

**FIRST SUPPLEMENT DATED 28 JANUARY 2022
TO THE BASE PROSPECTUS DATED 7 OCTOBER 2021**



Italgas S.p.A.

(Incorporated with limited liability in the Republic of Italy)

€6,500,000,000 Euro Medium Term Note Programme

This first supplement (the **First Supplement**) to the Base Prospectus dated 7 October 2021 (the **Base Prospectus**), constitutes a supplement prepared pursuant to Article 23(1) of Regulation (EU) 2017/1129 (the **Prospectus Regulation**) and is prepared in connection with the €6,500,000,000 Euro Medium Term Note Programme (the **Programme**) established by Italgas S.p.A. (**Italgas** or the **Issuer**). Terms defined in the Base Prospectus have the same meaning when used in this First Supplement.

This First Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

The Issuer accepts responsibility for the information contained in this First Supplement. To the best of the knowledge of the Issuer, the information contained in this First Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

With effect from the date of this First Supplement, the information set out in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented, as the case may be, in the manner described below.

PURPOSE OF THE FIRST SUPPLEMENT

The purpose of this First Supplement is to (a) update the "*General Description of the Programme*" section of the Base Prospectus; (b) update the "*Risk Factors*" section of the Base Prospectus; (c) update the "*Terms and condition of the Notes*" section of the Base Prospectus; (d) update the "*Description of the Issuer*" section of the Base Prospectus; (e) update the "*Regulatory and legislative framework*" section of the Base Prospectus; (f) update the "*Regulatory - Tariffs*" section of the Base Prospectus.

a) GENERAL DESCRIPTION OF THE PROGRAMME

- (i) At page 16 of the Base Prospectus, the sub-section entitled "*Governing Law*", shall be deleted in its entirety and replaced as follows:

"The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English Law. Condition 15 (Meetings Of Noteholders and Modification) and the provisions of the Agency Agreement concerning the meeting of relevant Noteholders and the appointment of a Noteholders' representative are subject to mandatory provisions of Italian law."

b) RISK FACTORS

- (i) At page 18 of the Base Prospectus, sub-section entitled "*Market and competition risks. Risks associated with the expiration and renewal of gas distribution concessions*", the paragraph beginning with "*As at the date of this Base Prospectus, only 36 invitations*" shall be deleted in its entirety and replaced as follows:

*"As at the date of the First Supplement, only 38 invitations have been published for a total of 39 ATEMs (Cremona 2 and Cremona 3 were grouped together), of which three have been withdrawn, two others have been annulled by a judicial decision (Venezia 1 and Alessandria 2) and eight were suspended by the contracting authority. Submissions by operators for eight tenders: Torino 2, Belluno, Udine 2, Valle d'Aosta, Milano 1, Torino 1, Napoli 1 and La Spezia (Torino 2, Valle D'Aosta, Belluno and Torino 1 have been awarded to Italgas Reti S.p.A. ("**Italgas Reti**"), while La Spezia offer is under evaluation) and four pre-qualifications requests (Prato, Perugia 2, Udine 1 and Udine 3) have instead occurred. For a further eleven invitations to tender, the bid submission dates, or rather the pre-qualification request dates, were postponed. Finally, the Region of Calabria has appointed commissioners ad acta, in order to start the tender proceedings in two ATEMs (Cosenza 1 and Reggio Calabria – Vibo Valentia)."*

- (ii) At page 27 of the Base Prospectus, sub-section entitled "*Risks associated with the energy efficiency certificates market*", the paragraph beginning with "*Following such judgment, the ARERA*" shall be deleted in its entirety and replaced as follows:

"Following such judgment, the ARERA has published in February 2020 a DCO (Document for Consultation) N° 47/2020/R/efr in which it proposes a new calculation method of the tariff contribution for the obligation years starting from 2018 and simultaneously asked the Distribution System Operators (DSOs) to send their opinions about it."

- (iii) At page 28 of the Base Prospectus, the last six paragraphs of the sub-section entitled "*Risks associated with the energy efficiency certificates market*", shall be deleted in their entirety and replaced as follows:

"During 2020, Seaside concluded negotiations with the main counterparty, able to cover the potential refund request from GSE.

The total obligation of the Italgas Group (Italgas Reti + Toscana Energia) for the obligation year 2020 – update following the publication of the MD 21 May 2021 has been equal to 492.107 EECs (the obligation year has begun on 1 December 2020 and will ended on 16 July 2021).

With the publication of the Resolution no. 358/2021/R/efr ARERA has set the tariff contribution for the obligation year 2020. It is equal to €260,00 EEC and has been determined as the sum of the

unit tariff contribution equal to the cap of €250,00 EEC and of an additional contribution unit equal to €10,00 EEC as defined in the Resolution 270/2020.

Following the publication of the Consultation Document (DCO) no. 359/2021- in which it plans to assign an additional and exceptional contribution, only for the obligation year 2020, to all DSO's due to the high prices recorded as a result of the shortage of TEE available on the market- with the Resolution no. 547/2021 ARERA has set the value of this contribution in 7.26 €/EEC for each EEC bought during the period December 2020 – July 2021.

The total obligation of the Italgas Group (Italgas Reti + Toscana Energia) for the obligation year 2021 is equal to 172.808 EECs (the obligation year has begun on 17 July 2021 and will end on 31 May 2022).".

- (iv) At page 30 of the Base Prospectus, sub-section entitled "*Risks associated with the reimbursement provided to the outgoing operator*", the paragraph beginning with "*The Reimbursement Value for the Roma Capitale*" shall be deleted in its entirety and replaced as follows:

"The Reimbursement Value for the Roma Capitale concession was estimated as the sum of:

(i) the amount paid to the municipality of Rome at the beginning of the concession (November 2012) as a one-off payment for the management of the service, net of amortisation as of 31 December 2021 calculated for the duration of the agreement and on the basis of the remaining Reimbursement Value at the end of the concession, as provided for in the agreement; and

(ii) the value of cumulative investments starting at the beginning of the concession, in accordance with the provisions set out in the agreement, and, in particular, with reference to their partial acknowledgement within the Reimbursement Value, net of related amortisation. The contractual terms of the concession signed with the Roma Capitale provided that 50% of the investments made during the first three years of the concession will be free of charge."

- (v) At page 30 of the Base Prospectus, sub-section entitled "*Risks associated with the reimbursement provided to the outgoing operator*", the paragraph beginning with "*It cannot be excluded that*" shall be deleted in its entirety and replaced as follows:

"It cannot be excluded that, at the time of expiration of the service agreement, the difference between the Reimbursement Value and the RAB value relating to the Roma Capitale concession could be higher than the one estimated as of 31 December 2021."

c) TERM AND CONDITIONS OF THE NOTES

- (i) At page 123 of the Base Prospectus, the sub-section entitled "*18.1 Governing law*", shall be deleted in its entirety and replaced as follows:

"The Agency Agreement, the Deed of Covenant, the Notes and the Coupons and any noncontractual obligations arising out of or in connection with Agency Agreement, the Deed of Covenant, the Notes and the Coupons, are and shall be governed by, and construed in accordance with, English Law. Condition 15 (Meetings Of Noteholders and Modification) and the provisions of Schedule 5 of the Agency Agreement concerning the meeting of relevant Noteholders and the appointment of a Noteholders' representative are subject to mandatory provisions of Italian law."

d) DESCRIPTION OF THE ISSUER

- (i) At page 125 of the Base Prospectus, the fourth paragraph of the sub-section entitled "*Overview*" together with the accompanying footnotes, shall be deleted in its entirety and replaced as follows:

"As at the date of the First Supplement, the Issuer holds directly 100% of the share capital of Italgas Acqua S.p.A., Italgas Newco S.r.l. (**Italgas Newco**), Bludigit S.p.A. (**Bludigit**)¹¹ and Italgas Reti, 50.66% of the share capital of Toscana Energia, 67.2% of Seaside¹², 51.85% of Gaxa and, indirectly, through its shareholding in Italgas Reti, 51.85% of the share capital of Medea and 15% of the share capital of Reti Distribuzione S.r.l. (**Reti Distribuzione**). In turn, Seaside holds 10% of Enerpaper S.r.l. (**Enerpaper**) and 100% of Fratelli Ceresa S.p.A. (**Fratelli Ceresa**)¹³ and Toscana Energia holds 42.96% of Gesam Reti S.p.A. (**Gesam Reti**) and 30.05% of Valdarno S.r.l.. Medea held 100% of Isgastrentatrè S.p.A. (**Isgastrentatrè**) which was merged into Medea on 9 November 2021, effective from 14 July 2021 for accounting purposes¹⁴."

- (ii) At page 126 of the Base Prospectus, the paragraph of the sub-section entitled "Overview" beginning with "As at the date of this Base Prospectus, on the basis", shall be deleted in its entirety and replaced as follows:

"As at the date of the First Supplement, on the basis of the shareholders' register, communications received pursuant to CONSOB Regulation No. 11971/1999 (as amended) and other information available to the Issuer, as far as the Issuer is aware, the main shareholders directly or indirectly owning an interest greater than 3% of Italgas' share capital are (i) CDP, with an overall 39.51% stake of the ordinary share capital, held through CDP Reti S.p.A. (**CDP Reti**) and Snam, (ii) Lazard Asset Management with a stake of 9.0% of the ordinary share capital (iii) Mr. Romano Minozzi who holds, also through his companies Iris Ceramica Group S.p.A (**Iris Ceramica**), GranitiFiandre S.p.A. (**GranitiFiandre**) and Finanziaria Ceramica Castellarano S.p.A. (**Finanziaria Ceramica Castellarano**), 4.29% of the ordinary share capital, (iv) BlackRock Inc. (**BlackRock**) with a stake of 4.5% of the ordinary share capital; (v) Credit Agricole with a stake of 3.0%¹⁶. The remaining (free float) is held by other shareholders. See "Principal Shareholders" below."

¹¹ On 16 June 2021, as a result of a partial and proportional demerger of Italgas Reti of the IT business unit, the company Bludigit was established in order to rationalise the Group's activities and assets in the IT area and to propose a commercial offer of IT services by opening up collaborations with third parties to the Group. The rationalization of the Group's IT activities was completed on 29 June 2021 with the capital increase following the contribution by Italgas S.p.A. of the specific IT company branch pertaining to it.

¹² On 26 April 2021, the merger by incorporation of Toscana Energia Green S.p.A. in Seaside was completed. The transaction took effect for accounting and tax purposes from 1 January 2021 and for civil purposes from 1 May 2021. As a consequence, the share capital of Seaside is divided between Italgas S.p.A. (that, as said, holds 67.22% of the share capital) and Toscana Energia (that holds the remaining 32.78%). On 2 August 2021 the extraordinary Shareholders' Meeting of Seaside approved the transformation from a limited liability company (S.r.l.) to a joint stock company (S.p.A.).

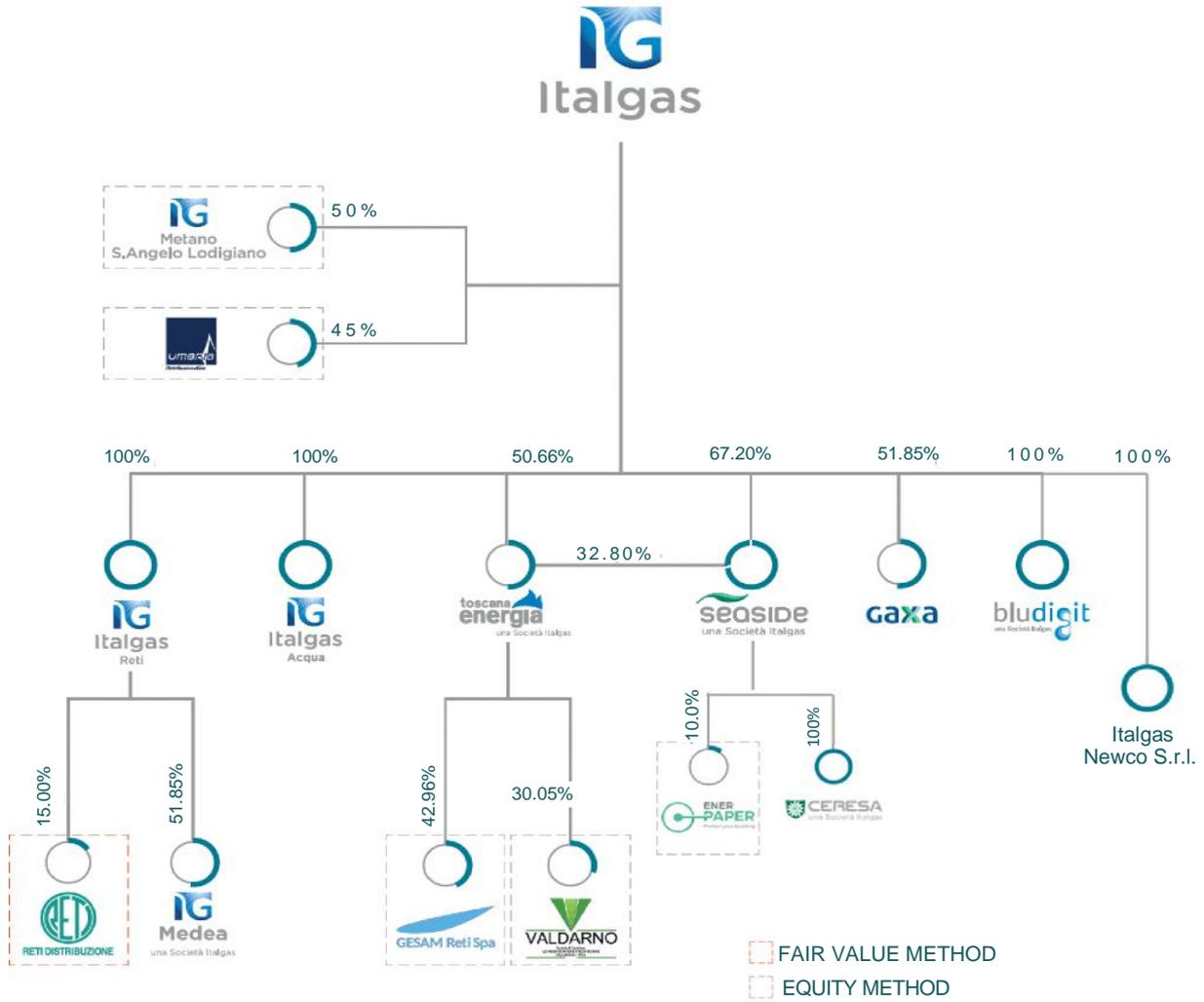
¹³ On 1 December 2021 Seaside executed the acquisition of 100% of the share capital of Fratelli Ceresa.

¹⁴ Following the framework agreement signed between Italgas and CONSCOOP on 28 December 2020, on 13 July 2021, Italgas through its subsidiary Medea finalized the purchase of the entire share capital of Isgastrentatrè, a company active in the natural gas distribution sector in Sardinia. On 28 January 2021, under the same agreement, the acquisition of the concession for the distribution of natural gas in the Municipality of Olevano sul Tusciano (SA) was concluded. The network extends for about 26 kilometers to cover a potential catchment area equal to a total of 2,500 resident families. Isgastrentatre was merged into Medea on 9 November 2021, effective from 14 July 2021 for accounting purposes.

¹⁶For information concerning communications received pursuant to CONSOB Resolutions no. 21304 of 17 March 2020 on the "Reduction of the initial percentage threshold pursuant to art. 120, subsection 2-bis, of Legislative Decree 58/1998 for shareholdings in the capital of listed companies - having Italy as the home Member State – with a high current market value and a particularly disseminated ownership structure" and subsequent Consob resolutions of similar content, please make reference to the website www.consob.it, "Relevant Shareholdings". The information on the website does not form part of the Base Prospectus and has not been scrutinized or approved by the competent authority.

(iii) At page 130 of the Base Prospectus, the chart included in the sub-section entitled "Group Structure" beginning with "At the beginning of September 2021", shall be deleted in its entirety and replaced as follows:

"



".

- (iv) At page 133 of the Base Prospectus, the paragraph of the sub-section entitled "Group Structure" beginning with "At the beginning of September 2021", shall be deleted in its entirety and replaced as follows:

"At the beginning of September 2021, Italgas was selected as "Preferred Bidder" in such international tender process. It has agreed to pay a consideration equal to 733 million Euro for 100% of DEPA Infrastructure equity.

On 10 December 2021, Italgas signed the relevant Sale and Purchase Agreement (SPA).

The completion of the acquisition is subject to the fulfilment of certain conditions, such as the approval of the transaction by the Greek supervisory authority RAE and the clearing of the Greek antitrust authority HCC.

The transaction will be financed entirely by Italgas using committed lines of financing."

- (v) At page 133 of the Base Prospectus, the paragraph of the sub-section entitled "Group Structure" beginning with "Following the framework agreement signed between Italgas and CONSCOOP", shall be deleted in its entirety and replaced as follows:

"Following the framework agreement signed between Italgas and CONSCOOP on 28 December 2020, on 13 July 2021, Italgas through its subsidiary Medea finalized the purchase of the entire share capital of Isgastrentatrè, a company active in the natural gas distribution sector in Sardinia. On 28 January 2021, under the same agreement, the acquisition of the concession for the distribution of natural gas in the Municipality of Olevano sul Tusciano (SA) was concluded. The network extends for about 26 kilometers to cover a potential catchment area equal to a total of 2,500 resident families. On 4 November 2021 the merger by incorporation of Isgastrentatrè into Medea was finalized, effective from 14 July 2021 for accounting purposes."

- (vi) At page 133 of the Base Prospectus, the paragraph of the sub-section entitled "Group Structure" beginning with "On 29 July 2021 the process of merger", shall be deleted and replaced as follows:

"On 9 November 2021 the process of merger by incorporation of Isgastrentatrè into Medea has been completed, effective from 14 July 2021 for accounting purposes."

- (vii) At page 134 of the Base Prospectus, at the end of the sub-section entitled "Group Structure", the following paragraph shall be included:

"On 1 December 2021 Seaside executed the acquisition of 100% of the share capital of Fratelli Ceresa, a company specialising in the supply of energy services. Fratelli Ceresa, founded in 1921 and based in Beinasco (TO), has a significant portfolio of 3,700 customers, in over 800 condominiums, mainly located in the Turin area."

- (viii) At page 137 of the Base Prospectus, sub-section entitled "Gas Distribution Concessions", the paragraph beginning with "The Reimbursement Value for the Roma Capitale" shall be deleted in its entirety and replaced as follows:

"The Reimbursement Value for the Roma Capitale concession was estimated as the sum of:

- (i) *the amount paid to the municipality of Rome at the beginning of the concession (November 2012) as a one-off payment for the management of the service, net of amortisation as of 31 December 2021 calculated for the duration of the agreement and on the basis of the remaining Reimbursement Value at the end of the concession, as provided for in the agreement; and*

(ii) *the value of cumulative investments starting at the beginning of the concession, in accordance with the provisions set out in the agreement, and, in particular, with reference to their partial acknowledgement within the Reimbursement Value, net of related amortisation. The contractual terms of the concession signed with the Roma Capitale provided that 50% of the investments made during the first three years of the concession will be free of charge.*"

- (ix) At page 137 of the Base Prospectus, sub-section entitled "Gas Distribution Concessions", the paragraph beginning with *"It cannot be excluded that"* shall be deleted in its entirety and replaced as follows:

"It cannot be excluded that, at the time of expiration of the service agreement, the difference between the Reimbursement Value and the RAB value relating to the Roma Capitale concession could be higher than the one estimated as of 31 December 2021."

- (x) At page 140 of the Base Prospectus, after the fourth paragraph of the sub-section entitled "Italgas' Debt Structure", the following paragraph shall be added:

"Furthermore, in October 2021 Italgas executed two fixed-rate bank loans with major Italian banks in relation to the achievement of ESG targets, both with 3-year maturity and for a total amount of Euro 500 million."

- (xi) At page 142 of the Base Prospectus, the last paragraph of the sub-section entitled "Cerro Maggiore/via Risorgimento Event", shall be deleted in its entirety and replaced as follows:

"The examination of the defence witnesses started with the hearings of 9 November and 23 November 2020. The examination of the defendants took place at the hearing of 8 February 2021 (in particular, two of the accused employees of Italgas Reti were heard), while the examination of the technical consultants took place at the hearing of 8 March 2021. At the hearing of 19 April 2021, the consultant of two accused employees of the contractor company was heard and, at the following hearing on 7 May 2021, the discussion between the parties took place. During this hearing, the Public Prosecutor requested for the acquittal of the safety manager of Italgas Reti and for the two accused employees of the contractor, while the Public Prosecutor requested the other two defendants of Italgas Reti be sentenced to imprisonment for two years, with a suspended (and therefore non-executable) judgment. For Italgas Reti, the application of a minimum fine was requested. On 4 June 2021, the judge acquitted one of the two Italgas Reti defendants, the other was sentenced to one year and six months' imprisonment with suspension and no mention of the judgment. A minimum fine was imposed on Italgas Reti. On 16 September 2021 the Public prosecutor filed the appeal against the defendant of Italgas Reti acquitted with the first-degree judgment. Italgas Reti filed the appeal against the sentence on 14 October 2021."

- (xii) At page 143 of the Base Prospectus, the paragraph entitled "Rocca di Papa Event", shall be deleted in its entirety and replaced as follows:

"The Public Prosecutor's Office of the Court of Velletri opened an investigation for the incident that occurred on 10 June 2019 in the Municipality of Rocca di Papa caused by the rupture of a Italgas Reti pipeline by a company that carried out works on behalf of the same Municipality. The dispersion of gas produced an explosion in which some persons were injured; two of whom died in the following days. The Public Prosecutor has conducted preliminary investigations where Italgas Reti people are not involved. Italgas Reti, who is aggrieved party by the crime - for damages to its pipeline - has cooperated in the investigation. The Public Prosecutor has also carried out investigations with expert reviews into the area of the accident and Italgas Reti, as aggrieved party, has appointed its own technical consultants. The technical advice (consulenza tecnica) requested by the G.I.P. has been made available at the beginning of September 2020. The hearing before the G.I.P, initially scheduled on 1 October 2020, has been postponed to 16 October 2020. During that hearing, the probative objection (incidente probatorio) took place. The preliminary investigation was completed on 28 April 2021. Two persons were added to the list of suspects: another geologist (who was in

charge of the checks on the pipeline for the company that carried out works on behalf of the Municipality) and the municipal technician responsible for the procedure (RUP). The preliminary hearing before the judge for the preliminary hearing (GUP) has been set for 9 November 2021. In the writ of summons the charge against the RUP of Rocca di Papa was withdrawn. Italgas Reti is aggrieved party in the proceeding. The preliminary hearing before the GUP was postponed to 8 March 2022."

- (xiii) At page 143 of the Base Prospectus, after the sub-section entitled "Rocca di Papa Event", the following sub-section shall be added:

"Ravanusa event

On 11 December 2021, an accident took place involving a section of the gas distribution network of the Municipality of Ravanusa (Sicily): a total of 9 casualties occurred and some buildings suffered collapse or damages.

Investigations are taking place following the event and on 31 December 2021 some managers and employees of the Operating Company Italgas Reti have received notices of investigation ("avvisi di garanzia") served by the Public Prosecutor of Agrigento.

Such "avvisi di garanzia" were customary and necessary on a Public Prosecutor's legal procedure point of view, in order to be able to carry out non-repeatable technical investigations ("accertamenti tecnici non ripetibili in contraddittorio").

The general investigations of the Public Prosecutor are still ongoing."

- (xiv) At page 143 of the Base Prospectus, the last sentence of the sub-section entitled "Comune di Venezia / Italgas Reti: Trib.Venezia", shall be deleted and replaced as follows:

"The next hearing initially scheduled for the 28 October 2021, was postponed to 31 May 2022."

- (xv) At page 144 of the Base Prospectus, the last sentence of the sub-section entitled "Italgas Reti / Comune di Roma: Trib. Roma", beginning with: "As at the date of this Base Prospectus" shall be deleted and replaced as follows:

"As at the date of this Base Prospectus, Italgas Reti has resumed the judgment before the competent Court of Rome (Tribunale Civile di Roma) and the next hearing has been scheduled for 20 September 2022. On 7 September 2021 Seaside filed another suit for the annulment of the same and additional reasons (motivi aggiunti) against the communication dated 18 March 2021 which had ignored the "Semplification Decree" that had introduced a significant regulatory change in the sector."

- (xvi) At page 145 of the Base Prospectus, at the end of the sub-section entitled "Italgas Reti / Comune di Cavallino-Treporti", the following sentence shall be added:

"As of the date of the First Supplement, the final decision is yet to be delivered."

- (xvii) At page 145 of the Base Prospectus, at the end of the sub-section entitled "Italgas Reti /2i Reti Gas / Comune di Napoli ", the following sentence shall be added:

"By judgment no. 6744 dated 27 October 2021, TAR Campania rejected Italgas Reti's suit. Italgas Reti appealed before the Consiglio di Stato. The hearing on the merit has been scheduled for 7 April 2022."

- (xviii) At page 145 of the Base Prospectus, at the end of the second paragraph of the sub-section entitled "ARERA Proceedings", the following sentence shall be added:

"The first hearing has not been scheduled yet."

- (xix) At page 146 of the Base Prospectus, the fourth paragraph of the sub-section entitled "ARERA Proceedings", shall be deleted in its entirety and replaced as follows:

"With Resolution 323/2017/S/gas of 12 May 2017, the ARERA started an investigation against Italgas Reti regarding the conduct of the personnel of emergency call center. Italgas Reti argued that the instructions given by the operators were fully compliant with the safety and security obligations prescribed by the regulation. Nevertheless, with the 328/2019/S/GAS Resolution (30 July 2019), Italgas Reti was ordered to pay a fine of Euro 469,000.00. By judgment n. 2441/2021 dated 5 November 2021, TAR Lombardia (Milan) rejected Arera's conclusion and Arera appealed the judgment before Consiglio di Stato. The hearing has been scheduled for 29 March 2022.

Meanwhile Italgas Reti has begun a new suit ("giudizio di ottemperanza") to have a part of the TAR judgement concerning awards for safety and security obligations deserved by Italgas Reti enforced. The hearing has not been scheduled yet."

- (xx) At page 146 of the Base Prospectus, the fifth paragraph of the sub-section entitled "ARERA Proceedings", shall be deleted in its entirety and replaced as follows:

"Resolution 33/2012/S/GAS - The ARERA has launched infringement proceedings against Italgas Reti, disputing, specifically, the failure, by the Company to comply, with regard to the Venice network distribution, with the obligation to recondition or replace, by 31 December 2010, at least 50% of the hemp- and lead-sealed joints in operation as at 31 December 2003, as set out in Article 12(7) letter b) of the Regulation of the Quality of Gas Distribution and Metering Services (Annex RGDQ to the Resolution ARG/gas 120/08 for years 2009-2012). At the end of the proceedings, by Resolution n. 197/2017/S/gas Italgas Reti was ordered to pay the amount of Euro 204,000.00 Italgas Reti filed a suit against the above mentioned ARERA Resolution before the TAR Lombardia (Milan) which invalidated the resolution n.197/2017/S/gas and ordered consequently ARERA to refund Italgas Reti of the entire amount of the fine. ARERA appealed the judgment and the next hearing has not been scheduled yet."

- (xxi) At page 146 of the Base Prospectus, at the end of the first paragraph of the sub-section entitled "Resolution no. 570/R/gas/2019", the following sentence shall be deleted:

"The first hearing has not been scheduled yet."

- (xxii) At page 147 of the Base Prospectus, the last paragraph of the sub-section entitled "Resolution no. 570/R/gas/2019", shall be deleted in its entirety and replaced as follows:

"The TAR Lombardia has appointed two experts to conduct the technical review and the outcome of their analysis is expected by 30 March 2022, as established by the TAR in its order of 17 January 2022."

- (xxiii) At page 147 of the Base Prospectus, the sub-section entitled "Resolution 270/2020/r/efr", shall be deleted in its entirety and replaced as follows:

"A court claim (ricorso giurisdizionale) was filed against ARERA Resolution 270/2020/R/efr before the TAR Lombardia (Milan), notified on 13 October 2020, challenging the legitimacy of various points, including the mere confirmation of obligation year 2018 tariff contribution (which was determined under Resolution 487/2018/R/efr, abolished by TAR Lombardia (Milan) judgment no. 2538/2019), the confirmation of Euro 250,0 unitary tariff cap (abolished by the same judgment), the inclusion of the prices of bilateral transactions in the calculation of the tariff contribution, the additional tariff contribution mechanism. The first hearing was held on 16 December 2020. During such hearing, only the issues relating to the violation of TAR Lombardia (Milan) judgment no. 2538/2019 were examined. On 18 February 2021, TAR Lombardia (Milan) stated, without entering

into the merits of the suit filed by Italgas Reti, that ARERA Resolution 270/2020/R/efr was not in contradiction with a previous judgment (TAR Lombardia n. 2358/2019) concerning "Energy Efficiency Certificates" (EECs); this latter established that the Ministerial Decree of 10 May 2018, in the part in which this latter quantified at 250 Euro/EEC the maximum amount which could be reimbursed through tariffs for the purchase of the same EEC, exceeded the powers granted by law to ARERA to set tariffs. Italgas Reti has appealed such ruling; the Consiglio di Stato confirmed TAR Lombardia judgment of February 2021. The hearing on the merit of the case has not been scheduled yet by TAR."

- (xxiv) At page 147 of the Base Prospectus, after the sub-section entitled "Resolution 270/2020/r/efr", the following sub.-section shall be added:

"Resolutions 98/2016/R/Gas, 99/2016/R/Gas, 494/2018/E/Gas

The judgement was set for the recognition of the extra-remuneration on investments incentivized in 2009 and 2010 in the Municipality of Rome for the replacement of lead-hemp cast iron pipes (COSAP Rome).

The first instance judgment concluded favorably for Italgas in November 2019 (judgment no. 2430/2019). Arera appealed the sentence to the Council of State and the hearing is set for 3 February 2022."

- (xxv) At page 147 of the Base Prospectus, at the end of the sub-section entitled "Proceeding A 540 of 27 May 2020", the following sentence shall be added:

"On 21 October 2021, AGCM sent to Italgas Reti the acknowledgment of the compliance with the commitments."

- (xxvi) At page 148 of the Base Prospectus, the fifth paragraph of the sub-section entitled "Principal Shareholders", shall be deleted in its entirety and replaced as follows:

"As at the date of this First Supplement, on the basis of the shareholders' register, communications received pursuant to CONSOB Regulation No. 11971/1999 (as amended) and other information available to the Issuer, as far as the Issuer is aware, the main shareholders directly or indirectly owning an interest greater than 3% of Italgas' share capital are (i) CDP, with an overall 39.51% stake of the ordinary share capital, held through CDP Reti and Snam, (ii) Lazard Asset Management with a stake of 9.0% of the ordinary share capital (iii) Mr. Romano Minozzi who holds, also through his companies Iris Ceramica, GranitiFiandre and Finanziaria Ceramica Castellarano, 4.29% of the ordinary share capital;(iv) BlackRock with a stake of 4.5% of the ordinary share capital; (v) Credit Agricole with a stake of 3.0%¹⁹. The remaining (free float) is held by other shareholders. See "Principal Shareholders" below."

- (xxvii) At page 149 of the Base Prospectus, the table after the sixth paragraph of the sub-section entitled "Principal Shareholders", shall be deleted in its entirety and replaced as follows:

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¹⁹For information concerning communications received pursuant to CONSOB Resolutions no. 21304 of 17 March 2020 on the "Reduction of the initial percentage threshold pursuant to art. 120, subsection 2-bis, of Legislative Decree 58/1998 for shareholdings in the capital of listed companies - having Italy as the home Member State – with a high current market value and a particularly disseminated ownership structure" and subsequent Consob resolutions of similar content, please make reference to the website www.consob.it, "Relevant Shareholdings". The information on the website does not form part of the Base Prospectus and has not been scrutinized or approved by the competent authority.

| Declarant | Direct shareholder | Proportion of ordinary share capital (%) |
|----------------------|-----------------------------------|--|
| CDP | CDP Reti | 26.02 |
| | Snam | 13.49 |
| Lazard LLC | Lazard LCC | 9.0 |
| Romano Minozzi | Finanziaria Ceramica Castellarano | 0.22 |
| | Granitifiandre | 0.025 |
| | Iris Ceramica | 1.893 |
| | Romano Minozzi | 2.14 |
| BlackRock | BlackRock | 4.5 |
| Crédit Agricole S.A. | Crédit Agricole S.A. | 3.0 |

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(xxviii) At page 151 of the Base Prospectus, the fourth and the fifth paragraphs of the sub-section entitled *"Code of Ethics, Principles of the Internal Control, and Enterprise Risk Management system and the management system for the prevention and fight against corruption"*, shall be deleted in their entirety and replaced as follows:

"At the end of 2021, Italgas and the subsidiary Italgas Reti have renewed for additional three years the certification in accordance with standard UNI ISO 37001:2016 that certifies the compliance of the management system for the prevention and fight of corruption. Moreover, during the year 2021, also the Management Systems of Italgas Acqua, Umbria Distribuzione Gas, Metano Sant'Angelo Lodigiano, Medea, Gaxa, Seaside and Toscana Energia have been subject of the so-called "Maintenance audit" at the outcome of which the certification body DNV-GL confirmed the certification pursuant to the standard UNI ISO 37001:2016 obtained by the aforementioned companies in 2020."

(xxix) At page 153 of the Base Prospectus, sub-section entitled *"Current Board of Directors Members"*, after the table of the current member of the Issuer's board of Directors, with regard to Yunpeng He, the following note shall be added:

"()On 11 January 2022 Mr. Yunpeng He resigned from the office with effect from the date of appointment of his replacement. On 27 January 2022, the Board of Directors of Italgas, following the positive opinion of the Appointment and Remuneration Committee, appointed by cooptation Mr Qijing Shen, born in Haining, Zhejiang, China, in 1978."*

(xxx) At pages 155 and 156 of the Base Prospectus, the sub-section entitled *"Yunpeng He (Director)"*, shall be deleted in its entirety and replaced as follows:

"Qijing Shen (Director)"

Born in Haining (Zhejiang, China) in 1978. He has a Bachelor and Master Degree in Electrical Power System and its Engineering, from Zhejiang University, China. He started his career as Dispatching Engineer of Dispatching Communication Center, at Zhejiang Electric Power Company (a subsidiary of State Grid Corporation of China), then he became a Project Manager of Department of Business Development&Strategy, at State Grid International Development Co.,LTD. From 2013 to 2016 he was Deputy Director of Department of Business Development&Strategy, at State Grid International Development Co.,LTD and from 2016 to 2021 he was Director of Department of Business Development&Strategy, State Grid International Development Co., LTD. Currently, he is Board member of CDP RETI S.p.A., Terna S.p.A. and State Grid 's Chief Representative in Italy."

- (xxxii) At page 158 of the Base Prospectus, the paragraph of the table of the sub-section entitled "*Principal Activities of the Directors outside the Issuer's Group*", relating to Yunpeng He, shall be deleted in its entirety and replaced as follows:

"

| | | | |
|---------------------|------------------------|-----------------|------------------|
| <i>Qinjing Shen</i> | <i>CDP Reti S.p.A.</i> | <i>Director</i> | <i>In office</i> |
| | <i>Terna S.p.A.</i> | <i>Director</i> | <i>In office</i> |

".

- (xxxiii) At page 165 of the Base Prospectus, sub-section entitled "*Sustainability Committee*", after the table of the current member of the Issuer's board of Directors, with regard to Yunpeng He, the following note shall be added:

"⁽²⁾ *On 11 January 2022 Mr. Yunpeng He resigned from the office with effect from the date of appointment of his replacement. On 27 January 2022, the Board of Directors of Italgas appointed Mr Qinjing Shen as member of the Sustainability Committee.*"

- (xxxiiii) At page 169 of the Base Prospectus, the paragraph of the sub-section entitled "*Conflicts of Interest*" relating to Yunpeng He, together with the accompanying footnote, shall be deleted in its entirety and replaced as follows:

"Qinjing Shen, member of the Board of Directors of Italgas is also a member of the Board of Directors of CDP Reti and Terna."

- (xxxv) At page 169 of the Base Prospectus, in the paragraph of the sub-section entitled "*Conflicts of Interest*" relating to Gianfranco Amoroso, the reference to "*Isgastrantre*" shall be deleted.

- (xxxvi) At page 169 of the Base Prospectus, in the paragraph of the sub-section entitled "*Conflicts of Interest*", the sentence beginning with "*Pietro Durante, Head of Human Resources*" relating to Pietro Durante, shall be deleted in its entirety and replaced as follow:

"Pietro Durante, Head of Human Resources, is a member of the Board of Directors of Italgas Reti, Seaside and Fratelli Ceresa S.p.A."

- (xxxvii) At page 169 of the Base Prospectus, after the last paragraph of the sub-section entitled "*Conflicts of Interest*", the following paragraph shall be added:

"Marco Barra Caracciolo di Basciano is Chairman and CEO of Bludigit S.p.A."

- (xxxviii) At pages 169 and 170 of the Base Prospectus, the table of the sub-section entitled "*Managers with Strategic Responsibilities*", shall be deleted in its entirety and replaced as follows:

"

| Name | Role |
|------------------------------------|--|
| Gianfranco Amoroso | Chief Financial Officer ⁽¹⁾ |
| Alessio Minutoli | Head of Legal, Corporate and Compliance Affairs |
| Pier Lorenzo Dell'Orco | Chief Executive Officer of Italgas Reti |
| Nunziangelo Ferrulli | Head of Institutional Relations and Regulatory Affairs |
| Chiara Ganz | Head of External Relations and Sustainability |
| Raffaella Marcuccio | Head of Procurement and Material Management |
| Bruno Burigana | Chief Executive Officer of Toscana Energia |
| Pietro Durante | Chief Human Resources Officer |
| Lorenzo Romeo | Head of Corporate Strategy |
| Alessandro Menna | Chief Security Officer |
| Marco Barra Caracciolo di Basciano | Chairman and CEO at Bludigit S.p.A. |

"

(xxxviii) At page 173 of the Base Prospectus, the table relating to all the companies with share capital or partnerships in which Managers with Strategic Responsibilities are members of management, control or supervisory bodies, or holders of "qualified" equity investment (more than 3% in listed companies and 10% in unlisted companies), shall be deleted in its entirety and replaced as follows:

"

| Name | Company | Office/Stake held | Status of the office / stakeholding as at the date of this First Supplement |
|------------------------------------|--------------------|-----------------------------|--|
| Gianfranco Amoroso | Medea | Chairman | In office |
| | Seaside | Director | In office |
| | Toscana Energia | Director | In office |
| Pier Lorenzo Dell'Orco | Italgas Reti | Chief Executive Officer | In office |
| | Italgas Newco | Sole Director | |
| Nunziangelo Ferrulli | Italgas Acqua | Director | In office |
| | Italgas Reti | Chairman | In office |
| | Toscana Energia | Director | |
| Raffaella Marcuccio | Toscana Energia | Director | In office |
| | Reti Distribuzione | Director | |
| Chiara Ganz | Gesam Reti | Director | In office |
| | Gaxa | Director | In office |
| | Toscana Energia | Director | In office |
| Alessio Minutoli | Gaxa | Chairman of the BoD | In office |
| Bruno Burigana | Toscana Energia | Chief Executive Officer | In office |
| Pietro Durante | Italgas Reti | Director | In office |
| | Seaside | Director | In office |
| Lorenzo Romeo | Bludigit | Director | In office |
| | Enerpaper | Director | In office |
| Pietro Durante | Italgas Reti | Director | In office |
| | Seaside | Director | In office |
| | Fratelli Ceresa | Director | In office |
| Marco Barra Caracciolo di Basciano | Bludigit | Chairman of the BoD and CEO | In office |

"

e) REGULATORY AND LEGISLATIVE FRAMEWORK

- (i) At page 178 of the Base Prospectus, the first paragraph of the section entitled "*Regulatory and legislative framework*" shall be deleted in its entirety and replaced as follows:

"The liberalisation process of the energy market launched in Europe has been phased in over a decade with the adoption of different legislative packages which have gradually been incorporated into the legislation of the EU Member States. The gas industry has been – and still is, with specific reference to the development of renewable gas and hydrogen markets– subject to significant regulation both at European Union and national levels."

- (ii) At page 179 of the Base Prospectus, the sub-section "*Expected evolution of the European legislative framework*", shall be deleted in its entirety and replaced as follows:

"The European Commission presented on 14 July 2021 a package of 13 legislative proposals under the name of "Fit for 55", aimed at favouring the reduction of CO2 emissions by 55% at 2030, compared to 1990 values. The Package includes among other things, the amendment of the Renewable Energy Directive and the Energy Efficiency Directive, the revision of the Emission Trading Scheme and the Energy Taxation Directive and modifications to the deployment of alternative fuel infrastructures and to the Regulation setting emission performances on cars and vans. The consultation process opened by the Commission has ended and the new package has entered the legislative process which involves also the European Parliament and the Council. The enter into force of these legislative proposals, as eventually amended by the Parliament and the Council, is expected not earlier than the second half of 2022.

The European Commission published at the end of 2021 (15 December 2021) two legislative proposals on revising the Gas Directive and Gas Regulation. The proposals were prepared in the context of the European Green Deal ambition to decarbonise the EU gas sector and, more broadly, achieve climate neutrality by 2050. The proposals were anticipated by a consultation process ended on 18 June. The feedback of such consultation has been feed into the Commission's preparations of the legislative proposals. The proposals aim at paving the way for a cost-efficient decarbonisation of the existing gas sector, including how to enable and foster a market for renewable and low carbon hydrogen, allowing it to become a key component of the energy sector. They will also address how to facilitate the injection, transmission, distribution and trading of renewable and low carbon gases in the existing gas grids, in the context of the wider energy system integration. In general, the uptake of renewable gas and hydrogen is expected to rely largely on the use of existing natural gas infrastructures, including gas distribution grids, which with limited retrofit investments – mainly on network digitalisation - are able to manage variable blends of natural gas, biomethane and hydrogen. Considering the complexity of the legislative proposals, a complete evaluation of the role of gas distribution network in the decarbonization process and the related costs for adapting gas grids to renewable and low carbon gases is still ongoing at the date of this document.

Also, the European Commission published at the end of 2021(15 December 2021) a legislative proposal for dealing with the reduction of methane emissions along the whole gas value chain, including the gas distribution activities. Again, the forthcoming legislation has been anticipated by a formal consultation process with the Commission's stakeholders. The results of this consultation and the conclusions of the European Commission generated a comprehensive and detailed proposal of Regulation. In this document, the general obligation to make every effort to reduce methane emissions goes hand in hand with the indication to the competent authorities to include all costs related to the implementation of the Regulation in the tariffs structure for regulated activities. The document also establishes that Member States must identify a competent authority to supervise the application of the Regulation and provides indications about specific Measure, Reporting and Verification (MRV) and Leaks Detection And Reduction (LDAR) procedures and obligations. While

Italgas thinks it has adopted the Best Available Technologies (BAT) for tackling methane emissions, the organizational and economic implications of this piece legislation need to be further assessed at the date of this document.

Finally, the European Commission published at the end of 2021 (15 December 2021) a legislative proposal for the revision of the Emission Performance of Building Directive. This document aims at increasing the level of efficiency and boosting the sustainability of the building sector, considered as one of the most relevant for achieving the envisaged GHG emissions reduction (zero-emission new buildings in 2030 and as of 2027 for public buildings). Relevant measures aim at fostering a higher insulation and favoring the use of more efficient technologies for H&C, both in the public and in the private sector, and to push in the renovation rate of the existing building stock.

The last three documents are still under further definition, following a “call for feedback” launched by the Commission, presumably ending on 9 March 2022 (the deadline is still floating). They will enter the legislative process with the Parliament and the Council not earlier than March 2022. The end of this legislative process is expected not earlier than the first Quarter of 2023.”.

f) REGULATORY - TARIFFS

- (i) At page 187 of the Base Prospectus, the paragraph of sub-section "*Regulatory – Tariffs*" beginning with "*The following are the primary tariff*", shall be deleted in its entirety and replaced as follows:

"The following are the primary tariff components for the business of the Issuer, based on the regulatory framework in force.

| | |
|---|---|
| End of TARIFF regulatory period | End of the first half-period: 31 December 2022 End of the second half-period: 31 December 2025 |
| Calculation of net invested capital recognised for regulatory purposes (RAB) | Reevaluated historical cost Parametric method for centralised assets |
| Return on net invested capital recognised for regulatory purposes (real pre-tax WACC) | Distribution and Metering 6.3% (year 2020-2021) 5.6% (year 2022) |
| Incentives on new investments | Remuneration of investment year t-1 for time lag recognition |
| Efficiency factor (X FACTOR) | 3.53% on distribution operating costs 1.57% on commercialization operating costs 0% on metering operating costs |

".

- (ii) At page 188 of the Base Prospectus, the second bullet point of sub-section "*Gas Distribution Tariffs for the fifth regulatory period: general provisions*", shall be deleted in its entirety and replaced as follows:

"• the base return rate (WACC) of net invested capital (RAB) is set at 6.3% for 2020 and 2021 in real terms before taxes both for the distribution service and metering service;".

- (iii) At page 190 of the Base Prospectus, the sub-section "*Recent developments in Gas Distribution Tariffs*", shall be deleted in its entirety and replaced as follows:

"With Resolution no. 583/2015/R/com, published on 2 December 2015, as amended by Resolution no. 570/2019/R/gas, ARERA issued the criteria to calculate and update the base return rate (WACC) for the gas and electricity regulated businesses for the period ranging from 1 January 2016 to 31 December 2021. For the years 2016, 2017 and 2018 the base return rate (WACC) is set at 6.1% for distribution business and 6.6% for metering business. For 2019 WACC is set at 6.3% for distribution business and 6.8% for metering business. For 2020 and 2021 WACC is set at 6.3% for distribution business and metering business, as ARERA deemed necessary to align the parameter reflecting the systemic risk of the metering and distribution activities.

With Resolution 614/2021, as a result of the consultation process launched with DCO no. 308/2021 and DCO 488/2020, approved the criteria for estimating and updating the rate of return on invested capital for infrastructure services in the electricity and gas sectors for the second regulatory period starting on 1 January 2022 (TIWACC 2022-2027). The 2PWACC is divided into two sub-periods, each lasting three years (interim review) with a possible trigger mechanism whereby WACC could be revised also annually (for the first three years) if the cumulative impact on the WACC from updating the main parameters is above a threshold of 50 bps. The Authority introduced changes in the methodology in particular regarding the cost of debt and the risk free rate. For 2022 WACC is set at 5.6%, for gas distribution and measuring business.

With Resolution no. 106/2020/R/gas, published on 3 April 2020, the ARERA has redetermined the reference tariffs for gas distribution and metering services for the years 2009-2018, based on the data correction requests by some distribution companies. The Resolution also redetermined the reference tariffs for distribution and metering services for the year 2018 for municipalities with the year of first supply starting from 2017, based on the provisions of Resolution no. 570/2019/R/gas.

With Resolution no. 116/2020/R/com, published on 3 April 2020, the ARERA has set out temporary exceptions to the credit recovery discipline applicable to users of gas distribution network. Among all measures introduced, the most relevant one relates to the exclusion of the credit enforcement mechanism (e.g. surety enforcement, formal notice, contract termination) once the level of total invoiced in April is paid in due time and for the minimum threshold of 80%.

With Resolution no. 117/2021/R/gas, published on 23 March 2021, the ARERA has approved the definitive reference tariffs for the distribution and metering services for 2020.

With Resolution no. 122/2021/R/gas, published on 29 March 2021, the ARERA has approved the provisional reference tariffs for natural gas distribution and metering services for 2021.

With Resolution no. 559/2021/R/gas, published on 13 December 2021, the ARERA has determined the amount for the recovery of non-depreciation (IRMA) of traditional G4 and G6 meters replaced with smart meters in application of the smart meter directives. The Resolution has also redetermined the reference tariffs from 2015 to 2020, in application of the new provisions relating to the methods for declaring the decommissioning of traditional G4 and G6 meters replaced with smart meters (regulatory FIFO).

With Resolution no. 620/2021/R/gas, published on 29 December 2021, the ARERA has approved the mandatory tariffs for natural gas distribution and metering services for 2022. The Resolution provided an adjustment in the allowed operating costs, setting it at 0.9%, reflecting cost variations arising from changes in the tax framework regulatory following the entry into force, from 1 January 2021, of the provisions on the single capital concession fee.

With Resolution no. 634/2021/R/gas, published on 29 December 2021, the ARERA has postponed the publication of the provisional reference tariffs for year t to 30 April of year t and the publication of the definitive reference tariffs for year t to 31 March of year t+1."

* * *

GENERAL INFORMATION

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

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

Copies of the Base Prospectus, this First Supplement and all documents incorporated by reference in the Base Prospectus can be obtained from the registered offices of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg and are available on the website of the Luxembourg Stock Exchange at *www.bourse.lu* and on the following dedicated section the Issuer's website from <https://www.italgas.it/investitori/debito-e-rating/programma-emptn/>.