Alpiq Holding AG

CHF 220,000,000 3.125% Bonds 2023 – 2027 (the "**Tranche A**")
CHF 155,000,000 3.375% Bonds 2023 – 2030 (the "**Tranche B**")

(Tranche A and Tranche B together, the "**Bonds**")

Issuer's Name and registered office:	Alpiq Holding AG, Chemin de Mornex 10, 1003 Lausanne, Switzerland (the "**Issuer**" or "**Alpiq**").
Interest Rate:	Tranche A: 3.125% p.a., payable annually in arrears on 29 April, for the first time on 29 April 2024 (long first interest period). Tranche B: 3.375% p.a., payable annually in arrears on 29 April, for the first time on 29 April 2024 (long first interest period).
Issue Price:	The Joint Lead Managers have purchased the Tranche A at the price of 100.434% of the aggregate nominal amount (before commissions) and the Tranche B at the price of 100.263% of the aggregate nominal amount (before commissions).
Placement Price:	The Placement Price of the Bonds will be fixed in accordance with supply and demand.
Payment Date:	29 March 2023 (for both tranches)
Maturity Date:	Tranche A: 29 April 2027, redemption at par. Tranche B: 29 April 2030, 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 and multiples thereof.
Form of the Bonds:	The Bonds will be issued as uncertificated securities (*einfache Wertrechte*) in accordance with article 973c of the Swiss Code of Obligations, which will be registered in the main register (*Hauptregister*) 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 (*Globalurkunde*) or individually certificated securities (*Wertpapiere*).
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 27 March 2023. The last trading date is expected to be the date falling two SIX Swiss Exchange trading days 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, Switzerland.
Selling Restrictions:	In particular U.S.A., U.S. persons, European Economic Area and United Kingdom
Security Number/ ISIN/Common Code:	Tranche A: 125.103.012 / CH1251030123 / 259607736 Tranche B: 125.103.013 / CH1251030131 / 259631700

UBS Investment Bank **BNP Paribas (Suisse) SA**

together the "**Joint Lead Managers**"

Prospectus dated 27 March 2023

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 ____________.

The Issuer is relying on article 51(2) of the FinSA as described on page 2 of this Prospectus under "Important Information".

IMPORTANT INFORMATION

The Issuer is relying on article 51(2) of the Swiss Financial Services Act of 15 June 2018 (the "FinSA"). Accordingly, in accordance with article 40(5) of the FinSA, prospective investors in the Bonds are hereby notified that this prospectus (the "Prospectus") has not been reviewed or approved by a competent Swiss review body pursuant to article 52 of the FinSA. The Prospectus will be submitted to SIX Exchange Regulation Ltd in its capacity as Swiss review body pursuant to article 52 of the FinSA (the "Review Body") for review only after completion of the offering of the Bonds.

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 Joint Lead Managers

The Joint Lead Managers have 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 Joint Lead Managers 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 Joint Lead Managers accept no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Joint Lead Managers or on their behalf in connection with the Issuer or the issuance, offering and admission to trading or listing of the Bonds. The Joint Lead Managers accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) that they might otherwise have in respect of this Prospectus or any such statement.

The Joint Lead Managers and certain of their 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 they have received and will receive customary fees and reimbursement of expenses.

Furthermore, in the ordinary course of their business activities, the Joint Lead Managers and their 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 their own account and for the accounts of their 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 Joint Lead Managers and their 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 their own account or for the account of their 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 (*Aktiengesellschaft*) 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	Tranche A: CHF 220,000,000.00 Tranche B: CHF 155,000,000.00
Payment Date	29 March 2023 (for both tranches)
Maturity Date	Tranche A: 29 April 2027, redemption at par Tranche B: 29 April 2030, redemption at par
Interest Rate and Interest Payment Dates	Tranche A: The Bonds bear interest at a fixed rate of 3.125% p.a., payable annually in arrears on 29 April of each year, first interest payment on 29 April 2024 (long first interest period). Tranche B: The Bonds bear interest at a fixed rate of 3.375% p.a., payable annually in arrears on 29 April of each year, first interest payment on 29 April 2024 (long first interest period).
Denomination	CHF 5,000 nominal and multiples thereof.
Status	Senior unsecured debt
Form of the Bonds	The Bonds will be issued as uncertificated securities (*einfache Wertrechte*) in accordance with article 973c of the Swiss Code of Obligations, which will be registered in the main register (*Hauptregister*) 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 (*Globalurkunde*) or individually certificated securities (*Wertpapiere*).
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, Switzerland.

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	Tranche A: 100.434% of the aggregate nominal amount of the Bonds (before commissions)
	Tranche B: 100.263% 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 220,319,400.00 (Tranche A) and CHF 154,878,050.00 (Tranche B) (the "**Net Proceeds**") will be used by the Issuer for its corporate purposes, including but not limited for refinancing purposes.
Swiss Security Number	Tranche A: 125.103.012
	Tranche B: 125.103.013
ISIN	Tranche A: CH1251030123
	Tranche B: CH1251030131
Common Code	Tranche A: 259607736
	Tranche B: 259631700
Selling Restrictions	In particular U.S.A., U.S. persons, European Economic Area and United Kingdom
Joint Lead Managers	UBS AG and BNP Paribas (Suisse) SA

D. Information on the Admission to Trading and Listing

Swiss Trading Venue	SIX Swiss Exchange
Admission to Trading and Listing	The Bonds have been provisionally admitted to trading on the SIX Swiss Exchange as of 27 March 2023. The last trading day of the Bond is expected to be the date falling two SIX Swiss Exchange trading days prior to the Maturity Date.
	Listing will be applied for in accordance with the standard for Bonds of the SIX Swiss Exchange.

E. Information on Prospectus Approval

Swiss Review Body	SIX Exchange Regulation Ltd, Hardturmstrasse 201, 8005 Zurich, Switzerland.
Submission for Approval	The Issuer is relying on article 51(2) of the FinSA. Accordingly, in accordance with article 40(5) of the FinSA, prospective investors in the Bonds are hereby notified that this Prospectus has not been reviewed or approved by a competent Swiss review body pursuant to article 52 of the FinSA. The Prospectus will be submitted to the Review Body for review only after completion of the offering of the Bonds.
Prospectus Date and Approval	This Prospectus is dated 27 March 2023, and has been approved by the Swiss Review Body on the date appearing on the cover page of this Prospectus.
	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.

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 Joint 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 Joint 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 Joint 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 8 May 2023 (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 Joint 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 said Joint Lead Managers have agreed that, at or prior to confirmation of sale of the Bonds, they 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, 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 (i) as part of their distribution at any time and (ii) otherwise acquired until 8 May 2023 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) Each of the Joint Lead Managers 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**"), each Joint Lead Manager represents and agrees, that it has not made and will not make an offer 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**"; or

(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 relevant Joint Lead Manager(s) nominated by the Issuer for any such offer; 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 any Joint 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**"), each Joint Lead Manager represents and agrees that it has not made and will not make an offer of the 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**"); or

(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 relevant Joint Lead Manager(s) nominated by the Issuer for any such offer; 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 any Joint 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.

For the purposes of this provision, the expression an "offer of Bonds to the public" in relation to any Bonds in the UK 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.

Each of the Issuer and each Joint Lead Manager represents and agrees that:

(i) Financial Promotion: 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; and

(ii) General Compliance: 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.

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, in reliance on article 69(3) FinSA, 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 Joint Lead Managers 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 Joint Lead Managers 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.

TABLE OF CONTENTS

Important Information 2
Summary 3
Selling Restrictions 5
Forward Looking Statements 7
Table of Contents 8
Risk Factors 9
General Information 17
Information on the Bonds 18
Information on the Issuer 20
Taxation 26
Responsibility Statement 28
Terms of the Bonds – Tranche A 29
Terms of the Bonds – Tranche B 35

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.

Risks relating to the Issuer and its Business

FINANCIAL AND ENERGY MARKET RISK

Market price risk

Alpiq owns and operates electricity generation plants both in Switzerland and within the EU and purchases and supplies energy from and to counterparties in key markets. Alpiq also engages in energy derivatives trading. 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 mitigated to the extent possible and reasonable with 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 external events (see "Risk Factors – Risks relating to the Issuer and its Business" – "External Events"), 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 (see "Risk Factors – Risks relating to the Issuer and its Business" – "Liquidity Risk"). These trading markets may be subject to unforeseen price fluctuations.

– 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 2022, the duration of the outstanding bonds was less than three 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.

– Alpiq’s hedging strategy for the Swiss investments in hydro and nuclear energy long exposure is aimed at optimizing the risk-return ratio considering energy price, credit and liquidity risks. Hedging also takes into account unfavorable water inflows and power plant outages. However, the hedge ratio falls below 100% from the theoretically available volumes. The open spot volumes act as a reserve for the potential replacement costs in case of an outage. If the market price falls below the production costs for the non-hedged part, the power will be sold at a loss

– Capital markets directly influence the performance of the nuclear decommissioning and waste disposal fund (STENFO). Underperformance may lead to additional funding obligations.

Sustained adverse changes in electricity or commodity prices, capital markets, exchange rates against CHF or unfavourable changes in interest rates 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 2022, p. 76 (Note 3.1 Financial risk management – Market risk – Sensitivity analysis).

Counterparty risk

There is a risk that one or more counterparties may be unable to meet their payment, netting, 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.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations when due, i.e., the need to settle its cash obligations arising from 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. Liquidity risk is also imposed due to margin agreements which are commonly used on energy commodity exchanges and among energy traders to cover the exposure created by the difference between the market price and contractually fixed price. 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. In addition, in many cases both Alpiq and its counterparties have the contractual right to replace cash collaterals with a bank guarantee at short notice, and vice versa which in return may reflected in an increase in liquidity risk. 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. If such 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.

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.

Unexpected swings of net working capital (NWC) excluding margin calls, represent another form of liquidity risk which depend on market prices (impacting the settlement prices), the payment terms (especially the timing difference of payment terms between receivables and payables) and the nature of products (OTC with/without collaterals, exchange-traded). Such NWC swings 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.

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 entity.

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 Issuer'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 OF TECHNOLOGY AND PROCESS FAILURE

Power Plant Failure

The Group owns and/or operates a wide range of nuclear, hydro, gas, wind and solar photovoltaic power plants in Switzerland and within the EU. There is a risk that Group entities may not be able to meet their energy delivery obligations in full or at all in the event of an interruption, power plant outage, blackout or a widespread network incident of considerable scale and may have to procure replacements on the market at higher prices.

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, which would also result in loss of generation capacity.

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 replacement energy, could have a material adverse effect on Alpiq's business, cash flows, results of operations, financial condition or prospects. Such events may also have a material adverse effect on Alpiq’s reputation with its customers and stakeholders, in particular if the interruption, power plant outage, blackout or widespread network incident of considerable scale were to be to any extent attributable to the Group.

Outages in power transmission grids

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.

Risks in project development and construction

The Group’s activities include the development and construction of new power generation projects. Power plant projects are complex, resource-intensive and time-consuming. Project development and construction of power plants include significant risks such as difficulties in obtaining required licenses and permits, shortage of materials or skilled labour, unforeseen engineering, environmental or geological problems, work stoppages, litigation, adverse meteorological conditions, unforeseen increase in cost, difficulties with local communities, activist actions, any of which can lead to cost overruns, delays and/or reputational damage. The associated risks can have a material negative impact on Alpiq's business, cash flows, results of operations, financial condition or prospects.

Specific Nuclear Power Plant Risk

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.

Lack of control in partnership 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 2022, p. 93 (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.

IT and Cyber Security

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

Alpiq is also exposed to cyber security risks. These include hacking attacks, phishing attacks and the injection of malware. Cyber-attacks can have a significant negative impact on operations of the IT infrastructure of individual units or the Group as a whole and result in considerable costs as well as reputational damage and negative legal consequences if it is found that the Group’s cyber protection measure were not adequate or sufficient.

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

Partners and Vendors (Supply)

Alpiq's business is dependent on various partners and suppliers who provide specific services in the form of knowledge, advice, operation and maintenance as well as the supply of spare parts. Any disruption in performance on their part could have a material adverse effect on Alpiq's business, cash flows, results of operations, financial condition or prospects.

Industrial Safety and Environmental Liability

At the facilities operated by Alpiq and its partners incidents may occur that could have an impact on the environment as well as the health and safety of its personnel. Depending on the size of the incident, people and property in the surrounding vicinity may also be affected.

While as part of its regular policies and procedures Alpiq has taken measures to eliminate or reduce the likelihood of such incidents to occur, controls put in place may not always be fully effective. In case of an incident caused by Alpiq or its Group companies third parties affected by pollution or contamination may therefore seek damages from Alpiq and its Group companies, which could have a detrimental effect on Alpiq’s business operations, financial results or reputation. In addition, governmental authorities may impose on Alpiq fines or other administrative sanctions.

EXTERNAL EVENTS

Natural disasters

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 and/or lead to significant costs. 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 addition, significant climatic changes (such as droughts) could affect Alpiq's activities, including in particular the performance of hydro, nuclear, gas, wind and solar photovoltaic power plants. In the event of a natural disaster, Alpiq can incur significant additional costs related to the repair of the damage caused and 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.

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.

Pandemics

Alpiq is subject to the risk that any future pandemics can cause economic and social disruption on a global scale and as a result disrupt energy markets. The materially adverse effect on businesses can be:

- Supply chain disruptions: Pandemics can disrupt global supply chains, as countries may impose border closures, quarantines, and restrictions on the movement of goods and people. This can result in shortages of energy supply, as well as delays in production and delivery.
- Decreased demand: Pandemics can lead to a decrease in consumer demand, which in turn can result in lower overall energy consumption.
- Workforce disruptions: Pandemics can lead to disruptions in the workforce, as employees may fall ill, be required to self-quarantine, or have to care for family members. This can result in reduced productivity, increased absenteeism, and the need for businesses to find replacements or adjust their operations.
- Reduced investment: Pandemics can create uncertainty and instability, which can lead to reduced investment and decreased capital for businesses.

Any of the aforementioned events could have a material adverse effect on Alpiq's business, cash flows, results of operations, financial condition or prospects and long-term viability.

STRATEGY AND BUSINESS RISKS

Political, legal and regulatory risks

Switzerland had been negotiating a bilateral treaty in the electricity sector with the EU since 2007. 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 reached a dead end. An electricity agreement between Switzerland and the EU would facilitate the marketing of the Group's production capacities across borders. Without appropriate agreements in place, third countries are excluded from participating in EU trading platforms. This means for Switzerland *inter alia*, that its access to intra-day trading, day-ahead trading and balancing platforms are currently negatively affected and Alpiq can no longer participate on an equal basis in various market platforms. Furthermore, 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.

In 2022 the exceptional confluence of one-off events (i.e. post-Covid economic rebound leading to higher demand for gas in Asia and Europe, intervention into the gas market by Russia and poor availability of nuclear plants in France) resulted in an important increase in energy prices and volatility which led in turn to substantial margin calls. Against this background the Swiss and European authorities took a number of urgent regulatory measures. In Switzerland, various discussions are taking place on a legislative level regarding potential compulsory regulations on minimum liquidity and equity and business continuity management requirements for system-critical undertakings, with potentially limiting effects on the affected companies. The recent market turmoil has led to increased activities by the legislator and the regulator in general, which might also impact the ongoing parliamentary debate on the long-term market design (revision of Electricity Supply Act and Energy Act) and Alpiq’s business in Switzerland. Specific market design considerations that are currently discussed on the EU level could also spill over to Switzerland. By reference to the recent energy crisis, in the event of a power shortage and coming into action of OSTRAL (if a shortfall of supply were to prevail for a longer period of time), there is a fairly high degree of uncertainty regarding the economic consequences. This applies in particular to the last resort case of supply steering (“*Angebotslenkung*”), where the impact on Alpiq is hard to predict. In the EU, the European Commission authorized member states to take short term measures ranging from clawing back excessive profits made by infra-marginal plants, to regulating the input price of gas of gas-fired power plants, through the capping the price of power and gas on wholesale markets. While most of these measures are due to expire by the end of 2023, the European Commission recently launched a consultation on the envisaged regulatory changes to the existing market design. These changes could institutionalize these short-term measures, allow member states to run contract-for-difference auctions for publicly funded new low-marginal technology projects as well as ease the provision of collateral for margining purposes.

The energy market is a highly regulated market and regulatory changes may have a negative impact on the business activities of the Group. In particular, 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. The envisaged changes to the existing EU market design are likely to increase the level of regulatory fragmentation at the level of member states.

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.

Uncertain or recessionary economic situation

An economic downturn is likely to lead to reduced demand for electricity and thus cause a price collapse. This in turn can lead to 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 in Switzerland and abroad may negatively impact 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 and through borrowing funds on the credit market. Alpiq is therefore reliant on unrestricted access to the capital markets as well as access to secured or unsecured bank guarantee or credit lines at commercially reasonable rates in order to be able to cover its capital requirements at all times. For instance, as at 31 December 2022, Alpiq accounted current financial liabilities of CHF 651 million, which have to be repaid out of operational cash flow and/or refinanced in the course of 2023 (see also Alpiq Annual Report, pp. 85 (Note 3.4 Financial liabilities).

There is a risk that unrestricted access to the capital markets or credit 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.

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.

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.

Risks 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:

- the creditworthiness of the Issuer and, in particular its results of operations, financial condition and liquidity profile;
- supply and demand for the Bonds, including inventory with any securities dealer; and
- 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.

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 institutions involved in the issuance and offering of the Bonds are banks, which directly or indirectly have 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 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 following 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 2022.

Availability of Documents

Copies of this Prospectus (and of the documents incorporated by reference see the preceding section) 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 in this Prospectus are also available on the website of the Issuer www.alpiq.com/alpiq-group/investor-relations and www.alpiq.com/alpiq-group/about-alpiq/publications.

Prospectus

This Prospectus is available in English language only and provides information about the Issuer and the 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 Joint Lead Managers. 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.

This Prospectus does not, and is not intended to, constitute or contain an offer or invitation to sell, and it is not soliciting offers to buy, Bonds in any jurisdiction where such offer or sale is not permitted.

INFORMATION ON THE BONDS

Authorisation

Pursuant to a resolution of the Board of Directors of the Issuer dated 22 February 2023 and the Bond Purchase and Paying Agency Agreement dated 27 March 2023 between the Issuer on one side and UBS AG, acting through its business division UBS Investment Bank ("**UBS AG**") and BNP Paribas (Suisse) SA (together with UBS AG the "**Joint Lead Managers**") on the other side, the Issuer has decided to issue the following Bonds:

- CHF 220,000,000 3.125% fixed rate Bonds 2023 – 2027 ("**Tranche A**")
- CHF 155,000,000 3.375% fixed rate Bonds 2023 – 2030 ("**Tranche B**")

Use of Net Proceeds

The net proceeds of the Bonds, being the amount of CHF 220,319,400.00 (Tranche A) and CHF 154,878,050.00 (Tranche B) (the "**Net Proceeds**") will be used by the Issuer for its corporate purposes, including but not limited for refinancing purposes. None of the Joint Lead Managers shall have any responsibility for, or be obliged to concern itself with, the application of the Net Proceeds of the Bonds.

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 and Placement Price

The issue price of the Bonds has been set at 100.434% of the principal amount (Tranche A) and 100.263% of the principal amount (Tranche B), in each case 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:

Tranche	Swiss Security Number	ISIN	Common Code
A	125.103.012	CH1251030123	259607736
B	125.103.013	CH1251030131	259631700

Transferability / Tradability

No restrictions. For certain selling restrictions with respect to the Bonds, see "Selling Restrictions".

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 accordance with Condition 9 of the Terms of the Bonds.

The publication organ of the Issuer is the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*).

Information on the Admission to Trading and Listing

The Bonds have been provisionally admitted to trading on the SIX Swiss Exchange as of 27 March 2023. The last trading day is expected to be the date falling two SIX Swiss Exchange trading days prior to the Maturity Date.

Listing will be applied for in accordance with the standard for Bonds of the SIX Swiss Exchange.

Representation

In accordance with Article 58a of the Listing Rules of the SIX Swiss Exchange, the Issuer has appointed UBS AG to file the application with SIX Exchange Regulation Ltd in its capacity as competent authority for the admission to trading (including the provisional admission to trading) and listing of the Bonds on the SIX Swiss Exchange.

General Information

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, Business 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.

Substitution of the Issuer

A substitution of the Issuer is permissible without the consent of the Bondholders subject to and in accordance with Condition 8 of the Terms of the Bonds.

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
Lukas Gresnigt	Head International
Navin Parasram	Head Trading

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, Regulation and Prospects

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 66 fully consolidated direct or indirect subsidiaries. In addition, Alpiq holds 34 equity-accounted investments in associates and joint ventures as well as 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 CO_2-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 that contribute to the security of supply. 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 in order to strengthen the core business, improve its competitiveness and efficiency as well as to open up related business opportunities.

It has around 1,200 employees.

Alpiq's business is organised into three business divisions "Switzerland", "International" and "Trading". They are supported by group headquarter functions such as Finance, HR, Communication and IT, 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 Trading as well as the CFO are part of the executive management board, which is led and headed by the CEO.

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

In 2022, the Group generated a net revenue (before exceptional items) of CHF 14,861 million, an EBITDA (before exceptional items) of 473 million and an EBIT (IFRS) of CHF 249 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. The business division also includes the Swiss Origination activities for Swiss utilities (B2B).

As per 31 December 2022, the business division Switzerland managed 4,157 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 72% of its annual production from power plants installed in Switzerland. In 2022, the output of Alpiq's generation of business division Switzerland portfolio was approximately 11,937 gigawatt hours (GWh). The table below shows a break-down of Alpiq's generation assets:

	Installed capacity (MW, as per 31.12.2022)	*Annual production in 2022 (GWh)*
Hydro power generation	3,326	5,380
Nuclear power generation	831	6,557

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 3,326 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 2022, the installed capacity of Alpiq's nuclear assets amounted to 831 MW.

In 2022, the business division Switzerland generated a net revenue of CHF 721 million, an EBITDA (before exceptional items) of CHF 3 million and an EBIT (IFRS) of CHF -56 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 2022, the output was approximately 5,513 gigawatt hours (GWh). The output of Alpiq's international power generation units contributed 32% to the Group-wide power production. The breakdown of Alpiq's international power production is in the chart below:

	Installed capacity (MW, as per 31.12.2022)	*Annual production in 2022 (GWh)*
Fossil fuel power generation	1,308	4,997
Renewable Energy Sources	329	516
- thereof in Switzerland	19	52

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 2022, the installed production capacity of Alpiq's international thermal assets amounted to 1,308 MW.

The business division also includes the European Sales and Origination activities 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.

About 94% of Alpiq's renewable energy assets (other than hydro power plants) are located outside Switzerland. In 2022, the installed capacity of these assets amounted to 310 MW. The power production units are located in Italy, Bulgaria and France. On 10 February 2023, Alpiq signed a contract to sell its Vetrocom wind farm in Bulgaria, including the subsidiaries Alpiq Wind Services and Alpiq Energia Bulgaria. The closing is expected to take place in 4-6 months and is subject to closing conditions.

In 2022, the business division International generated a net revenue of CHF 8,419 million, an EBITDA (before exceptional items) of CHF 134 million and an EBIT (IFRS) of CHF -76 million.

Trading

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 Trading business division hedges electricity produced by Alpiq's plants on the European electricity trading market. Furthermore, it also comprises the international energy trading activities (Merchant Trading). 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

Swiss parliament started the discussion on the revision of the electricity supply act ("**StromVG**") and the energy law ("**EnG**") in 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 will most likely be set on further strengthening security of supply with subsidy measures for hydro power (existing and new built) as well as for new renewables. As for the latter, the Parl. Iv. Girod already led to significant improvements in the subsidy schemes for hydro and new renewables. Furthermore, temporary laws have been introduced to implement a fast-track alpine solar build out. The same is currently discussed for wind projects. It this context it is to be noted that the current regulation on water tax for hydropower production with maximum taxation of water use of CHF 110/kW (≈ 1.5 Rp./kWh) is currently not under discussion and remains therefore valid until 2030.

In light of the recent price spikes, it cannot be ruled out that interventionist measures taken the EU and its member states (see below) might spill over to Switzerland, even though the debate in Switzerland has been less fierce so far, as Swiss households and SMEs are subject to regulated tariffs and thus less exposed to price volatility and supplier default.

As a result of the missing EU-CH treaty on electricity, market participants with cross border trading activities such as Alpiq are facing a limited access to the EU electricity market. Eroding access to current market platforms such as balancing energy platforms or the exclusion of future platforms seems likely. Furthermore, the Swiss TSO expects volatile and hard to predict cross-border capacities (NTC) so that cross-border exchange will be at risk.

Gas market in Switzerland is to be partially liberalized through corresponding legal basis (GasVG); the timeline for implementation remains unclear. Meanwhile, the gas market liberalization is on-going based on competition rulings by WEKO. However, effective competition remains limited until regulation for market access and balancing is granted through GasVG.

In December 2022 the public consultation on the federal law on supervision and transparency in the wholesale energy markets (GATE) was launched as the Swiss equivalent to the EU regulation REMIT. Companies with cross-border trading activities such as Alpiq are already subject to extensive reporting obligations also in Switzerland so that the impact of GATE on the existing reporting should be limited. In addition, discussions are taking place on a legislative level regarding potential compulsory regulations on minimum liquidity and equity requirements for system-critical companies as well as business continuity management provisions for such companies. These discussions are at a very early stage and the potential outcome is unclear.

Regulation European Union

The EU is currently implementing the Clean Energy Package (CEP), 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 1) sharpen price signals in spot and balancing markets in order to incentivize the use of flexible assets, 2) improve the integration of RES, by making more cross-zonal capacity available to commercial flows (minimum 70% threshold rule) and 3) enhance the role of decentralized assets (especially demand response) in retail markets.

The European Commission launched the Green Deal (GD) initiative, which 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 most impactful measures concern the revision of the carbon pricing legislation, which will strengthen over the long haul the price of carbon allowances (EUAs) and increase the taxation of polluting activities not covered by the EU Emission Trading Scheme. As a result, the decarbonisation of transport and buildings is expected to lead to substantial electrification: new carbon emission performance standards, increase in charging points combined with a harmonization of national taxes on transport fuels and heating/cooling should incentivize investments in electrification.

More recently, following the crisis of energy markets triggered by post-covid recovery, the war in Ukraine and the poor availability of French nuclear power plants, the European Commission authorized member states to take short term measures ranging from clawing back excessive profits made by infra-marginal plants, to regulating the input price of gas of gas-fired power plants, through the capping of the price of power and gas on wholesale markets. While most of these measures are due to expire by the end of 2023, the European Commission recently initiated a consultation process on the envisaged regulatory changes to the existing market design. These changes could institutionalize these short-term measures, allow member states to run contract-for-difference auctions for publicly funded new low-marginal technology projects as well as ease the provision of collateral for margining purposes.

Recent developments and Main Business Prospects

During 2022, Alpiq continued implementing extensive measures to increase its liquidity. On the one hand, these related to the energy business in order to increase short-term internal financing, on the other, Alpiq arranged additional credit and guarantee lines with banks. Furthermore, Alpiq was able to issue two new bonds in the total amount of CHF 450 million. These measures improved Alpiq's financial headroom at 31 December 2022 and its resilience to future market developments.

Alpiq's financial headroom comprises the available liquidity and the committed credit lines (see Alpiq Annual Report 2022, p. 69-70 (3.1 Financial risk management – Capital management). The necessary financial headroom is determined on an ongoing basis using scenario calculations by Alpiq's Risk Management. Furthermore, Alpiq closely monitors its compliance with financial covenants. Based on this, additional measures are decided when necessary. At the reporting date, there were current financial liabilities of CHF 651 million that have to be refinanced over the next 12 months.

The war in the Ukraine and sanctions imposed due to it are having far-reaching effects on the macroeconomic environment of many industries and thus also on Alpiq. The market and price situation continues to be difficult to predict. The volatile and high energy prices are causing fluctuations in the financial security deposits that have to be made at the energy exchanges. The counterparty risk of Alpiq has increased because the counterparties could run into financial difficulties. This could impact the financial position, financial performance and cash flows of Alpiq in 2023. Alpiq identifies the risks, carefully observes developments and takes appropriate measures in order to reduce the risks as far as possible.

There is still fundamental uncertainty regarding the further development of market prices. With all the measures already implemented and still ongoing in the area of internal and external financing, Alpiq considers its liquidity and ability to continue as a going concern to be secure.

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; please see also Alpiq Annual Report 2022, p. 101-102 (Note 4.8 Contingent liabilities and guarantees).

<u>Capital</u>

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 2022, p. 85-86 (Note 3.4 Financial liabilities – Bonds outstanding at the reporting date) and p. 88 (Note 3.6 Equity – Hybrid capital).

Financing

For information on credit agreements, shareholder loans and liquidity situation, please see Alpiq Annual Report 2022, pp. 69-70 (Note 3.1 Financial risk management – Capital management), p. 85-86 (Note 3.5 Financial liabilities – Bonds outstanding at the reporting date) and p. 88 (Note 3.6 Equity – Hybrid capital).

Own equity securities

The Issuer does not hold any of its own shares.

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 2022, which would materially affect its ability to carry out its obligations under the Bonds.

TAXATION

The following is a summary of certain tax implications under the laws of Switzerland as they may affect investors. It applies only to persons who are beneficial owners of Bonds and may not apply to certain classes of persons. The Issuer makes no representations as to the completeness of the information nor undertakes any liability of whatsoever nature for the tax implications for investors. Potential investors are strongly advised to consult their own professional advisers in light of their particular circumstances.

Swiss Federal Withholding Tax

Payments by the Issuer on the Bonds, which classify as interest will be subject to Swiss federal withholding tax (*Verrechnungssteuer*) at a rate of 35%.

A holder of a Bond who is (i) an individual resident in Switzerland and who holds the Bond as private asset and who duly reports the gross amount of the taxable payment in his or her tax return, (ii) a Swiss resident legal entity or (iii) a Swiss resident individual holding the Bond as business assets or (iv) a foreign resident legal entity or individual who holds the Bond through a permanent establishment in Switzerland to which such Bond is attributable and in each case who includes such payment as earnings in its income statement, and who in each case is the beneficial owner of the taxable payment, is entitled to a full refund of the Swiss withholding tax, provided certain other conditions are met.

A holder of a Bond who is resident outside Switzerland and who during the taxation year has not engaged in a trade or business carried on through a permanent establishment in Switzerland to which such Bond is attributable may be able to claim a full or partial refund of the Swiss withholding tax by virtue of the provisions of a double taxation treaty, if any, between Switzerland and his or her country of residence.

Swiss Federal Securities Turnover Tax

The issue and the sale/purchase of a Bond on the issuance day (primary market transaction) are not subject to Swiss federal securities turnover tax (*Umsatzabgabe*). Secondary market dealings in Bonds are in principle subject to the Swiss federal securities turnover tax at a rate of up to 0.15% of the purchase price of the Bonds, however, only if a securities dealer in Switzerland or Liechtenstein, as defined in the Swiss Federal Stamp Duty Act (*Bundesgesetz über die Stempelabgaben*), is a party or acts as an intermediary to the transaction and no exemption applies.

Income Taxation on Principal or Interest

a) Bonds Held by Non-Swiss Holders

Payments of interest and repayment of principal by the Issuer to, and gain realized on the sale or tender of Bonds by, a holder of Bonds who is not a resident of Switzerland and who during the current taxation year has not engaged in a trade or business through a permanent establishment in Switzerland to which such Bond is attributable will not be subject to any Swiss federal, cantonal or communal income tax in respect of such Bond.

b) Bonds Held as Private Assets by a Swiss Resident Holder

Individuals who are resident in Switzerland and who hold Bonds as private assets are required to include all payments of interest on such Bonds in their personal income tax return for the relevant tax period and will be taxable on any taxable income for such tax period.

In principle a capital gain, including a gain relating to interest accrued realized on the sale or tender of Bonds by such a Swiss resident holder, is a tax-free private capital gain, and, conversely, a respective loss on the Bond is a non-tax-deductible private capital loss.

Bonds without a "predominant one-time interest payment": Swiss resident individuals who hold Bonds without a predominant onetime interest payment (the yield-to-maturity predominantly derives from periodic interest payments and not from a onetime interest payment) who receive payments of interest on Bonds (either in the form of periodic interest payments or as a one-time-interest-payment such as an issue discount or a repayment premium) are required to include such amounts in their personal income tax return and will be taxable on any taxable income (including the payments of interest on the Bonds) for the relevant tax period. The Holder who receives the one-time-interest-payment on redemption date is taxed on the whole one-time-interest-payment irrespective of when he or she purchased the bond.

c) Bonds Held as Business Assets and by Private Persons Classified as Professional Securities Dealers for income tax purposes

Individuals who hold Bonds as part of a business in Switzerland and Swiss resident corporate taxpayers and corporates resident abroad holding Bonds as part of a permanent establishment in Switzerland, are required to recognize the payments of interest and any gain realized on the sale or tender of such Bonds (including a gain relating to interest accrued) and any loss on such Bonds in their income statement for the respective tax period and will be taxable on any net taxable earnings for such period. The same taxation treatment also applies to Swiss resident individuals who, for income tax purposes, are classified as "professional securities dealers" for reasons of, inter alia, frequent dealings and leveraged investments in securities.

Automatic Exchange of Information in Tax Matters

The Automatic Exchange of Information in Tax Matters ("**AEI**") is a global initiative led by the Organization of Economic Co-Operation and Development ("**OECD**"). It aims to establish a universal standard for automatic exchange of tax information and to increase tax transparency. Jurisdictions that are committed to implement or have implemented the AEI (such as Switzerland, the EU member countries and many other jurisdictions worldwide) require their Reporting Financial Institutions in accordance with the respective local implementing law to determine the tax residence(s) of their account holders and controlling persons (as applicable) and, in case of reportable accounts, report certain identification information, account information and financial information (including the account balance and related payments such as interest, dividends, other income and gross proceeds) to the local tax authority which will then exchange the information received with the tax authorities in the relevant reportable jurisdictions.

More specifically, Switzerland has concluded a multilateral AEI agreement with the EU (replacing the EU savings tax agreement) and has concluded bilateral AEI agreements with several non-EU countries. In accordance with such multilateral agreements and bilateral agreements and the implementing laws of Switzerland, Switzerland has begun exchange data so collected, and such data may include data about payments made in respect of the Bonds.

RESPONSIBILITY STATEMENT

Alpiq Holding AG, Chem de Mornex 10, 1003 Lausanne, as Issuer of the Bonds accepts responsibility for the content of this Prospectus and declares that all information contained herein is, to the best of its knowledge, correct and no material facts or circumstances have been omitted herefrom.

Lausanne, 27 March 2023

TERMS OF THE BONDS – TRANCHE A

The terms and conditions of the Tranche A fixed rate 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**") 220,000,000 3.125% Bonds due 2027 (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 220,000,000 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 *(einfache Wertrechte)*. The uncertificated securities *(einfache Wertrechte)* will be created by the Issuer by means of a registration in its register of uncertificated securities *(Wertrechtebuch)*. Such uncertificated securities *(einfache Wertrechte)* will then be entered into the main register *(Hauptregister)* of SIX SIS Ltd or any other intermediary in Switzerland recognized for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the "**Intermediary**"). Once the uncertificated securities *(einfache 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 (*einfache 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 (*einfache 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 29 March 2023 (the "**Issue Date**") at the fixed rate of 3.125% of their principal amount per annum, payable annually in arrears on 29 April in each year (each, an "**Interest Payment Date**"), the first interest payment to occur on 29 April 2024 (long first interest period of 390 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 29 April 2027 (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:

(a) the interests of the Bondholders are satisfactorily protected;

(b) 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,

(c) 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 the SIX Swiss Exchange on the internet site of the 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 the 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 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.

TERMS OF THE BONDS – TRANCHE B

The terms and conditions of the Tranche B fixed rate 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**") 155,000,000 3.375% Bonds due 2030 (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 155,000,000 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 *(einfache Wertrechte)*. The uncertificated securities *(einfache Wertrechte)* will be created by the Issuer by means of a registration in its register of uncertificated securities *(Wertrechtebuch)*. Such uncertificated securities *(einfache Wertrechte)* will then be entered into the main register *(Hauptregister)* of SIX SIS Ltd or any other intermediary in Switzerland recognized for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the "**Intermediary**"). Once the uncertificated securities *(einfache 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 (*einfache 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 (*einfache 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 29 March 2023 (the "**Issue Date**") at the fixed rate of 3.375% of their principal amount per annum, payable annually in arrears on 29 April in each year (each, an "**Interest Payment Date**"), the first interest payment to occur on 29 April 2024 (long first interest period of 390 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 29 April 2030 (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 :

(a) the interests of the Bondholders are satisfactorily protected;

(b) 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,

(c) 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 the SIX Swiss Exchange on the internet site of the 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 the 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 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.

ALPIQ