pública*) of securities pursuant to the Portuguese Securities Code, notably in circumstances which could qualify as a public offer addressed to individuals or entities resident in Portugal or having permanent establishment located in Portuguese territory, as the case may be; (ii) it has not distributed, made available or cause to be distributed and will not distribute, make available or caused to be distributed the Prospectus or any other offering material relating to the Notes to the public in Portugal; other than in compliance with all applicable provisions of the Portuguese Securities Code, the Prospectus Regulation, any delegated acts published in connection with the Prospectus Regulation which are in force at any determined time (the "**Prospectus Delegated Regulations**") and any applicable CMVM Regulations and all relevant Portuguese securities laws and regulations, in any such case that may be applicable to it in respect of any offer or sale of Notes by it in Portugal or to individuals or entities resident in Portugal or a having permanent establishment located in Portuguese territory, as the case may be, including compliance with the rules and regulations, in any such case that may be applicable to it in respect of any offer or sale of Notes by it in Portugal or to individuals or entities resident in Portugal or having a permanent establishment located in the Portuguese territory, as the case may be, including the publication of a prospectus, when applicable, and that such distribution shall only be authorised and performed to the extent that there is full compliance with such laws and regulations.

Spain

Neither the Notes nor this Prospectus have been registered with the Spanish Securities Markets Commission (Comisión Nacional del Mercado de Valores). Accordingly, the Notes may not be offered, sold or distributed, nor may any subsequent resale of Notes be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain or without complying with all legal and regulatory requirements under Spanish securities laws.

The Notes may only be offered or sold in Spain by institutions authorised under the Spanish Law 6/2023, of 17 March, on the Securities Markets and the Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*) (the "**Spanish Securities Markets and Investment Services Law**"),

Royal Decree 217/2008 of 15 February on the legal regime applicable to investment services companies (*Real Decreto 217/2008, de 15 de febrero, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión*), as amended or replaced from time to time, and related legislation to provide investment services in Spain and in accordance with the provisions of the Spanish Securities Markets and Investment Services Law and further developing legislation.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply in all material respects with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus or any Final Terms and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes thereunder have been duly authorised by a resolution of the Board of Directors of the Issuer dated 14 June 2023. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on Euronext Dublin will be admitted separately as and when issued. Application has been made to Euronext Dublin for Notes issued under the Programme to be admitted to the Official List and to trading on Euronext Dublin. The listing of the Programme in respect of Notes is expected to be granted on or before 16 June 2023.

Documents Available

For so long as the Programme remains in effect or any Notes shall be outstanding, copies of the following documents will be available for inspection in electronic form on the Issuer's website at https://floene.pt/en/investors/?tab=3:

(a) the constitutional documents (as the same may be updated from time to time and with a direct and accurate English translation thereof) of the Issuer; and

(b) the Interbolsa Instrument.

Websites

The website of the Issuer is https://floene.pt/en/. The information on this website does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

Clearing Systems

The Notes have been accepted for registration and clearance through CVM managed by Interbolsa. The address of Interbolsa is Avenida da Boavista 3433, 4100-138 Porto, Portugal.

The Notes will also be eligible for clearing and settlement through Euroclear and Clearstream, Luxembourg holding Notes through a custodian that is an Affiliate Member of Interbolsa. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

If the Notes are to be cleared through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

Significant or Material Change

There has been no significant change in the financial position or financial performance of the Issuer and its subsidiaries since 31 December 2022, the date of the last audited consolidated financial statements and there has been no material adverse change in the prospects of the Issuer since 31 December 2022, the date of the last audited consolidated financial statements.

Litigation

There are no, and there have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer and its subsidiaries.

Dealers transacting with the Issuer

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