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Prospectus dated 21 March 2022

This Prospectus has been approved by SIX Exchange Regulation Ltd in its capacity as review body pursuant to article 52 of the Swiss Financial Services Act (*Finanzdienstleistungsgesetz*, the "FINSA") on 31 March 2022.



Alpiq Holding AG

CHF 250,000,000 1.75% Bonds 2022 – 2026 (the "Bonds")

Issuer's Name and registered office:	Alpiq Holding AG, Chemin de Mornex 10, 1003 Lausanne, Switzerland (the " Issuer " or " Alpiq ").
Interest Rate:	1.75% p.a., payable annually in arrears on 24 June, for the first time on 24 June 2023 (long first interest period).
Issue Price:	UBS AG, acting through its business division UBS Investment Bank (the " Lead Manager " or " UBS AG ") has purchased the Bonds at 100.324% of the nominal amount (before commission).
Placement Price:	The Placement Price of the Bonds will be fixed in accordance with supply and demand.
Payment Date:	24 March 2022
Maturity Date:	24 June 2026, redemption at par.
Reopening of the Issue:	The Issuer reserves the right to reopen this issue according to the terms and conditions of the Bonds.
Denominations:	CHF 5,000 nominal.
Form of the Bonds:	The Bonds will be issued as uncertificated securities (<i>Wertrechte</i>) in accordance with article 973c of the Swiss Code of Obligations, which will be registered in the main register (<i>Hauptregister</i>) of SIX SIS Ltd (SIX SIS). Neither the Issuer nor any Holder will at any time have the right to effect or demand the conversion of the uncertificated securities into, or the delivery of, a global certificate (<i>Globalurkunde</i>) or individually certificated securities (<i>Wertpapiere</i>).
Covenants:	Pari Passu, Negative Pledge, Cross Default, each in accordance with the Terms of the Bonds.
Listing and Trading:	Listing will be applied for in accordance with the standard for Bonds of the SIX Swiss Exchange. The Bonds have been provisionally admitted to trading on the SIX Swiss Exchange on 22 March 2022. The last trading date is expected to be the second business day prior to the Maturity Date.
Governing Law and Jurisdiction:	The Bonds are governed by, and construed in accordance with Swiss law. Place of jurisdiction for the Bonds and all related contractual documentation shall be Zurich.
Selling Restrictions:	In particular U.S.A., U.S. persons, European Economic Area and United Kingdom
Security Number/ ISIN/Common Code:	117.501.610 / CH1175016109 / 246216258

UBS Investment Bank

IMPORTANT INFORMATION

This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as of the date of any approval by the Review Body. Consequently, neither the delivery of this Prospectus nor the offering, sale or delivery of any Bonds 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 issue of the Bonds is correct as of any time subsequent the date indicated in the document containing the same.

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Bonds and for the admission to trading and listing of the Bonds on the SIX Swiss Exchange. The Issuer has not authorized the use of this Prospectus for any other purpose.

The Lead Manager

The Lead Manager has not verified the information contained herein. Additionally, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Lead Manager as to the accuracy or completeness of the information contained or incorporated by reference herein or any other information provided by the Issuer in connection with the Bonds.

To the fullest extent permitted by law, the Lead Manager accepts no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Lead Manager or on its behalf in connection with the Issuer or the issuance, offering and admission to trading or listing of the Bonds. The Lead Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) that it might otherwise have in respect of this Prospectus or any such statement.

The Lead Manager and certain of its respective affiliates have provided, and/or may provide in the future, investment banking, commercial banking, advisory and other financial services for the Issuer and its affiliates in the ordinary course of business for which it has received and will receive customary fees and reimbursement of expenses.

Furthermore, in the ordinary course of their business activities, the Lead Manager and its respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for its own account and for the accounts of its customers and may, at any time, hold long or short positions in such investments and securities. Such investment and securities activities may involve the securities and/or instruments of the Issuer. The Lead Manager and its respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold (for its own account or for the account of its customers), or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

SUMMARY

The following summary (the "Summary") is to be understood as an introduction to the prospectus and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Prospectus, including the discussion under "Risk Factors" and the financial information, which are included elsewhere in this Prospectus.

Investors are required to base their investment decision on the information in the prospectus in its entirety and not on the Summary.

Liability for the Summary is limited to cases where the information contained therein is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus.

A. Information on the Issuer

Issuer's Name, registered office and legal form	Alpiq Holding AG, is a corporation with limited liability (<i>Aktiengesellschaft</i>) under Swiss law in accordance with art. 620 et seq. of the Swiss Code of Obligations. Its registered office is at Chemin de Mornex 10, 1003 Lausanne, Switzerland.
Legal Entity Identifier ("LEI") of the Issuer	5299006COKGB66PUHW42
Auditor / Auditor Supervision of the Issuer	The auditor of the Issuer is Ernst & Young, Maagplatz 1, 8010 Zurich, Switzerland (the " Auditor "). The Auditor is supervised by, and registered with, the Swiss Federal Audit Oversight Authority (FAOA), and its register number currently is 500646.

B. Information on the Terms of the Bonds

Nature of the Bonds	Public fixed rate bonds
Volume	CHF 250,000,000
Payment Date	24 March 2022
Maturity Date	24 June 2026, redemption at par
Interest Rate and Interest Payment Dates	The Bonds bear interest at a fixed rate of 1.75% p.a., payable annually in arrears on 24 June of each year, for the first time on 24 June 2023 (long first interest period).
Denomination	CHF 5,000 nominal.
Status	Senior unsecured debt
Form of the Bonds	The Bonds will be issued as uncertificated securities (<i>Wertrechte</i>) in accordance with article 973c of the Swiss Code of Obligations, which will be registered in the main register (<i>Hauptregister</i>) of SIX SIS Ltd (SIX SIS). Neither the Issuer nor any Holder will at any time have the right to effect or demand the conversion of the uncertificated securities into, or the delivery of, a global certificate (<i>Globalurkunde</i>) or individually certificated securities (<i>Wertpapiere</i>).
Reopening of the Issue	The Issuer reserves the right to reopen this issue according to the terms and conditions of the Bonds.
Covenants	Pari Passu, Negative Pledge, Cross Default, each in accordance with the Terms of the Bonds.
Principal Paying Agent	UBS AG
Governing Law and Jurisdiction	The Bonds are governed by, and construed in accordance with Swiss law. Place of jurisdiction for the Bonds and all related contractual documentation shall be Zurich.

C. Information on the Offering

Public Offer	The Bonds will be offered to prospective investors by way of (i) a public offering in Switzerland, and (ii) private placements in certain jurisdictions outside of Switzerland, other than the United States or other jurisdictions where an offering would be prohibited by applicable law.
Issue Price	100.324% of the aggregate nominal amount of the Bonds (before commissions)
Placement Price	The Placement Price of the Bonds will be fixed in accordance with supply and demand.
Clearing and Settlement	SIX SIS Ltd
Net Proceeds / Use of Net Proceeds	The net proceeds of the Bonds, being the amount of CHF 250,055,000 (the " Net Proceeds ") will be used by the Issuer for its corporate purposes, including but not limited for refinancing purposes.
Swiss Security Number	117.501.610
ISIN	CH1175016109
Common Code	246216258
Selling Restrictions	In particular U.S.A., U.S. persons, European Economic Area and United Kingdom
Lead Manager	UBS AG

D. Information on the Admission to Trading and Listing

Swiss Trading Venue	SIX Swiss Exchange
Admission to Trading and Listing	<p>The Bonds have been provisionally admitted to trading on the SIX Swiss Exchange as of 22 March 2022. The last trading day of the Bond is expected to be the second business day prior to the Maturity Date.</p> <p>Listing will be applied for in accordance with the standard for Bonds of the SIX Swiss Exchange.</p>

E. Information on Prospectus Approval

Swiss Review Body	SIX Exchange Regulation Ltd, Hardturmstrasse 201, 8005 Zurich, Switzerland.
Prospectus Date and Approval	<p>This Prospectus is dated 21 March 2022, and has been approved by the Swiss Review Body on the date appearing on the cover page of this Prospectus.</p> <p>This Prospectus will not be updated for any developments that occur after its date. In particular, this Prospectus is not required to be updated as of the date of the approval by the Swiss Review Body.</p>

SELLING RESTRICTIONS

The Lead Manager warrants and agrees that it will comply with the following selling restrictions:

General

Save for having listed the Bonds at the SIX Swiss Exchange Ltd, no action has been or will be taken in any jurisdiction by the Issuer or the Lead Manager that would permit a public offering of the Bonds, or possession or distribution of any offering material in relation thereto, in or from any country or jurisdiction where action for that purpose is required. In addition to the specific selling restrictions set out below, each of the Issuer and the Lead Manager undertakes to comply with all applicable laws and regulations in each country or jurisdiction in which, it purchases or in or from which it offers, sells or delivers the Bonds or has in its possession or distributes any offering material in respect of the Bonds, in all cases at its own expense.

United States of America and United States Persons

A) The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States of America or to or for the account or benefit of U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Issuer and the Lead Manager have offered or sold the Bonds, and will offer and sell the Bonds (i) as part of their distribution at any time and (ii) acquired otherwise until 3 May 2022 (40 days after the Payment Date) (the "**Restricted Period**"), only in accordance with Rule 903 of Regulation S under the Securities Act.

Accordingly, neither the Issuer, the Lead Manager and their affiliates nor any persons acting on their behalf have engaged or will engage in any selling efforts directed to the United States with respect to the Bonds, and they have complied and will comply with the offering restrictions requirement of Regulation S. The Lead Manager has agreed that, at or prior to confirmation of sale of the Bonds, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Bonds from them during the Restricted Period, a notice to substantially the following effect:

"The Bonds covered hereby have not been registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States of America or to, or for the account or benefit of U.S. persons (i) as part of their distribution at any time and (ii) otherwise acquired until 3 May 2022 except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Terms used in this paragraph (A) have the meanings given to them by Regulation S under the Securities Act.

B) The Lead Manager represents, warrants and agrees that it has not entered and will not enter into any contractual arrangement (other than this Agreement) with respect to the distribution or delivery of the Bonds, except with their affiliates or with the prior written consent of the Issuer.

European Economic Area

In relation to each Member State of the European Economic Area (the "**EEA**") (each, a "**Member State**"), the Lead Manager has represented and agreed, that it has not made and will not make an offer of Bonds which are the subject of the Bonds to the public in that Member State except that it may make an offer of such Bonds to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**");
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager; or
- (c) at any time in any other circumstances falling with Article 1(4) of the Prospectus Regulation,

provided that no such offer of Bonds referred to in (a) to (c) above shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Bonds to the public" in relation to any Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

United Kingdom

In relation to the United Kingdom (the "**UK**"), the Lead Manager has represented and agreed that it has not made and will not make an offer of Bonds to the public in the UK except that it may make an offer of such Bonds to the public in the UK:

- (a) at any time to any legal entity that is a qualified investor as defined in the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**");
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) as it forms part of domestic law by virtue of the EUWA) in the UK subject to obtaining the prior consent of the Lead Manager; or
- (c) at any time in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 (the "**FSMA**"),

provided that no such "offer of Bonds to the public" referred to in (a) to (c) above shall require the Issuer or the Lead Manager to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA.

Each of the Issuer and the Lead Manager has represented and agreed that:

- (i) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the UK; and
- (ii) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any 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 Bonds in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorized person, apply to the Issuer.

FORWARD LOOKING STATEMENTS

This Prospectus contains or incorporates by reference statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the current prospects, expectations, estimates, plans, strategic aims, vision statements, and projections of the Issuer and are based on information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results of operations, financial condition, performance or achievements of the Issuer to be materially different from any future results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Terms and phrases such as "will", "believe", "expect", "anticipate", "intend", "plan", "predict", "estimate", "project", "target", "assume", "may" and "could", and variations of these words and similar expressions, are intended to identify prospects and/or other forward-looking statements but are not the exclusive means of identifying such prospects and other statements. The Issuer hereby cautions you that any such prospects, expectations, estimates, plans, strategic aims, vision statements, and projections contained or incorporated by reference in this Prospectus are not historical in nature but are forward-looking based on information and assumptions the Issuer considers to be reasonable. Such statements are inherently uncertain and subject to a variety of circumstances, many of which are beyond the Issuer's control and could cause actual results to differ materially from what the Issuer anticipates. Due to the uncertainty of future developments, to the fullest extent permitted by applicable law, neither the Issuer nor the Lead Manager assume any liability in respect to or in connection with such prospects or other forward-looking statements contained or incorporated by reference herein.

Neither the Issuer nor the Lead Manager undertake an obligation to update any prospects or forward-looking statements after the date hereof, even if new information, future events or other circumstances have made them incorrect or misleading.

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RISK FACTORS

Prior to making an investment decision, prospective investors in the Bonds should consider carefully, among other things and in light of their financial circumstances and investment objectives, all the information of this Prospectus and, in particular, the risk factors set forth below. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial conditions or prospects of the Issuer, which in turn could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Bonds. In addition, each of the risks highlighted below could adversely affect the trading price of the Bonds or the rights of investors under the Bonds and, as a result, investors could lose some or all of their investment. This section is not intended to be exhaustive and prospective investors should make their own independent evaluation of all risk factors, consult their respective financial and legal advisors and also read the detailed information set out elsewhere in this Prospectus. Other risks and uncertainties unknown to the Issuer or considered insignificant at this time could equally have a material adverse effect on the business, operations, financial conditions or prospects of the Issuer.

In this section "Risk Factors", references to Alpiq, the Group and/or Alpiq's business are also referring to associated, not fully consolidated entities in which Alpiq, directly or indirectly, holds a material participation, unless the context suggests otherwise.

The order in which the following risks factors are presented is not an indication of the likelihood of their occurrence or their importance.

Risk Factors relating to the Issuer

Counterparty risk

There is a risk that one or more counterparties may be unable to meet their payment, purchase or delivery obligations to Alpiq for unforeseeable reasons. This could result in partial or total default on receivables for deliveries already made or services already rendered from electricity or commodity transactions, other services rendered or receivables from financial service providers. Such a default could have a direct impact on Alpiq's liquidity position. In the event of non-fulfilment of payment, purchase or delivery obligations, there is a risk that replacement transactions will have to be made on the market at more disadvantageous prices. This could have a material adverse effect on Alpiq's business, cash flows, results of operations, financial condition or prospects.

Market price risk

Alpiq owns and operates electricity generation plant both in Switzerland and within the EU as well as supplies customers' energy needs in key markets. These operations deliver revenue streams which are variable and depend principally on the prevailing market conditions, in particular the wholesale market prices for electricity, gas and other fuels. The Group's main activities are, to a smaller extent, exposed to emissions certificates markets (EUAs, etc) as well as to foreign exchange and interest rates. These risks are monitored on an ongoing basis and managed using derivative financial instruments.

Alpiq is exposed to energy price risks, i.e., the price risk of electricity and commodities. Energy price risks refer to potential price fluctuations that could have an adverse impact on the Group. They can arise from factors such as geopolitical events (see "Risk Factors – Risk Factors relation to the Issuer" – "Geopolitical risk"), variations in price volatility, market price movements or changing correlations between markets and products. Alpiq operates in various markets in Switzerland and abroad, buying or selling electricity, energy sources or carbon certificates in spot, forward or derivative markets. These trading markets may be subject to unforeseen price fluctuations.

Energy liquidity risks also belong to energy price risks, i.e., the need to settle its cash obligations arising from both its core business, customer activities and hedging programs, with settlement-timing differences between the Group's assets and liabilities. They also occur when an open energy position cannot be closed out or can only be closed out on very unfavorable terms due to a lack of market prices. Future own use energy transactions are normally not reported as financial instruments. Energy transactions are also conducted as part of the program to optimize Alpiq's power plant portfolio. A large proportion of the replacement values for energy derivatives shown in the consolidated financial statements of Alpiq are attributable to optimization positions, with positive and negative replacement values generally cancelling each other out (for further information on the liquidity risk from derivative financial instruments and the cash inflows and outflows from contracts with positive and negative replacement values, see the table "Maturity analysis of financial liabilities and derivative financial instruments" in Alpiq Annual Report, p. 72 (Note 3.1 Financial risk management – Liquidity risk – 2021: Maturity analysis of financial liabilities and derivative financial instruments)). Alpiq also engages in energy derivatives trading. The energy derivatives concluded by the Group are usually forward contracts. The fair values are calculated on the basis of the difference between the contractually fixed forward prices and current forward prices applicable at the respective reporting dates.

Alpiq is further exposed to fluctuations in foreign exchange rates. Alpiq has assets, liabilities, income and expenses denominated in foreign currencies. All positions denominated in foreign currencies are exposed to foreign exchange risk with respect to CHF. A change in foreign currencies against CHF directly affects the valuation of these positions in CHF.

Alpiq is also exposed to interest rate risk. The risks arising from volatility in interest rates relate to the interest-bearing financial assets and liabilities of Alpiq. According to the Group's financial risk policy, liquidity is invested for a maximum of two years. The funding required for the business is obtained on a long-term basis at fixed interest rates. As per 31 December 2021, the duration of the outstanding bonds was less than two years. Financing instruments with variable interest rates, particularly those that are long-term, are generally hedged by means of interest rate swaps. This means that a change in interest rates applied to interest-bearing assets has an impact on financial income.

Sustained adverse changes in electricity or commodity prices, exchange rates against CHF or unfavourable changes in interest rates or the materialization of energy liquidity risks could have a material negative impact on Alpiq's ongoing business, cash flows, results of operations, financial condition or prospects, or affect the recoverability of its assets, potentially triggering an impairment loss.

The sensitivity of market risks to Alpiq's financial results are illustrated in Alpiq Annual Report 2021, p. 74 (Note 3.1 Financial risk management – Market risk – Sensitivity analysis).

Liquidity risk

In European energy trading, a significant portion of the receivables are offset and settled on specified dates each month (netting). This reduces the peaks in liquidity requirements.

Margin agreements are commonly used on energy commodity exchanges and among energy traders to reduce counterparty risk. Consequently, Alpiq has to provide or can demand significant collateral in the form of liquidity or bank guarantees due to energy price movements. In addition, they can result in significant changes in liquidity, as both Alpiq and its counterparties are in most cases contractually entitled to replace cash collateral with bank guarantees in the short term and vice versa.

More specifically, Alpiq uses derivatives to hedge energy contracts against price swings and to lock-in margins of its future energy production. This typically involves selling futures linked to wholesale power prices and traded on energy exchanges. If wholesale power prices soar, Alpiq incurs losses on these futures, requiring Alpiq to make margin payments to brokers, exchanges and other counterparties. Margin calls to reduce counterparty risk are common on energy exchanges and among energy traders, which can rise to significant amounts of receivables or liabilities in the short term due to energy price movements.

When the power is delivered by Alpiq the margin is returned and these losses will be offset once the energy is sold. However, higher energy prices lead to temporarily higher margining and thus liquidity requirements. In the intervening period margin calls can place significant liquidity strain on Alpiq, which is dependent on its own liquidity and credit lines from banks to fund these margin calls. At the same time, higher power prices increase the value of Alpiq's underlying power generation portfolio. Therefore, Alpiq's structural earnings prospects are not adversely impacted by higher power prices.

In addition, significant liquidity changes may also occur because both Alpiq and counterparties in many cases have the contractual right to replace cash collaterals provided with a bank guarantee at short notice, and vice versa.

Liquidity, or immediate access to funds, is essential to the Group's business (e.g., in case of margin calls). Liquidity risk is the risk that the Group is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured or secured basis at an acceptable price to fund actual or proposed commitments. If the liquidity risk materializes, the Group may not have sufficient funds available to maintain or increase its trading activities, meet margin requirements, grow its industrial activities as planned or take advantage of other opportunities that may arise in its trading or industrial activities.

Additionally, access to secured or unsecured bank guarantee or credit lines is also essential to the Group's business. An inability to issue required bank guarantees to counterparties could have a material adverse effect on the Group's liquidity. In the last couple of months, the increase of absolute levels and of volatility of energy prices had the effect that market participants (including the Group) who have entered into futures and forward transactions in connection with their energy trading and hedging activities had to post significant collateral margins under such transactions. Depending on the volatility in the market, it may be necessary that further significant margin collateral has to be posted or that significant margin collaterals will be returned back (to the Group). The posting of such collateral margins can have a significant negative effect on the Group's overall liquidity and on the Group's financial condition which in turn could result in the Group not being able anymore to satisfy its payment obligations under the Bonds, other credit agreements or instruments.

A deterioration of the financial markets environment can also result in the Group temporarily lacking access to the required financial resources (e.g., if margin calls need to be satisfied). A deterioration in the financial or liquidity position of the Group may also lead to cancelling of its credit lines, early termination of its credit agreements and debt instruments pursuant to financial covenants contained in underlying agreements and instruments (e.g., due to the material adverse change in the Group's financial position). In the event of a breach of these covenants, the lenders may terminate the credit facilities or agreements, accelerate repayment of the loans or refuse drawdowns under the Group's credit lines. There can be no assurance that the Group will have sufficient funds to repay its loans or meet its other payment obligations (e.g., margin calls) in the event of such termination or acceleration or that it would be able to drawdown under credit lines or otherwise refinance such loans at satisfactory terms. At 31 December 2021, given the deterioration in the financial position of the Group, financial covenants under the syndicated credit facility in the amount of CHF 200 million were suspended by lenders until final maturity on

31 December 2022 (see Alpiq Annual Report 2021, pp. 68-69 (Note 3.1 Financial risk management – Capital management)).

If Alpiq cannot ensure liquidity and financial flexibility in potentially extreme market conditions or if any other liquidity risk materializes, this could have a material adverse effect on Alpiq's business, cash flows, results of operations, financial condition or prospects and/or could lead to insolvency of Alpiq or any other group company.

Risks from participations in nuclear power plants

Alpiq holds stakes in the Gösgen-Däniken AG nuclear power plant and the Leibstadt AG nuclear power plant. These are set up as partner plants with their own operational management. The risks arising from operations are complex, with corresponding potential impacts on the availability of electricity production and costs of the plants. There are also risks associated with the procurement of nuclear fuel and fuel elements, as well as risks associated with the costs of decommissioning and nuclear waste disposal. Furthermore, the owner of a nuclear facility has unlimited liability for nuclear damage that could be caused by its nuclear facility or by the transport or storage of radioactive materials. The occurrence of one or more of such risks could have an adverse effect on the value of the investment, Alpiq's business, cash flows, results of operations, financial condition or prospects.

Alpiq is subject to a potential lack of control of its partnerships projects

In the energy sector, it is common to conclude partnership agreements with other energy providers in order to build and operate power plants or found the respective operating companies. Most of Alpiq's power plants are held in partnership with other Swiss or international partners (for details see Alpiq Annual Report 2021, p. 91 (Note 4.3 Investments in partner power plants and other associates)). Consequently, Alpiq holds only a part of the share capital in the majority of its power plants. Control over these companies is exercised through shareholders' agreements. As a result, Alpiq's ability to influence important policy, strategic, business, financial or corporate decisions with respect to such companies may be limited and the interests of other shareholders may differ from Alpiq's interests. Other shareholders may refuse to make additional investments that Alpiq deems necessary or desirable or may prove otherwise unwilling or unable to fulfil their obligations under shareholders', joint venture or other agreements. Furthermore, the approval of other shareholders may be required for Alpiq to receive distributions of funds from the companies. In these situations, Alpiq may find itself confronted with a deadlock when partners disagree or with decisions which conflict with its own interests. This may limit Alpiq's ability to pursue defined strategies and may have a material adverse effect on Alpiq's business, cash flows, results of operations, financial condition or prospects.

Interruptions in the business of Alpiq's power plants may lead to a loss of income or need to buy energy on the market

The Group owns and/or operates a wide range of nuclear, hydro, gas and other power plants in Switzerland and abroad. There is a risk that the Group may not be able to meet its energy delivery obligation in full or at all in the event of a power plant outage, blackout or a widespread network incident of considerable scale and may have to procure replacements on the market at higher prices.

Natural disasters, such as storms, floods, earthquakes, landslides, rock falls, etc., may result in damage to Alpiq's power plants and, consequently, jeopardize the performance of its power production or lead to significant cost. In addition, significant climatic changes (such as droughts) could affect Alpiq's activities. In particular, Alpiq's dams are subject to the risk of damage or dam failure caused by major storms or natural disasters. Alpiq maintains measures aimed at addressing such events in compliance with industry standards, and in accordance with requirements imposed by competent government authorities. In the event of a natural disaster, Alpiq will incur additional costs related to the repair of the damage caused by natural disasters and, in turn, suffer a loss of earnings resulting from the interruption to supply or the need to buy energy on the market at unfavorable terms to meet its energy delivery obligations.

Further, the operation of power plants relies on a chain of key mechanical elements. Unexpected failure or breakdown of one or more elements could result in the loss of part or all of the available power in the facility also for a relatively long period of time.

In 2021, the extension of the overhaul of the Leibstadt nuclear power plant ("KKL") delayed the re-start of the plant significantly. Such delay resulted in loss of energy supply by KKL to Alpiq. Similar incidents may occur at any time in the future in any of the power plants operated or owned by Alpiq or in which Alpiq holds a participation.

Any of the aforementioned events, depending on the amount of lost generation capacity and the duration of the generation outage as well the need for procuring replacements, could have a material adverse effect on Alpiq's business, cash flows, results of operations, financial condition or prospects or on its reputation with its customers and all its stakeholders, particularly if the interruption, power outage, blackout or widespread network incident of considerable scale were to be to some extent attributable to the Group.

Risks in the event of outages in power transmission grids as well as construction projects

Alpiq does not operate its own power grids but is dependent on their availability for the fulfilment of purchase and supply contracts. Restrictions or even failures of power grids can have a material negative impact on Alpiq's business, cash flows, results of operations, financial condition or prospects.

Power plant projects are complex, resource-intensive and time-consuming. The associated risks can have a material negative impact on Alpiq's business, cash flows, results of operations, financial condition or prospects

Geopolitical risks

Alpiq is subject to the risk that geopolitical events (such as the current invasion of Ukraine by Russia) and political uncertainty will disrupt energy markets. Geopolitical events may adversely affect the global economy, the economies of specific nations or regions, energy markets, interest and foreign exchange rates, all of which may have a material negative effect on Alpiq. Geopolitical events may present significant financial and/or operational risks to Alpiq and may negatively impact its ability to have access to the required financial resources and liquidity. In addition, geopolitical events may lead to unforeseen price swings in, and high volatility on, energy markets. Alpiq is exposed to such price swings and high volatility (see "Risk Factors – Risk Factors relation to the Issuer" – "Market price risk" and "Liquidity risk").

Such geopolitical events and political uncertainty could have a material negative impact on Alpiq's ongoing business, cash flows, results of operations, financial condition or prospects.

Political, legal and regulatory risks

Switzerland had been negotiating with the EU since 2007 on a bilateral treaty in the electricity sector. The aim of the treaty was to regulate cross-border electricity trading and secure access to the European electricity market. In May 2021, these negotiations failed. An electricity agreement between Switzerland and the EU would facilitate the marketing of the Group's production capacities across borders. Without an intergovernmental agreement, third countries are excluded from participating in EU trading platforms; inter alia, access to intra-day trading, day-ahead trading and trading for balancing energy grids would be negatively affected. Overall, the absence of such a bilateral treaty between Switzerland and the EU could have a negative impact on Alpiq's access to the European electricity markets (including electricity trading). Without an electricity treaty, Alpiq can no longer participate on an equal basis in various market platforms. The lack of legal protection of access to the EU electricity market could also lead to higher economic costs and uncertainties regarding the stability of Switzerland's network and supply security. This can affect directly or indirectly the Group's ability to operate and could materially and adversely affect its business, cash flows, results of operations, financial condition or prospects.

The legal and regulatory provisions governing nuclear power plants are extensive and detailed, and changes can have a wide-ranging impact on nuclear power plants. In addition, political and regulatory decisions may result in the lifetime of a nuclear power plant or its operation being limited or restricted for political reasons, which may lead to substantial financial losses for the nuclear power plant investments.

Alpiq's operations in a variety of jurisdictions expose the group to various legal risks. These mainly comprise risks arising from threatened or pending legal proceedings with regard to contract and price adjustments in connection with long-term supply or sales contracts, energy law and regulatory issues, licensing matters as well as supplier disputes.

Alpiq is subject to the laws and regulations of all countries in which it conducts business, trades financial instruments or otherwise has exposure. These laws and regulations are complex in many cases and are subject to the risk of renewal, amendment or modification. Potential changes to existing laws or regulations could significantly increase Alpiq's administrative burdens and result in higher costs and/or lower revenues.

Alpiq has substantial trading activities in Eastern Europe, namely in the Czech Republic, Hungary and Bulgaria. Political interventions present Alpiq's operations with various political risks and uncertainties and its activities depend on the economic stability of the respective countries.

If any of the political, legal or regulatory risk materializes, this could have a material adverse effect on Alpiq's business, cash flows, results of operations, financial condition or prospects.

Tax risk

Alpiq is subject to taxation in various countries. Changes in tax legislation, case law or the practice of tax authorities may adversely affect Alpiq's business, cash flows, results of operations, financial condition or prospects.

Uncertain or recessionary economic situation

An economic downturn is likely to lead to reduced demand for electricity and thus cause a price collapse. The risk is lower sales volume and lower sales revenue due to lower prices. A prolonged economic downturn can have a double negative impact. Value adjustments on production facilities or on contracts with customers at home and abroad may result and negatively affect Alpiq's business, cash flows, results of operations, financial condition or prospects.

Capital-intensive business

The production facilities of Alpiq and its partner plants are very capital-intensive and have long concession periods. These facilities are largely debt-financed via the capital markets. Alpiq is therefore reliant on unrestricted access to the capital markets in order to be able to cover its capital requirements at all times. For instance, as at 31 December 2021, Alpiq accounted current financial liabilities of CHF 946 million, which have to be repaid out of operational cash flow and/or refinanced in the course of 2022 (see also Alpiq Annual Report, pp. 81-82 (Note 3.5 Financial liabilities) and pp. 113-114 (Note 6.5 Liquidity situation and ability to continue as a going concern)).

There is a risk that unrestricted access to the capital markets may not be available, or may no longer be available in full, or may be available on unfavorable terms. This could have a material adverse effect on Alpiq's business, cash flows, results of operations, financial condition or prospects.

Dependence on personnel

Alpiq relies on a large number of specialized employees who are essential to its operations. In particular in its energy trading business, Alpiq has specific expertise and key persons. If such persons were to leave or access to human capital is not available or is no longer available in full, Alpiq could be forced to recruit external specialists or reduce operational activities, which could adversely affect business performance, earnings potential and business continuation.

IT and cyber risk

Operational and strategic management of Alpiq is highly dependent on complex information and communication technology systems and networks, especially in energy trading and power production. Alpiq regularly maintains, renews and updates its IT infrastructure to ensure its security and integrity. Nevertheless, failures, technical malfunctions, improper operation by employees or interruptions in such IT infrastructure are conceivable and can have a significant negative impact on operations of individual units or the Group as a whole and result in considerable costs. Contractual penalties are also conceivable.

Alpiq is also exposed to the usual cyber risks. These include hacking attacks, phishing attacks and the injection of malware. Despite a comprehensive protection concept and precautionary measures as well as periodic training, complete security is not achievable. The risk is that a failure of the protective measures can have a significant negative impact on operations of the IT infrastructure and to the environment and/or could lead to legal consequences.

If any IT or cyber risk materializes, this could have a material adverse effect on Alpiq's business, cash flows, results of operations, financial condition or prospects.

Pandemic risk

As the economic implications of the pandemic are expected to continue well into 2022, Alpiq is exposed to a number of Covid-19 related risks such as: falling commodity prices leading to lower revenues from Alpiq's energy production as well as impairments on Alpiq's assets; financial losses due to Covid-19 related defaults of counterparties; supply chain issues leading to unplanned outages in Alpiq's production portfolio; and business continuity issues caused by Covid-19 infections among Alpiq's employees.

If any Covid-19 risk materializes, this could have a material adverse effect on Alpiq's business, cash flows, results of operations, financial condition or prospects.

Holding company

The Issuer is a holding company and it has no significant assets other than its ownership interests in its subsidiaries. Consequently, the ability of the Issuer to meet its financial obligations under the Bonds is dependent upon the availability of cash flows from its subsidiaries and affiliated companies through dividends, intercompany advances and other payments. The Issuer's direct and indirect subsidiaries are separate and distinct legal entities and, under certain circumstances, legal and contractual restrictions may limit the ability of these subsidiaries to provide the Issuer with funds for the Issuer's payment of its obligations under its securities, such as the Bonds, whether by dividends, distributions, loans or other payments.

The Issuer cannot assure potential investors that the operating results of its subsidiaries at any given time will be sufficient to make dividends, distributions or other payments to it or that any such dividends, distributions or other payments will be adequate to pay its obligations under the Bonds and its other indebtedness when due.

Since the creditors of any of the Guarantor's subsidiaries would generally have a right to receive payment that is superior to the Issuer's right to receive payment as shareholder from the assets of that subsidiary, the rights of Holders against the Issuer under the Bonds will be effectively subordinated to creditors of the Issuer's subsidiaries.

Risk Factors relating to the Bonds

An investment in the Bonds carries risks and investors may lose the funds invested in the Bonds.

An investment in the Bonds carries, *inter alia*, the risks outlined in this Prospectus. The investors therefore may lose the funds invested in the Bonds. Each investor should consult with its own advisors as to the legal, tax, business, financial and related aspects of the purchase of the Bonds. In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Prospectus, including the merits and risks involved.

An investment in the Bonds involves risks relating to changes in the interest rate environment

The Bonds bear interest at a fixed rate, which means that an investment in the Bonds involves the risk that if market interest rates subsequently increase above such fixed rate of interest, the real return on (and value of) the Bonds will be adversely affected.

The terms of the Bonds contain no restriction on the amount or type of further securities or indebtedness that the Issuer may issue

The terms of the Bonds do not contain any restriction on the amount or type of further securities or indebtedness that the Issuer may issue, incur or guarantee that rank senior to, or *pari passu* with, the Bonds. The issue or guaranteeing of any such further securities or indebtedness may limit the ability of the Issuer to meet its obligations under the Bonds, and may reduce the amount recoverable by bondholders under the Bonds upon a liquidation or winding-up of the Issuer.

The Issuer may, without consent of the bondholders, substitute a subsidiary as issuer under the Bonds

Under the Bonds, the Issuer may, without the consent of the Bondholders and subject to certain conditions, substitute for itself any of its direct or indirect subsidiary as issuer of the Bonds. So long as the conditions described in the terms of the Bonds are satisfied, such subsidiary may be an entity having a different legal form from that of the Issuer. Except for the irrevocable and unconditional guarantee as per art. 111 of the Swiss Code of Obligations, in respect of the financial obligations of such new issuer, the Issuer will in case of a substitution be released from its obligations in respect of the Bonds. In such a case, the rights of Bondholders against such subsidiary may differ from the rights of Bondholders against the Issuer.

In certain instances, bondholders may be bound by certain amendments to the Bonds to which they did not consent

The Bonds are subject to statutory provisions of Swiss law allowing for the calling of meetings of bondholders to consider matters affecting their interests. These provisions permit defined majorities to bind all bondholders of the Bonds, including bondholders who did not attend and vote at the relevant meeting and bondholders who voted in a manner contrary to the majority. Pursuant to the relevant statutory provisions of Swiss law as in effect as at the date hereof, (i) the Issuer will be required to provide bondholders with at least ten days' notice of any meeting of bondholders, (ii) the Issuer will be required to call a meeting of bondholders within 20 days if it is requested to do so by bondholders holding an aggregate principal amount of Bonds that represents at least one-twentieth of the outstanding aggregate principal amount of the Bonds, and (iii) only bondholders or their proxies will be entitled to attend or vote at a meeting of bondholders.

In addition, the bondholder approval requirements under the relevant statutory provisions of Swiss law as in effect as at the date hereof for amendments to the terms of the Bonds will depend on the type of amendment. Pursuant to article 1170 of the Swiss Code of Obligations, the consent of bondholders holding at least two-thirds of the outstanding aggregate principal amount of the Bonds is required for any resolution limiting bondholders' rights under the Bonds (such as a moratorium on interest or capital and certain amendments to the interest provisions). In addition, in order to become effective and binding on the non-consenting Bondholders, any such resolution must be approved by the competent superior cantonal composition court. In the case of resolutions that do not limit bondholders' rights under the Bonds, pursuant to article 1181 of the Swiss Code of Obligations, an absolute majority of the votes represented at a meeting of bondholders is sufficient to approve any such resolution, unless article 1170 of the Swiss Code of Obligations or the terms of the Bonds provide for more stringent requirements.

The Bonds may not be a suitable investment for all potential investors

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the Terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

An active trading market for the Bonds may not develop

The Bonds will be new securities, which may not be widely distributed, and for which there is currently no active trading market. An active trading market for the Bonds may never develop, or if one does develop, it may not be sustained or it may not be liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Although application will be made for the admission to trading and listing of the Bonds on the SIX Swiss Exchange, there can be no assurance that such application will be accepted or that an active trading market in the Bonds will develop. Accordingly, there can be no assurance as to the development or liquidity of any trading market for the Bonds. Illiquidity may have a severely adverse effect on the market value of the Bonds.

The market value of the Bonds may be influenced by unpredictable factors

Many factors, most of which will be beyond the Issuer's control, will influence the value of the Bonds and the price, if any, at which securities dealers may be willing to purchase or sell the Bonds in the secondary market, including:

- (i) the creditworthiness of the Issuer and, in particular its results of operations, financial condition and liquidity profile;
- (ii) supply and demand for the Bonds, including inventory with any securities dealer; and
- (iii) economic, financial, political or regulatory events or judicial decisions that affect the Issuer or the financial markets generally.

Accordingly, if a bondholder sells its Bonds in the secondary market, it may not be able to obtain a price equal to the principal amount of such Bonds or a price equal to the price that it paid for such Bonds.

Volatility of the market price of the Bonds

The market price of the Bonds will depend upon a number of factors, some of which are beyond our control, and could be subject to significant fluctuations in response to actual or anticipated variations in the Group's financial position or operating results, adverse business developments, changes in the financial estimates by securities analysts and the actual or expected sale of a large number of the Bonds, impacts on the economy from pandemic risks such as COVID-19, price and volume of the markets where the Bonds are traded, investor perception of the success and impact of the offering of the Bonds. In addition, in recent years, the bond markets have experienced substantial price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Bonds irrespective of our operating results, financial condition or prospects. As a consequence of such volatility, the price at which a Bondholder will be able to sell the Bonds may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Legal and Tax Matters

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Bonds. A bondholder's effective yield on the Bonds may be diminished by the tax impact on that bondholder of its investment in the Bonds.

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) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

GENERAL INFORMATION

Notice to Investors

The Prospectus shall be read and construed on the basis that the annexes hereto are deemed to be incorporated in, and to form part of, this Prospectus.

The financial institution involved in the issuance and offering of the Bonds is a bank, which directly or indirectly has participated, or may participate, in financing transactions and/or other banking business with the Issuer, which are not disclosed herein.

Investors are advised to familiarise themselves with the entire content of this Prospectus.

Documents Available

Copies of this Prospectus (and of the documents incorporated by reference see section below) are available in electronic or printed form, free of charge, upon request at UBS AG, Investment Bank, Swiss Prospectus Switzerland, P.O. Box, 8098 Zurich, Switzerland, or can be ordered by telephone +41-44-239 47 03 (voicemail), fax +41-44-239 69 14 or by e-mail swiss-prospectus@ubs.com. The documents incorporated by reference herein are also available on the website of the Issuer.

Documents incorporated by reference

The following documents shall be deemed to be incorporated in, and form part of this Prospectus (copies of the document incorporated by reference are available upon request at the address indicated in the preceding paragraph). Any information included or referred to in the documents listed below that is not specifically identified in the list below is not incorporated by reference herein and, therefore, does not form part of this Prospectus.

- Alpiq Annual Report 2021;
- Ad hoc announcement dated 19 January 2022 "Shareholders enhance Alpiq's room for manoeuvre", place of publication: <https://www.alpiq.com/alpiq-group/investor-relations/ad-hoc-news/ad-hoc-news-detail/shareholders-enhance-alpiqs-room-for-manoeuvre>); and
- Ad hoc announcement dated 24 February 2022 " Alpiq generates positive results of operations above previous year", place of publication: <https://www.alpiq.com/alpiq-group/investor-relations/ad-hoc-news/ad-hoc-news-detail/alpiq-generates-positive-results-of-operations-above-previous-year>).

Prospectus

This Prospectus is available in English language only and provides information about the Issuer and the Bonds. This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Bonds.

No person has been authorized to give any information or make any representation in connection with the offering of the Bonds other than as stated herein and any other information or representation if given or made should not be relied upon as having been authorised by the Issuer or the Lead Manager. Neither the delivery of this Prospectus, nor the issue of the Bonds nor any sale thereof shall, in any circumstances, create any implication that there has been no material adverse change in the affairs of the Issuer since the date hereof.

INFORMATION ON THE BONDS

Authorisation

Pursuant to a resolution of the Board of Directors of the Issuer dated 23 February 2022 and the Bond Purchase and Paying Agency Agreement dated 22 March 2022 between the Issuer on one side and UBS AG, acting through its business division UBS Investment Bank on the other side, the Issuer has decided to issue the Bonds of CHF 250,000.000 to be paid on 24 March 2022 and maturing on 24 June 2026.

Use of Net Proceeds

The net proceeds of the Bonds, being the amount of CHF 250,055,00 (the "**Net Proceeds**") will be used by the Issuer for its corporate purposes, including but not limited for refinancing purposes. The Lead Manager does not have any responsibility for, or be obliged to concern itself with, the application of the Net Proceeds of the Bonds.

Issue Price and Placement Price

The issue price of the Bonds has been set at 100.324% of the principal amount, before commissions and expenses. The placement price of the Bonds will be fixed in accordance with supply and demand.

Clearing System and Security Numbers

The uncertificated securities representing the Bonds will be registered with SIX SIS. The International Securities Identification Number ("**ISIN**") and Swiss Security Number the Bonds are as follows:

<u>Swiss Security Number</u>	<u>ISIN</u>	<u>Common Code</u>
117.501.610	CH1175016109	246216258

Swiss Federal Withholding Tax

The Issuer will deduct Swiss Federal Withholding Tax of currently 35% on interest payments and remit the tax to the Swiss Federal Tax Administration.

Notices

All notices in relation to the Bonds will be published in electronic form on the internet site of the SIX Swiss Exchange under the section headed Official Notices (currently: www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html).

Notices to shareholders of the Issuer are validly made by publication in the Swiss Official Gazette of commerce (*Schweizerisches Handelsamtsblatt*).

Representation / Admission to Trading

In accordance with Article 58a of the Listing Rules of the SIX Swiss Exchange, UBS AG has been appointed by the Issuer as representative to lodge the listing application with the SIX Swiss Exchange.

The Bonds have been provisionally admitted to trading on the SIX Swiss Exchange as of 22 March 2022. The last trading day is expected to be the second business day prior to the Maturity Date.

INFORMATION ON THE ISSUER

Name, registered office, location

The registered office of Alpiq Holding AG is at Chemin de Mornex 10, 1003 Lausanne, Switzerland, and the head office at Bahnhofquai 12, 4601 Olten, Switzerland.

Alpiq is a Swiss corporation (*société anonyme*) that was incorporated as Alpha 2020 SA on 30 March 2020 and registered in the commercial register of the Canton of Vaud on 31 March 2020. Its registration number is CHE-369.267.193 for an unlimited duration.

According to a merger agreement dated 13 May 2020, Alpha 2020 SA merged with Alpiq Holding SA, a company that was incorporated on 7 February 1921 and registered in the commercial register of the Canton of Vaud under the registration number CHE-100.032.288, with Alpha 2020 SA as the surviving entity. At the time of the merger, Alpha 2020 SA also changed its name to Alpiq Holding AG.

Articles of association, purpose

The Issuer's articles of association were last amended on 26 May 2021.

According to article 2 of its articles of association, the Issuer's purpose is the acquisition, holding, administration and use of participations in companies, in particular in the field of energy, electricity, gas and heat; acquisitions of holdings in companies or real estate that are prohibited or subject to the authorization regime according to the provisions of the federal law on the acquisition of real estate by persons abroad (LFAIE) are excluded from the corporate purpose.

Group

Alpiq and its Swiss and foreign subsidiaries collectively form the Alpiq Group. Alpiq is the holding company of the Group.

Board of Directors / Management

Board of Directors

Johannes Teyssen	Chairman
Jean-Yves Pidoux	Vice-Chairman
Conrad Ammann	Director
Tobias Andrist	Director
Aline Isoz	Director
Jørgen Kildahl	Director
Phyllis Scholl	Director

Executive Board

Antje Kanngiesser	Chief Executive Officer
Michael Wider	Head Switzerland, Deputy of the CEO
Luca Baroni	Chief Financial Officer
Matthias Zwicky	Head International
Alexandra H. Machnik	Head Corporate Services

The Board of Directors has appointed Lukas Gresnigt as a member of the Alpiq Executive Board and Head International with effect from 1 April 2022. His predecessor Matthias Zwicky will retire.

The members of the Board of Directors and the Executive Board may be contacted at Alpiq Holding AG, Bahnhofquai 12, 4601 Olten, Switzerland.

Auditor / Auditor Supervision

The auditor of the Issuer is Ernst & Young, Maagplatz 1, 8010 Zurich, Switzerland (the "**Auditor**").

The Auditor is supervised by and registered with the Swiss Federal Audit Oversight Authority (FAOA), and its register number currently is 500646.

Business activities

Overview

Alpiq is a leading Swiss energy company that is active throughout Europe. Alpiq is responsible for around one-third of Switzerland's power supplies. The Group is formed by Alpiq as the top holding company, with 69 fully consolidated direct or indirect subsidiaries. In addition, Alpiq holds 29 investments in associates and 4 financial investments in various jurisdictions throughout Europe. Alpiq Holding Ltd. is a stock corporation under Swiss law and domiciled in Lausanne.

Its core business is the production of electricity from flexible CO₂-free hydropower and climate-friendly nuclear power in Switzerland as well as from wind power and photovoltaics in several European countries. In addition, it operates modern and flexible gas-fired combined-cycle power plants in Italy, Spain and Hungary. It operates its own power plants in Switzerland, Italy, France, Spain, Hungary and Bulgaria.

Its core business also comprises energy trading. It sells production from its own plants as well as third-party plants on its modern and efficient trading platform, and operates a trading business for electricity, gas and other energy products in more than 30 countries. A sustainable and cost-effective energy procurement strategy is an important aspect of any business. Its Sales & Origination team supports industrial and business customers with sustainable energy management as well as a wide range of energy solutions and services. It operates three trading floors at its headquarters in Lausanne as well as in Olten and Prague.

One of its main priorities is developing and expanding digital competencies and applications in order to strengthen the core business, improve its competitiveness and efficiency as well as to open up new business opportunities.

It has around 1,300 employees.

Alpiq's business is organised into three business divisions "Switzerland", "International" and "Digital & Commerce". They are supported by the functional divisions "Financial Services" and "Corporate Services", which provide non-operational services to the Group. Each operational business division is further divided into several business units. The heads of the business divisions Switzerland, International and D&C (headed ad-interim by the CEO) as well as the heads of the functional divisions Financial Services and Corporate Services are part of the executive management board, which is led and headed by the CEO.

The three operational business divisions Switzerland, International and Digital & Commerce are the main business drivers of Alpiq. The business divisions operate the generation portfolio and manage the portfolio of the Group. The business division Digital & Commerce is active in the field of energy trading and sales & origination.

In 2021, the Group generated a net revenue (before exceptional items) of CHF 7'701 million, an EBITDA (before exceptional items) of 302 million and an EBIT (IFRS) of CHF -203 million.

Switzerland

The Switzerland business division comprises the production of electricity from power plants in Switzerland. This includes run-of-river power plants, storage and pumped storage power plants as well as interests in the Gösgen and Leibstadt nuclear power plants.

As per 31 December 2021, the business division Switzerland managed 3'586 megawatt (MW) of installed capacity with a large share of peak capacity. As a leading Swiss power generation company with strong local roots, Alpiq generates 69% of its annual production from power plants installed in Switzerland. In 2021, the output of Alpiq's generation of business division Switzerland portfolio was approximately 8'272 gigawatt hours (GWh). The table below shows a break-down of Alpiq's generation assets:

	<i>Installed capacity (MW, as per 31.12.2021)</i>	<i>Annual production in 2021 (GWh)</i>
Hydro power generation	2'910	4'152
Nuclear power generation	676	4'120

The power generated by the hydro power assets is largely used by Alpiq to serve the Swiss and the European energy markets. Alpiq considers its highly flexible hydro power generation portfolio as an important element for its position

in the Swiss and the European energy market in the future. With 2'910 MW of installed hydro capacity Alpiq believes to be well-positioned for the future.

Alpiq's nuclear power assets mainly consist of a participation of 40% in Kernkraftwerk Gösgen AG and a participation of 27.4% in Kernkraftwerk Leibstadt AG. Alpiq also has a 33 % share in Kernkraftwerk-Beteiligungsgesellschaft AG (KBG), which owns energy drawing rights from the EDF French nuclear fleet. Alpiq holds the executive management mandate for KBG. The French energy group EDF is the sole owner of its nuclear fleet and so is responsible for the operation and safety of the plants therein. As of 31 December 2021, the installed capacity of Alpiq's nuclear assets amounted to 676 MW.

In 2021, the business division Switzerland generated a net revenue of CHF 525 million, an EBITDA (before exceptional items) of CHF -16 million and an EBIT (IFRS) of CHF -42 million.

International

The International business division comprises the production of electricity from thermal power plants and from new renewable energies. It managed 1'637 megawatt of installed capacity with fossil fuel power plants and power plants in the sector of new renewable energy sources as wind parks and photovoltaics. In 2021, the output was approximately 3'764 gigawatt hours (GWh). The output of Alpiq's international power generation units contributed 31% to the Group-wide power production. The breakdown of Alpiq's international power production is in the chart below:

	<i>Installed capacity (MW, as per 31.12.2021)</i>	<i>Annual production in 2021 (GWh)</i>
Fossil fuel power generation	1'308	3'238
Renewable Energy Sources	329	526
- thereof in Switzerland	19	54

Alpiq owns and operates different fossil fuel power stations in Italy, Spain and Hungary. These thermal power stations mainly consist of combined cycle gas turbine power plants. Due to their fast start-up capacity, gas-fired power stations are well suited for a flexible energy production and for balancing fluctuations in the electric grid. As of 31 December 2021, the installed production capacity of Alpiq's international thermal assets amounted to 1'308 MW.

About 95% of Alpiq's renewable energy assets are located outside Switzerland. In 2021, the installed capacity of these assets amounted to 310 MW. The power production units are located in Italy, Bulgaria and France.

In 2021, the business division International generated a net revenue of CHF 299 million, an EBITDA (before exceptional items) of CHF 80 million and an EBIT (IFRS) of CHF 30 million.

Digital & Commerce

Alpiq operates three trading floors at the headquarters in Lausanne as well as in Olten and Prague and covers trading activities with standardized and structured products for electricity and gas as well as emission allowances and certificates.

The Digital & Commerce business division does not only hedge electricity produced by Alpiq's plants on the European electricity trading market, but also comprises international energy trading (Merchant Trading) and European Sales and Origination for industrial and business customers (B2B). Furthermore, Alpiq entered the B2C energy Sales in France. To counter the increasing volatility on the energy markets, it offers its customers flexible contracts and the option to manage their financial risks associated with energy prices. The business division structures contracts based on virtual power plants (VPPs) and long-term power purchase agreements (PPAs), in particular for renewable energies. Alpiq has extensive experience in marketing power production and optimising renewable energies. To improve its competitiveness, Alpiq is investing in the development of its optimisation and trading platform, using the possibilities offered by digital technologies.

The business division's exposure to market risk primarily comprises energy price risk, foreign currency risk and interest rate risk. These risks are monitored on an ongoing basis and managed using derivative financial instruments and physical trading products. Market risk is measured within the framework of the Group Risk Policy that sets out rules on the taking of risks as well as their measurement, limitation and monitoring. Compliance with the risk limits is monitored on an ongoing basis by the Risk Management Committee based on regular reporting by the Risk Management functional unit.

Regulation

Regulation Switzerland

Current regulation on water tax for hydropower production with maximum taxation of water use of CHF 110/kW (\approx 1.5 Rp./kWh) is valid till 2030.

Swiss parliament started discussion on revision of electricity supply act ("**StromVG**") and energy law ("**EnG**") in winter 2022. Final outcome of issues addressed – i.e., security of supply measures, full market liberalization within StromVG, subsidy scheme for new-built renewables within EnG – is unclear at the moment. Full market liberalization seems currently unlikely, focus of revision seems to be set on strengthening security of supply with subsidy measures for hydro power extensions as well as for new renewables. Support for existing plants is open (investment support for renovation, market premium), however current subsidy scheme is prolonged till 2030.

Regulation European Union

The EU is now implementing the Clean Energy Package ("**CEP**") adopted in 2019, which aims to adapt the market design of electricity markets to the challenges of the rising penetration of renewable energy sources ("**RES**"). In particular, the CEP aims to improve free price formation in Day-Ahead, Intra-Day and Balancing Markets. The prices would also account for the value of lost load (VoLL). CEP implementation is also directed to better integration of RES and improved security of supply, in both cases by using market mechanisms. CEP's goal is also to strengthen the role of decentralized market players especially on the demand side.

In 2019, the European Commission launched the Green Deal as a transformational growth agenda, which prioritizes sustainability objectives over affordability and reliability objectives. This agenda is now underpinned by a new Climate Law setting legally binding objectives on the EU as a whole to achieve a 55% net carbon reduction by 2030 and carbon neutrality by 2050. To achieve the objectives set for 2030, the European Commission tabled the fit for 55 package. The package includes measures in such fields as (i) carbon pricing, (ii) decarbonisation of transport and buildings, (iii) increased shares of RES in the final energy consumption in the EU and in each Member State as well as (iv) new enhanced energy efficiency standards. Notably, in the field of carbon pricing, the European Commission plans to reduce the supply of EU carbon emission allowances and increase their demand.

Court, arbitral and administrative proceedings

Save as disclosed in this Prospectus (including the documents incorporated by reference herein), there are no pending or impending court, arbitration or administrative proceedings of which the Issuer is aware that are of material importance to the Issuer's assets and liabilities or profits and losses.

Share Capital

As of the date of this Prospectus, Alpiq had a share capital of CHF 331,103.64, divided into 33,110,364 registered shares with a nominal value of CHF 0.01 each.

Shareholder structure in %

EOS HOLDING SA	33.33
Schweizer Kraftwerksbeteiligungs-AG	33.33
EBM (Genossenschaft Elektra Birseck)	19.91
EBL (Genossenschaft Elektra Baselland)	6.44
Eniwa Holding AG	2.12
Aziende Industriali di Lugano (AIL) SA	1.79
IBB Holding AG	1.12
Regio Energie Solothurn	1.00
WWZ AG	0.96

Outstanding bonds

For information on outstanding bonds and hybrid capital please see Alpiq Annual Report 2021, p. 82 (Note 3.5 Financial liabilities – Bonds outstanding at the reporting date) and p. 85 (Note 3.7 Equity – Hybrid capital).

Financing

For information on credit agreements, shareholder loans and liquidity situation please see Alpiq Annual Report 2021, pp. 68-69 (Note 3.1 Financial risk management – Capital management), p. 82 (Note 3.5 Financial liabilities – Bonds outstanding at the reporting date) and p. 85 (Note 3.7 Equity – Hybrid capital).

Own equity securities

The Issuer does not hold any of its own shares.

Recent developments and Main Business Prospects

Due to the developments on the energy markets in the fourth quarter of 2021, Alpiq implemented extensive measures before the end of the year to increase short-term liquidity (see "Risk Factors – Risk Factors relation to the Issuer" – "Market price risk" and "Liquidity risk"). In particular, Alpiq arranged additional credit and guarantee lines with banks. Furthermore, its shareholders provided additional liquidity of CHF 205 million before the end of the year.

Before Christmas 2021, Alpiq contacted the Swiss Federal Electricity Commission (ElCom) to request precautionary liquidity support in case the price development continued and because Alpiq could only implement some of the additional measures to improve liquidity during the Christmas period. Between Christmas and the New Year, the situation on the energy markets eased and the measures implemented gradually took effect. Alpiq therefore withdrew its request to ElCom on 3 January 2022. In addition, the shareholders increased the loans they had granted at the end of the year by another CHF 95 million to CHF 300 million.

As at 31 December 2021, Alpiq accounted current financial liabilities of CHF 946 million, which have to be repaid out of operational cash flow and/or refinanced in the course of 2022 (see Alpiq Annual Report, pp. 113-114 (Note 6.5 Liquidity situation and ability to continue as a going concern) and "Risk Factors – Risk Factors relation to the Issuer" – "Capital intensive business"). Alpiq's financial headroom comprises the available liquidity and the committed credit lines. Additional liquidity measures are considered on an ongoing basis and decided where necessary. The required activities have been initiated at an early stage, however, have not yet been completed as the publication of the financial statements for 2021 serves as the basis for raising new financing.

For further information on recent developments and main business prospects of the Issuer, see the information set out in the Issuer's annual report for the year ended 31 December 2021, which is incorporated in this Prospectus by reference. See Alpiq Annual Report 2021, p. 43 (Outlook).

Material changes since the most recent annual financial statements

Except as disclosed in this Prospectus, there has been no material changes in the issuer's assets and liabilities, financial position and profits and losses since 31 December 2021, which would materially affect its ability to carry out its obligations under the Bonds.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for all information contained in this Prospectus and has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading, whether of fact or opinion.

Lausanne, 21 March 2022

Alpiq Holding AG

TERMS OF THE BONDS

The terms and conditions of the Bonds (each a "**Condition**", and together the "**Terms of the Bonds**") governing the Bonds and established pursuant to the Bond Purchase Agreement (the "**Agreement**") concluded between Alpiq Holding AG, Chemin de Mornex 10, 1003 Lausanne, Switzerland (the "**Issuer**") on the first part, and UBS AG, Bahnhofstrasse 45, 8001 Zurich ("**UBS**") on the second part, by virtue of which Swiss Francs ("**CHF**") 250,000,000 1.75% Bonds due 2026 (the "**Bonds**") of the Issuer are constituted in the English language, are as follows:

1. Denomination, Amount, Form, Printing and Delivery of the Bonds

- (a) The Bonds are issued in the initial aggregate principal amount of CHF 250,000,000 and are divided into Bonds with denominations of CHF 5,000 (five thousand Swiss francs) per Bond (each, a "**Bond**").

The Issuer reserves the right to reopen (the "**Reopening**") and increase the aggregate principal amount of the Bonds issued at any time and without prior consultation of or permission of the Bondholders through the issuance of further bonds which will be fungible with the Bonds (i.e., identical especially in respect of the Terms of the Bonds, security number, final maturity and interest rate).

- (b) The Bonds and all rights in connection therewith are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*). The uncertificated securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*). Such uncertificated securities (*Wertrechte*) will then be entered into the main register (*Hauptregister*) of the SIX SIS Ltd or any other intermediary in Switzerland recognized for such purposes by the SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the "**Intermediary**"). Once the uncertificated securities (*Wertrechte*) are registered in the main register (*Hauptregister*) of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Bonds will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).
- (c) So long as the Bonds are in the form of Intermediated Securities, the Bonds may only be transferred by the entry of the transferred Bonds in a securities account of the transferee.
- (d) The records of the Intermediary will determine the number of Bonds held through each participant in the Intermediary. In respect of the Bonds held in the form of Intermediated Securities, the holders of the Bonds (the "**Bondholders**") will be the persons holding the Bonds in a securities account (*Effektenkonto*) which is in their name, or in case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Bonds for their own account in a securities account (*Effektenkonto*) which is in their own name.
- (e) The conversion of the uncertificated securities (*Wertrechte*) into a permanent global certificate (*Globalurkunde auf Dauer*) or individually certificated securities (*Wertpapiere*) is excluded. Neither the Issuer nor the Bondholders nor the Principal Paying Agent nor any third party shall at any time have the right to effect or demand the conversion of the uncertificated securities (*Wertrechte*) into, or the delivery of a permanent global certificate (*Globalurkunde auf Dauer*) or definitive Bonds (*Wertpapiere*) (*ausgeschlossener Titeldruck*).

2. Interest

The Bonds bear interest from 24 March 2022 (the "**Issue Date**") at the fixed rate of 1.75% of their principal amount per annum, payable annually in arrear on 24 June in each year (each, an "**Interest Payment Date**"), the first interest payment to occur on 24 June 2023 (long first interest period of 450 days).

Interest will cease to accrue on the Bonds on the due date for redemption thereof unless, upon such due date, payment of principal is improperly withheld or refused or if default is otherwise made in respect of payment thereof. In such event, interest will continue to accrue at the fixed interest rate as specified in the preceding paragraph until the day on which all sums due in respect of the Bonds up to (but excluding) that day are received by or on behalf of the relevant Bondholder.

If the amount of interest is to be calculated for a period of less than one year, it shall be calculated on the basis of the number of days elapsed in the relevant interest calculation period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (30/360 basis).

3. Redemption and Purchase

3.1 Redemption at Maturity

Unless previously redeemed, the Issuer undertakes to repay the principal amount of the Bonds at par, without further notice on 24 June 2026 (the "**Maturity Date**").

3.2 Early Redemption at the Option of the Issuer

Subject to a notice period of not less than thirty (30) nor more than sixty (60) days, the Issuer may redeem the Bonds at any time after the Issue Date and prior to the Maturity Date, in whole but not in part only, at the Principal Amount plus accrued interest, if any, if 85 percent or more in aggregate of the Principal Amount of the Bonds have been redeemed or purchased and cancelled at the time of the notice.

3.3 Purchases

The Issuer or any of its respective Subsidiaries (as defined in Condition 7 hereafter) may at any time purchase Bonds at any price, in the open market or otherwise. Any purchase shall be made in accordance with applicable laws or regulations, including applicable stock exchange regulations. Such Bonds may be held, resold or, at the option of the Issuer, surrendered to the Principal Paying Agent for cancellation in accordance with Condition 3.4 below.

If purchases are made by public tender, such tender must be available to all Bondholders alike.

Any Bonds, while held by or on behalf of the Issuer or any of its Subsidiaries, shall not entitle such Bondholder to vote at any meeting of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quora at meetings of the Bondholders pursuant to the Swiss Code of Obligations.

3.4 Cancellation

All Bonds which are redeemed or surrendered shall forthwith be cancelled. All Bonds so cancelled shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

3.5 Notice

Where the provisions of this Condition 3 provide for the giving of notice by the Issuer to the Principal Paying Agent, such notice shall be deemed to be validly given if made in writing with all required information to the Principal Paying Agent within the prescribed time limit. Such notices shall be announced to the Bondholders as soon as practicable pursuant to Condition 9. Such notices shall be irrevocable.

4. Payments

The amounts required for the payment of interest and the Principal Amount and any other payments in cash to be made under these Terms of the Bonds on the Bonds will be made available in good time in freely disposable CHF, which will be transferred by the Issuer to the Principal Paying Agent.

Upon receipt of the funds in Switzerland and under the same conditions as received, the Principal Paying Agent will arrange for payment to the Bondholders.

The Issuer undertakes that payments shall be made in freely disposable CHF without collection cost to the Bondholders, and, unless otherwise provided for by applicable law, without any restrictions and whatever the circumstances may be, irrespective of nationality, residence or domicile of the Bondholders and without requiring any affidavit or the fulfilment of any other formality, in the case of individually certificated Bonds at the counters of the Principal Paying Agent.

The receipt by the Principal Paying Agent of funds in CHF in Zurich from the Issuer shall release the Issuer from its obligations under the Bonds to the extent of amounts received by the Principal Paying Agent.

5. Taxation

All payments in respect of the Bonds by or on behalf of the Issuer to the Principal Paying Agent pursuant to these Terms of the Bonds are subject to all applicable taxes, including the deduction of the Swiss Federal Withholding Tax (*Verrechnungssteuer*) on interest payments, currently levied at a rate of 35%.

6. Status of the Bonds and Negative Pledge

(a) Status

The Bonds constitute direct, unconditional and (subject as provided in paragraph (b) of this Condition 6) unsecured obligations of the Issuer and (subject as aforesaid) rank and will rank *pari passu* among themselves and with all other unsecured and unsubordinated obligations of the Issuer, except for such preferences as are provided by any mandatorily applicable provision of law.

(b) Negative Pledge

So long as any of the Bonds remain outstanding, the Issuer will not create any mortgage, charge, pledge, lien or other form of encumbrance or security interest, other than a Permitted Security, upon the whole or any part of its assets or revenues, present or future, to secure, or to have secured by any of its Material Subsidiaries (as defined below), any present or future indebtedness (whether being principal, premium, interest or other amounts in the nature of indebtedness) in excess of CHF 100,000,000 (or its equivalent in any other currency or currencies) in the aggregate for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market with an initial maturity of more than 12 months, unless at the same time or prior thereto, the Issuer's obligations under the Bonds (i) are secured equally and ratably therewith or (ii) have the benefit of such other security as shall be approved by the Bondholders Representative (as defined below).

7. Events of Default

The Principal Paying Agent in its capacity as Bondholder Representative (the "**Bondholder Representative**") has the right but not the obligation, on behalf of the Bondholders, to declare all Bonds to be repayable as specified in this Condition 7, at the Principal Amount plus accrued interest, if any, in case of the occurrence of any of the following events (each event an "**Event of Default**"):

- (a) there is a failure by the Issuer to pay principal and/or interest on any of the Bonds, if and when due and such failure continues for a period of thirty (30) days; or
- (b) a default is made by the Issuer in the performance or observance of any material covenant, obligation, condition or provision contained in the Terms of the Bonds which is to be performed by the Issuer, the determination of materiality made by the Bondholder Representative to be binding on the Issuer, and (except where the Bondholder Representative certifies in writing that, in its opinion, such default is not capable of remedy, when no such notice or continuation as is mentioned below shall be required) such default continues for the period of thirty (30) days following the service by the Bondholder Representative on the Issuer of notice requiring such default to be remedied; or
- (c) any other present or future indebtedness of the Issuer or of any Material Subsidiary (as defined below) of the Issuer for or in respect of monies borrowed is not paid when due (otherwise than, where permitted under the terms of the relevant indenture or agreement, at the option of the relevant debtor) or, as the case may be, within any applicable grace period, or becomes due and payable prior to its stated maturity as a result of an event of default (howsoever described), or any security in respect of any such indebtedness become enforceable or any guarantee of, or indemnity in respect of, any such indebtedness given by the Issuer or any Material Subsidiary (as defined below) of the Issuer is not honored when due and called upon or, as the case may be, within any applicable grace period, provided that no such event shall be taken into account for the purposes of this paragraph (c) unless the relative indebtedness, either alone or when aggregated with other indebtedness relative to all, if any, other such events which shall have occurred and are continuing shall at any time have an outstanding nominal value of at least CHF 100,000,000 or its equivalent in any other currency or currencies (calculated on the basis of the middle spot rate for the relevant currency against CHF as quoted by any leading bank at the place of payment of such debt on the day on which this paragraph operates); or
- (d) any mortgage, lien or other encumbrance, present or future, created or assumed by the Issuer or any Material Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person but not the serving of a payment order (*Zahlungsbefehl*)), provided that the aggregate amount of the relevant indebtedness in respect of which such mortgage, lien or other encumbrance was created or permitted to subsist equals or exceeds CHF 100,000,000

or its equivalent in another currency or currencies (calculated on the basis of the middle spot rate for the relevant currency against CHF as quoted by any leading bank at the place of payment of such debt on the day on which this paragraph operates), and any such steps taken are not abandoned or discontinued within thirty (30) days of being taken; or

- (e) the Issuer or any Material Subsidiary of the Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, proposes or makes a stay of execution, a postponement of payments (*Stillhaltevereinbarung*), a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium or postponement of payments (*Stillhaltevereinbarung*) is agreed or declared in respect of or affecting all or a material part of (or a particular type of) the debts of the Issuer, or any Material Subsidiary of the Issuer; or
- (f) the Issuer or any Material Subsidiary of the Issuer alters its legal or commercial structure through bankruptcy, liquidation, disposal of all or substantially all of its assets, change in the objects of the company and/or commercial activities or merger, in so far as the relevant action, in the Bondholder Representative's opinion, has a material adverse effect on the capacity of the Issuer to meet its obligations in connection with the Bonds now or in the future, unless the Bondholder Representative considers the situation of the Bondholders as adequately protected based on securities created or other steps taken by the Issuer; or
- (g) a dissolution of the Issuer or a merger involving the Issuer as a result of which the Issuer is not the surviving company, unless the successor company assumes or guarantees all the Issuer's liabilities under the Bonds.

The Issuer has undertaken to inform the Bondholder Representative without delay that any event mentioned under paragraph (b) through (g) has occurred and to provide the Bondholder Representative with all necessary documents in connection therewith. The Issuer accepts responsibility for the information contained in those documents.

If an Event of Default occurs, the Bondholder Representative has the right but not the obligation to serve a written notice of default upon the Issuer, such notice having the effect that the Bonds shall become immediately due and repayable at the Principal Amount plus accrued interest, if any, on the day the default notice is given.

Furthermore, a notice of such Event of Default is published in the manner described in Condition 9 as soon as practicable after the Bondholder Representative served a written notice of default upon the Issuer.

Upon the occurrence of an Event of Default, the Bondholder Representative may invite the Bondholders in accordance with Art. 1157 et seq. of the Swiss Federal Code of Obligations to a Bondholders' meeting for the taking of a resolution on the serving of a notice of default provided the Bondholder Representative has not served such notice of default itself on behalf of the Bondholders. In such case, the legally valid resolution of the Bondholders' meeting to serve or not to serve a notice of default, shall replace the right reserved by the Bondholder Representative according to these Terms of the Bonds to serve a notice of default on behalf of the Bondholders. If the Bondholders' meeting votes against the serving of a notice of default, the right to serve such notice of default shall revert the Bondholder Representative whereby the Bondholder Representative shall not be bound by the negative resolution of the Bondholders' meeting if and to the extent that new circumstances have arisen or become known which require a revised assessment of the facts.

"Material Subsidiary" means a Subsidiary whose revenues (unconsolidated where that Material Subsidiary itself has subsidiaries) account for 20 per cent. or more of the consolidated revenues of the Issuer (all as calculated by reference to the average of the three latest audited consolidated financial statements of the Issuer from time to time).

"Subsidiary" of the Issuer in respect to these Terms of the Bonds means a company the financial statements of which are, in accordance with applicable law or generally accepted accounting principles, fully consolidated with those of the Issuer.

8. Substitution of the Issuer

The Issuer may without the consent of the Bondholders, at any time be substituted in respect of all rights and obligations arising under or in connection with the Bonds by any Swiss company of which all shares carrying voting rights are directly or indirectly held by the Issuer (the **"New Issuer"**), provided that :

- (i) the interests of the Bondholders are satisfactorily protected;

- (ii) the New Issuer is able to fulfil all payment obligations arising from or in connection with the Bonds in freely convertible and transformable legal tender of Switzerland and to transfer without restriction all amounts required to be paid under the Bonds to the Principal Paying Agent and the interests of the Bondholders are adequately protected in the opinion of Bondholder Representative,
- (iii) the Issuer has issued its irrevocable and unconditional guarantee as per article 111 of the Swiss Federal Code of Obligations (the "**Guarantee**") in respect to the obligations of the New Issuer under the Bonds in form and content satisfactory to UBS.

The Principal Paying Agent is entitled to appoint one or more experts at the expenses and after the approval of the Issuer for the assistance of the Principal Paying Agent in making its assessments.

Any substitution shall be published in accordance with Condition 9. In the event of such substitution, any reference to the Issuer in these Conditions shall be deemed to refer to the New Issuer.

By subscribing to or otherwise acquiring, any of the Bonds, the Bondholders expressly consent to the Issuer substituting for itself as principal debtor under the Bonds the New Issuer subject to the provisions of this Condition.

9. Notices

All notices to Bondholders regarding Bonds shall be given through the Principal Paying Agent on behalf and at the expense of the Issuer (i) for so long as the Bonds are listed on SIX Swiss Exchange on the internet site of SIX Swiss Exchange (where notices are currently published under the address (<https://www.six-group.com/en/products-services/the-swiss-stock-exchange/market-data/news-tools/official-notices.html#/>) or (ii) in case the Bonds were no longer listed on SIX Swiss Exchange in a daily newspaper with general circulation in Switzerland (which is expected to be the *Neue Zürcher Zeitung*).

10. Listing

The Issuer will use its reasonable efforts to have the Bonds listed on the SIX Swiss Exchange and to maintain such listing during the whole life of the Bonds.

11. Prescription

Claims against the Issuer in respect of Bonds will become void unless presented for payment within a period of presently ten years in the case of the principal and five years in the case of interest from the relevant due date, by virtue of the statute of limitations of Swiss law.

12. Governing Law and Jurisdiction

The Terms of the Bonds and the Bonds shall be governed by and construed in accordance with **the substantive laws of Switzerland**.

Any dispute which might arise between Bondholders on the one hand and the Issuer on the other hand regarding these Conditions and/or the Bonds shall be settled in accordance with Swiss law and shall fall within the **jurisdiction of the Ordinary Courts of the Canton of Zurich, the place of jurisdiction being Zurich 1**.

13. Amendments

The Principal Paying Agent may, without the consent of the Holders, agree to any modification or arrangement of the terms and conditions of the Bonds which, in the opinion of the Principal Paying Agent, is of a formal, minor or technical nature or is made to correct a manifest error.

14. Role of UBS

UBS will act as Joint-Lead Manager and shall also act as Principal Paying Agent and as initial Bondholder Representative of this Bond Issue and shall or may also act on behalf of or for the benefit of the Bondholders, but only in such cases stated explicitly in these Terms of the Bonds. In any other cases, UBS is not obliged to take or to consider any actions on behalf of or for the benefit of the Bondholders.

15. Severability

If at any time any one or more of the provisions of the Terms of the Bonds is or becomes unlawful, invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

16. Definitions

1. "**Agreement**" has the meaning given to it in the preamble;
2. "**Bond**" has the meaning given to it in Condition 1 a);
3. "**Bondholder**" has the meaning given to it in Condition 1 d)
4. "**Bondholder Representative**" has the meaning given to it in Condition 7;
5. "**Bonds**" has the meaning given to it in the preamble;
6. "**Business Day**" means a day (other than Saturday or Sunday) on which banks are open for the whole day for business in Zurich;
7. "**CHF**" has the meaning given to it in the preamble;
8. "**Condition**" has the meaning given to it in the preamble;
9. "**Event of Default**" has the meaning given to it in Condition 7;
10. "**Guarantee**" has the meaning given to it in Condition 8 (iii);
11. "**Interest Payment Date**" has the meaning given to it in Condition 2;
12. "**Intermediary**" has the meaning given to it in Condition 1 b)
13. "**Intermediated Securities**" has the meaning given to it in Condition 1 b)
14. "**Issue Date**" has the meaning given to it in Condition 2;
15. "**Issuer**" has the meaning given to it in the preamble;
16. "**Material Subsidiary**" has the meaning given to it in Condition 7;
17. "**Maturity Date**" has the meaning given to it in Condition 3.1;
18. "**New Issuer**" has the meaning given to it in Condition 8;
19. "**Permitted Security**" means, in the context of the financing of projects (*Projektfinanzierungen*), a security (and any security created in substitution for any such security) in the form of any guarantee, mortgage, charge, pledge, lien or other form of encumbrance or security interest relating to such financing over an asset or assets that financed as part of the project, but only to the extent that such security secures obligations arising from such financing.
20. "**Principal Amount**" has the meaning given to it in Condition 1 a) in relation to the total outstanding amount of all Bonds as well as in relation to one Bond;
21. "**Principal Paying Agent**" means UBS AG
22. "**Reopening**" has the meaning given to it in Condition 1 (a);
23. "**SIX Swiss Exchange**" means the SIX Swiss Exchange Ltd or any successor of the SIX Swiss Exchange Ltd;
24. "**Subsidiary**" has the meaning given to it in Condition 7;
25. "**Terms of the Bonds**" has the meaning given to it in the preamble;
26. "**UBS**" has the meaning given to it in the preamble.

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