



FiberCop S.p.A.

€1,200,000,000 4.750% Senior Secured Notes due 2030
€900,000,000 5.125% Senior Secured Notes due 2032
€700,000,000 Senior Secured Floating Rate Notes due 2031

FiberCop S.p.A., a company with sole shareholder Optics Holdco Group – Direction and coordination of Optics Holdco S.r.l. (the “*Issuer*” or “*FiberCop*”), is offering (the “*Offering*”) €1,200,000,000 4.750% Senior Secured Notes due 2030 (the “*2030 Fixed Rate Notes*”), €900,000,000 5.125% Senior Secured Notes due 2032 (the “*2032 Fixed Rate Notes*”) and €700,000,000 Senior Secured Floating Rate Notes due 2031 (the “*Floating Rate Notes*”) and, together with the 2030 Fixed Rate Notes and the 2032 Fixed Rate Notes, the “*Notes*”). The Notes will be constituted by a trust deed (the “*Trust Deed*”) to be dated on or about the Issue Date (as defined below), between the Issuer and Citibank N.A., London Branch as trustee (the “*Trustee*,” which expression shall include its successors as trustee for the holders of the Notes (the “*Noteholders*”) for the time being) and UniCredit S.p.A., as security agent and *mandatario con rappresentanza* of the Trustee and of the Noteholders from time to time pursuant to articles 1703, 1704 et seq. of the Italian Civil Code and representative (*rappresentante*) of the Noteholders from time to time pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code, in connection with the creation, enforcement, and administration of the Collateral (the “*Security Agent*”). The Notes will be issued and the Trust Deed will become effective on 27 June 2025 (the “*Issue Date*”). The issue price of the 2030 Fixed Rate Notes is 100.000% of their principal amount, the issue price of the 2032 Fixed Rate Notes is 100.000% of their principal amount and the issue price of the Floating Rate Notes is 100.000% of their principal amount.

Unless previously redeemed or purchased and cancelled, the Issuer will redeem the 2030 Fixed Rate Notes at their principal amount on 30 June 2030 (the “*2030 Maturity Date*”). The 2030 Fixed Rate Notes are subject to redemption in whole, but not in part, at their principal amount, together (if appropriate) with accrued interest to (but excluding) the date of redemption, at the option of the Issuer at any time in the event the Issuer has or will become obliged to pay Additional Amounts as provided or referred to in Condition 7 (*Taxation*), subject as set out in Condition 6.2 (*Redemption for Taxation Reasons*). The Issuer may also, at its option and at any time on the relevant Optional Redemption Date, redeem the outstanding Notes, in whole or in part, at the Optional Redemption Amount, together with accrued interest to (but excluding) the relevant Optional Redemption Date (see Condition 6.3 (*Redemption at the Option of the Issuer (Make-Whole Call)*)). The Issuer may also redeem, in whole or in part, outstanding 2030 Fixed Rate Notes at any time during the period commencing on the First Call Date with respect to the 2030 Fixed Rate Notes to the 2030 Maturity Date at their outstanding principal amount pursuant to Condition 6.4 (*Redemption at the Option of the Issuer (Issuer Par Call)*). Each Noteholder may require the Issuer to redeem their 2030 Fixed Rate Notes at 100% of their principal amount, together with accrued interest to (but excluding) the Put Date, upon the occurrence of a Put Event as described in Condition 6.4 (*Redemption at the Option of the Noteholders (Change of Control Put)*). See “*Terms and Conditions of the 2030 Fixed Rate Notes*.”

Unless previously redeemed or purchased and cancelled, the Issuer will redeem the 2032 Fixed Rate Notes at their principal amount on 30 June 2032 (the “*2032 Maturity Date*”). The 2032 Fixed Rate Notes are subject to redemption in whole, but not in part, at their principal amount, together (if appropriate) with accrued interest to (but excluding) the date of redemption, at the option of the Issuer at any time in the event the Issuer has or will become obliged to pay Additional Amounts as provided or referred to in Condition 7 (*Taxation*), subject as set out in Condition 6.2 (*Redemption for Taxation Reasons*). The Issuer may also, at its option and at any time on the relevant Optional Redemption Date, redeem the outstanding 2032 Fixed Rate Notes, in whole or in part, at the Optional Redemption Amount, together with accrued interest to (but excluding) the relevant Optional Redemption Date (see Condition 6.3 (*Redemption at the Option of the Issuer (Make-Whole Call)*)). The Issuer may also redeem, in whole or in part, outstanding 2032 Fixed Rate Notes at any time during the period commencing on the First Call Date with respect to the 2032 Fixed Rate Notes to the 2032 Maturity Date at their outstanding principal amount pursuant to Condition 6.4 (*Redemption at the Option of the Issuer (Issuer Par Call)*). Each Noteholder may require the Issuer to redeem their 2032 Fixed Rate Notes at 100% of their principal amount, together with accrued interest to (but excluding) the Put Date, upon the occurrence of a Put Event as described in Condition 6.4 (*Redemption at the Option of the Noteholders (Change of Control Put)*). See “*Terms and Conditions of the 2032 Fixed Rate Notes*.”

Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Floating Rate Notes at their principal amount on 30 June 2031 (the “*2031 Maturity Date*”). The Floating Rate Notes are subject to redemption in whole, but not in part, at their principal amount, together (if appropriate) with accrued interest to (but excluding) the date of redemption, at the option of the Issuer at any time in the event the Issuer has or will become obliged to pay Additional Amounts as provided or referred to in Condition 7 (*Taxation*), subject as set out in Condition 6.2 (*Redemption for Taxation Reasons*). Prior to 27 June 2026, the Issuer may also, at its option and at any time on the relevant Optional Redemption Date, redeem the outstanding Floating Rate Notes, in whole or in part, at the Optional Redemption Amount, together with accrued interest to (but excluding) the relevant Optional Redemption Date (see Condition 6.3 (*Redemption at the Option of the Issuer (Make-Whole Call)*)). At any time and from time to time on and after 27 June 2026, the Issuer may also redeem, in whole or in part, outstanding Floating Rate Notes at their outstanding principal amount pursuant to Condition 6.4 (*Redemption at the Option of the Issuer (Issuer Par Call)*). Each Noteholder may require the Issuer to redeem their Floating Rate Notes at 100% of their principal amount, together with accrued interest to (but excluding) the Put Date, upon the occurrence of a Put Event as described in Condition 6.4 (*Redemption at the Option of the Noteholders (Change of Control Put)*). See “*Terms and Conditions of the Floating Rate Notes*.”

The 2030 Fixed Rate Notes will bear interest from and including the Issue Date to but excluding the 2030 Maturity Date at the rate of 4.750% *per annum*, payable semi-annually in arrear on 15 January and 15 July in each year, commencing on 15 January 2026, as described in Condition 4 (*Interest*). Payments on the 2030 Fixed Rate Notes will be made in Euro without deduction for or on account of taxes imposed or levied by the Republic of Italy to the extent described under Condition 7 (*Taxation*). The 2030 Fixed Rate Notes and the Coupons relating to them are unconditional, unsubordinated obligations of the Issuer and rank *pari passu* among themselves and (save as aforesaid and for certain obligations required to be preferred by law) equally with all other senior obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding. See “*Terms and Conditions of the 2030 Fixed Rate Notes*.”

The 2032 Fixed Rate Notes will bear interest from and including the Issue Date to but excluding the 2032 Maturity Date at the rate of 5.125% *per annum*, payable semi-annually in arrear on 15 January and 15 July in each year, commencing on 15 January 2026, as described in Condition 4 (*Interest*). Payments on the 2032 Fixed Rate Notes will be made in Euro without deduction for or on account of taxes imposed or levied by the Republic of Italy to the extent described under Condition 7 (*Taxation*). The 2032 Fixed Rate Notes and the Coupons relating to them are unconditional, unsubordinated obligations of the Issuer and rank *pari passu* among themselves and (save as aforesaid and for certain obligations required to be preferred by law) equally with all other senior obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding. See “*Terms and Conditions of the 2032 Fixed Rate Notes*.”

The Floating Rate Notes will bear interest from and including the Issue Date to but excluding the 2031 Maturity Date at a rate equal to EURIBOR (subject to a 0% floor) plus 3.000% *per annum*, reset quarterly. Interest will accrue on the Floating Rate Notes quarterly in arrear on each of 15 January, 15 April, 15 July and 15 October, commencing on 15 October 2025, as described in Condition 4 (*Interest*). Payments on the Floating Rate Notes will be made in Euro without deduction for or on account of taxes imposed or levied by the Republic of Italy to the extent described under Condition 7 (*Taxation*). The Floating Rate Notes and the Coupons relating to them are unconditional, unsubordinated obligations of the Issuer and rank *pari passu* among themselves and (save as aforesaid and for certain obligations required to be preferred by law) equally with all other senior obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding. See “*Terms and Conditions of the Floating Rate Notes*.”

On or around the Issue Date, the Notes will be secured, subject to certain agreed security principles and certain perfection requirements, by the Collateral (as defined herein). The Collateral will also secure the obligations of the Issuer and any other future borrowers under the Senior Facilities Agreement and the Existing Notes. Under the terms of the Intercreditor Agreement, and subject to applicable laws, in the event of an enforcement in respect of the Collateral, the holders of the Notes, the holders of the Existing Notes and the lenders under the Senior Facilities Agreement will be treated as *pari passu* among each other. The security interests in the Collateral may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability. In addition, the security interests in the Collateral may be released under certain circumstances. Subject to the terms of the Trust Deed and the Intercreditor Agreement, the Collateral may be pledged to secure future indebtedness. For more information on the security interests granted, see “*Terms and Conditions of the 2030 Fixed Rate Notes—Status of Notes, Guarantee and Security—Security*,” “*Terms and Conditions of the 2032 Fixed Rate Notes—Status of Notes, Guarantee and Security—Security*” and “*Terms and Conditions of the Floating Rate Notes—Status of Notes, Guarantee and Security—Security*,” and for more information on potential material limitations to the security interests, see “*Certain Insolvency Law Considerations*,” “*Risk Factors—Risks Relating to the Notes*” and “*Description of Certain Other Financing Arrangements—Intercreditor Agreement*.” This Offering Memorandum includes more detailed information on the terms of the Notes, including redemption and repurchase prices, security, covenants, events of default and transfer restrictions.

The Notes will be offered and sold to non-U.S. persons in offshore transactions outside the United States in reliance on Regulation S (“*Regulation S*”) under the U.S. Securities Act of 1933, as amended (the “*U.S. Securities Act*”).

THE NOTES HAVE NOT BEEN NOR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT, OR ANY STATE SECURITIES LAW, AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON (AS SUCH TERMS ARE DEFINED IN REGULATION S), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. For a further description of certain restrictions on the offering and sale of the Notes, see “*Notice to Investors*” and “*Subscription and Sale and Transfer and Selling Restrictions*.”

Subject to and as set out in Condition 7 (*Taxation*), the Issuer shall not be liable to pay any Additional Amounts to holders of the Notes in relation to any withholding or deduction required pursuant to Italian Legislative Decree No. 239 of 1 April 1996 (as the same may be amended or supplemented from time to time), where the Notes are held by a Noteholder resident for tax purposes in a country which does not allow for a satisfactory exchange of information with Italy and otherwise in the circumstances described in Condition 7 (*Taxation*). See “*Terms and Conditions of the 2030 Fixed Rate Notes*,” “*Terms and Conditions of the 2032 Fixed Rate Notes*” and “*Terms and Conditions of the Floating Rate Notes*.”

An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading “*Risk Factors*” beginning on page 33.

There is currently no public market for the Notes. Application has been made to the Luxembourg Stock Exchange (the “*Exchange*”) for the Notes to be listed with effect from the Issue Date on the Official List of the Exchange and traded on the Exchange’s Euro MTF Market. There can be no assurance that the Notes will remain listed on the Official List of the Exchange and admitted for trading on the professional segment of the Euro MTF Market thereof. The Euro MTF Market is not a regulated market pursuant to the provisions of Directive 2014/65/EU on markets in financial instruments (as amended, “*MiFID II*”) nor a UK regulated market for the purposes of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “*EUWA*”) (“*UK MiFIR*”). This Offering Memorandum is not a prospectus published in accordance with the requirements of Regulation (EU) 2017/1129 as amended (the “*Prospectus Regulation*”).

The Notes will be issued in the form of registered global certificates in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Notes will be represented on issue by one or more global certificates, which will be delivered through Euroclear Bank SA/NV (“*Euroclear*”) and Clearstream Banking S.A. (“*Clearstream*”) on or about the Issue Date. See “*Book-Entry, Delivery and Form*.”

The Notes are rated Ba1 by Moody’s Italia S.r.l. (“*Moody’s*”), BB+ by S&P Global Ratings Europe Limited (“*S&P*”) and BB+ by Fitch Ratings Ireland Limited (“*Fitch*”). Each of Moody’s, S&P and Fitch is established and operating in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended) (the “*CRA Regulation*”). As such, Moody’s, S&P and Fitch are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation. Accordingly, the ratings of the Notes issued by Moody’s, S&P and Fitch have been endorsed by Fitch Ratings Ltd, Moody’s Investors Service Limited and S&P Global Ratings UK Limited, respectively, in accordance with the Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of European Union (Withdrawal) Act 2018 (the “*UK CRA Regulation*”) and have not been withdrawn. As such, the ratings issued by each of Fitch, Moody’s and S&P may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Please also refer to “*Risk Factors—Risks relating to the Notes—Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time*” section of this Offering Memorandum.

JP Morgan

Joint Active Bookrunners

KKR

BNP PARIBAS

Crédit Agricole CIB

MUFG

Joint Bookrunners

Banca Akros S.p.A. – Gruppo Banco BPM
Mediobanca

BBVA

BPER Corporate & Investment Banking
SMBC

NATIXIS

Société Générale

Co-Manager

Abu Dhabi Commercial Bank

The date of this Offering Memorandum is 27 June 2025.

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NOTICE TO INVESTORS

This Offering Memorandum does not constitute a prospectus for the purposes of Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything affecting the import of such information.

The information on the websites to which this Offering Memorandum refers does not form part of this Offering Memorandum.

Save for the Issuer, no other party has separately verified all the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by J.P. Morgan SE and KKR Capital Markets (Ireland) Limited (the “*Joint Global Coordinators and Physical Bookrunners*”), BNP PARIBAS, Crédit Agricole Corporate and Investment Bank and MUFG Securities (Europe) N.V. (the “*Joint Active Bookrunners*”), Banca Akros S.p.A., Banco Bilbao Vizcaya Argentaria, S.A., BPER Banca S.p.A., Mediobanca – Banca di Credito Finanziario S.p.A., Natixis, SMBC Bank EU AG and Société Générale (the “*Joint Bookrunners*”) and Abu Dhabi Commercial Bank PJSC (the “*Co-Manager*” and, together with the Joint Global Coordinators and Physical Bookrunners, the Joint Active Bookrunners and the Joint Bookrunners, the “*Initial Purchasers*”) as to the accuracy or completeness of the information contained or incorporated in this Offering Memorandum or any other information provided by the Issuer in connection with the Notes. No Initial Purchaser accepts any liability in relation to the information contained in this Offering Memorandum or any other information provided by the Issuer in connection with the Notes.

Neither the Initial Purchasers nor any of their respective affiliates have authorised the whole or any part of this Offering Memorandum and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Memorandum or any responsibility for any acts or omissions of the Issuer or any other person in connection with the issue and the Offering.

In accordance with normal and accepted market practice, none of the Trustee, the Security Agent (as defined below), the Paying Agent (as defined below), the Registrar (as defined below), the Calculation Agent (as defined below) nor the Transfer Agent (as defined below) is responsible for the contents of this Offering Memorandum or expresses any opinion as to the merits of the Notes under this Offering Memorandum.

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

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

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

By receiving this Offering Memorandum, you acknowledge that you have had an opportunity to request from us for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in this Offering Memorandum. You also acknowledge that you have not relied on the Initial Purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “*U.S. Securities Act*”) and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and are subject to U.S. tax law requirements. For a further description of certain restrictions on the offering and sale of the Notes and on the distribution of this document, see “*Subscription and Sale and Transfer and Selling Restrictions*.”

Each prospective purchaser of the Notes must comply with all applicable laws and rules and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and none of the Issuer or the Initial Purchasers has any responsibility therefor.

As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. By purchasing any Notes, you will be deemed to have made certain acknowledgments, representations and agreements as described in those sections of this Offering Memorandum. None of the Issuer or the Initial Purchasers are making an offer to sell the Notes in any jurisdiction where the offer and sale of the Notes is prohibited. None of the Issuer or the Initial Purchasers are making any representation to you that the Notes are a legal investment for you.

We reserve the right to withdraw the Offering at any time. The Issuer and the Initial Purchasers reserve the right to reject all or a part of any offer to purchase the Notes, for any reason. The Issuer and the Initial Purchasers also reserve the right to sell less than all the Notes offered by this Offering Memorandum or to sell to any purchaser less than the amount of Notes it has offered to purchase.

In this Offering Memorandum, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

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

Prohibition Of Sales To EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“*EEA*”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “*MiFID II*”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “*Insurance Distribution Directive*”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “*Prospectus Regulation*”).

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “*PRIIPs Regulation*”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition Of Sales To United Kingdom Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “*UK PRIIPs Regulation*”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II Product Governance / Professional Investors And ECPs Only Target Market

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

UK MiFIR Product Governance / Professional Investors And ECPs Only Target Market

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

Notice To Italian Investors

The Offering has not been submitted to and/or cleared by the *Commissione Nazionale per le Società e la Borsa* (“*CONSOB*”) (the Italian securities exchange commission) or registered pursuant to Italian securities legislation and will not be subject to formal review or clearance by CONSOB. Accordingly,

the Notes may not be offered, sold or delivered, directly or indirectly, nor may copies of the following Offering Memorandum or of any other document relating to the Notes described in this Offering Memorandum be distributed in the Republic of Italy, except: (a) to qualified investors (*investitori qualificati*) pursuant to Article 2, paragraph (e) of the Prospectus Regulation, and any application provision of Italian laws and regulations, including, *inter alia*, Article 100 of Legislative Decree No.58 of 24 February 1998, as amended and the implementation (the “*Italian Securities Act*”) and CONSOB regulations, and (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and any other applicable Italian laws and regulations.

The Notes may not be offered, sold or delivered and neither this Offering Memorandum nor any other material relating to the Notes, may be distributed or made available in the Republic of Italy unless such offer, sale or delivery of Notes or distribution or availability of copies of this Offering Memorandum or any other offering material or other documentation relating to the Notes in the Republic of Italy is made in compliance with the selling restrictions above and must be made as follows: (a) by *soggetti abilitati* (including investment firms, banks or financial intermediaries to the extent duly authorized to engage in the placement and/or underwriting and/or purchase of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “*Banking Act*”)) and any other applicable laws or regulations;; and (b) in compliance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations and any other applicable requirements or limitations which may be imposed from time to time by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Italian Consolidated Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, and the implementing guidelines of the Bank of Italy issued on 25 August 2015, as amended on 10 August 2016 and 2 November 2020 and as further amended from time to time) and/or other competent Italian authority.

Any investor purchasing the Notes is solely responsible for ensuring that any offer, sale, delivery or resale of the Notes by such investor occurs in compliance with applicable laws and regulations.

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

This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer and the Initial Purchasers represent that this Offering Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer and the Initial Purchasers which would permit a public offering of any Notes or distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Memorandum and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Memorandum and the offer or sale of Notes in the United States, the EEA (including the Republic of Italy) and the United Kingdom. See “*Subscription and Sale and Transfer and Selling Restrictions.*”

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Historical Financial Information

The Issuer, a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, was originally established as a subsidiary of the TIM Group. On 1 July 2024, in connection with the Acquisition Transactions, the Issuer was acquired by Optics BidCo, an indirect wholly-owned subsidiary of KKR, and the NetCo Business was simultaneously contributed to the Issuer. On 31 December 2024, Optics BidCo and the Issuer completed the Push-Down Merger, with the Issuer as the surviving entity. As a result, no historical financial information of the Issuer as of and for the year ended 31 December 2023 is included in this Offering Memorandum.

Although the Acquisition Transactions were not completed until 1 July 2024 and NetCo never operated independently of the TIM Group as a separate entity prior to the completion of the Acquisition, for the purpose of the Acquisition Transactions, the 2023 Audited Combined Carve Out Financial Information (as defined below) were prepared to present the financial information of NetCo as a separate entity for the years ending 31 December 2023 and 2022. The 2023 Audited Combined Carve Out Financial Information consist of historical data of the NetCo Business, FiberCop and Telenergia on a combined basis. The historical data of the NetCo Business reflected in the 2023 Audited Combined Carve Out Financial Information was extracted from the audited general purpose consolidated financial statements of the TIM Group for the years ended 31 December 2023 and 2022, while the historical data of FiberCop and Telenergia reflected therein is the respective historical individual financial information prepared for their inclusion in the consolidated financial statements of the TIM Group. For further information, see the 2023 Audited Combined Carve Out Financial Information included elsewhere in this Offering Memorandum.

The 2024 Audited Financial Statements (as defined below) were prepared by the Issuer on a standalone basis following the Acquisition Transactions, and upon completion of the Push-Down Merger on 31 December 2024, and reflect the historical impact of the NetCo Business and Telenergia since completion of the Acquisition on 1 July 2024, in accordance with IFRS. On 3 December 2024 we sold Telenergia to EnerCop. For further information, see the 2024 Audited Financial Statements included elsewhere in this Offering Memorandum.

We have not included in this Offering Memorandum any historical or pro forma financial information of the Issuer, NetCo or any other entity as of and for the year ended 31 December 2022. Since the Acquisition Transactions were not completed until 1 July 2024 and neither the Issuer or NetCo operated independently as a separate entity prior to the completion of the Acquisition, separate historical financial statements were not prepared for the Issuer or NetCo for such period and we believe that such information would not be reflective of our financial performance or prospects.

Unless otherwise stated, all references to “we,” “us,” “our” or the “Group” in respect of historical financial information in this Offering Memorandum refer to the financial information and performance of FiberCop and the NetCo Business on a combined basis, separate from the TIM Group, regardless of their respective corporate relationship with the TIM Group at the applicable time, and include Telenergia on a combined basis until it was sold to EnerCop on 3 December 2024 and deconsolidated from the Group as at such date.

Audited Financial Statements

This Offering Memorandum contains the following audited financial information of the Issuer:

- an English translation of the audited financial statements and the accompanying notes thereto of the Issuer as of and for the year ended 31 December 2024, including comparative figures as of and for the year ended 31 December 2023 (the “2024 Audited Financial Statements”) audited by the Issuer’s independent auditor, EY S.p.A., as set forth in the English translation of its audit

report included elsewhere in this Offering Memorandum, which have been prepared in accordance with IFRS; and

- the audited combined special purpose income statements and statement of financial position and the accompanying notes thereto of NetCo as of and for the year ended 31 December 2023, including comparative audited figures of the income statement for the year ended 31 December 2022 (the “*2023 Audited Combined Carve Out Financial Information*” and together with the 2024 Audited Financial Statements, the “*Audited Financial Statements*”) audited by the Issuer’s independent auditor, EY S.p.A., as set forth in its audit report included elsewhere in this Offering Memorandum, which have been prepared in accordance with the criteria set forth in Note 2 to the 2023 Audited Combined Carve Out Financial Information. The 2023 Audited Combined Carve Out Financial Information do not include a consolidated statement of cash flows, a consolidated statement of changes in net invested capital, or a consolidated statement of comprehensive income, as the Issuer’s management believes that this information would not provide any useful information to investors.

The 2023 Audited Combined Carve Out Financial Information were not adjusted to reflect the impact of any changes to the income statements and statement of financial position resulting from purchase accounting adjustments in connection with the Acquisition Transactions, nor additional amortization and depreciation expenses related to the additional assets recognized. Due to these and other potential adjustments, our subsequent financial statements may be materially different pursuant to such adjustments and may not be directly comparable to the 2023 Audited Combined Carve Out Financial Information included in this Offering Memorandum.

The Issuer’s financial year ends on 31 December and references in this Offering Memorandum to any specific year are to the twelve-month period ended on December 31 of such year.

Pro Forma Financial Information

The Unaudited Pro Forma Income Statements, as defined below, presented in this Offering Memorandum are based on available information and certain current market-based assumptions that the Issuer’s management believes are reasonable. The Unaudited Pro Forma Income Statements are presented for illustrative purposes only and do not purport to represent what the actual results of operations would have been if the events for which the pro forma adjustments were made had occurred on the dates assumed, nor does it purport to project the Issuer’s results of operations for any future period or financial condition at any future date. The Issuer’s future operating results may differ materially from the pro forma amounts set out in this Offering Memorandum due to various factors, including changes in operating results.

The Unaudited Pro Forma Income Statements set forth elsewhere in this Offering Memorandum are presented, unless otherwise specified, in accordance with the accounting principles used in the preparation of the Audited Financial Statements, which have been prepared in accordance with IFRS. The Unaudited Pro Forma Income Statements should be read together with the Audited Financial Statements included elsewhere in this Offering Memorandum.

The Unaudited Pro Forma Income Statements set forth elsewhere in this Offering Memorandum have not been prepared in accordance with the requirements of Regulation S-X under the U.S. Securities Exchange Act of 1934, the Prospectus Directive, U.S. GAAP or any other generally accepted accounting standards. Neither the adjustments nor the resulting Unaudited Pro Forma Income Statements have been audited or reviewed in accordance with International Standards on Auditing (Italy).

This Offering Memorandum contains the following pro forma financial information:

2024 Unaudited Pro Forma Income Statement

The pro forma income statement of the Issuer for the year ended 31 December 2024 is derived from the 2024 Audited Financial Statements (the “*2024 Unaudited Pro Forma Income Statement*”). The 2024 Unaudited Pro Forma Income Statement gives effect to the Acquisition Transactions, subject to the application of further pro forma adjustments to the 2024 Audited Financial Statements to reflect: (i) the impact for the full year ending 31 December 2024 of the NetCo Business, which were acquired by the Group as of 1 July 2024; (ii) the impact of the TIM Master Services Agreement and the TIM Transitional Services Agreement; (iii) the impact of certain changes in accounting treatment and purchase price adjustments made in connection with the Acquisition; and (iv) the impact for the full year ending 31 December 2024 of Optics BidCo, which merged with the Issuer on 31 December 2024 pursuant to the Push-Down Merger, with the Issuer as the surviving entity of the merger (collectively, the “*Post-Acquisition Adjustments*”).

The 2024 Unaudited Pro Forma Income Statement was prepared to give effect to the Post-Acquisition Adjustments as if they had been completed on 1 January 2024.

The notes to the 2024 Unaudited Pro Forma Income Statement include an explanation of their basis of preparation. See “*Annex A - Unaudited Pro Forma Income Statement as of and for the years ended 31 December 2024 and 2023.*”

2023 Unaudited Pro Forma Income Statement

The pro forma combined income statement of the Issuer for the year ended 31 December 2023 is derived from the 2023 Audited Combined Carve Out Financial Information (the “*2023 Unaudited Pro Forma Income Statement*” and together with the 2024 Unaudited Pro Forma Income Statement, the “*Unaudited Pro Forma Income Statements*”). The 2023 Unaudited Pro Forma Income Statement gives effect to the Acquisition Transactions, subject to the application of further pro forma adjustments to the 2023 Audited Combined Carve Out Financial Information to reflect the Post-Acquisition Adjustments for the full year ending 31 December 2023, to the extent applicable.

The 2023 Unaudited Pro Forma Income Statement was prepared to give effect to the Post-Acquisition Adjustments as if they had been completed on 1 January 2023, to the extent applicable.

For the purposes of the 2023 Unaudited Pro Forma Income Statement, the contribution of Telenergia has been excluded, since it was disposed by FiberCop on 3 December 2024, and the effect of the TIM Master Services Agreement for the twelve months of 2023 has been determined based on the actual data extracted from FiberCop’s operational systems, applying the same unit prices used by FiberCop in 2024 and derived from the signed TIM Master Services Agreement.

The notes to the 2023 Unaudited Pro Forma Income Statement include an explanation of the basis of preparation. See “*Annex A - Unaudited Pro Forma Income Statement as of and for the years ended 31 December 2024 and 2023.*”

Segmentation

In this Offering Memorandum, the Issuer presents revenue breakdown by business area (B2B2C Access Services, B2B Services and Other Services), by service for wholesale access services (FTTH, FTTC, ADSL & Legacy voice), Capital Expenditures based on cash flows (assurance and Maintenance Capital Expenditures and Growth Capital Expenditures, including success-based capital expenditures incurred only upon new activations). Although such information is derived from the Audited Financial Statements and Unaudited Pro Forma Income Statements, as applicable, they have not been audited or reviewed by the Issuer’s independent auditors.

Factors Impacting Comparability

Accounting Policies

In the year ended 31 December 2024, the Issuer applied the accounting policies on a basis consistent with those of the previous years, except for the changes to the accounting standards issued by the IASB adopted by the EU and in force as of 1 January 2024. For further information on the new standards and interpretations applicable to the years ended 31 December 2024, 2023 and 2022, see Note 3 to the 2024 Audited Financial Statements and 2023 Audited Combined Carve Out Financial Information.

Presentation of Non-IFRS Measures

In this Offering Memorandum, the Issuer presents certain financial measures and ratios that are not recognized by IFRS or any other generally accepted accounting principles. These measures as referred to as “non-IFRS” or “alternative performance measures” (“*non-IFRS*” or “*Alternative Performance Measures*”) as they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that may not be calculated in accordance with IFRS.

The Issuer believes that these non-IFRS measures are important supplementary measures of its underlying performance and liquidity (as a whole and at a business unit level) and that they are widely used by investors comparing performance between companies. It also believes that these and similar measures are used widely by the investment community, securities analysts and other interested parties, as supplemental measures of performance and liquidity and are intended to assist investors in their analysis of the Issuer’s results of operations, profitability and ability to service its debt.

The non-IFRS measures presented in this Offering Memorandum may be used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. Investors should exercise caution in comparing such measures to similar measures used by other companies. The information presented by each non-IFRS measure is unaudited and has not been prepared in accordance with IFRS or any other accounting standards. In addition, the presentation of these measures is not intended to and does not comply with the reporting requirements of the SEC; compliance with its requirements may require the Issuer to make changes to the presentation of this information.

Further, these non-IFRS measures are not measurements of performance under IFRS and investors should not consider them an alternative to pre-tax income or operating income determined in accordance with IFRS, or, as the case may be, to cash flows from/(used in) operating activities, cash requirements used in investing activities or cash flow from/(used in) financing activities. In particular, investors should not consider Pro Forma EBITDA, Pro Forma Organic EBITDA, Pro Forma Organic EBITDA-AL, Pro Forma Organic EBITDA Margin, Pro Forma Organic EBITDA-AL Margin, Normalised Pro Forma Organic EBITDA, Normalised Pro Forma Organic EBITDA-AL, Normalised Pro Forma Organic EBITDA-AL Margin, Pro Forma Operating Free Cash Flow and Normalised Pro Forma Operating Free Cash Flow as an alternative to: (i) operating income or income for the period (as determined in accordance with IFRS) as a measure of operating performance; (ii) cash flows provided by operating, investing and financing activities as a measure of the ability to meet cash needs; or (iii) any other measures of performance under generally accepted accounting principles. Pro Forma EBITDA, Pro Forma Organic EBITDA, Pro Forma Organic EBITDA-AL, Pro Forma Organic EBITDA Margin, Pro Forma Organic EBITDA-AL Margin, Normalised Pro Forma Organic EBITDA, Normalised Pro Forma Organic EBITDA-AL, Normalised Pro Forma Organic EBITDA-AL Margin, Pro Forma Operating Free Cash Flow and Normalised Pro Forma Operating Free Cash Flow and other non-IFRS measures have limitations as an analytical tool, and investors should not consider them in isolation, or as a substitute for an analysis of the Issuer’s results as reported under IFRS. Additionally, these non-IFRS measures should not be considered as an alternative to operating income or operating margin as a measure of operating performance. Further, these non-IFRS measures should not be considered in isolation or construed as a substitute for measures in accordance with IFRS. Furthermore, the non-IFRS measures as used in some of the sections of this Offering Memorandum, may not be calculated in the same manner as similar measures are calculated pursuant to the relevant trust deed/indenture governing the Notes or for the purposes of any of the Issuer’s other indebtedness.

In order to aid investors and facilitate a comparison of the Group's results of operations that reflects what we believe is a normalised basis for the years ended 31 December 2023 and 2024 as further described under "*Summary Financial and Other Information—Other Pro Forma Financial Information*," we present in this Offering Memorandum certain unaudited financial data and ratios to reflect certain income statement and other financial measures and ratios of the Group, including Normalised Pro Forma Organic EBITDA, Normalised Pro Forma Organic EBITDA-AL, Normalised Pro Forma Organic EBITDA-AL Margin and Normalised Operating Free Cash Flow on a normalised basis to account for certain developments that occurred during the year ended 31 December 2023 which we believe are not representative of the ordinary course of business of the Issuer. These metrics reflect certain non-recurring and one-off items for the year ended 31 December 2023, primarily relating to the sale of bulk infrastructure assets to Open Fiber, in the form of access to our ducts in White Areas sold as Indefeasible Rights of Use (IRUs), and lower energy prices incurred during this period which we believe are not representative of the ordinary course of business of the Issuer. These adjustments are based upon various assumptions, forecasts and management estimates and are in part based upon historical information. This information does not represent the results we would have achieved had the adjustments occurred and been fully implemented on the first day of the relevant financial period. In connection with these metrics, we also present key operating expenditure categories by which our management analyses and monitors our business, and which we believe facilitate a clearer reconciliation of these metrics to our Pro Forma revenues.

See also "*Summary Financial and Other Information*," "*Unaudited Pro Forma Income Statements*" and "*Risk Factors—Risks Related to Our Business and Industry—The financial information included in this Offering Memorandum may not be representative of our operations as an independent company or otherwise comparable to our current operating results.*"

We define:

- "*As adjusted cash and cash equivalents*" as cash and cash equivalents adjusted to give effect to the Offering as if the Offering had occurred on the applicable date.
- "*As adjusted net debt*" as As adjusted total debt minus as As adjusted cash and cash equivalents.
- "*As adjusted net debt-AL*" as As adjusted net debt further adjusted to include the liabilities related to the accounting treatment of lease contracts according to IFRS 16.
- "*As adjusted total debt*" as total third-party indebtedness adjusted to give effect to the Offering as if the Offering had occurred on the applicable date.
- "*Capital Expenditures*" as capital expenditures on an accrual basis.
- "*Growth Capital Expenditures*" as Capital Expenditures related to PNRR Areas, Black and Commercial Grey Areas (Autonomous Plan) and success-based capital expenditures incurred only upon new activations.
- "*Maintenance Capital Expenditures*" as Capital Expenditures related to maintenance, improvement or upgrades of existing assets;
- "*Normalised Pro Forma Organic EBITDA*" as Pro Forma Organic EBITDA further adjusted to exclude certain non-recurring and one-off items.
- "*Normalised Pro Forma Organic EBITDA-AL*" as Pro Forma Organic EBITDA-AL further adjusted to exclude certain non-recurring and one-off items.

- “*Normalised Pro Forma Organic EBITDA-AL Margin*” as Normalised Pro Forma EBITDA-AL divided by Normalised Pro Forma revenues for the year ended 31 December 2023 and expressed as a percentage.
- “*Normalised Pro Forma Operating Free Cash Flow*” as Pro Forma Operating Free Cash Flow further adjusted to exclude certain non-recurring and one-off items.
- “*Pro Forma EBITDA*” as (loss)/profit for the period adjusted for income tax benefit/(expense), net financial income/(expenses), depreciation and amortization and gains/(losses) on disposal of non-current assets.
- “*Pro Forma Operating Free Cash Flow*” as Pro Forma Organic EBITDA-AL less Maintenance Capital Expenditures.
- “*Pro Forma Organic EBITDA*” as Pro Forma EBITDA adjusted for restructuring and transaction-related costs.
- “*Pro Forma Organic EBITDA-AL*” as Pro Forma Organic EBITDA adjusted for lease payments.
- “*Pro Forma Organic EBITDA-AL Margin*” as Pro Forma EBITDA-AL divided by Pro Forma revenues and expressed as a percentage.

Key Performance Indicators (KPIs) of the Issuer

In this Offering Memorandum, the Issuer presents certain key operating metrics which it believes clarify the Issuer’s performance from period to period and facilitates comparison with its peers. These key performance indicators and other non-financial operating data included in this Offering Memorandum, including FTTH coverage, FTTC coverage, UIs, UIs Passed, Active Lines, Recurring ARPU, Penetration and Take-Up, are derived from management estimates and are not part of the Audited Financial Statements or the Issuer’s accounting records and have not been audited or otherwise reviewed by outside auditors, consultants or experts. Unless otherwise stated, KPIs are presented as of 31 December 2024. The Issuer’s use or computation of these measures may not be comparable to the use or computation of similarly titled measures reported by other companies. Any or all of these measures should not be considered in isolation or as an alternative measure of performance under IFRS.

Exchange Rates

The Issuer’s financial results are reported in Euro. Certain financial information contained in this Offering Memorandum has been translated from U.S. dollars to Euro solely for your convenience. The Group does not make any representation that any amount translated herein has been, or could be, converted into Euro at the rates indicated or any other rate.

Rounding

Certain figures and percentages included in this Offering Memorandum have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. In addition, as a result of such rounding, the totals of certain financial information may differ from the information that would have appeared in such totals using the unrounded financial information.

INDUSTRY AND MARKET DATA

In this Offering Memorandum, the Issuer relies on and refers to information regarding its business and the markets in which it operates and competes. The Issuer has made statements in this Offering Memorandum regarding the economy, the telecommunications industry, FiberCop's position in the industry, its market share and the market shares of various industry participants based on internal estimates, its experience, its own investigation of market conditions and its review of industry publications, including information made available to the public by its competitors.

Such market and industry data and certain industry forward-looking statements and forecasts are derived from various industry and other independent sources, where available, including from internal surveys, market research, governmental reports and other publicly available information and third-party consultants. In particular, certain information has been derived from certain aggregated market information available to us.

Unless otherwise indicated, statements regarding the market environment, market developments, growth rates, market trends and the competitive situation in the markets and segments in which it operates are based on market data, statistical information, sector reports and third-party studies as well as on our estimates.

We believe that information in this Offering Memorandum that has been sourced from third parties has been accurately reproduced and, as far as it is aware and able to ascertain from the information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Notwithstanding the foregoing, such third-party information has not been independently verified, and neither we nor the Initial Purchasers make any representation or warranty as to the accuracy or completeness of such information set forth in this Offering Memorandum. Market studies and analyses are frequently based on information and assumptions that may not be accurate or technically correct, and their methodology may be forward-looking and speculative. We have not verified the figures, market data and other information used by third parties in the studies, publications and financial information reproduced herein, or the external sources on which our estimates are based. We therefore assume no liability for and offer no guarantee of the accuracy of the data from studies and third-party sources contained in this Offering Memorandum or for the accuracy of third-party data on which our estimates are based. This Offering Memorandum also contains estimates of market data and information derived from such data that cannot be obtained from publications by independent sources.

In addition, certain information in this Offering Memorandum for which no third-party source is given, regarding our market position relative to our competitors in the telecommunication industry, is not based on published statistical data or information obtained from independent third parties. Such information and statements particularly reflect our best estimates based upon information obtained from trade and business organizations and associations and other contacts within the market in which we compete, as well as information published by our competitors. As some of the foregoing information was compiled or provided by our management or advisers and is not publicly available, such information accordingly may not be considered to be as independent as that provided by other third-party sources.

We believe that our estimates of market data and the information we have derived from such data helps investors to better understand the industry in which we operate and our position within it. Our estimates have not been verified externally. While we assume that our market observations are reliable, we give no warranty for the accuracy of our estimates and their information. They may differ from our competitors' estimates or other independent sources. While we are not aware of any misstatements regarding the market, industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under "*Risk Factors*" in this Offering Memorandum.

TRADEMARKS AND TRADE NAMES

We own or have rights to certain trademarks or trade names that we use in conjunction with the operation of our businesses. We assert, to the fullest extent under applicable law, our rights to our trademarks and trade names. Each trademark, trade name or service mark of any other company appearing in this Offering Memorandum is the property of its respective holder.

STABILISATION

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

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact included in this Offering Memorandum regarding the Issuer's business, financial condition, results of operations and certain of the Issuer's plans, objectives, assumptions, expectations or beliefs with respect to these items and statements regarding other future events or prospects are forward-looking statements.

These statements include, without limitation, those concerning: the Issuer's strategy and our ability to achieve it; expectations regarding revenues, profitability and growth; plans for the launch of new services; the Issuer's possible or assumed future results of operations; research and development, capital expenditure and investment plans; adequacy of capital; and financing plans. The words "aim," "may," "will," "expect," "forecast," "anticipate," "believe," "future," "continue," "help," "estimate," "plan," "potential," "predict," "project," "seek," "intend," "should," "could," "would," "shall" or the negative or other variations thereof as well as other statements regarding matters that are not historical fact, are or may constitute forward-looking statements.

In addition, this Offering Memorandum includes forward-looking statements relating to the Issuer's potential exposure to various types of market risks, such as foreign exchange rate risk, interest rate risks and other risks related to financial assets and liabilities.

These forward-looking statements have been based on the Issuer's management's current view with respect to future events and financial performance. These views reflect the best judgment of the Issuer's management but involve a number of risks and uncertainties which could cause actual results to differ materially from those predicted in such forward-looking statements and from past results, performance or achievements. Although the Issuer believes that the estimates reflected in the forward-looking statements are reasonable, such estimates may prove to be incorrect.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-thinking statements. These factors include, but are not limited to the following:

- our heavily regulated industry and regulatory decisions or changes in the regulatory environment that affect us;
- our dependence on the TIM Group as a key customer;
- the obligation to provide access to our network to telecommunication service providers at regulated terms and conditions;
- challenging market conditions resulting from increased competition;
- our ability to transition operating as a standalone company;
- our ability to generate sufficient cash flows to support our capital investments;
- our ability to complete our network rollouts;
- costs of developing and maintaining our fixed-line network;
- the forward-looking nature of the assumptions used to estimate fiber roll out and/or fiber take-up objectives;
- delays in obtaining PNRR subsidies in a timely manner or the loss thereof due to external factors or lack of adequate reporting;

- deterioration of the financial condition of our key customers;
- our reliance on suppliers;
- instant surges in traffic;
- system and network failures, and cybersecurity risks;
- potential future strategic transactions, such as acquisitions, investments and joint ventures, and the integration of such entities;
- our acquisitions may be subject to regulatory approval;
- risks related to climate change;
- increased scrutiny from stakeholders with respect to our environmental, social and governance practices;
- failure to protect our image, reputation and brand;
- our ability to protect our potential intellectual property rights;
- inadequate insurance coverage;
- failure to close the digital divide;
- our ability to recruit, retain and engage skilled employees;
- claims and penalties relating to the health and safety of our employees;
- our financial information not being representative of our operations as an independent company;
- the impact of global economic conditions, political events and adverse changes in global financial markets;
- volatility in energy costs;
- regulation, which may increase our costs or otherwise adversely affect our business;
- litigation and disputes that could damage our reputation, business, financial condition and results of operations;
- liabilities and sanctions under Italian law with respect to Decree 231 and anti-trust and competition laws;
- the Offering, our capital structure, our indebtedness, the Notes and the Collateral; and
- the other factors discussed in “*Risk Factors*” and elsewhere in this Offering Memorandum.

Prospective investors are cautioned not to place undue reliance on these forward-looking statements. The issuer does not undertake any obligation to republish revised forward-looking statements to reflect events or circumstances after the date hereof or otherwise. Prospective purchasers are also urged carefully to review and consider the various disclosures made by the Issuer in this Offering

Memorandum which attempt to advise interested parties of the factors that affect the Issuer and its business, including the disclosures made under “*Risk Factors*” and “*Business*.”

All subsequent written or oral forward-looking statements attributable to the Issuer or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Offering Memorandum. As a result of these risks, uncertainties and assumptions, investors should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise.

CERTAIN DEFINED TERMS

In this Offering Memorandum, the terms “we,” “our,” “our company,” and “us” refer to the Issuer, unless otherwise stated or the context otherwise requires. For explanations or definitions of certain technical terms relating to our business as used herein, please see “*Glossary*” included elsewhere in this Offering Memorandum.

Capitalised terms which are used but not defined in any particular section of this Offering Memorandum will have the meaning attributed to them in the section entitled “*Conditions of the Notes*” or any other section of this Offering Memorandum.

Unless otherwise specified or the context requires otherwise, in this Offering Memorandum:

“*2023 Audited Combined Carve Out Financial Information*” has the meaning ascribed to it in “*Presentation of Financial and Other Information*,”

“*2024 Audited Financial Statements*” has the meaning ascribed to it in “*Presentation of Financial and Other Information*,”

“*2030 Fixed Rate Notes*” means the €1,200,000,000 aggregate principal amount of 4.750% Senior Secured Notes due 2030 offered hereby;

“*2032 Fixed Rate Notes*” means the €900,000,000 aggregate principal amount of 5.125% Senior Secured Notes due 2032 offered hereby;

“*2033 USD Notes*” means the \$500,006,000 aggregate principal amount of 6.375% Senior Secured Notes due 2033 issued by the Issuer on 1 July 2024;

“*2034 USD Notes*” means the \$500,001,000 aggregate principal amount of 6.000% Senior Secured Notes due 2034 issued by the Issuer on 1 July 2024;

“*2036 USD Notes*” means the \$500,000,000 aggregate principal amount of 7.200% Senior Secured Notes due 2036 issued by the Issuer on 1 July 2024;

“*2038 USD Notes*” means the \$500,004,000 aggregate principal amount of 7.721% Senior Secured Notes due 2038 issued by the Issuer on 1 July 2024;

“*Acquisition*” means the acquisition by Optics BidCo of the shares held by the TIM Group in FiberCop S.p.A. following the contribution thereto of the NetCo Business and of the entire shareholding in Telenergia, the indirect contribution of the FiberCop shares held by Teemo Bidco Sarl to Optics Bidco, and the acquisition by Optics BidCo of 4.5% shares of FiberCop held by Fastweb on 1 July 2024;

“*Acquisition Transactions*” means, collectively, the Acquisition; certain securities exchange transactions entered into in connection with the Acquisition pursuant to which, *inter alia*, the Existing Notes were issued; the entry into the TIM Master Services Agreement (as defined herein); the entry into the TIM Transitional Services Agreement (as defined herein); and certain ancillary transactions, transfers, agreements and undertakings necessary, whether by contract or operation of law, to effect the foregoing transactions;

“*AGCM*” means the *Autorità Garante per la Concorrenza ed il Mercato*, the Italian antitrust authority;

“*AGCOM*” means the *Autorità per le Garanzie nelle Comunicazioni*, the Italian regulatory agency for the communications sector;

“*Audited Financial Statements*” means the 2024 Audited Financial Statements and the 2023 Audited Combined Carve Out Financial Information;

“*Bankruptcy Law*” means Italian Royal Decree number 267 of 16 March 1942, as subsequently amended and/or supplemented;

“*BeeXact*” means BeeXact Holding B.V. and its subsidiaries;

“*CAGR*” means compound annual growth rate;

“*Calculation Agent*” means Citibank, N.A., London Branch;

“*Clearstream*” means Clearstream Banking S.A.;

“*Code*” means the U.S. Internal Revenue Code of 1986, as amended;

“*Code of Business Crisis and Insolvency*” or “*Insolvency Code*” means Italian Legislative Decree No. 14 of 12 January 2019, as subsequently amended and/or supplemented;

“*CONSOB Regulation on Intermediaries*” means CONSOB Regulation No. 20307 of 15 February 2018, as subsequently amended and/or supplemented;

“*CONSOB*” means the *Commissione Nazionale per la Società e la Borsa* (the Italian securities exchange commission);

“*Coupons*” means, interest coupons pertaining to the Notes;

“*Credit Facilities*” means the Term Loan and the Revolving Credit Facility;

“*Decree 239/1996*” means Italian Legislative Decree No. 239 of 1 April 1996;

“*distributor*” means any person subsequently offering, selling or recommending the Notes;

“*EEA*” means the European Economic Area;

“*EnerCop*” means Enercop S.r.l.;

“*EURIBOR*” has the meaning ascribed to it under “*Terms and Conditions of the Floating Rate Notes*”;

“*Euroclear*” means Euroclear Bank SA/NV;

“*European Union*” or “*EU*” means the European Union;

“*Exchange*” means the Luxembourg Stock Exchange;

“*Existing Euro Notes*” means, collectively, the January 2026 Euro Notes, the May 2026 Euro Notes, the October 2027 Euro Notes, the February 2028 Euro Notes, the July 2028 Euro Notes, the January 2029 Euro Notes, the January 2033 Euro Notes and the March 2055 Euro Notes;

“*Existing Financing Arrangements*” means the Existing Notes and the Credit Facilities;

“*Existing Notes*” means, collectively, the Existing Euro Notes and the Existing USD Notes;

“*Existing USD Notes*” means, collectively, the 2033 USD Notes, the 2034 USD Notes, the 2036 USD Notes and the 2038 USD Notes;

“Fastweb” means Fastweb S.p.A.;

“February 2028 Euro Notes” means the €625,000,000 aggregate principal amount of 6.875% Senior Secured Notes due 2028 issued by the Issuer on 1 July 2024;

“Financial Promotion Order” means the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended;

“Floating Rate Notes” means the €700,000,000 aggregate principal amount of Senior Secured Floating Rate Notes due 2031 offered hereby;

“FSMA” means the UK Financial Services and Markets Act 2000, as amended;

“Golden Power Legislation” means Law Decree No. 21 of 15 March 2012, as converted into law by Law No. 56 of 11 May 2012, as further amended and implemented through specific decrees;

“IAS” means the International Accounting Standards;

“IFRS” means International Financial Reporting Standards as adopted by the EU;

“Imposta sostitutiva” or “Italian Substitute Tax” means the *imposta sostitutiva* (at the then applicable rate of tax) pursuant to Decree 239/1996, or any related implementing regulations, or successors thereto;

“Initial Purchasers” means J.P. Morgan SE, KKR Capital Markets (Ireland) Limited, BNP PARIBAS, Crédit Agricole Corporate and Investment Bank, MUFG Securities (Europe) N.V., Banca Akros S.p.A., Banco Bilbao Vizcaya Argentaria, S.A., BPER Banca S.p.A., Mediobanca – Banca di Credito Finanziario S.p.A., Natixis, SMBC Bank EU AG, Société Générale and Abu Dhabi Commercial Bank PJSC;

“Intercreditor Agreement” means the intercreditor agreement dated 19 December 2023, as amended and restated and/or supplemented from time to time by and between, inter alios, the Issuer, the Trustee, the Security Agent and certain lenders and arrangers under the Revolving Credit Facility Agreement (as amended from time to time), as further described under “Description of Certain Other Financing Arrangements—Intercreditor Agreement;”

“Issue Date” means 27 June 2025;

“Issuer” or “FiberCop” means FiberCop S.p.A., with sole shareholder Optics Holdco Group – Direction and coordination of Optics Holdco S.r.l. a joint stock company (*società per azioni*) organized and existing under the laws of the Republic of Italy;

“Issuers’ Regulation” means the CONSOB Regulation No. 11971 of 14 May 1999, as amended;

“Italian Civil Code” means the Italian Civil Code (“*codice civile*”), enacted by Royal Decree No. 262 of 16 March 1942, as subsequently amended and/or supplemented;

“Italian Golden Power Authority” means the Presidency of the Italian Council of Ministries (*Presidenza del Consiglio dei Ministri*);

“Italian Golden Power Legislation” means the Italian Law Decree (*decreto legge*) No. 21 of 15 March 2012, as converted into law and amended by Italian Law No. 56 of 11 May 2012; the Italian Law Decree (*decreto legge*) No. 105 of 21 September 2019, as converted into law and amended by Italian Law No. 133 of 18 November 2019; the Italian Law Decree (*decreto legge*) No. 23 of 8 April 2020, as converted into law and amended by Italian Law No. 40 of 5 June 2020; the Italian Law Decree No. 21 of 21 March 2022, as converted into law and amended by Law No. 51 of 20 May 2022; and the Italian Law Decree

No. 104 of 10 August 2023, as converted into law and amended by Italian Law No. 136 of 9 October 2023, each as subsequently amended and supplemented, and including the relevant implementing decrees adopted from time to time;

“*Italian Resident Noteholder*” means an Italian resident beneficial owner of the Notes;

“*January 2026 Euro Notes*” means the €375,000,000 aggregate principal amount of 2.875% Senior Secured Notes due 2026 issued by the Issuer on 1 July 2024;

“*January 2029 Euro Notes*” means the €500,820,000 aggregate principal amount of 1.625% Senior Secured Notes due 2029 issued by the Issuer on 1 July 2024;

“*January 2033 Euro Notes*” means the €359,142,000 aggregate principal amount of 7.750% Senior Secured Notes due 2033 issued by the Issuer on 1 July 2024;

“*July 2028 Euro Notes*” means the €750,000,000 aggregate principal amount of 7.875% Senior Secured Notes due 2028 issued by the Issuer on 1 July 2024;

“*KKR*” means Kohlberg, Kravis, Roberts & Co. L.P. and its affiliates and co-investors, and any fund, partnership and/or other entities represented, managed, advised, owned or controlled directly or indirectly by it or any of them;

“*KKR Infrastructure*” means KKR’s infrastructure investment platform, which invests in critical infrastructure assets across the Americas and Western Europe with \$83 billion of assets under management as of 31 March 2025 across its global infrastructure strategies;

“*March 2055 Euro Notes*” means the €230,000,000 aggregate principal amount of 5.250% Senior Secured Notes due 2055 issued by the Issuer on 1 July 2024 issued by the Issuer on 1 July 2024;

“*May 2026 Euro Notes*” means the €322,003,000 aggregate principal amount of 3.625% Senior Secured Notes due 2026 issued by the Issuer on 1 July 2024;

“*Member State*” means a member state of the European Union;

“*MiFID IP*” means Directive 2014/65/EU, as amended;

“*NetCo*” means, on a combined basis, the NetCo Business, FiberCop and Telenergia;

“*NetCo Business*” means certain personnel, assets, rights, liabilities and agreements relating to the network assets and laying infrastructure formerly held by the TIM Group which, at closing of the Acquisition, were contributed as a going concern (*ramo d’azienda*) to FiberCop as of 1 July 2024;

“*Noteholder*” means the registered holder of the Notes;

“*Notes*” means, collectively, the 2030 Fixed Rate Notes, the 2032 Fixed Rate Notes and the Floating Rate Notes offered hereby;

“*October 2027 Euro Notes*” means the €507,715,000 aggregate principal amount of 2.375% Senior Secured Notes due 2027 issued by the Issuer on 1 July 2024;

“*Offering*” means the offering of Notes hereby;

“*Optics BidCo*” means Optics BidCo S.p.A., formerly a joint stock company (*società per azioni*) organized under the laws of Italy, which was merged with the Issuer with effect as of 31 December 2024 pursuant to the Push-Down Merger;

“*Optics HoldCo*” means Optics HoldCo S.r.l.;

“*Person*” means any individual, corporation, partnership, joint venture, limited liability company, trust, unincorporated organization or government or agency or political subdivision thereof;

“*PNRR*” means *Piano Nazionale di Ripresa e Resilienza* (the Italian National Recovery and Resilience Plan), a European Commission initiative designed to help countries to recover economically after the COVID-19 pandemic. The PNRR was approved by the Italian government on 29 April 2021 and allocates 27% of its resources to the digital transition, of which €6.7 billion are intended for strategic projects related to the ultra-broadband services, in line with the Italian Government’s strategy launched in 2015;

“*PRIIPs Regulation*” means Regulation (EU) No 1286/2014, as amended;

“*Principal Paying Agent*” means Citibank, N.A., London Branch;

“*Prospectus Regulation*” refers to Regulation (EU) 2017/1129, as subsequently amended and supplemented;

“*Push-Down Merger*” means the merger between Optics BidCo and the Issuer on 31 December 2024, with the Issuer being the surviving entity;

“*Regulation S*” means Regulation S under the U.S. Securities Act;

“*Revolving Credit Facility*” has the meaning ascribed to it in “*Description of Certain Other Financing Arrangements*”;

“*SEC*” means the U.S. Securities and Exchange Commission;

“*Security Agent*” means UniCredit S.p.A. in its capacity as security agent for the secured creditors under the Trust Deed and the Existing Financing Arrangements and *mandatario con rappresentanza* of the Trustee and of the Noteholders from time to time pursuant to articles 1703, 1704 et seq. of the Italian Civil Code and as representative (*rappresentante*) of the holders of the Notes and the Existing Notes pursuant to and for the purposes set forth under Article 2414-bis, Paragraph 3, of the Italian Civil Code;

“*Security Documents*” has the meaning ascribed to it under “*Terms and Conditions of the 2030 Fixed Rate Notes*,” “*Terms and Conditions of the 2032 Fixed Rate Notes*” and “*Terms and Conditions of the Floating Rate Notes*”;

“*Senior Facilities Agreement*” has the meaning ascribed to it in “*Description of Certain Other Financing Arrangements*”;

“*Shareholders*” means KKR, the Abu Dhabi Investment Authority, the Canada Pension Plan Investment Board, the Ministry of Economy and Finance of the Republic of Italy and F2i (*Fondi Italiani per le Infrastrutture*) SGR S.p.A.

“*Stabilisation Manager*” means J.P. Morgan SE;

“*Telenergia*” means Telenergia S.r.l.;

“*Term Loan*” has the meaning ascribed to it in “*Description of Certain Other Financing Arrangements*”;

“*TIM Group*” means TIM S.p.A., a joint stock company (*società per azioni*) organized and existing under the laws of the Republic of Italy, and its subsidiaries;

“*TLC*” means telecommunications;

“*Trust Deed*” means the trust deed, to be dated as of the Issue Date, among, *inter alios*, the Issuer and the Trustee, governing the Notes;

“*Trustee*” means Citibank N.A., London Branch, in its capacity as trustee under the Trust Deed;

“*Twict*” means Twict Group B.V. and its subsidiaries;

“*U.S. Exchange Act*” means U.S. Securities Exchange Act of 1934, as amended; “U.S. Securities Act” means the U.S. Securities Act of 1933, as amended;

“*US*” or “*United States*” means the United States of America;

“*UK Prospectus Regulation*” means the Prospectus Regulation as it forms part of retained EU law in the UK by virtue of the European Union (Withdrawal) Act 2018;

“*UK*” means the United Kingdom of Great Britain and Northern Ireland; and

“*White List*” means, pursuant to Italian law, the list of countries which allow for a satisfactory exchange of information with Italy, as identified in the Italian Ministerial Decree of 4 September 1996, as amended and supplemented from time to time, or, as from the tax year in which the Italian Ministerial Decree to be issued as per Article 11, par. 4 lett. c), of Decree 239/1996 is effective, the list of countries therein included.

SUMMARY

This summary highlights selected information about the Issuer and the Offering. This summary is not complete and does not contain all the information an investor should consider before investing in the Notes. The following summary should be read in conjunction with, and the following summary is qualified in its entirety by, the more detailed information included in this Offering Memorandum, including the Audited Financial Statements. The Issuer has estimated certain information in this Offering Memorandum regarding market share and its position relative to our competitors based on its internal data and certain extrapolations from third-party sources. See “Industry and Market Data.” Unless otherwise indicated, references to market share are based on the number of subscribers. See “Forward-Looking Statements” and “Industry and Market Data.”

You should read carefully the entire Offering Memorandum to understand the Issuer’s business, the nature and terms of the Notes and the tax and other considerations, which are important to your decision to invest in the Notes, including the risks discussed under the captions “Risk Factors” and “Forward Looking Statements.”

Overview

We are the leading fixed broadband access provider in Italy, offering mission-critical digital infrastructure to telecommunication customers through our market-leading fixed line wholesale network. We have developed a unique and extensive nationwide network across all of the main broadband technologies and are the only operator offering a full suite of both B2B2C and B2B products and services to a wide range of diversified customers across Italy. We are a technology-agnostic operator, with an established network spanning over 26 million kilometres of optical fiber infrastructure and 152,000 cabinets. As of 31 December 2024, our total network coverage across technologies spans approximately 31 million total *Unità Immobiliari* (“UIs”) or customer units, constituting the potential market coverage of premises in Italy including both occupied and empty premises and representing approximately 100% of the addressable Italian fixed broadband market (based on our definition of the total fixed broadband market by UI). As of 31 December 2024, we also provided telecommunication services to approximately 14.5 million active B2B2C lines on our network, and we achieved a wholesale passive access service volume market share of approximately 71% blended across the various fixed broadband technologies that we offer.

Our nationwide network currently operates across both copper and fiber optic infrastructure, delivering a broad mix of wholesale B2B2C services to our customers, which represented approximately 65% of our Pro Forma revenues in 2024, through copper-based Legacy technologies (ADSL and voice), and a mix of fiber and copper-based FTTC technology and fiber-based FTTH technology. Our Legacy network is the only nationwide Legacy network in Italy, providing approximately 100% coverage to the approximately 31 million total UIs in Italy, of which there are 3 million active lines. While our Legacy network is well-established and extensive, we are supporting the digitisation of Italy by migrating customers from Legacy to FTTC and FTTH, which are superior ultra-broadband technology providing download speed above 100 Mbps, in the service areas where we offer either of those technology services. As of 31 December 2024, we provide coverage to approximately 27.5 million UIs through our FTTC network, which is the sole nationwide FTTC network and represents approximately 88% of the total Italian UIs. FTTC encompasses a fiber connection up to the street cabinet, and a copper connection from the cabinet to the premise. It remains a viable ultra-broadband technology that is widely penetrated in Italy with 9.1 million active lines as of 31 December 2024 (45% of the total fixed broadband active lines), particularly since FTTH is not planned to cover the full Italian market. Our FTTC services are provided mostly through our VULA-C active product and, to a much lesser extent, through our passive SLU service (0.7 million active lines), which we provide only if another telecommunications operator has rolled out its own primary fiber network up to the cabinet and uses its own active equipment. Our FTTH network is the fastest growing segment of our infrastructure network. As of 31 December 2024, we provide coverage to approximately 12.2 million UIs through our FTTH network, which represents 60% of our total FTTH coverage target.

Our operating market comprises three areas, classified by operators' coverage objectives and the level of public investment: (i) Black Areas, which are municipalities in which at least two operators have deployed an extensive proprietary FTTH infrastructure, and where we face limited risk of competition from new entrants in the market and benefit from established framework agreements with our key customers, alongside our comprehensive provision of FTTC and Legacy services in these areas; (ii) Commercial Grey Areas, which are municipalities where, in most cases, only one major operator is expected to have proprietary FTTH infrastructure and in which we gained a first move advantage by investing early in the market, alongside our comprehensive provision of FTTC and Legacy services in these areas; (iii) Subsidy Areas, which comprise both PNRR FiberCop Areas, where we offer FTTC and Legacy technology and provide FTTH through the tenders awarded under the "Italia a 1 Giga" plan, and other operator exclusive areas, where we only provide FTTC and Legacy services and alternative operators have been assigned *Banda Ultra Larga* ("BUL") tenders; and (iv) other White Areas, where we or other operators do not have any planned FTTH infrastructure roll-outs and in which we expect to benefit from our FTTC and Legacy services offering.

Italy is one of the most penetrated FTTC markets in Europe, offering high reliability and the best available broadband technology based on average download capacity in areas without FTTH in Italy. Against a backdrop of increasing digitisation and intensive data requirements across Italy, Italian retail customers are gradually migrating from Legacy and FTTC technologies to FTTH technologies in certain service areas and we are executing a FTTH rollout plan to future-proof our fiber optic network. Since April 2021, we have already invested over €3 billion in our FTTH infrastructure and as of 31 December 2024 we have approximately 12.2 million UIs added to our FTTH network, constituting 10.8 million UIs in our Autonomous rollout areas comprising of Black Areas and Commercial Grey Areas, 1.2 million UIs in PNRR areas and 0.2 million UIs in other operator exclusive areas. This represents a 2.5 times increase of UIs added in PNRR areas since December 2023. Our current target for FTTH rollout is approximately 20.3 million UIs across our Autonomous areas and the PNRR lots that we were awarded in the "Italia a 1 Giga" plan tender in 2022. The 12.2 million total UIs we have already added represents approximately 60% of our overall coverage target for our FTTH network. We believe that we are on track to meet our targets of completing our entire FTTH rollout by 2027 and achieving 20.3 million UIs on our FTTH network, with an intermediary target of completing our rollout in PNRR areas by 2026. In the year ended 31 December 2024, we achieved the highest market share in FTTH network customer net additions in Italy, constituting on average 60% of the total net FTTH customer additions in this period. In addition, as of 31 December 2024, we had approximately 2.4 million active FTTH lines on our network and held approximately 40% of the total FTTH access market share. Our FTTH rollout plan targets approximately two-thirds of the Italian market FTTH coverage, which we believe constitutes the economically feasible FTTH market coverage, and adoption is strongly supported by the existing regulatory and political environment in Italy, with a shared ambition of achieving nationwide gigabit coverage by 2026 and limiting overbuild across the fixed network.

Alongside our B2B2C products and services, we also offer our customers a full suite of B2B products and services, which represented approximately 35% of our Pro Forma revenues in 2024, and that we provide on an open access and technology-agnostic basis. Our B2B offering consists of the following key services:

- **Colocation:** Space, connectivity, and ancillary services to host operators' equipment in our central offices, which is a regulated service.
- **Engineering:** Network services, including engineering, delivery, assurance and network operations and maintenance provided to the TIM Group.
- **Connectivity:** Traffic collection and transport services complementary to the provision of wholesale network access to third parties.
- **Dark fiber:** Leasing of fiber optic cables to connect a Peripheral Delivery Point to an operator delivery point.

- **Infrastructure:** Access to backhauling infrastructure, optical fiber unbundling (for example, pay per use), and optic fiber termination segment, which includes access to ducts and poles through IRUs or recurring fee arrangements.
- **Other:** Various other services including assurance, maintenance, and delivery services to be provided to other operators.

These B2B services complement our B2B2C wholesale services and provide significant diversification and stability to our revenue and cash flow generation with 35% of our Pro-Forma Revenues for the year ended 31 December 2024 linked specifically to B2B services.

Since the NetCo Business was contributed into FiberCop in the context of the Acquisition Transactions in July 2024, we believe we have smoothly executed the separation from the TIM Group without disruptions to business continuity and have begun implementing a variety of initiatives aimed at value creation and efficiency, which we estimate will generate an estimated run-rate EBITDA increase of €100 million from 2025 based only on the initiatives launched in 2024. We believe the ongoing rollout and conversion to FTTH technologies, along with our other ongoing value creation and efficiency initiatives, will continue to generate additional long-term cost savings and enhance our revenue growth and profitability.

For the year ended 31 December 2024, we generated total Pro Forma revenue of €3,875 million, approximately 65% of which was generated from our B2B2C channel and approximately 35% of which was generated from our B2B channel and significant diversification in revenue streams within both channels. We also generated Pro Forma Organic EBITDA-AL of €1,855 million, representing a 48% Pro Forma Organic EBITDA-AL Margin.

Strengths

Highly attractive Italian broadband market with structural tailwinds characterized by robust structural drivers and demand trends with favorable competitive dynamics

We operate in the Italian broadband market, which is supported both by robust structural tailwinds that bolster demand and positive competitive dynamics. Our market benefits from the increasing proliferation and adoption of internet-connected devices and the rapid growth of data-intensive applications. These devices and applications have high bandwidth requirements and are driving increased data traffic and demand for Gigabit technologies globally and in Italy specifically. These structural drivers are contributing to a steady increase in broadband penetration (measured as a percentage of UIs) in Italy, which has grown by 16% from 2012 through 2024.

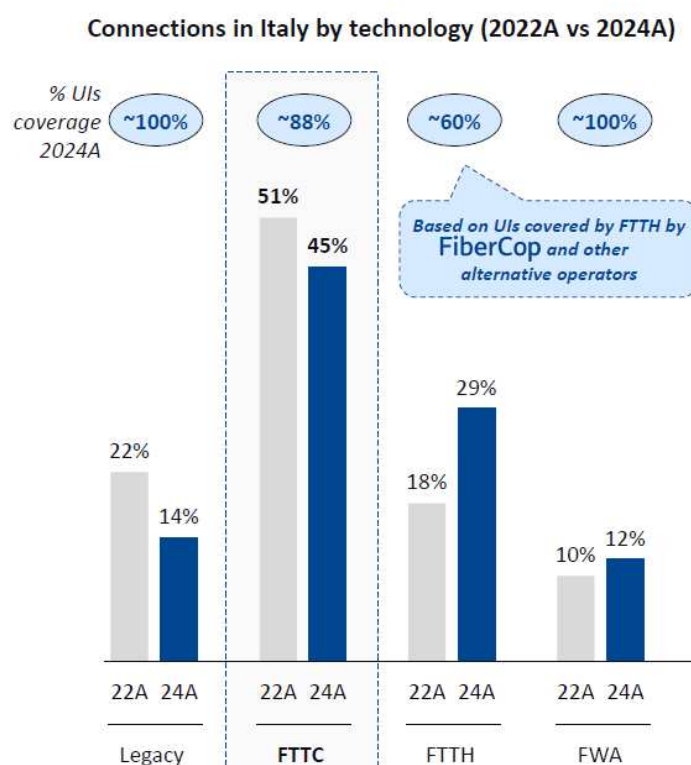
Despite this increasing broadband penetration in Italy, the Italian market is still relatively underpenetrated and has significant upside potential: broadband penetration in Italy was approximately 72% at the end of 2024, while key Western European countries (Germany, the United Kingdom, Spain, and France) have achieved an average broadband penetration of 98%. Approximately one-third of UIs in Italy do not have a fixed broadband connection, currently constituting an untapped broadband market of approximately 11 million UIs. This relative under-penetration, and the favorable backdrop for growth and structural tailwinds it presents, are compounded by the lack of competing cable infrastructure in Italy and the presence of only two high performance network operators. Italy is one of the few European markets with no cable infrastructure, making fiber-based FTTC and FTTH technologies the only available high performance fixed broadband technologies. Italy also features a supportive regulatory framework incentivizing investments in digital infrastructure with subsidies and support provided through the “Italia 1 Giga” tender plan.

Furthermore, the lack of cable infrastructure in Italy positions our FTTC infrastructure as a viable broadband technology in the medium-term as Italy gradually transitions to FTTH. FTTH has superior speed, no latency, and no bandwidth limitations, and FTTH coverage and adoption is strongly supported

by the existing regulatory and political environment, creating conducive market conditions for further growth and development. 5G will be unlikely to meet the growing data demand of most end consumers; it is likely to act only as a transitional technology from Legacy to FTTH, instead of a primary alternative. FTTH is the most suitable network technology to deliver reliable, high-bandwidth connectivity to meet this demand.

Leading national fixed broadband infrastructure provider with limited prospect of FTTH overbuild

As the leading national fixed broadband infrastructure provider, we provide the largest critical telecommunications infrastructure in Italy, covering over 20 million total fixed broadband UIs across more than 26 million kilometres of optical fiber and 152,000 cabinets across Italy. Our unique and difficult to replicate nationwide network delivers coverage spanning all main broadband technologies, providing approximately 100% coverage in Legacy to approximately 31 million UIs, approximately 88% coverage in FTTC to approximately 27 million UIs, and approximately 40% coverage in FTTH to approximately 12 million UIs as of 31 December 2024, which represents 60% of our target rollout of 20.3 million UIs passed. The following table illustrates the connections in Italy across technologies from 2022 to 2024:



Source: Company information, AGCOM, Eurostat, Omdia, Speedcheck.

Leveraging this deeply established and widespread network infrastructure, we have achieved a market-leading position as an operator in the Italian wholesale access service market, with approximately 71% of the national market share in passive wholesale access service volume, excluding operators who use their own active equipment in certain service areas. This constitutes approximately 100% market share of wholesale passive access services in both Legacy and voice and FTTC, along with approximately 40% market share of accesses in FTTH. Our market share in FTTH is expected to rise further as our FTTH coverage expands. We achieved seven consecutive quarters of more than 50% market share of FTTH net adds (on average 56% and 60% for the years ended 31 December 2023 and 2024, respectively). We also provide service to approximately 14.5 million active B2C lines as of the end of 2024.

The critical nature of our infrastructure network and our market-leading position are strengthened by the fact that as of today, approximately two-thirds of our FTTH target rollout footprint is not overbuilt by any other alternative FTTH operator, based on our total addressable FTTH market relative to our target FTTH market. We believe our network is difficult to replicate, which is largely the result of our pervasive copper network for Legacy and FTTC technologies and to a certain extent our primary fiber network. This is due to limited overbuild exposure, resulting from technological, economic, and legal and regulatory constraints, and our network having exclusivity in certain geographical areas. The following table provides an overview of our network and coverage:

	Subsidy areas					Total
	Black areas	Commercial grey areas	PNRR FiberCop	Other operator exclusive areas <i>PNRR + white</i>	Other white areas	
Description	High competition areas with 2+ major operators with an extensive proprietary FTTH infrastructure	Lower competition areas where FiberCop expected to be the only major operator with proprietary FTTH infrastructure	PNRR lots assigned to FiberCop post walk-in	PNRR lots and UIs with BUL tenders assigned to alternative operators	Other areas where no operator has an extensive FTTH coverage ¹	
FC access technologies	FTTH, FTTC, Legacy	FTTH, FTTC, Legacy	FTTH, FTTC, Legacy	FTTC, Legacy	FTTC, Legacy	-
FiberCop FTTH strategy	Steady increase in few areas not yet covered by FiberCop	Accelerate rollout in the region as limited rationale for FTTH overbuild	Complete roll-out by Jun-2026 in line with government targets	Not part of FiberCop's rollout with existing technologies providing broadband coverage		
Total UIs	7.1m UIs	12.5m UIs	2.0m UIs	7.5m UIs	2.1m UIs	31.2m UIs <i>Total BB market</i>
FTTH rollout plan	FiberCop's FTTH rollout focus (~20.3m UIs)					
	Current UIs	5.2m UIs	5.6m UIs	1.2m UIs	0.2m UIs	-
Target UIs by 2027	7.1m UIs	11.2m UIs	2.0m UIs	-	-	20.3m UIs

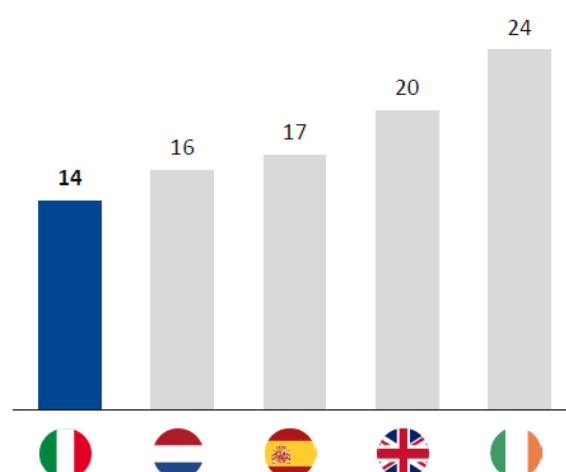
In general, the scale and depth of our infrastructure network makes it difficult to replicate. We believe that there is limited economic rationale for new entrants to enter our market given the strong and well-established network offering in most areas. High switching costs and existing framework agreements with key wholesale operators further strengthen FiberCop's competitive position. For example, the majority of Black Areas are already comprehensively covered by our and alternative operators' respective FTTH networks and we have framework agreements already in place with major customers, such as the TIM Group, which is exclusive to us. In Commercial Grey areas, the nature of such geographies and customer populations also create a significant first mover advantage for the first operator providing coverage, which we are capitalizing on, and make it economically challenging for other operators to extensively overbuild. In PNRR and BUL areas, which are government-subsidized markets covered under the "Italia 1 Giga" tender plan, we believe it is not currently economically feasible for market participants to build out infrastructure in the area without receiving government subsidies, which are tightly regulated. For example, we received approximately €1.6 billion of subsidies, out of the approximately €3.7 billion deployed, based on our allocated PNRR lots. Across all areas, we continue to be a sole provider of high performance FTTC and other fixed line technologies, and given the limited economic rationale for competitors to overbuild our network in the majority of the areas in which we presently operate, we believe our network infrastructure is unrivalled.

Predictable and stable pricing dynamics and arrangements

Our supportive and reasonable pricing arrangements enable stability and long-term visibility of our cash flows. We are currently engaging with the regulatory process and procedures to shift from our current BULRIC+ cost-oriented regulatory pricing model implemented by AGCOM to a "wholesale only" model with a "fair and reasonable" pricing approach across all of our technologies and all operational zones, excluding subsidized areas. There are approximately 31 million addressable Legacy and FTTC

UIs to which this pricing approach can be applied, and we are targeting to address 20.3 million UIs through our FTTH rollout plan by 2027. Implementing the wholesale only model will reduce regulatory restrictions on our pricing options and allow us to employ a more commercial pricing strategy with greater flexibility. Based on this approach, we will be able to set our own prices in all areas excluding subsidized areas, while pricing in subsidized areas will be based on the “Italia 1 Giga” tender price list.

We believe that this approach presents opportunities for us to optimize prices in a flexible manner and adapt to competitive considerations as they arise. Currently, FTTH regulated prices are lower than those assumed by AGCOM’s regulatory BULRIC+ model and Italy has the lowest average FTTH prices compared to other main European markets at €14 per month per line as set forth in the graph below. We believe this disincentives further downward price competition and presents potential opportunities for future increases.



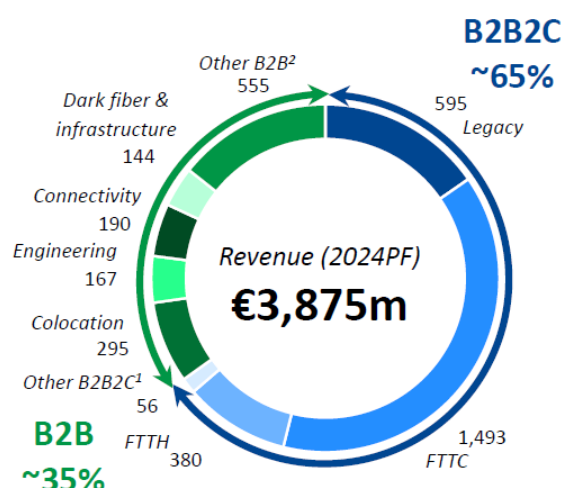
Note: Represents average FTTH access prices for 100-150 Mbit/s download speeds of FiberCop, KPN, Telefonica, Openreach and eir, and reflects an exchange rate of GBP to EUR of 1.20.

The supportive and reasonable pricing arrangements we have established across our customer base are complemented by the long-term master services agreement we recently entered with the TIM Group, our largest customer by Pro Forma revenue, which provides further stability and longer-term visibility in relation to our pricing and in turn our cash flows. This agreement covers a wide range of services over a term of 15 years, with a renewal mechanism for additional term of 15 years, subject to ongoing review by the AGCM. Pursuant to this agreement, we are the exclusive provider of wholesale access services to the TIM Group, subject to certain limited exceptions, which provides us with significant certainty on a base load of volume. The pricing mechanism in the agreement allows us to set a price floor for various FTTH services, providing predictability and stability over a significant source of revenue and cash flow, while the TIM Group benefits from a most favoured client provision in relation to all services we provide thereunder. See also “*Business—Material Contracts—TIM Master Services Agreement*” and “*Risk Factors—Risks Related to our Business and Industry—We are exposed to risks arising out of our dependence on the TIM Group as a key customer and, to a lesser extent, on all other major telecommunications providers in Italy.*”

Well-diversified revenue in terms of services and clients

The pervasiveness of our critical fixed broadband infrastructure has enabled us to develop a well-diversified network of services and clients. In turn, the broad range of wholesale products and services we offer to our clients drives significant diversification of our revenue streams and long-term revenue visibility. We are the only operator in our industry offering a full suite of B2B2C and B2B products on an open-access basis, with long-term framework agreements established with multiple major retail operators. As shown in the following chart, these factors enabled us to achieve approximately €2.5

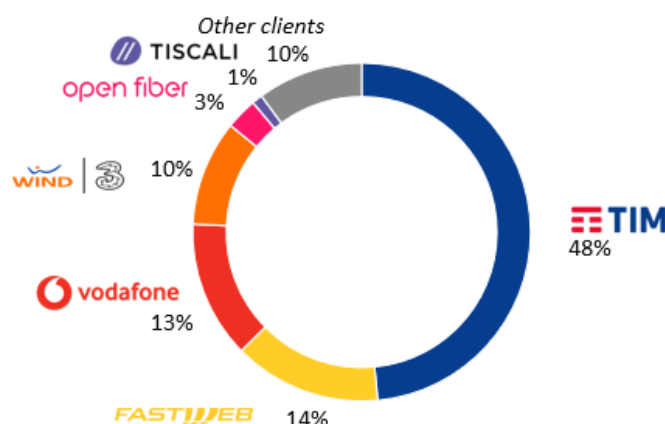
billion in Pro Forma revenue in the year ended 31 December 2024 from B2B2C products and services leveraging our high-performance broadband network, constituting approximately 65% of our total Pro Forma revenue for the period, and nearly €1.4 billion in Pro Forma revenue in the year ended 31 December 2024 from B2B products and services, constituting approximately 35% of our total Pro Forma revenue for the period.



Notes: (1) Including activations / deactivations; (2) Including delivery, assurance, commercial housing, buildings, energy, and other revenues from asset sales.

We expect our FTTC channel, which is our largest revenue segment, generating nearly €1.5 billion in Pro Forma revenue in 2024, to be a resilient revenue stream in the future due to the anticipated gradual nature of the migration to FTTH and FTTC remaining available to users who have not yet decided to migrate to FTTH. Our FTTH channel is a growing revenue segment, with the ongoing rollout program focused on establishing a strong market position and further growth expected to occur in accordance with the continuing rollout. Our B2B services channel is also a high-growth revenue stream, achieving a compound annual growth rate of approximately 8% in 2024 on a normalised basis.

Since we operate as an open access network, we have the ability to work with all telecommunications operators in Italy without any conflicts. While there are certain Black Areas in which our FTTH coverage overlaps with a competitor's and we provide service to different operators, in other FTTH coverage areas we service all operators, and both our FTTC and Legacy networks provide service to all operators without any overlap. This has enabled us to establish a large and diversified customer base to whom we offer our broad range of wholesale products and services, ensuring that we have a large footprint across all service areas. We have approximately 14.5 million fixed active lines across our network as of 31 December 2024, offering telecommunication access services through a variety of technologies to all Italians across all telecommunications operators, resulting in large and stable cash flows overall. Our long-term framework agreements with major retail operators in the Italian market, such as the TIM Group, provide high visibility on significant portions of our revenue and long-term cash flows, while our wider customer base provides substantial revenue diversification and stability and limited concentration, as set forth in the following chart:



Note: Represents customer splits of Pro Forma revenue for 2024, excluding certain engineering services made to TIM based on managerial reconciliation of revenues.

Significant scope for cost savings and operational expenditure optimization initiatives

With significant asset backed cash-generating active lines across our network, we believe that we are well-positioned to capitalise on clear drivers of cash flow growth supported by our modular technology-agnostic platform and operational expenditure optimization initiatives. In particular, we believe we will be able to continue to achieve cash flow growth through both cost savings and market growth.

Our prompt and effective implementation of value creation initiatives in the second half of 2024 has already identified run-rate efficiencies of over €100 million in EBITDA savings per year, which we expect to realise from 2025 onwards. Short-term savings already realized in 2024 resulted from efficiencies we achieved in labour, equipment rental and vehicle leasing costs. The commencement of these initiatives slightly contributed to our strong and attractive Pro Forma Organic EBITDA Margin and Pro Forma EBITDA-AL Margin in 2024 of 57% and 48%, respectively, and we believe we have scope for further growth resulting from the continued materialization of efficiencies and expected pricing upside.

We expect to be able to optimize all of our significant operational expenditure costs to drive our cash flow growth. In particular, we are continuing to implement the following value creation and efficiency initiatives:

- Decommissioning of our legacy primary copper infrastructure network, which is expected to be completed by 2028;
- Switching to fiber-based FTTC and FTTH networks by decommissioning our Legacy network over time, which generates significant savings in energy costs, due to the fiber network requiring less active equipment and real estate usage, and in turn consuming less energy than copper-based technologies. For example, certain other European telecommunications competitors have achieved energy cost savings of approximately 85%. Switching to fiber-based networks is also expected to generate other savings in equipment rental and infrastructure maintenance costs due to lower frequency of networks fault. Such lower maintenance will result in further savings;
- Switching to fiber-based networks also is expected to result in a reduction of our real estate portfolio by at least two-thirds, due to factors such as the lower attenuation of the fiber network and the dismantling of legacy network equipment reducing our central office and other spatial requirements, which will generate significant corresponding cost savings;

- Launching an affiliate company dedicated to production of solar energy to provide an economical long-term energy source at an attractive price;
- Implementing new technologies and procurement practices to optimize our FTTH network rollout; and
- Insourcing certain services through the use of our skilled workforce to achieve further cost savings.

Clear and de-risked FTTH rollout plan with robust drivers of underlying growth and secure cash flow profile

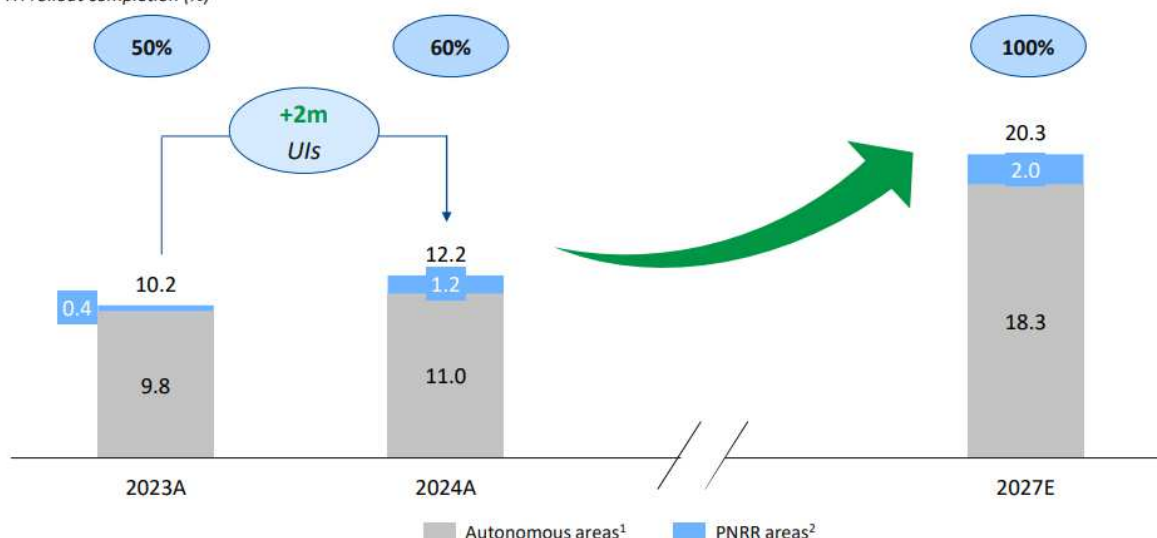
Based on the foregoing structural, operational, and commercial factors, we have developed a predictable and secure underlying cash flow profile, which supports our clear and de-risked FTTH rollout plan alongside robust drivers of underlying growth.

Currently, our Legacy and FTTC channels provide significant, predictable, and resilient cash flows, with a base of approximately 12.1 million cash-generative active lines across these channels. Such strong base provides a solid foundation and opportunities for further growth. While we expect Legacy and FTTC customers to convert to FTTH over time, the existing strength of these channels currently provides a solid financial foundation and acts as a natural hedge against the trend of relatively slower FTTH rollout and take-up in Italy. Due to the resilience and diversity of our network and operations outside of FTTH, we expect that any delays in FTTH take-up will have limited financial impact on our business.

We expect our cash flow growth to be further supported by new UIs acquired through the continuing rollout of our FTTH network coverage across Italy. As of the end of 2024, we had completed 60% of our targeted FTTH rollout, a 10 percentage points increase in completion from 2023 which enabled us to add 2 million more UIs on our network. In addition, we are on track to meet our coverage goal for PNRR areas ahead of our targeted deadline, with approximately 52% already covered by December 2024 (which increased to 58% as of April 2025) compared to an average of approximately 33% covered by alternative operators. With a well-optimized rollout strategy, we believe we are well-positioned to meet our targets of completing our FTTH network rollout by 2027 and obtaining a total of 20.3 million UIs on the network. Our FTTH rollout also is achieving controlled capital expenditure per FTTH unit, which will enhance our cash flow growth as we continue to add UIs on the network. The following table demonstrates the current progress of our FTTH rollout plan since 2023 and our targeted coverage by completion in 2027 across both Autonomous and PNRR Areas:

National FTTH coverage target (million UIs)

FTTH rollout completion (%)



Notes: (1) Includes Black and Grey Areas, as well as approximately 0.2m UIs passed in FTTH that were rolled out in areas previously considered as Grey Areas, now reclassified as White Areas. (2) Includes 7 of the 15 lots awarded by Italia 1 Giga.

As we continue to roll out and complete our FTTH network transition initiatives and various other efficiency measures we are implementing, we expect to reduce a large portion of our growth capital expenditure in relation to the FTTH rollout program to obtain significant further cost savings, and to increase our recurring free cash flow from the fiber network as a result. We also expect our cash flow to be bolstered by an eventual broadband market growth and the continuing implementation and realization of efficiencies in relation to the gradual transition to fiber, such as reduced energy and real estate cost requirements and less maintenance capital expenditure being required for the fiber network than the copper network, which once rolled out has a long useful life.

Fully committed and supportive blue-chip shareholders, including the Italian government and KKR Infrastructure, alongside a fully built-out high-quality management team

Our business is backed by fully committed and supportive blue-chip shareholders alongside a fully built-out high-quality and experienced management team. Our operations are overseen by a group of reputable investors with significant experience in managing and governing similar companies, led by KKR Infrastructure, and our board is composed of highly qualified individuals with considerable experience in digital infrastructure. Our Chairman and CEO, along with the top five other executive members of our management committee, have over 170 years of combined experience.

We benefit from the market expertise, business relationships, knowledge and experience of our Chairman (since 2020) and Chief Executive Officer (since 2025), Mr. Massimo Sarmi. Mr. Sarmi has over 50 years of experience in the telecommunications sector, serving in leadership positions across some of Italy's major strategic companies. Mr. Sarmi worked at Telecom Italia from 1976 to 1999, and was the first General Manager of TIM when the mobile radio division was spun off from Telecom Italia, later becoming General Manager at Telecom Italia. Among his other appointments, Mr. Sarmi has also served as Chief Executive Officer and General Manager of Siemens Italia and Chief Executive Officer and General Manager of Poste Italiane Group.

We also benefit from the leadership of our professional management committee team with considerable experience in the Italian telecommunications and infrastructure market and a proven track record of strategic execution. Mr. André Rogowski has been our Chief Financial Officer since 2024. Prior to joining us, Mr. Rogowski was Chief Financial Officer at Abertis Infraestructuras SA, a leading

international operator in toll road management, from 2019 to 2024, and was co-head of the Global Coverage operations at Mediobanca. Mr. Simone Bonannini is currently our Chief Revenue & Data Officer, and was previously our Chief Commercial Officer since 2024. Mr. Stefano Paggi has been our Chief Technology & Operations Officer since 2024, and has previously held various roles at Open Fiber in operations, network management and procurement and spent over twenty years working for the Tim Group. Mr. Alberto Boffelli is currently our Chief Corporate Officer, and was previously Chief Operations Officer and General Manager of the Projects Business Unit at Prysmian, a leading Italian company specialising in the production of electrical cable for use in the energy and telecom sectors and for optical fibers, overseeing the execution of interconnection and offshore wind farm projects. Mr. Riccardo Busani is currently our Chief Strategy Officer, after spending over seven years at KKR in London where he was Director for Infrastructure Private Equity for the EMEA region.

The high-quality management team we have assembled to execute on our future strategy is complemented by our strong blue-chip shareholder and governance team. KKR Infrastructure is a global leader in infrastructure investment and management, with a strong established track record and over \$80 billion committed through its investment mandates, notably including several digital infrastructure and telecommunications investments. More specifically, KKR Infrastructure has a unique track record of successful fiber investments and delivering accelerated fiber rollouts, along with strong experience of managing fiber networks and infrastructure in Italy. This includes other successful experiences of carving-out business units from larger operating companies and partnering with national governments on infrastructure transactions. For example, KKR Infrastructure has successfully invested in Vantage Towers, Telenor, Reintel, Open Dutch Fiber and MásMóvil, among other leading digital infrastructure and telecommunication operators. KKR Infrastructure also successfully partnered with the German federal government in connection with its investment in Hensoldt, a German defence supplier, which KKR Infrastructure initially acquired in 2016 and supported in its successful initial public offering which raised over €400 million in 2020. Thanks to KKR Infrastructure's strong track record and expertise in both investing in and managing digital infrastructure and telecommunication operators, we believe KKR Infrastructure is well-positioned to continue supporting us in our fiber rollout and migration process and achieving our strategic objectives, as it has done since its initial indirect investment in our business in 2021.

We are further supported by strong participation in our business by our Italian government shareholders. The Ministry of the Economy and Finance of Italy ("MEF") and F2i, Italy's largest independent infrastructure fund manager, collectively own approximately 27% of our shares and are both committed to ensuring a successful digitisation of Italy and supporting our initiatives to achieve this objective. We believe there are significant benefits to the presence of Italian government stakeholders amongst our key shareholders. We are strategically aligned with these shareholders on the need for rapid "fiberisation" and ensuring access to gigabit technology across Italy, which supports our strategic vision and future growth plans. The involvement of government shareholders in our business facilitates opportunities for supportive policy change through a greater understanding of our industry, key challenges that we face, and opportunities for growth and development.

Strategy

Optimize our financial performance through the implementation of our business plan and financial policy

We intend to continue implementing our business plan and financial policy to optimize our financial performance by enhancing our profitability through higher margins and further improving our cash flow profile and liquidity. Our financial policy favours medium-term investment while taking what we believe is a prudent stance on leverage, dividends and mergers and acquisitions. Following this policy, we currently have an average debt life of approximately 5.6 years and a weighted average debt cost of approximately 5.3%. We intend to implement our financial policy with a focus on the following objectives:

- **Rating:** We intend to maintain our current rating profile during our investment phase, which we expect to last until 2027. After the completion of this phase, we aim to achieve an investment grade rating, as we expect the intensity of our Capital Expenditures to reduce and the realization of operational expenditure savings to contribute to cash flow generation.
- **Leverage:** We expect our leverage to peak in 2025 as we continue to accelerate our capital expenditure initiatives. We intend to promptly deleverage after the completion of this peak phase through achieving strong financial performance driven by the execution of our strong managed reduction in both Capital Expenditures and operating expenditures.
- **Dividend:** We have not established minimum annual dividends to our shareholders and intend to assess our dividend approach from year to year with a strong focus on maintaining prudent leverage levels and supporting our value-accretive growth capital expenditure program.
- **Hedging:** We aim to proactively manage our interest rate risk and maintain 70%-100% of our debt at fixed rates through the issuance of fixed rate debt instruments and hedging instruments. To the extent any debt is issued in currencies other than Euro, we intend to maintain 100% currency risk hedging to element currency risk exposure.
- **Liquidity:** We expect to continue adhering to a prudent cash management policy, maintaining a sufficient liquidity margin through cash and unfunded credit lines. We intend to meet our future funding needs for investments in our business and refinancing our existing indebtedness by prioritizing access to strong and diversified sources of liquidity across the financial markets and through operating free cash flow generation.

With our financial policy as our foundation, we intend to implement our business plan to optimize our financial performance over the coming years. Our business plan seeks to achieve certain financial objectives from 2024 to 2029, including:

- Growing our Pro Forma revenue by greater than a 2% CAGR, driven primarily through gains in our B2B business channel, the completion of our FTTH coverage, the continued growth of the fixed broadband market, and steady growth to the average B2C ARPU expected under our anticipated new pricing regime;
- Reducing our operating expenditures by approximately €500 million, driven primarily by our Legacy network decommissioning and its acceleration to 2028, which is expected to achieve significant reductions in power consumption and central office lease costs, along with reductions to our IT costs and backbone rental fees, among others; and
- Based on the foregoing improvements to revenue and operating expenditures, achieving a 15 percentage point increase in our Pro Forma Organic EBITDA-AL Margin from 2024 to 2029, driven primarily by the operational expenditure reductions, and approximately one-third of the increase arising from our B2B business channel and a limited portion from the evolution of the B2C market.

Our business plan further envisions optimizing our financial performance through the deployment of approximately €8.5 billion of Capital Expenditures from 2025 to 2027 (€7.4 billion net of the €1.1 billion of PNRR subsidies expected to be received over this period), focusing on the continued rollout and completion of our FTTH network and investments to realize operating expenditure reductions, which we believe will be partially offset by approximately €1.1 billion of subsidies that we expect to receive in connection with capital expenditures to be spent on PNRR areas. We expect our FTTH rollout and new projects to account for approximately half of this amount, with success-based Capital Expenditures (incurred only upon new activations), Maintenance Capital Expenditures, and other Capital Expenditures (decommissioning and IT), expected to account for approximately 15-17%, 17-20% and 13-18% of this amount, respectively. After 2027, we expect our Capital Expenditures to be

significantly lower, with a focus on success-based client activation and reduced maintenance initiatives, and aim for our Maintenance and success-based Capital Expenditures to collectively account for approximately 80% of our total Capital Expenditures and approximately 20-25% of our revenues moving forward.

Our ability to achieve the financial targets and objectives set out above is subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control, and our financial targets and objectives have been developed based upon assumptions with respect to future business decisions and conditions that are subject to change. As a result, our actual results may vary from the financial targets and objectives set out above, and those variations may be material. We do not undertake to publish revised financial targets and objectives to reflect events or circumstances existing or arising after the date of the Offering Memorandum or to reflect the occurrence of unanticipated events or circumstances. See “*Risk Factors—Risks Related to our Business and Industry*” and “*Presentation of Financial and Other Information—Presentation of Non-IFRS Measures.*” Certain of the foregoing are forward-looking statements. See “*Forward-Looking Statements.*”

Execute FTTH rollout in an economically disciplined manner to achieve committed targets

We remain committed to further developing and future proofing our network, particularly through continuing to execute the rollout of our FTTH network in an economically disciplined manner. Our growing FTTH market share is driven by our higher share of FTTH net additions relative to our competitors. We already have approximately 12.2 million UIs added to our FTTH network coverage, which represents approximately 60% of our target, and we believe we are on track to meet our targets of completing 100% of our FTTH rollout by 2027 and thereby achieving 20.3 million UIs. As part of these targets, we have specifically committed to delivering FTTH network coverage to 2.0 million UIs in PNRR areas by June 2026, and we believe we are on track to meet this coverage target in advance of our deadline, with approximately 52% already covered by December 2024 (which increased to 58% as of April 2025) compared to an average of approximately 33% covered by alternative operators. We intend to implement our optimised rollout plan through the continued acceleration and deployment of the necessary capital expenditures in order to promptly achieve these targets and the resultant benefits. Executing our FTTH rollout plan in this manner and upholding the delivery of our committed targets will positively contribute to the Italian government’s critical national objective of digitisation of the country, a key priority for us as the leading fixed broadband access provider in Italy and a strategic partner of the Italian government.

Maintain market leading position through diversified and enhanced product and service offerings

We expect to maintain our position as the leading national fixed broadband infrastructure provider in Italy and capitalise on the steadily increasing broadband penetration in Italy by continuing to offer a broad mix of wholesale services across multiple technologies in our B2B2C channel and a full suite of B2B products and services on an open access, operator-neutral basis. As the only industry player with the capacity to offer extensive nationwide coverage and such a broad range of services to all operators across Legacy, FTTC, and FTTH technologies, we have achieved a robust and diversified customer base with entrenched relationships and benefits of scale. We also intend to continue structuring and offering a variety of different products and services, such as VULA-H, VULA-C, SLU, Semi GPON and Full GPON, and packages thereof, to our customer base in order to further strengthen these relationships. Leveraging the strength of our existing network and customer relationships, we expect that our ongoing investments to upgrade and build out our network infrastructure and to migrate customers to enhanced network technologies will further drive scale and network utilization, further increase our penetration of the broadband market through attracting new UIs, and reinforce the digitalization tailwinds in Italy.

Transition to “wholesale only” pricing model offering greater flexibility

We intend to transition away from AGCOM's BULRIC+ cost-oriented regulated tariffs in all access technologies services, including FTTH for areas where there is a single provider, to a "wholesale only" regulatory model with a "fair and reasonable" pricing approach across all technologies in all service areas excluding PNRR areas for FTTH specifically, whereby the price was set at €15.20 as part of the Italia 1 Giga tender. We anticipate that this approach will enable us to set prices more flexibly and in a more commercial manner, allowing us to be more responsive to commercial and competitive factors to achieve optimized pricing. We also expect that our new pricing approach will better enable us to recover the replacement costs of our assets and achieve a fair rate of return on our investments.

Continue implementing value creation and efficiency initiatives to optimize expenditures and continue increasing cash flow generation

Since the closing of the Acquisition Transactions by a consortium led by KKR Infrastructure in July 2024, we already have identified an estimated run-rate EBITDA increase of more than €100 million annually through the implementation of various value creation and efficiency initiatives. We expect the ongoing shift from copper to fiber to further reduce our operational cost structure and reduce both capital expenditure and maintenance expenditure requirements, as fiber demands a reduced real estate footprint and less energy consumption, while increased take-up from the operational status of the planned deployment of FTTH network is expected to further contribute to economies of scale and growth in profitability. We have been accelerating the deployment of our Growth Capital Expenditures and intend to continue promptly implementing these initiatives in targeted areas in order to maximize the advantages of being a first mover and secure our competitive position. There is an established track record of other European telecommunications players achieving cost savings as a result of migrating from copper to fiber, particularly in real estate and energy costs, and we also intend to realize benefits in these areas. We also intend to optimize all of our significant operational expenditure costs as we continue to implement these initiatives, and to achieve significant cost savings and cash flow growth as a result. As the rollout of our ongoing growth capital expenditure initiatives is completed, the associated costs will cease and we expect our cash flow growth to be further stimulated as a result.

Continue leading on sustainability by advancing digitization

We are evolving into a sustainability-focused company, with 2024 marking the foundation of this transformation and we are set to accelerate value creation in 2025. As Italy's most advanced and expansive digital network infrastructure operator, we are uniquely positioned to lead the sustainable digital transition while delivering long-term value for all stakeholders. We intend to continue accelerating Italy's transition to a digital and sustainable economy through innovative infrastructure and digital solutions. We aim to create efficient infrastructure with an increasing use of renewable energy, circular models for recycling and recovery of waste and selection of suppliers by evaluating their commitment to sustainability. The fiber rollout is key to our sustainability project as, in addition to being more energy efficient, production of fiber results in significantly lower CO₂ emissions than copper wires, and fiber is made of abundant, non-harmful silicon dioxide. In addition, our energy-saving plan has already led to 62.4 GWh of fixed network energy savings in 2024 via decommissioning activities that included the shutdown of obsolete technologies and services, such as network exchanges. Our broader corporate group also intends to implement a new energy strategy focused on self-production of renewable energy and procurement of attractive PPA contracts. This strategy will be supported by EnerCop, our sister entity, which was established to manage renewable energy asset rollout and other energy efficiency projects and provide us with attractive energy procurement opportunities. We believe these initiatives will support our climate targets of reducing our Scope 1 and 2 emissions and our key Scope 3 emissions in line with the 1.5°C pathway set forth under the Paris Agreement, and achieving net-zero emissions in the long term across our entire value chain in alignment with the goals of the Paris Agreement.

Recent Developments

In-House Insurance Broker

In May 2025, we incorporated a new immaterial wholly-owned subsidiary, FiberCop Insurance Broker S.r.l. (“*FiberCop Insurance Broker*”), a company duly authorized to operate as an insurance intermediary by the Italian Institute for Supervision of Insurance (“*IVASS*”). Beginning in June 2025, we expect our insurance coverage to be managed and placed through FiberCop Insurance Broker. We believe FiberCop Insurance Broker possesses all the necessary expertise to identify and structure insurance coverage tailored to our business and operational needs. When appropriate, it may also collaborate with specialised external brokers. We believe this approach enables us to achieve greater control over insurance-related costs and to maintain a direct and continuous relationship with leading insurers, ensuring transparency, efficiency, and a high level of customisation in risk management.

Current Trading

Based on our preliminary financial results for the three months ended 31 March 2025 (“*Q1 2025*”), our business is continuing to achieve top-line performance consistent with our budgeted expectations and, we believe, is demonstrating resilience in both our B2B2C and B2B channels without yet reflecting any benefits from our expected transition to the “fair and reasonable” pricing approach. Our preliminary financial results indicate that during Q1 2025, our total revenue was approximately €923 million, approximately €613 million of which was generated from our B2B2C channel and approximately €309 million of which was generated from our B2B channel. Based on our preliminary financial results, we estimate that our Organic EBITDA-AL for Q1 2025 was approximately €406 million, representing an Organic EBITDA-AL Margin of approximately 44%, and our total Capital Expenditures were approximately €412 million, comprised of €142 million of Maintenance Capital Expenditures and €270 million of Growth Capital Expenditures, representing approximately 45% of our total revenues for the period and reflecting efficiencies in the unit cost of our autonomous network roll out. While our Organic EBITDA-AL for Q1 2025 is broadly consistent with our budgeted expectations, we believe that our Organic EBITDA-AL for the full year ending 31 December 2025 will be proportionally higher as various operational expenditure measures are realized, namely the positive effect of the early retirement programme on our Organic EBITDA-AL being reflected from March 2025 after employees exited the company, and continued savings are achieved through the ongoing acceleration of our Capital Expenditures. As at 31 March 2025, we had available cash of approximately €923 million and net debt of approximately €9,683 million, an increase of approximately €380 million since 31 December 2024 resulting from additional drawings under the Term Loan, which we believe provide us with a significant liquidity buffer and ability to pre-fund existing committed Capital Expenditures. The initial cash provided by our strong and supportive shareholders constitutes an equity cushion above 50%.

The above preliminary results for Q1 2025 have been prepared by our management and are based solely on preliminary internal information. During the course of our financial statement closing process, we could identify items that would require us to make adjustments that could affect the results discussed above. As these results are preliminary, they could change significantly, and may not be indicative of the financial quarter or any other period. See “Forward-Looking Statements” and “Risk Factors” for further information regarding certain factors that could affect our future performance and results of operations.

This preliminary information has not been audited and/or reviewed by our independent auditors.

The Issuer

FiberCop S.p.A. is a joint-stock company established under Italian law as a *società per azioni*, with registered offices in Via Marco Aurelio 24 - 20127 Milan, Italy.

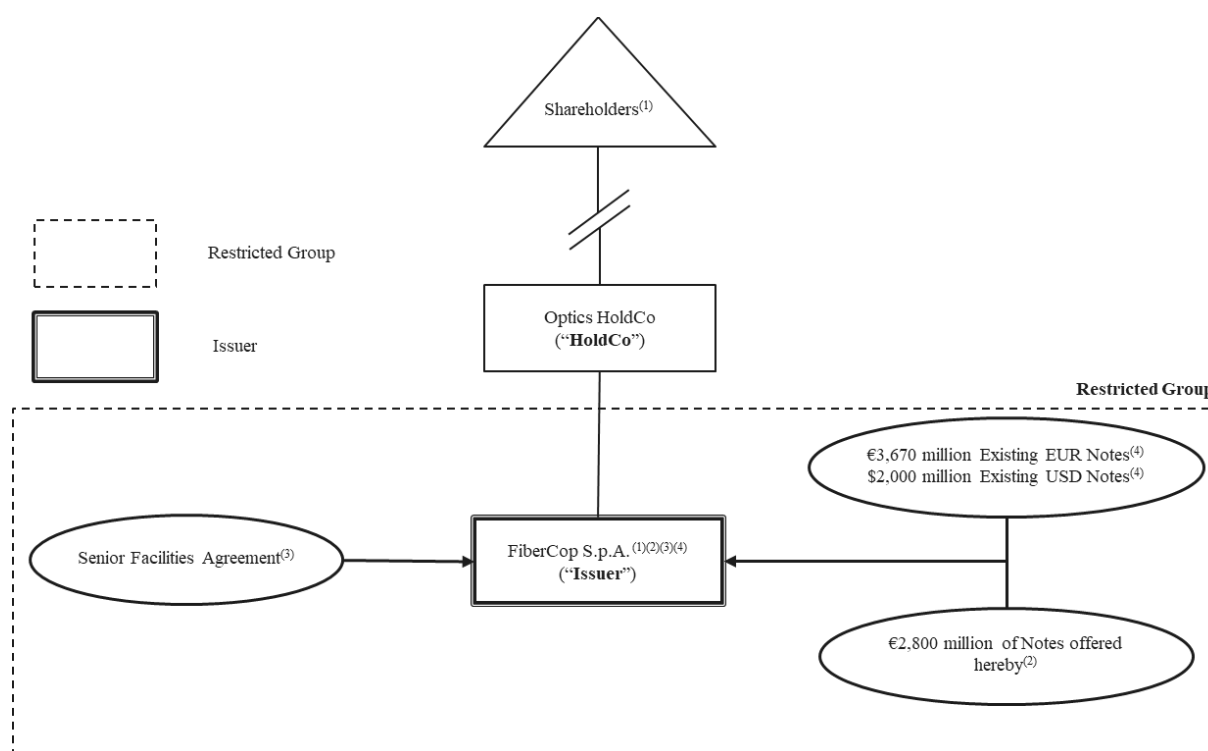
The Offering

On the Issue Date, the Issuer will issue the Notes, the proceeds of which are expected to be used to fund cash to the Issuer’s balance sheet which will be available for general corporate purposes, which may

include capital expenditures and the potential refinancing of existing indebtedness, and to pay any fees and expenses in connection with such transactions (the “*Offering*”). See “*Use of Proceeds*.”

CORPORATE STRUCTURE AND CERTAIN FINANCING ARRANGEMENTS

The following diagram summarizes our expected corporate and principal financing structure after giving effect to the Offering. The diagram does not include all entities in our Group, nor all of the debt obligations thereof. The following diagram is provided for indicative and illustration purposes only and should be read in conjunction with the information contained elsewhere in this Offering Memorandum, including “*Capitalisation*,” “*Description of Certain Other Financing Arrangements*,” “*Terms and Conditions of the 2030 Fixed Rate Notes*,” “*Terms and Conditions of the 2032 Fixed Rate Notes*” and “*Terms and Conditions of the Floating Rate Notes*.”



- (1) The ultimate controlling party of the Issuer is KKR Infrastructure, which indirectly holds approximately 37.8% of the outstanding share capital of the Issuer through certain of its investment funds. The remaining shares are directly or indirectly held by Azure Vista C 2020 S.à r.l., an investment vehicle indirectly wholly-owned by the Abu Dhabi Investment Authority, 13545369 Canada Inc., an investment vehicle formed by the Canada Pension Plan Investment Board, F2i (*Fondi Italiani per le Infrastrutture*) SGR S.p.A. and the Ministry of Economy and Finance of the Republic of Italy, which hold approximately 17.5%, 17.5%, 11.2% and 16.0% of the outstanding share capital of the Issuer, respectively. For further information, see “*Principal Shareholders*.” In May 2025, the Issuer incorporated a new immaterial wholly-owned subsidiary, FiberCop Insurance Broker S.r.l., which we expect to be duly authorized to operate as an insurance intermediary by the Italian Institute for Supervision of Insurance subject to completion of final approvals. See “*Summary—Recent Developments—In-House Insurance Broker*.”
- (2) The Issuer is offering €2,800 million in aggregate principal amount of Notes. The proceeds from the Offering will be used to fund cash to the Issuer’s balance sheet which will be available for general corporate purposes, which may include capital expenditures and the potential refinancing of existing indebtedness, and to pay any fees and expenses in connection with the Offering. The Notes will be general senior obligations of the Issuer, will rank pari passu in right of payment to any existing and future indebtedness of the Issuer that is not expressly subordinated in right of payment to the Notes, including the Issuer’s obligations under the Senior Facilities Agreement and certain hedging obligations (if any), will rank senior in right of payment to any existing and future indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes, will rank effectively senior to any existing and future indebtedness of the Issuer that is not secured by the Collateral (as defined below) to the extent of the value of the Collateral and will be effectively subordinated to any existing and future indebtedness or obligation of the Issuer that are secured by property or assets that do not secure the Notes to the extent of the value of the property and assets securing such other indebtedness or obligation. On the Issue Date, the Notes will not be guaranteed. On or around the Issue Date, the Notes will be secured on a first-priority basis, subject to subject to certain agreed security principles and certain perfection requirements, by an Italian law governed pledge over shares in the Issuer granted by Optics HoldCo and an Italian law governed undertaking to assign certain receivables that will be owed by the Issuer to Optics HoldCo, granted by Optics HoldCo (collectively, the “*Collateral*”). The Collateral will also secure the obligations of the Issuer and any other future borrowers under the Senior Facilities Agreement and the Existing Notes. Under the terms of the Intercreditor Agreement, and subject to applicable laws, in the event of an enforcement in respect of the Collateral, the holders of the Notes, the holders of the Existing Notes and the lenders under the Senior Facilities Agreement will be treated as *pari passu* among each other. The security interests in the Collateral will be limited by applicable law and subject to certain defenses that may limit their validity and enforceability and may be released under certain

circumstances. See “*Terms and Conditions of the 2030 Fixed Rate Notes*,” “*Terms and Conditions of the 2032 Fixed Rate Notes*,” “*Terms and Conditions of the Floating Rate Notes*” “*Description of Certain Other Financing Arrangements—The Intercreditor Agreement*,” “*Certain Insolvency Law Considerations*” and “*Risk Factors—Risks Relating to the Notes*.”

- (3) The Senior Facilities Agreement provides for aggregate borrowings of up to approximately €7,442 million as of the date of this Offering Memorandum. See “*Description of Certain Other Financing Arrangements—Senior Facilities Agreement*.”
- (4) The Existing EUR Notes consist of the January 2026 Euro Notes, the May 2026 Euro Notes, the October 2027 Euro Notes, the February 2028 Euro Notes, the July 2028 Euro Notes, the January 2029 Euro Notes, the January 2033 Euro Notes and the March 2055 Euro Notes. The Existing USD Notes consists of the 2033 USD Notes, the 2034 USD Notes, the 2036 USD Notes and the 2038 USD Notes. For further information, see “*Description of Certain Other Financing Arrangements*.”

THE OFFERING

This section is a general description of the offering of the Notes. The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Memorandum and, in relation to the terms and conditions of the Notes. Words and expressions defined or used in “Conditions of the Notes” below shall have the same meanings in this summary.

Issuer FiberCop S.p.A., a company with sole shareholder Optics Holdco Group – Direction and coordination of Optics Holdco S.r.l. (“*FiberCop*”).

FiberCop was incorporated as a joint stock company under the laws of Italy on 4 November 2020. The Issuer’s registered office is Via Marco Aurelio 24, 20127 Milan, Italy.

Legal Entity Identifier of the Issuer 8156007022402E114A31.

Notes offered

2030 Fixed Rate Notes €1,200,000,000 4.750% Senior Secured Notes due 2030.

2032 Fixed Rate Notes €900,000,000 5.125% Senior Secured Notes due 2032.

Floating Rate Notes €700,000,000 Senior Secured Floating Rate Notes due 2031.

Issue Date 27 June 2025.

Issue Price

2030 Fixed Rate Notes 100.000%.

2032 Fixed Rate Notes 100.000%.

Floating Rate Notes 100.000%.

Maturity Date

2030 Fixed Rate Notes 30 June 2030.

2032 Fixed Rate Notes 30 June 2032.

Floating Rate Notes 30 June 2031.

Interest Rate

2030 Fixed Rate Notes The 2030 Fixed Rate Notes will bear interest from and including the Issue Date to but excluding the 2030 Maturity Date at the rate of 4.750% per annum.

2032 Fixed Rate Notes The 2032 Fixed Rate Notes will bear interest from and including the Issue Date to but excluding the 2032 Maturity Date at the rate of 5.125% per annum.

Floating Rate Notes The Floating Rate Notes will bear interest from and including the Issue Date to but excluding the 2031 Maturity Date at the rate of EURIBOR (subject to a 0% floor) plus 3.000% per annum, reset quarterly.

Interest Payment Dates

2030 Fixed Rate Notes Interest will be payable semi-annually in arrear on 15 January and 15 July in each year, commencing on 15 January 2026.

2032 Fixed Rate Notes Interest will be payable semi-annually in arrear on 15 January and 15 July in each year, commencing on 15 January 2026.

Floating Rate Notes Interest on the Floating Rate Notes will be payable quarterly in arrear on each of 15 January, 15 April, 15 July and 15 October in each year, commencing on 15 October 2025.

Form and Denomination The Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof maintained in book-entry form. Notes in denominations of less than €100,000 will not be available. The Notes will be issued initially as registered global certificates. Holders of the Notes will hold the global certificates through Euroclear and Clearstream. See “*Book-Entry, Delivery and Form.*”

Ranking of the Notes..... The Notes will:

- be general senior obligations of the Issuer;
- be secured as set forth under “—*Security*;”
- rank *pari passu* in right of payment to any existing and future indebtedness of the Issuer that is not expressly subordinated in right of payment to the Notes, including the Issuer’s obligations under the Senior Facilities Agreement and certain hedging obligations (if any);
- rank senior in right of payment to any existing and future indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes;
- rank effectively senior to any existing and future indebtedness of the Issuer that is not

secured by the Collateral to the extent of the value of the Collateral; and

- be effectively subordinated to any existing and future indebtedness or obligation of the Issuer that are secured by property or assets that do not secure the Notes to the extent of the value of the property and assets securing such other indebtedness or obligation.

Security

On or around the Issue Date, the Notes will be secured on a first-priority basis, subject to certain agreed security principles and certain perfection requirements, by (collectively, the “*Collateral*”):

- an Italian law governed pledge over shares in the Issuer granted by Optics HoldCo; and
- an Italian law governed undertaking to assign certain receivables that will be owed by the Issuer to Optics HoldCo, granted by Optics HoldCo.

The Collateral will also secure the obligations of the Issuer and any other future borrowers under the Senior Facilities Agreement and the Existing Notes. Under the terms of the Intercreditor Agreement, and subject to applicable laws, in the event of an enforcement in respect of the Collateral, the holders of the Notes, the holders of the Existing Notes and the lenders under the Senior Facilities Agreement will be treated as *pari passu* among each other. See “*Risk Factors—Risks Relating to the Notes—Creditors under certain future indebtedness permitted to be incurred under the terms of the Trust Deed and the Intercreditor Agreement will be entitled to be repaid with recoveries from the proceeds from the enforcement of the Collateral in priority over the Notes*” and “*Description of Certain Other Financing Arrangements—The Intercreditor Agreement.*”

The security interests in the Collateral may be limited by applicable law or subject to certain defenses that may limit their validity and enforceability. In addition, the security interests in the Collateral may be released under certain circumstances. Subject to the terms of the Trust Deed and the Intercreditor Agreement, the Collateral may be pledged to secure future indebtedness. For more information on the security interests granted, see “*Terms and Conditions of the 2030 Fixed Rate Notes—Status of Notes, Guarantee and Security—Security*,” “*Terms and Conditions of the 2032 Fixed Rate Notes—Status of Notes, Guarantee and Security—Security*” and “*Terms and Conditions of the Floating Rate Notes—Status of Notes, Guarantee*

and Security—Security,” and for more information on potential material limitations to the security interests, see “Certain Insolvency Law Considerations,” “Risk Factors—Risks Relating to the Notes” and “Description of Certain Other Financing Arrangements—Intercreditor Agreement.”

Joint Global Coordinators and Physical Bookrunners	J.P. Morgan SE and KKR Capital Markets (Ireland) Limited.
Joint Active Bookrunners.....	BNP PARIBAS, Crédit Agricole Corporate and Investment Bank and MUFG Securities (Europe) N.V.
Joint Bookrunners	Banca Akros S.p.A., Banco Bilbao Vizcaya Argentaria, S.A., BPER Banca S.p.A., Mediobanca – Banca di Credito Finanziario S.p.A., Natixis, SMBC Bank EU AG and Société Générale.
Co-Manager.....	Abu Dhabi Commercial Bank PJSC.
Trustee	Citibank N.A., London Branch.
Principal Paying Agent.....	Citibank, N.A., London Branch.
Registrar and Transfer Agent.....	Citibank Europe plc.
Calculation Agent.....	Citibank, N.A., London Branch.
Security Agent	UniCredit S.p.A. in its capacity as security agent for the secured creditors under the Trust Deed and the Existing Financing Arrangements and <i>mandatario con rappresentanza</i> of the Trustee and of the Noteholders from time to time pursuant to articles 1703, 1704 et seq. of the Italian Civil Code and as representative (<i>rappresentante</i>) of the holders of the Notes and the Existing Notes pursuant to and for the purposes set forth under Article 2414-bis, Paragraph 3, of the Italian Civil Code.
Currency	Euro.
Clearing Systems	Application will be made to clear the Notes through Euroclear and Clearstream and will be attributed the following codes: ISIN: XS3104481257; Common Code: 310448125 for the 2030 Fixed Rate Notes; ISIN: XS3104481414; Common Code: 310448141 for the 2032 Fixed Rate Notes; and ISIN: XS3104483113; Common Code: 310448311 for the Floating Rate Notes.
Optional Redemption for Tax Reasons...	In the event of certain developments affecting taxation or certain merger or similar transactions of the Issuer, the Issuer may redeem the Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest and

Additional Amounts, if any, to the date of redemption. See “*Terms and Conditions of the 2030 Fixed Rate Notes*,” “*Terms and Conditions of the 2032 Fixed Rate Notes*” and “*Terms and Conditions of the Floating Rate Notes*” for more details.

Optional Redemption of the Issuer

2030 Fixed Rate Notes At any time the Issuer may redeem the 2030 Fixed Rate Notes, in whole or in part, at the higher of: (i) 101 per cent. of the principal amount of the 2030 Fixed Rate Notes; and (ii) the sum of the then current values of the remaining scheduled payments of principal and interest to the First Call Date with respect to the 2030 Fixed Rate Notes (30 December 2029, being the day that is six months prior to the 2030 Maturity Date) (not including any interest accrued on the 2030 Fixed Rate Notes to be redeemed to, but excluding, the relevant Optional Redemption Date) discounted to the First Call Date with respect to the 2030 Fixed Rate Notes on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at (i) the Reference Bond Rate plus (ii) the Redemption Margin, plus accrued and unpaid interest up to but excluding the relevant Optional Redemption Date.

The Issuer may also redeem, in whole or in part, outstanding 2030 Fixed Rate Notes at any time during the period commencing on the First Call Date with respect to the 2030 Fixed Rate Notes to the 2030 Maturity Date at their outstanding principal amount, together with any interest accrued but unpaid to (but excluding) the date fixed for redemption.

In the event that 20 per cent. or less of the initial aggregate principal amount of the 2030 Fixed Rate Notes remains outstanding, the Issuer may redeem all, but not some only, of the outstanding 2030 Fixed Rate Notes at their principal amount together with any interest accrued but unpaid to (but excluding) the date set for redemption.

See “*Terms and Conditions of the 2030 Fixed Rate Notes*” for more details.

2032 Fixed Rate Notes At any time the Issuer may redeem the 2032 Fixed Rate Notes, in whole or in part, at the higher of: (i) 101 per cent. of the principal amount of the 2032 Fixed Rate Notes; and (ii) the sum of the then current values of the remaining scheduled payments of principal and interest to the First Call Date with respect to the 2032 Fixed Rate Notes (30 December 2031, being the day that is six months prior to the 2032 Maturity Date) (not including any interest accrued on the 2032 Fixed Rate

Notes to be redeemed to, but excluding, the relevant Optional Redemption Date) discounted to the First Call Date with respect to the 2032 Fixed Rate Notes on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at (i) the Reference Bond Rate plus (ii) the Redemption Margin, plus accrued and unpaid interest up to but excluding the relevant Optional Redemption Date.

The Issuer may also redeem, in whole or in part, outstanding 2032 Fixed Rate Notes at any time during the period commencing on the First Call Date with respect to the 2032 Fixed Rate Notes to the 2032 Maturity Date at their outstanding principal amount, together with any interest accrued but unpaid to (but excluding) the date fixed for redemption.

In the event that 20 per cent. or less of the initial aggregate principal amount of the 2032 Fixed Rate Notes remains outstanding, the Issuer may redeem all, but not some only, of the outstanding 2032 Fixed Rate Notes at their principal amount together with any interest accrued but unpaid to (but excluding) the date set for redemption.

See “*Terms and Conditions of the 2032 Fixed Rate Notes*” for more details.

Floating Rate Notes At any time prior to 27 June 2026, the Issuer may redeem the Floating Rate Notes, in whole or in part, at the higher of: (i) 101 per cent. of the principal amount of the Floating Rate Notes; and (ii) the sum of the then current values of the remaining scheduled payments of principal and interest to 27 June 2026 (not including any interest accrued on the Floating Rate Notes to be redeemed to, but excluding, the relevant Optional Redemption Date) discounted to 27 June 2026 on an annual basis (based on the actual number of days elapsed divided by 360) at (i) the Reference Bond Rate plus (ii) the Redemption Margin, plus accrued and unpaid interest up to but excluding the relevant Optional Redemption Date.

On and after 27 June 2026, the Issuer may also redeem, in whole or in part, outstanding Floating Rate Notes at 100% of the principal amount of the Floating Rate Notes redeemed, together with any interest accrued but unpaid to (but excluding) the date fixed for redemption.

In the event that 20 per cent. or less of the initial aggregate principal amount of the Floating Rate Notes remains outstanding, the Issuer may redeem all, but not some only, of the outstanding Floating Rate Notes

at their principal amount together with any interest accrued but unpaid to (but excluding) the date set for redemption.

See “*Terms and Conditions of the Floating Rate Notes*” for more details.

Redemption at the Option of the Holders

Redemption at the Option of the Holders on the occurrence of a Put Event (as defined and further described in the Conditions of the Notes). A Put Event will only be deemed to have occurred if a Change of Control is accompanied by a Negative Event (each as defined and further described in the Conditions of the Notes) in connection with such event. See “*Terms and Conditions of the 2030 Fixed Rate Notes*,” “*Terms and Conditions of the 2032 Fixed Rate Notes*” and “*Terms and Conditions of the Floating Rate Notes*” for more details.

Withholding Tax

All payments made by or on behalf of the Issuer under or with respect to the Notes or Coupons will be made without withholding or deduction for or on account of any present or future Taxes, except as provided in Condition 7 (*Taxation*). In the event that any such withholding or deduction is made, the Issuer will, except as provided in Condition 7 (*Taxation*), pay such additional amounts as may be necessary such that the net amounts received after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Notes or Coupons, in the absence of such withholding or deduction.

Substitution.....

The Trustee may, without the consent of the Noteholders, agree with the Issuer to: (A) the substitution in place of the Issuer (or of any previous substitute) as the principal debtor under the Notes on the terms of and subject as provided in Condition 3.2 (*Mergers and Similar Events*); and/or (B) the substitution in place of the Issuer (or of any previous substitute) as the principal debtor under the Notes of another company, being any entity that may succeed to, or to which the Issuer (or any previous substitute) may transfer, all or substantially all of the assets and business of the Issuer (or any previous substitute) by operation of law, contract or otherwise, subject to (a) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (b) certain other conditions set out in the Trust Deed being complied with.

Restrictions on Security Interests

The terms of the Notes contain a provision restricting the ability of the Issuer to create security interests in

respect of certain indebtedness as further described in Condition 3.1 (*Restrictions on Security Interests*).

Status of the Notes	The Notes and the Coupons relating to them are unconditional, unsubordinated obligations of the Issuer and rank <i>pari passu</i> among themselves and (save as aforesaid and for certain obligations required to be preferred by law) equally with all other senior obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
No Prior Market	The Notes will be new securities for which there is currently no market. Although the Initial Purchasers of the Notes have advised us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market making at any time without notice. Accordingly, there can be no assurance that an active trading market will develop for the Notes.
Listing and Admission to Trading	Application has been made for the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and trading on the professional segment of its Euro MTF Market, with effect from the Issue Date. The Luxembourg Stock Exchange's Euro MTF Market is not a regulated market for the purposes of MiFID.
Governing Law	The Notes and any non-contractual obligations arising out of or in connection with any of them will be governed by, and construed in accordance with, English law, save for mandatory provisions of Italian law relating to the meetings of Noteholders and the Noteholders' Representative.
Ratings	The Notes are rated Ba1 by Moody's, BB+ by S&P and BB+ by Fitch. Moody's, S&P and Fitch are established in the EU and registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.
Selling Restrictions	United States, the EEA (including Italy) and the United Kingdom, as further described under " <i>Subscription and Sale and Transfer and Selling Restrictions</i> " below.
Risk Factors	An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading " <i>Risk Factors</i> " beginning on page 33 of this Offering Memorandum.

SUMMARY FINANCIAL AND OTHER INFORMATION

The summary pro forma and historical financial information and other data set forth below is the financial data of the Issuer as of and for each of the years ended 31 December 2024 and 2023 which has been extracted or derived from the Unaudited Pro Forma Income Statements and Audited Financial Statements and notes thereto, as applicable, included elsewhere in this Offering Memorandum. See “*Presentation of Financial and Other Information.*”

As a result of the Acquisition Transactions, the comparability of the historical financial information for the year ended 31 December 2024 as compared to the year ended 31 December 2023 is limited. To facilitate the comparability between periods, we present in this Offering Memorandum certain unaudited financial information on a pro forma basis after giving effect to the Acquisition Transactions and Post-Acquisition Adjustments. The Unaudited Pro Forma Income Statements have been prepared for illustrative purposes only and do not represent our actual results. The Unaudited Pro Forma Income Statements are based on certain assumptions that we believe are reasonable. However, actual future outcomes may differ from our assumptions. The Unaudited Pro Forma Income Statements have not been prepared in accordance with the requirements of Regulation S-X of the Securities Act, the Prospectus Directive or any generally accepted accounting standards. The Unaudited Pro Forma Income Statements may not reflect what our results of operations and financial condition would have been had the Acquisition Transactions and Post-Acquisition Adjustments been completed on 1 January 2024 or 2023, respectively, or what our results of operations and financial condition will be in the future.

We have also presented in the tables below certain as adjusted financial information on an as adjusted basis to give effect to the Offering, including the issuance of the Notes offered hereby and the application of the proceeds thereof as described in “*Use of Proceeds.*” The as adjusted financial information comprises certain statement of financial position and income statement information and cash and cash equivalents as of and for the twelve months ended 31 December 2024, as adjusted to give the effect of the Offering, including our indebtedness as if the Offering had occurred on 31 December 2024 and our interest expense as if the Offering had occurred on 1 January 2024.

This section is only a summary and should be read in conjunction with the Unaudited Pro Forma Income Statements and Audited Financial Statements included elsewhere in this Offering Memorandum and the notes thereto and the information set forth in “*Presentation of Financial and Other Information,*” “*Summary,*” “*Risk Factors— Risks Related to Our Business and Industry—The financial information included in this Offering Memorandum may not be representative of our operations as an independent company or otherwise comparable to our current operating results,*” “*Use of Proceeds,*” “*Capitalisation,*” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations,*” and “*Business.*”

Summary Pro Forma Income Statements

(in € million)	Year ended 31 December	
	2023	2024
	(unaudited)	
Pro Forma revenues	4,052	3,875
Pro Forma cost of goods and services	(780)	(810)
Pro Forma personnel costs.....	(864)	(826)
Pro Forma other operating income/(expenses)	9	(17)
Pro Forma restructuring and transaction-related costs.....	(6)	(335)
Pro Forma depreciation and amortization.....	(1,375)	(1,389)
Pro Forma gains/(losses) on disposals of non-current assets ..	—	(1)
Pro Forma operating income	1,036	497
Pro Forma net financial income/(expenses).....	(694)	(675)
Pro Forma (loss)/profit before tax	342	(178)
Pro Forma income tax benefit/(expense)	(125)	(31)

Pro Forma (loss)/profit for the period 217 (209)

Summary Statement of Financial Position

(in € million)	Year ended 31 December	
	2024	
	(audited)	
Total non-current assets	25,779	
Total current assets	2,360	
Total assets	28,139	
Total non-current liabilities	(16,125)	
Total current liabilities	(3,113)	
Total liabilities	(19,238)	
Total shareholders' equity	(8,901)	
Total liabilities and shareholders' equity	(28,139)	

Other Pro Forma Financial Information

The Alternative Performance Measures presented below have been prepared on the basis described under “Presentation of Financial and Other Information—Pro Forma Financial Information” and “Presentation of Financial and Other Information—Presentation of Non-IFRS Measures” and are subject to the limitations described therein and under “Risk Factors—Risks Related to Our Business and Industry—The financial information included in this Offering Memorandum may not be representative of our operations as an independent company or otherwise comparable to our current operating results.”

	For the year ended 31 December	
	2023	2024
(€ in million, except ratios)		
Pro Forma Organic EBITDA ⁽¹⁾⁽³⁾	2,417	2,222
Pro Forma Organic EBITDA-AL ⁽¹⁾⁽³⁾	2,047	1,855
Pro Forma Organic EBITDA Margin(%)(²)	59.6%	57.3%
Pro Forma Organic EBITDA-AL Margin(%)(²)	50.5%	47.9%
Normalised Pro Forma Organic EBITDA ⁽¹⁾⁽³⁾	2,221	2,222
Normalised Pro Forma Organic EBITDA-AL ⁽¹⁾⁽³⁾	1,851	1,855
Normalised Pro Forma Organic EBITDA-AL Margin(%)(⁴)	47.8%	47.9%
Structuring EBITDA-AL ⁽¹⁾	—	1,955
Capital Expenditures ⁽⁵⁾	2,033	2,439
Of which Maintenance Capital Expenditures ⁽⁵⁾	575	601
Pro Forma Operating Free Cash Flow ⁽⁶⁾	1,472	1,254
Normalised Pro Forma Operating Free Cash Flow ⁽⁷⁾	1,276	1,254
<i>As adjusted financial data</i>		
As adjusted net debt ⁽⁸⁾		9,251
As adjusted net debt-AL ⁽⁹⁾		11,214
As adjusted cash and cash equivalents ⁽¹⁰⁾		3,775
As adjusted interest expense ⁽¹¹⁾		696
Ratio of As adjusted net debt ⁽⁸⁾ to Pro Forma Organic EBITDA-AL ⁽¹⁾		5.0x
Ratio of Pro Forma Organic EBITDA-AL ⁽¹⁾ to As adjusted interest expense ⁽¹¹⁾		2.7x

- (1) We define Pro Forma EBITDA as (loss)/profit for the period adjusted for income tax benefit/(expense), net financial income/(expenses), depreciation and amortization and gains/(losses) on disposal of non-current assets. We define Pro Forma Organic EBITDA as Pro Forma EBITDA adjusted for restructuring and transaction related costs. We define Pro Forma Organic EBITDA-AL as Pro Forma Organic EBITDA adjusted for lease payments. We define Normalised Pro Forma Organic EBITDA-AL as Pro Forma Organic EBITDA-AL further adjusted to exclude certain non-recurring and one-off items. See “Presentation of Financial and Other Information.”

We believe that our Pro Forma EBITDA, Pro Forma Organic EBITDA, Pro Forma Organic EBITDA-AL and Normalised Pro Forma Organic EBITDA-AL, which we collectively refer to as Pro Forma EBITDA-based measures are useful to investors in evaluating our operating performance and our ability to incur and service our indebtedness. We believe that Pro Forma Organic EBITDA and Pro Forma Organic EBITDA-AL are useful to investors because they are adjusted for certain items that we believe are not indicative of our underlying operating performance. We believe that Normalised Pro Forma Organic EBITDA-AL is useful to investors as it facilitates a comparison of the Group's results of operations that reflects what we believe is a normalised basis for the periods presented, accounting for certain developments that occurred during the year ended 31 December 2023 which we believe are not representative of the ordinary course of business of the Issuer, primarily relating to the sale of bulk infrastructure assets to Open Fiber, in the form of access to our ducts in White Areas sold as IRUs, and lower energy prices incurred during this period which we believe are not representative of the ordinary course of business of the Issuer.

Our Pro Forma EBITDA-based measures and ratios are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to performance measures derived in accordance with IFRS or any other generally accepted accounting principles. Our Pro Forma EBITDA-based measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. Our Pro Forma EBITDA-based measures, presented herein differ from Consolidated EBITDA as defined in the Trust Deed governing the Notes. Because of these limitations, our EBITDA-based measures should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to service our indebtedness. You should compensate for these limitations by relying primarily on our financial statements included elsewhere herein and using these non-GAAP measures only to supplement evaluation of our performance. Pro Forma Organic EBITDA-AL and Normalised Pro Forma Organic EBITDA-AL have been prepared on the basis described under "Presentation of Financial and Other Information—Presentation of Non-IFRS Measures" and are subject to the limitations described therein. Normalised Pro Forma Organic EBITDA-AL is inherently subject to risks and uncertainties and may not give an accurate or complete picture of the financial impact or results of the adjustments for the period presented. The achievement of the product and capacity expansion initiatives, operational initiatives and integration and commercial activities reflected in the adjustments partly depends on factors that are outside of our control, and we may be unable to implement some or all of such initiatives and/or generate the expected benefits therefrom within the expected timeframe or at all. See "Risk Factors—Risks Related to Our Business and Industry—The assumptions used in estimating cost-savings associated with our fiber roll out and/or our fiber take-up objectives are forward-looking in nature." and "Presentation of Financial and Other Information."

The following table sets forth the calculation of Pro Forma EBITDA, Pro Forma Organic EBITDA, Pro Forma Organic EBITDA-AL and Normalised Pro Forma Organic EBITDA-AL for the periods indicated:

(in € million)	For the year ended 31 December	
	2023	2024
Pro Forma (Loss)/Profit for the period	217	(209)
Pro Forma Income tax benefit/(expense)	125	31
Pro Forma Net financial income/(expenses)	694	675
Pro Forma Depreciation and amortization	1,375	1,389
Pro Forma Gains/(losses) on disposal of non-current assets	—	1
Pro Forma EBITDA	2,411	1,887
Pro Forma restructuring and transaction related costs ^(a)	6	335
Pro Forma Organic EBITDA	2,417	2,222
Pro Forma lease payments ^(b)	(370)	(367)
Pro Forma Organic EBITDA-AL	2,047	1,855
Normalisation adjustments ^(c)	(196)	—
Normalised Pro Forma Organic EBITDA-AL	1,851	1,855
Structuring adjustments ^(d)	—	100
Structuring EBITDA-AL	—	1,955

(a) Represents (i) costs incurred in relation to the early retirement and associated contributions costs for managers and employees, based on the agreement signed with the trade unions in 2024 under article 4 of the Italian Legislative Decree No. 92/2012, which allows early retirement for certain of our employees in 2025 and (ii) costs incurred for external services related to professional consultancy and advisory services, as well as transaction taxes legal, human resources, IT and accounting advisory incurred in connection with the Acquisition Transactions and the separation procedures from the TIM Group.

(b) Represents estimated costs incurred in the periods under review related to lease contracts.

(c) Represents one-off adjustments relating to (i) the sale of bulk infrastructure assets to Open Fiber, in the form of access to our ducts in White Areas sold as IRUs, representing revenues of €177 million and costs of €7 million; and (ii) attributed energy costs of €26 million, which we believe is more representative of the ordinary course of business of the Issuer, as energy volume consumptions were similar in the years ended 31 December 2023 and 2024 but actual costs were lower, which we believe was an artificial and non-representative decrease due to a government-imposed price capping mechanism that was in place at the time. These adjustments are based upon various assumptions, forecasts and management estimates and are in part based upon historical information. This information does not represent the results we would have achieved had each of the adjustments occurred and been fully implemented on the first day of the

relevant financial period. These numbers have not been, and cannot be, audited, reviewed or verified by an independent accounting firm.

- (d) Represents our estimate of the cost savings expected to be generated by our efficiency and value creation initiatives which we began implementing in the second half of 2024, as if all initiatives to be deployed had been fully effective on 1 January 2024. We expect to begin realising these cost savings in 2025. These adjustments are based upon various assumptions, forecasts and management estimates and are in part based upon historical information. We may not be able to realise these cost savings, either in the amount or within the timeframe we currently anticipate, and the costs of achieving these cost savings may be higher than expected. This information does not represent the results we would have achieved had the adjustments occurred and been fully implemented on the first day of the relevant financial period. This number has not been, and cannot be, audited, reviewed or verified by an independent accounting firm.
- (2) Pro Forma Organic EBITDA Margin refers to Pro Forma Organic EBITDA divided by Pro Forma revenues and expressed as a percentage. Pro Forma Organic EBITDA-AL Margin refers to Pro Forma Organic EBITDA-AL divided by Pro Forma revenues and expressed as a percentage.
- (3) The following table presents a reconciliation of Pro Forma revenues to Pro Forma Organic EBITDA and Pro Forma Organic EBITDA-AL for the periods indicated, reflecting the key operating expenditure categories by which our management analyses and monitors our business. In order to aid investors and facilitate a comparison of the Group's results of operations that reflects what we believe is a normalised basis for the years ended 31 December 2023 and 2024, accounting for certain developments that occurred during the year ended 31 December 2023 which we believe are not representative of the ordinary course of business of the Issuer, the following table also sets forth the calculation of Normalised Pro Forma Organic EBITDA and Normalised Pro Forma Organic EBITDA-AL for the periods presented. These metrics reflect certain non-recurring and one-off items for the year ended 31 December 2023, primarily relating to the sale of bulk infrastructure assets to Open Fiber, in the form of access to our ducts in White Areas sold as IRUs and lower energy prices incurred during this period which we believe are not representative of the ordinary course of business of the Issuer. Normalised Pro Forma Organic EBITDA and Normalised Pro Forma Organic EBITDA-AL have been prepared on the basis described under "*Presentation of Financial and Other Information–Presentation of Non-IFRS Measures*" and are subject to the limitations described therein. Normalised Pro Forma Organic EBITDA and Normalised Pro Forma Organic EBITDA-AL are inherently subject to risks and uncertainties and may not give an accurate or complete picture of the financial impact or results of the adjustments for the period presented.

	For the year ended 31 December		
	2023	Normalised 2023	2024
<i>(in € million)</i>			
Pro Forma revenues^(a)	4,052	3,875	3,875
Pro Forma personnel costs	(864)	(864)	(827)
Pro Forma energy-related costs ^(b)	(301)	(327)	(327)
Pro Forma other, general and administration costs ^(c)	(471)	(464)	(499)
Pro Forma operating costs^(d)	(1,635)	(1,654)	(1,653)
Pro Forma Organic EBITDA	2,417	2,221	2,222
Pro Forma lease payments ^(e)	(370)	(370)	(367)
Pro Forma Organic EBITDA-AL	2,047	1,851	1,855

- (a) Normalised Pro Forma revenues for the year ended 31 December 2023 reflects a one-off adjustment of €177 million for the realisation of revenues related to the sale of bulk infrastructure assets to Open Fiber, in the form of access to our ducts in White Areas sold as IRUs.
- (b) We define Pro Forma energy-related costs as operating costs relating to the purchase of electricity in the open and forward market, including power purchase agreements with a windfarm company, forward volumes bought in the market and spot market purchases of electricity volumes. Normalised Pro Forma energy-related costs for the year ended 31 December 2023 reflects a one-off adjustment of €26 million which we believe is more representative of the ordinary course of business of the Issuer, as energy volume consumptions were similar in the years ended 31 December 2023 and 2024 but actual energy-related costs were lower, which we believe was an artificial and non-representative decrease due to a government-imposed price capping mechanism that was in place at the time.
- (c) We define Pro Forma other, general and administration costs as operating costs relating to general operational expenditures, including costs of goods sold, commercial costs, network costs, IT costs and other income and expenses. Normalised Pro Forma other, general and administration costs for the year ended 31 December 2023 reflects a one-off adjustment of €7 million related to the sale of bulk infrastructure assets to Open Fiber, in the form of access to our ducts in White Areas sold as IRUs.
- (d) Represents the sum of our Pro forma personnel costs, Pro Forma energy-related costs and Pro Forma other, general and administration costs, which are the key operating expenditure categories by which our management analyses and monitors our business.
- (e) Represents estimated costs incurred in the periods under review related to lease contracts.
- (4) Normalised Pro Forma Organic EBITDA-AL Margin refers to Normalised Pro Forma Organic EBITDA-AL divided by Normalised Pro Forma revenues and expressed as a percentage.

- (5) Capital Expenditures represents capital expenditures on an accrual basis. Maintenance Capital Expenditures represents Capital Expenditures related to maintenance, improvement or upgrades of existing assets.

- (6) Pro Forma Operating Free Cash Flow represents Pro Forma Organic EBITDA-AL less Maintenance Capital Expenditures. The following table set forth the calculation for Operating Free Cash Flow for the periods indicated:

(in € million)	For the year ended 31 December	
	2023	2024
Pro Forma Organic EBITDA-AL.....	2,047	1,855
Maintenance Capital Expenditures.....	(575)	(601)
Pro Forma Operating Free Cash Flow	1,472	1,254

- (7) In order to aid investors and facilitate a comparison of the Group's results of operations that reflects what we believe is a normalised basis for the years ended 31 December 2023 and 2024, accounting for certain developments that occurred during the year ended 31 December 2023 which we believe are not representative of the ordinary course of business of the Issuer, the following table sets forth the calculation of Normalised Operating Free Cash Flow for the periods presented. Normalised Operating Free Cash Flow has been prepared on the basis described under "Presentation of Financial and Other Information—Presentation of Non-IFRS Measures" and is subject to the limitations described therein. Normalised Operating Free Cash Flow is inherently subject to risks and uncertainties and may not give an accurate or complete picture of the financial impact or results of the adjustments for the period presented. These adjustments are based upon various assumptions, forecasts and management estimates and are in part based upon historical information. This information does not represent the results we would have achieved had each of the adjustments occurred and been fully implemented on the first day of the relevant financial period. These numbers have not been, and cannot be, audited, reviewed or verified by an independent accounting firm.

(in € million)	For the year ended 31 December	
	2023	2024
Pro Forma Operating Free Cash Flow	1,472	1,254
Normalisation adjustments ^(a)	(196)	—
Normalised Pro Forma Operating Free Cash Flow ...	1,276	1,254

- (a) Represents one-off adjustments relating to (i) the sale of bulk infrastructure assets to Open Fiber, in the form of access to our ducts in White Areas sold as IRUs, representing revenues of €177 million and costs of €7 million; and (ii) attributed energy costs of €26 million, which we believe is more representative of the ordinary course of business of the Issuer, as energy volume consumptions were similar in the years ended 31 December 2023 and 2024 but actual costs were lower, which we believe was an artificial and non-representative decrease due to a government-imposed price capping mechanism that was in place at the time.
- (8) As adjusted net debt represents our total third-party debt minus As adjusted cash and cash equivalents as of 31 December 2024. As adjusted net debt reflects our total senior secured debt as of 31 December 2024, after giving effect to the Offering as if the Offering had occurred on such date, including the expected use of proceeds from the Offering, as presented under "Capitalisation" and "Use of Proceeds." As adjusted net debt consists of the Notes offered hereby, the Existing Notes and the aggregate principal amount of indebtedness outstanding drawn under the Term Loan and assumes that the Revolving Credit Facility will be undrawn as of the Issue Date. As adjusted net debt is presented for illustrative purposes only and does not purport to represent what our total debt would have been had the Offering occurred on 31 December 2024, nor does it purport to project our total debt for any future period or our financial position at any future date. As of 31 March 2025, the aggregate principal amount of indebtedness outstanding drawn under the Term Loan increased by €380 million and our cash and cash equivalents amounted to €923 million. On 28 May 2025, the aggregate principal amount of indebtedness outstanding drawn under the Term Loan further increased by €350 million. See "Capitalisation" and "Description of Certain Other Financing Arrangements—Senior Facilities Agreement."
- (9) As adjusted net debt-AL represents As adjusted net debt further adjusted to include the liabilities related to the accounting treatment of lease contracts according to IFRS 16. As adjusted net debt-AL is presented for illustrative purposes only and does not purport to represent what our net debt would have been had the Offering occurred on 31 December 2024, nor does it purport to project our net debt for any future period or our financial position at any future date.
- (10) As adjusted cash and cash equivalents reflect our cash and cash equivalents as of 31 December 2024, as adjusted to give effect to the Offering as if the Offering had occurred on such date, including the expected use of proceeds from the offering of the Notes, as presented under "Capitalisation." See "Capitalisation" and "Use of Proceeds." As adjusted cash and cash equivalents is presented for illustrative purposes only and does not purport to represent what our cash and cash equivalents would have been had the Offering occurred on 31 December 2024, nor does it purport to project our cash and cash equivalents for any future period or our financial position at any future date. As of 31 March 2025, our cash and cash equivalents amounted to €923 million. See "Capitalisation."
- (11) As adjusted interest expense represents the interest expense on our As adjusted total net debt (as described in note (8) above) without taking into account any interest income based on the average EURIBOR paid by the Issuer in the year ended 31 December 2024, as applicable. As adjusted interest expense excludes amortized debt issuance cost incurred in connection with the Offering, but includes commitment fees under our Revolving Credit Facility, which we expect will be undrawn as of the Issue Date. As adjusted interest expense is presented for illustrative purposes only and does not purport to represent what our interest expense would have been had the Offering occurred on 1 January 2024, nor does it purport to project our interest expense for any future

period or our financial position at any future date. As a result of the increase in the aggregate principal amount of indebtedness outstanding as of 31 March 2025 drawn under the Term Loan, pursuant the Senior Facilities Agreement, to approximately €5,072 million and the annualisation of EURIBOR as at 31 March 2025, as applicable, our As adjusted interest expense for the year ended 31 March 2025 would be approximately €691 million. In addition, the As adjusted interest expense amounts presented do not reflect interest expenses in connection with the drawing of an additional €350 million under our Term Loan, pursuant to the Senior Facilities Agreement, on 28 May 2025 which brought the aggregate principal amount of indebtedness outstanding drawn under the Term Loan to €5,422 million. See “*Description of Certain Other Financing Arrangements—Senior Facilities Agreement*” and “*Capitalisation*.”

RISK FACTORS

An investment in the Notes involves a high degree of risk. Prospective investors should carefully consider the risks described below before deciding to invest in the Notes. In assessing these risks, prospective investors should also refer to the other information included in this Offering Memorandum, including the Audited Financial Statements and the Unaudited Pro Forma Income Statements and related notes included herein.

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There are a wide range of factors which could individually or in aggregate materially adversely affect our business, financial condition, results of operations, prospects and the Issuer's ability to make payments due under the Notes and which could therefore have a negative effect on the trading price of the Notes, payments which the investors will receive in respect of the Notes and/or on the rights of investors under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. As a result, investors could lose some or all of their investment. The risks and uncertainties described herein are not the only ones that the Issuer faces. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors. Certain factors which the Issuer currently deems immaterial could impair our business, financial condition, results of operations and the Issuer's ability to make payments on the Notes, as a result of the occurrence of events outside the Issuer's control.

In addition, the Issuer's past financial performance may not be a reliable indicator of its future performance and historical trends should not be used to anticipate results or trends in future periods. This Offering Memorandum also contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Offering Memorandum. See "Forward-Looking Statements."

Risks Related to Our Business and Industry

We operate in a heavily regulated industry and regulatory decisions or changes in the regulatory environment, as well as failure to comply with such regulatory framework, could adversely affect our business.

We operate in the fixed telecommunications industry in Italy and, therefore, our operations are subject to extensive, costly and evolving European and Italian regulatory regimes. Changes in such laws and regulations, or failure to comply with such laws and regulations, could materially and adversely affect our business, financial condition, results of the operations, reputation and prospects. Regulations in the telecommunications industry are constantly changing to adapt to new competition and technology. Due to this continuous evolution of the regulatory regime affecting various parts of our business, we are unable to clearly predict the impact of any proposed or potential changes in the regulatory environment in which we operate. In particular, our ability to compete effectively in our existing or new markets could be adversely affected if regulators decide to expand the restrictions and obligations to which we are subject and/or extend them to new services and markets. Finally, decisions by regulators regarding the granting, amendment, revocation or renewal of our authorizations and/or public concessions, or those of third parties, could adversely affect our future operations.

On top of environmental, building, zoning, seismic and fire prevention regulations, generally applicable to our infrastructure operations, we are subject to the specific regulatory framework for electronic communication services established by the EU Parliament and Council, as implemented in Italy. Pursuant to the EU regulatory framework, the Italian regulatory agency for communication industries, the AGCOM, is required to identify operators with significant market power in the relevant markets subject to regulation. On the basis of market analyses, AGCOM imposes requirements necessary to address identified competition problems. New market analyses are periodically conducted by AGCOM

in order to (i) deal with the evolution of market conditions and technology developments and (ii) set the rules for a subsequent period of up to five years (potentially extended to up to six years upon a AGCOM's specific application process to the European Commission). See "*Regulation.*" Within this regulatory framework, the main risks we face include the lack of predictability concerning both the timing of the regulatory proceedings and their final outcome, and possible AGCOM decisions that could apply retroactively and their potential impact on our business, results of operations, financial condition and guidance presented to the market (e.g., in relation to the definition of wholesale prices, including the level of regulated prices, or providing connectivity access across Italy).

In addition, the AGCM and AGCOM may also intervene in our business, setting fines and/or imposing changes in its service provision operating processes and in its offers. Any of these fines or changes could have a material impact on our business, financial condition and results of operations.

We are exposed to risks arising out of our dependence on the TIM Group as a key customer and, to a lesser extent, on all other major telecommunications providers in Italy.

In connection with the Acquisition Transactions, we entered into a master services agreement with the TIM Group, as well as other long-term framework agreements with other major telecommunications operators. See "*Business—Material Contracts—TIM Master Services Agreement.*" Pursuant to the TIM Master Services Agreement, we provide certain services to the TIM Group and the TIM Group provides certain services to us. The TIM Master Services Agreement has been established for an initial term of 15 years, with a renewal mechanism for an additional term. In the event of a decline in the TIM Group's subscribers or if any other factors described herein warrant a renegotiation of the TIM Master Services Agreement, we could face challenges in making such adjustments due to the long-term nature of the agreement, as well as in offsetting potential loss of revenues through additional income from other telecommunications operators. As a result, we would remain obligated to fulfil the terms of the TIM Master Services Agreement, limiting our ability to mitigate revenue losses. In addition, there can be no assurance that disputes will not arise between us and the TIM Group. In the event of a dispute, any actions we or the TIM Group could take, including the application of contractual penalties, to resolve the dispute could result in additional costs and lower revenues. If the TIM Group were to engage other established or new telecommunications operators for some or all of the services we currently provide or withhold payments to us for our services, our cash flow and financial position could be materially adversely affected.

Furthermore, any prolonged disruption to the relationship between us and the TIM Group could have a material adverse effect on our reputation among our customers, which could raise concerns about the dependability of our services, potentially compromising long-term customer relationships. For example, such shift in perception might cause other customers to question our services' reliability, leading to a domino effect where more customers might decide (i) against renewing their agreements and/or (ii) to switch to alternate providers, where available, or alternative technologies operators providing for a similar level of service.

We are also exposed to regulatory risks arising from our relationship with the TIM Group. For example, in December 2024, the AGCM opened an investigation into the TIM Master Services Agreement, focused on whether it contains provisions that could result in an anti-competitive agreement. We cannot predict the outcome of this ongoing investigation, but we are cooperating with the AGCM and, as of the date of this Offering Memorandum, there has been no determination by the AGCM that a breach of anticompetition laws or regulations has occurred. If the investigation were to determine that certain provisions of the TIM Master Services Agreement violated any laws or regulations relating to competition and anti-monopoly, the AGCM could impose an order reducing the term or otherwise modifying the substance of the TIM Master Services Agreement.

Should any of the above risks materialize, this could have a material adverse effect on our business, financial condition, credit rating, results of operations and prospects.

We are required to provide telecommunication service providers with access to our network infrastructure and capacity at regulated terms and conditions, notwithstanding our pending application to operate as a “wholesale-only” operator.

After completion of the Acquisition Transactions, AGCOM conducted a specific market analysis to evaluate potential market impacts arising from the transaction, as required pursuant to Article 89 of Italian Legislative Decree No. 259 of 2003 (*separazione volontaria da parte di un'impresa verticalmente integrata*) each time a telecommunications operator with significant market power transfers network assets to a different legal entity. The final market analysis was published in May 2024 with the AGCOM resolution no. 114/24/CONS following the receipt of the European Commission's comments, and we were recognized as a “wholesale-only” operator within the meaning of Article 91 of Italian Legislative Decree No. 259 of 2003.

While we offer wholesale services on market terms where possible to maximize usage of our network, our core business includes tariff-regulated services in the wholesale market, which account for a sizeable share of our revenues. The terms of these wholesale agreements, particularly pricing, are subject to lighter regulation or regulatory interventions in the form of the so called “fair and reasonable” prices, which we must comply with if we are recognized as a “wholesale-only” operator. As a result of current or future regulatory constraints, we may not be permitted to charge telecommunication service providers who lease our infrastructure the fees that we would consider, from time to time, as adequately profitable. Should the relevant regulatory body set unfavourable conditions for any of these services, this could materially and adversely impact our business, financial condition and results of operation.

Additionally, if we are subject to adverse findings as a result of ongoing or future antitrust proceedings, AGCOM may impose on us corrective measures that could include the reassessment or partial or full revocation of our current offering of Legacy and FTTC services in Italy. These measures could result in restrictions on our network expansion or modifications to existing coverage areas, which would materially impact our business, results of operation and financial condition.

In addition, should we lose our status of “wholesale-only” operator, our activities would fall back under the BULRIC+ regulated pricing model implemented by AGCOM, which determines service pricing by considering, among other things, network and equipment costs, projected sales volumes, maintenance, commercial costs and the impact of the cost of capital and inflation. Since this is a forecast cost model, the application of the BU-LRIC+ model could generate uncertain effects for our business as a result of discrepancies between the forecasts of the model made by AGCOM and the actual statistics that we use to account for, among others, inflationary dynamics, demand volumes and costs. If the BU-LRIC+ model is applied again to certain of our tariffs and any such discrepancies occur, we could be unable to, or find it difficult to, pass through additional costs, which could have a material adverse effect on our business, results of operations and profitability.

We operate in a competitive industry, and competitive pressures could have a material adverse effect on our business.

We face significant competition from established players and challengers. Telecommunications operators are navigating a landscape marked by significant technological changes and challenging market conditions. As such, we face direct competition from alternative network operators (“AltNets”), and may face indirect competition from other substitute technologies, such as high-speed wireless (“5G”), Fixed Wireless Access (“FWA”) and Low Earth Orbit Satellite (“LEOS”) broadband services.

In the Italian fiber fixed-line market, Open Fiber is the only at scale AltNet and it has undertaken development plans for ultrabroadband networks in major Italian cities (i.e., Black Areas) and previously underserved “market failure” zones (i.e., Subsidy Areas). Competitive dynamics differ across these coverage areas. In Black and Commercial Grey Areas, we risk infrastructure overlap with Open Fiber's FTTH network, which can intensify competition if, to the extent either Open Fiber or a new AltNet has rolled out a functioning FTTH network, other licensed telecommunications operators (“OLOs”) opt to

use Open Fiber's connections, potentially resulting in customer and revenue losses for us. In Subsidy Areas, state intervention drives fiber infrastructure build-out, assigning distinct regions to either us or Open Fiber to invest and serve as the main FTTH network provider. In regions within Subsidy Areas where Open Fiber is the main FTTH network provider, given that we only provide Legacy and FTTC solutions, we could experience revenue losses as a result of Open Fiber's fiber take-up and a corresponding lower FTTH conversion rate. Such scenarios could have a material adverse effect on our business, results of operations and financial condition.

Moreover, we may face indirect competition from broadband products delivered using wireless technologies, in particular fifth-generation, or 5G, broadband mobile networks. Even though 5G broadband networks have not yet been thoroughly implemented in Italy, they are potentially capable of high headline speeds that may become comparable to certain current speeds available on our network, depending on certain factors, including network configuration, proximity to a mobile base station, traffic volume and the hardware and software employed at the provider and user ends. If mobile network providers are able in certain areas to offer a 5G broadband service with latency and bandwidth comparable to our services, we may experience losses as telecommunications operators and consumers' demand could shift towards such alternative technology. Furthermore, we may encounter competition from emerging or currently unforeseen substitute technologies, including FWA and those in the early stages of development, such as LEOS technologies. While the speeds offered by FWA and LEOS technologies are currently lower than those typically provided by terrestrial networks, technological advancements could enhance these speeds, potentially impacting our competitive position in the market.

Despite our strategic initiatives to enhance efficiency and introduce innovative services, the competitive pressures and the technological advancements within the industry could have a material adverse effect on our business, financial condition and results of operations. In particular, the Italian telecommunications market's competition for fiber-based networks may reduce our FTTH-related or broadband market share and put further pressure on our prices for ultrabroadband services.

We are continuing to transition to operating as a standalone company after completion of the Acquisition Transactions and there are risks associated with this transition.

Prior to completion of the Acquisition Transactions, we were part of the operations of the TIM Group, which provided us with operational and financial support. Following completion of the Acquisition Transactions, we became a standalone company and, accordingly, we have developed and implemented the systems and infrastructure necessary to support our current and future business. For example, historically, certain of our cyber-security and information technology systems were incorporated in the TIM Group's larger operations.

In connection with the Acquisition Transactions, we entered into a transitional services agreement with the TIM Group pursuant to which, among other things, the TIM Group agreed to provide or procure certain transitional services to us for a certain period of time with the aim of facilitating the transition to separate operations. These services include, *inter alia*, certain information technology, such as the provision of the TIM Group's IT hybrid systems and cyber-security services. For further information regarding the TIM Transitional Services Agreement, please see "*Business—Material Contracts—The TIM Transitional Services Agreement*." As a result, during the term of the TIM Transitional Services Agreement, we could be subject to, among other things (i) certain one-time costs and other duplicative expenses associated to transitional activities, (ii) unexpected additional costs or adverse impacts on our business functions as a result of the separation process or performance of our obligations under such TIM Transitional Services Agreement and/or (iii) potential liabilities if we fail to deliver certain obligations to the TIM Group or do not receive the necessary services from the TIM Group, each of which could adversely affect our business, results of operations and financial condition. Any failure to transition successfully within the terms of the TIM Transitional Services Agreement, or to otherwise fully transition successfully to a standalone company, may cause us to incur additional substantial expenses, and would have a material adverse effect on our business, financial condition, and results of operations.

There can be no assurance that there will not be errors, delays, or other related issues resulting from the ongoing transition to a standalone company and adjustments to associated business processes or that we will be able to remedy any error, delay or issue arising from the ongoing transition and our status as a standalone company. Such errors, delays or issues also may divert management's attention from operating and growing our business or may lead to increased operating expenses. Any such errors, delays or issues, or failure to successfully address these risks and challenges, could have a material and adverse impact on our business, financial condition, and results of operations.

We may be unable to generate sufficient cash flows or adequate financing to support our planned capital investments and our Capital Expenditures may not generate a positive return.

Our business model is capital intensive, necessitating significant capital expenditure to develop, maintain, repair, upgrade, protect and replace our existing network and execute our network deployment strategy. In addition, to remain competitive and meet evolving customer needs, we are required to expand, modernize and update our fixed-line infrastructure, including activities such as unbundling, construction and FTTH-based network deployment. For the year ended 31 December 2024, our growth Capital Expenditures (including success-based Capital Expenditures incurred only upon new activations) represented 75% of our Capital Expenditures. Broadband and ultrabroadband services are undergoing rapid and significant technological changes and a dramatic increase in usage, thanks to the demand for faster and seamless usage of data, including through video, mobile and fixed devices. We must continually invest in our fixed-line infrastructure in order to improve our broadband and ultrabroadband services to meet the increasing demand and changes in our customers and end-consumers expectations, while remaining competitive.

A careful approach to capital expenditure is essential to remain a prominent fixed-line telecommunications operator and to fulfil our significant growth initiatives, including our fiber roll out plan. We cannot assure you that our future upgrades will generate a positive return or that we will be able to generate sufficient cash flows from our services to support the capital investment to finance these future upgrades and meet our capital expenditure needs, sustain our operations or achieve our projected returns. In addition, we could be required to raise additional debt financing in amounts that could be substantial to support our capital investments. The type, timing and terms of any future source of debt financing will depend on our cash needs and the prevailing conditions in the financial markets. Should we experience any deficiencies in generating the required cash flow to support such investments, due to, for example, a loss of active credit lines or increase in working capital outflow and other expenditures, or in accessing the financial markets on reasonable terms, if at all, or if we are unable to, or elect not to, pay for costs associated with expanding or upgrading our network or making our other planned or unplanned capital expenditures, any of these factors could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to effectively complete our network rollouts and our business may be adversely affected if we fail to successfully implement our ultrabroadband fixed-line network strategy and objectives.

Our network deployment strategy consists of rolling out our own fixed networks and developing regional coverage. One of our goals is to accelerate the roll out of a new telecommunications network capable of providing our customers with ultrabroadband connections, also in part thanks to the use of government subsidies and funds, such as those linked to the PNRR in the regions where we won tenders.

Moreover, the execution of our roll out plan (i.e. the amount and timing of our future capital requirements) and our ability to implement ultrabroadband technologies, may differ materially from our current estimates due to various factors beyond our control, including, but not limited to:

- our ability to secure government subsidies and funds;

- growing competition, especially in the Black Areas where Open Fiber, or any other potential competitor, operates or could operate before we enter these areas;
- our ability to provide superior ultrabroadband services to our customers relative to other wholesalers;
- delayed receipt of the necessary permissions and authorizations for installation of lines (including any required permits in relation to environmental, urbanistic, building, expropriation, zoning and fire prevention matters) and our ability to ensure continued compliance with the requirements set forth by such permits;
- resistance by road administrators to the use of innovative techniques for excavation and the laying of fiber optic cables;
- delay in supply of material and devices due to possible supply chain shocks;
- our ability to obtain adequate returns from the investments related to our network development;
- increase in transport, raw materials and labour costs of network companies due to inflationary pressures, increase in energy costs or labour disputes, including with contractors and sub-contractors;
- delay by SINFI (*Sistema Informativo Nazionale Federato delle Infrastrutture*) in the verification and control activities required for coordination and transparency under the new Italian broadband and ultrabroadband strategy (among other functions, SINFI promotes the sharing of infrastructure through an orderly management of underground and above ground infrastructure and the related maintenance, and also offers a single dashboard that efficiently manages and monitors maintenance);
- inadequate engineering, project management, capacity or infrastructure, as well as potential network interruptions or related capacity problems with network infrastructure, including as a result of failure by third parties to fulfil their obligations relating to the provision of utilities and transportation links that are necessary or desirable for the successful operation of a project; and
- other general risks, such as adverse weather conditions and natural disasters, legal, regulatory, and governmental changes, volatility or significant developments in political, social and economic conditions, and physical or cyber threats.

Any of the above factors could slow our network rollout plans and prevent us from successfully executing our growth and implementation strategy promptly or at all, which may materially and adversely impact our business, results of operations and financial condition. In addition, any rollout delays could result in our failure to meet our regulatory coverage requirements, our contractual obligations with our main partners, and/or our service quality commitments to subscribers. Furthermore, any delays in completing PNRR tenders' roll outs are subject to predetermined penalties, which can be significant and have a material adverse effect on the financial outcomes of the projects. See “— *Potential delays in obtaining PNRR grants, or the loss thereof, could significantly inhibit our ability to fund our Capital Expenditures.*” These penalties encompass fixed charges per each unconnected street address and increase with the length of the delay, potentially leading to the overall revocation of the awarded grants.

Our costs of developing, maintaining, repairing, upgrading, protecting and replacing our existing fixed-line network are high and could become higher than expected.

We must continue to develop, maintain, repair, improve, upgrade and replace our existing fixed-line network in a timely and satisfactory manner to retain and expand our offering in each of our coverage

areas. A reliable and high-quality network is necessary to sustain our customer base, maintain strong customer relationships and a good reputation and satisfy regulatory requirements, including minimum service requirements. The continuous development, maintenance, repair, enhancement, protection, and renewal of our network are critical activities that require dedicated management's time and capital investment. These activities are also sensitive, among other things, to changes in commodity prices and hinge on our ability to:

- ensure ongoing maintenance, timely repairs and upgrades to maintain the functionality of our fixed-line network, enabling the provision of increasingly tailored services to our customers;
- enhance network coverage, particularly in areas where we face competition and need to strengthen our market presence;
- improve and streamline network management and administrative systems to support efficient operations;
- invest in the development and expansion of network capacity to meet the growing demand for bandwidth; and
- modernize and upgrade outdated systems and network segments throughout Italy, transitioning from legacy copper networks to advanced fiber-based infrastructure to meet current and future connectivity needs.

Many of these factors are not entirely under our control and may be affected by, among other things, applicable laws and regulation. If we fail to develop, maintain, repair, improve, upgrade and replace our existing fixed-line network, our services may be less attractive to our customers, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, to support these operational needs, we must incur substantial upgrade and Maintenance Capital Expenditures. For the year ended 31 December 2024, these upgrade and Maintenance Capital Expenditures represented a significant portion of our revenue, underscoring the ongoing substantial investment required to maintain and enhance the network. In addition, due to rapid changes in the telecommunications industry, investments in our network may prove to be inadequate or may be superseded by new technological changes. As a result, we may need additional Capital Expenditures to address such events and satisfy customer demand. We may not be able to generate sufficient operating cash flows, and external financing sources may not be available in an amount sufficient to enable us to meet such additional capital expenditures on schedule, or at all. Inability to execute timely and sufficient capital expenditures or investments, or to allocate funds effectively, could compromise the reliability and performance of our network. This could in turn have a material adverse impact on our business, financial condition, results of operations and prospects.

The assumptions used in estimating cost-savings associated with our fiber roll out and/or our fiber take-up objectives are forward-looking in nature.

Certain forward-looking cost-savings initiatives associated with our planned fiber roll out and certain forward-looking fiber take-up objectives and FTTH conversion rates that we expect to realize are presented in this Offering Memorandum. The assumptions used in estimating cost-savings, including the components of such estimates, and the steps to be taken to realize such cost-savings, as well as and the assumptions used in estimating the timing and the degree of fiber take-up we plan to achieve in the short- to medium-term are forward-looking in nature, inherently uncertain and subject to a variety of business, economic and competitive risks and uncertainties. We cannot guarantee that the information on which such estimates and assumptions are based will not change or that we will be able to realize the cost-savings or benefits that we deem possible based on these estimates and assumptions.

Potential delays in obtaining PNRR grants, or the loss thereof, could significantly inhibit our ability to fund our Capital Expenditures.

In response to the COVID-19 pandemic, the European Union implemented a set of measures applicable to all member states to help them through the crisis and create a joint platform for economic and social recovery. The PNRR implemented by Italy provided for substantial investment and a set of reforms representing approximately €250 billion in total, which is funded both at the EU level and nationally. One of the PNRR's main objectives is the digital modernization of Italy's communication infrastructure, both in public administration and the country's production system, in order to provide fast connectivity nationwide for individuals, businesses, schools and hospitals. The PNRR therefore comprises several measures to boost the creation of high-performance networks, notably fiber and 5G as well as satellite technologies, and simplifies the regulatory framework for their rollout. Any delays, partial compliance or failure by the Italian government to comply with the technical milestones set at the EU level could result in a reduction in financial support, penalties, or increased regulatory scrutiny, all of which could have a material adverse effect on our business, results of operations and financial condition. In addition, if we fail to meet our reporting, documentation and prescribed timeline obligations to use the grants assigned to us under the PNRR, we could face a reduction, suspension, or cancellation of the expected financial support, which could negatively impact our liquidity, our ability to fund our Capital Expenditures and our business strategy more generally.

Any deterioration of the financial condition of our key customers could adversely affect our results of operations.

We depend on a limited number of telecommunication operators, including the TIM Group, which contribute to a significant share of our revenue. In the event one of our key customers (i) reduces its demand for our services, mainly due to (x) changes in our regulatory framework (e.g., unfavourable pricing models and contractual terms being introduced by regulators), (y) customers' latency and bandwidth needs and/or (z) competing technology advancements (e.g., 5G, LEOS and FWA connectivities), (ii) experiences a major disruption in its business, such as a strike, work stoppage or slowdown or a supply chain problem or (iii) files for bankruptcy protection, our business, financial condition and results of operations could be materially adversely affected. In addition, any consolidation in our customer base could result in pricing pressure, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects. See "*Regulation*."

We rely on certain suppliers to provide services to our customers and to support our operations. Any delay or failure by such suppliers to provide their services or products, any increase in the prices they charge us or any decision not to renew their contracts with us could cause delay or interruptions in our operations, which could damage our reputation and result in the loss of revenue and/or customers.

We have important relationships with suppliers of hardware, software and services that use to operate our network. We also depend on a limited number of leading international telecommunications equipment manufacturers for equipment and services necessary to maintain and expand our fixed-line network infrastructure. The successful maintenance, expansion and functioning of our network are contingent upon timely access to core and transmission telecommunications equipment (e.g., network terminals and base stations), network materials (including fiber optics and copper), switching equipment, radio access network solutions and other essential services and products. Most of this equipment cannot be sourced locally.

Our operations could be significantly affected by disruptions in the business or supply chains of our key suppliers due to various factors, including, among other things, major geopolitical events, changes in laws or regulations, the imposition of restrictions to manage health crises such as the COVID-19 pandemic, ongoing military conflicts such as the Russia-Ukraine conflict, trade disputes, and direct or indirect export and re-export restrictions. In addition, we engage with a number of independent contractors to outsource certain operations aimed at developing and upgrading our network and the services provided to our customers. While we work with a carefully selected and closely monitored limited number of independent contractors, we cannot guarantee that their tasks will always be executed

properly, timely and in full compliance with our stringent quality and safety standards, or that these tasks will not be further delegated to subcontractors.

Should products or services from suppliers or independent contractors prove defective, or if they fail to perform their tasks adequately, enforcing recourse claims against them may be challenging, particularly if they are insolvent, either wholly or partially. Such scenarios could have a material impact on our business, financial condition and results of operations.

Moreover, we might find difficulties to replace our suppliers or independent contractors if they fail to provide the equipment or services that we deem necessary. Any delays or difficulties in obtaining adequate supplies or services on favourable terms could lead to increased costs or impede our ability to maintain and expand our network, which could materially and adversely affect our business, financial condition, results of operations and prospects.

There can be no assurance that we will be able to obtain products and services critical to deliver high quality broadband and ultrabroadband services to our customers, in a timely manner, on competitive terms and in adequate amounts, or at all. The occurrence of any of these risks may create technical problems, damage our reputation, result in the loss of customers, each of which could have a material adverse effect on our business, financial condition and results of operations.

Our business may be affected by unpredictable instant surges in traffic.

Our fixed-line network performance may be significantly impacted by sudden and substantial surges in traffic, such as those caused by live video events broadcasted by over-the-top players or content service providers over our IP network. Such unexpected increases in traffic may lead to network congestion, resulting in slowdowns or temporary disruptions in communication. These performance issues have the potential to harm our reputation and customer satisfaction. In Black Areas, where we primarily face competition, these service disruptions could result in end-consumer churn, which in turn could potentially affect our business operations and financial results.

System and network failures, including those arising from a range of cybersecurity threats, could result in reduced traffic and reduced revenue and could harm our reputation.

Our success largely depends on the continued and uninterrupted performance of our IT, fixed-line network infrastructure and certain hardware that we manage for our customers. In particular, our operations require uninterrupted, accurate, permanently available, real-time and safe transmission of data through our fixed-line network and services.

Our technical infrastructure (including our network infrastructure for fixed telecommunications services) and the assets managed on behalf of our customers, are vulnerable to damage or interruption from technology failures, power loss, floods, heatwaves, volcanic eruptions, windstorms, fires, terrorism, intentional wrongdoing, human error and similar events. Despite the presence of back-up systems, our servers and network may be damaged by any of these developments. Furthermore, unanticipated problems at our facilities, system failures and disruptions, hardware and software failures, data leakage or terrorist attacks against our infrastructure could affect the quality of our services and cause service interruptions. Any of these occurrences could result in reduced user traffic and reduced revenue and could negatively affect customer satisfaction, reduce our customer base and harm our reputation.

Cyber-attacks, such as hacking, viruses, risks related to espionage, destabilization, ransomware, sabotage, disinformation or any other form of intrusion, are a significant risk in particular that may cause interruptions of services provided to our customers. We believe that we are particularly exposed to malicious acts and cyberattacks due to the vital role that telecommunications play in how an economy functions and the high visibility of our networks. Despite efforts to modernize our fixed-line network and replace outdated systems, our networks and systems are vulnerable to security threats, including

cyber-attacks from internal and external sources. The cyber security attacks may be committed by third parties operating in any region, including jurisdictions where law enforcement measures to address such attacks are unavailable or ineffective. These attacks can disrupt service availability and compromise data, posing a significant risk to our reputation as a prominent provider of critical fixed-line network infrastructure.

The inability to operate our fixed-line network and systems as a result of cyber-attacks, even for a limited period of time, may result in significant expenses, reduced customer satisfaction and potential loss of revenue. The costs associated with a major cyber-attack could include expensive incentives offered to existing customers to retain their business, increased expenditures on cyber-security measures and the use of alternate resources, lost revenues from business interruption and litigation. A major security incident or business interruption, or non-compliance with applicable laws and regulations, could result in financial loss, reputational damage, negative ESG impact, market share loss and regulatory sanctions. Further, as cyber-attacks continue to evolve, we may incur significant costs in the attempt to modify or enhance our protective measures or investigate or remediate any vulnerability. Any loss of confidential or proprietary data through a breach could have a material adverse effect on our business, financial condition, results of operations and prospects. Pursuant to the applicable data protection regulations, if a significant or widely publicized unlawful disclosure of employee or customer data were to occur, whether as a result of a failure of our information technology security systems and/or employee negligence, we may be subject to legal claims by individuals, fines or other enforcement action.

We may enter into strategic transactions, such as acquisitions, investments, dispositions, partnerships or joint ventures, that may present unforeseen risks, and we may not realize the financial and strategic goals that were contemplated at the time of any transaction and, additionally, there are risks associated with the integration of any acquisitions.

As part of our business strategy, we may evaluate and pursue strategic and opportunistic acquisitions and investments, any of which could be material to our financial condition or results of operations. We cannot guarantee that we will be able to make such acquisitions and investments, and our ability to enter into these transactions may be limited by many factors, including availability of financing, complex ownership structures among potential targets, debt and other restrictive covenants, competition from other potential acquirers and government regulation. Further, our debt burden may increase if we borrow funds to finance any future acquisition or investments, which could have a negative impact on our cash flows and our ability to finance our overall operations and make cash interest payments on our outstanding indebtedness. Examples of recent acquisitions completed in our broader corporate structure include the acquisitions of BeeXact and Twict by Optics HoldCo, both of which have been acquired in January 2025 and are integrating into our business, along with our recently incorporated insurance subsidiary, FiberCop Insurance Broker. See “*Business—History*” and “*Summary—Recent Developments—In-House Insurance Broker*.”

Even if we are successful in acquiring new businesses, the integration of such businesses may prove to be more difficult than we initially anticipated and could create unforeseen operating difficulties and expenditures. Acquisitions pose certain risks, such as difficulties or delays in consolidating operations and achieving anticipated synergies, cost savings, revenues and cash flow enhancements, growth, operational efficiencies and other benefits; diversion of managerial resources away from our day-to-day business operations; potentially dilutive issuances of equity securities to the extent that we issue new shares to fund an acquisition; and the assumption of unexpected liabilities and undisclosed risks.

Additionally, we may encounter liabilities while conducting due diligence for future acquisitions or investments that were not disclosed or underestimated, such as unpaid debts, tax or pension liabilities, or legal and regulatory compliance issues. The due diligence process, reliant on available resources and information from sellers and third-party advisors, may not uncover all relevant facts, and there can be no assurance of the completeness or ongoing accuracy of the information provided.

We may also enter into relationships with other businesses in order to further expand our presence across business segments and coverage areas. Negotiating these transactions can be time-consuming, difficult and expensive, and our ability to close these transactions may be subject to third-party approvals, such as government regulatory approvals, which are beyond our control. Consequently, no assurance can be made that these transactions, once undertaken and/or announced, will eventually close. We may invest substantial amounts in these joint ventures, and we cannot ensure that they will produce the expected returns.

Any of these risks, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

Any acquisition that we may undertake may be subject to regulatory approval or review by competition authorities which could delay, limit or prevent its completion or could prevent us from realizing the benefits from any such acquisition following its completion.

Acquisitions that we may undertake may require the approval of governmental authorities (at both national and European levels), which can block, impose conditions on, or delay the process which could result in a failure on our part to proceed with announced transactions on a timely basis or at all. Acquisitions are or may become subject to review by competition authorities within the relevant jurisdictions. Such competition authorities may take the position that merger control filings are required, and should we fail to meet such requests or requirements in a timely manner, the relevant governmental authority may impose fines and, if in connection with a merger transaction, may require corrective measures, such as mandatory disposition of assets or divestiture of operations. Any risks associated with acquisitions or future acquisitions could have a significant negative impact on our business, financial condition and results of operations.

Our business is subject to risks related to climate change

The long-term effects of global climate change present both physical risks, such as extreme weather conditions or rising sea levels, and transition risks, such as regulatory or technology changes, which are expected to be widespread and unpredictable. Our assets are strategically distributed across the Italian territory, which inherently exposes them to potential risks from natural disasters such as floods, earthquakes, and other extreme environmental events. These risks are increasingly exacerbated by the growing impacts of climate change, such as more frequent and severe storms. Such events could lead to substantial operational disruptions, damage to physical infrastructure, and increased expenses related to repairs, maintenance or insurance coverage. The full scope of the impact of climate change on our operations is difficult to predict and there can be no assurance that climate change will not have a material adverse effect on our properties, operations or business.

Increasing scrutiny and changing expectations from stakeholders with respect to our environmental, social and governance practices may impose additional costs on us or expose us to new or additional risks.

Companies across all industries are facing increasing scrutiny from stakeholders related to their ESG practices. Investor advocacy groups, certain institutional investors, investment funds, other influential investors, lenders and other market participants are also increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments and end consumer choices. Regardless of the industry, investors' increased focus related to ESG and similar matters may hinder access to capital, as investors may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. We have adopted certain practices and policies to align our ESG approach with our strategy in order to deliver long-term social, environmental and economic values across our business.

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more frequent and severe storms. Such events could lead to substantial operational disruptions, damage to physical infrastructure, and increased expenses related to repairs, maintenance or insurance coverage.

Our operations and value chain have negative environmental impacts, in particular in terms of GHG emissions and of e-waste. The majority of our emissions are generated from our operations and maintenance activities, while e-waste is primarily associated with network components, such as copper-based products and network equipment. We are subject to certain requirements and expectations from our stakeholders to manage these negative impacts. Our stakeholders may look to us to implement more or different ESG procedures, standards or goals in order to continue engaging with us, to remain invested in us, or before they make further investments in us. We may also face increasing pressures from investors, lenders, customers and other market participants, who are increasingly focused on climate change, to prioritize sustainable energy practices, reduce the carbon footprint of our stores and activities and promote sustainability. In addition, there is a global trend towards ESG-related financial and non-financial disclosure and due diligence requirements. A number of countries have established mandatory disclosure regimes and/or set timelines for the implementation of legislation regarding mandatory climate-related disclosure and due diligence requirements regarding companies' impacts on ESG matters. For example, the European Commission has established a number of sustainability-related reporting and compliance regimes, as well as proposals for new regulatory regimes that are aimed at, for example, prohibiting corporates from placing or making available on the European Union market or exporting from the European Union market products made with forced labour; requiring companies to identify, prevent, bring to an end, mitigate and account for adverse human rights and environmental impacts in operations, subsidiaries and value chains; enhancing gender pay reporting requirements and prohibiting companies to advertise the sustainability of their products in a misleading way (i.e., greenwashing). This, in turn, could have a significant negative impact on our business, financial condition, results of operations or prospects, including on our image, brand and reputation.

Failure to protect our image, reputation and brand could materially affect our business.

Our success depends on our ability to maintain and enhance the image and reputation of our company, of our existing network and services and to develop a favourable image and reputation for new services. The image and reputation of our services may be reduced in the future if concerns about the quality, reliability and cost-benefit analysis of our services, the quality of our support centres, the environmental footprint of our business and our capability to deliver to our customers the level of services advertised are raised, even if such concerns are unfounded, could tarnish our image and reputation of the image and reputation of our services. Restoring our image and reputation or that of our services may be costly and not always possible. Any of the above factors could have a material impact on our business, financial condition and results of operations.

We are dependent on intellectual property rights, particularly patents and licenses, and inadequate protection of our intellectual property rights, or intellectual property rights litigation, could adversely affect our business.

We rely upon a combination of trademark and patent laws to establish and protect our intellectual property rights, but cannot assure you that the actions we have taken or will take in the future will be adequate to prevent violation of our proprietary rights. There can be no assurance that litigation will not be necessary to enforce our trademark or proprietary rights, such litigation may be costly, and could ultimately be unsuccessful in enforcing our intellectual property rights. Any of these factors could have a material impact on our business, financial condition and results of operations.

We operate in an industry characterized by frequent disputes over intellectual property. Our competitors may engage in hostile intellectual property action. Given the evolving high-tech nature of our business, we have set up mechanisms to comply with all intellectual property laws to which we are subject, but there can be no assurance that we are not infringing the intellectual property rights of third parties. As the number of convergent offerings and overlapping functions increase, the possibility of intellectual property infringement claims against us may correspondingly increase. Any such claims or lawsuits,

whether with or without merit, could be expensive and time consuming to defend, could cause us to cease offering our licensing services and products that incorporate the challenged intellectual property, or could require us to develop non-infringing services, if feasible, which could divert the attention and resources of technical and management personnel. In addition, we cannot assure you that we would prevail in any litigation related to infringement claims against us. A successful claim of infringement against us could result in a requirement to pay significant damages, cease the development or sale of certain products and services that incorporate the challenged intellectual property, obtain licenses from the holders of such intellectual property, which may not be available on commercially reasonable terms, or otherwise redesign those products to avoid infringing upon others' intellectual property rights. Any of these factors may have a material adverse effect on our business, financial condition and results of operations.

Our insurance may not be adequate to cover losses or liabilities that may arise.

We maintain insurance for some, but not all, the potential risks and liabilities associated with our business, including, among others, property damage, data breaches, directors' and officers' liability, professional indemnity, third party liability, at levels we believe to be appropriate and consistent with current industry practice. However, such insurance may not cover all risks associated with our business and is subject to limitations, including deductibles and limits. If we seek to obtain additional insurance coverage in the future, insurance may only be available at premium levels that are prohibitively expensive. To the extent such losses or payments are not insured, or the insured amount is not adequate, losses incurred or payments we may be required to make may have a material adverse effect on our business, financial condition and results of operations.

In addition, from time to time, various types of insurance for companies in our industry have not been available on commercially acceptable terms or, in some cases, have not been available at all. In the future, we may not be able to obtain coverage at current levels, and/or premiums and deductibles for certain insurance policies may increase significantly on the policy coverage that we currently maintain. If some insurance coverages are not available at economically acceptable premiums, there is a risk that we could decide to reduce our level of coverage. Furthermore, to discharge an uninsured large claim or prior to receiving significant reimbursement of insurance proceeds, we may need to divert capital from other planned expenditures. Costs associated with unanticipated events in excess of our insurance coverage, or a failure to maintain such coverage could materially adversely affect its business, financial condition, cash flows and results of operations.

Failure to close the digital divide may harm our business.

The digital divide is a significant barrier to the expansion of digitization and related connectivity services, with risks arising from the mismatch between the supply of advanced products and services and the demand for traditional ones.

A crucial measure of the digital divide is the adoption rate of fiber connectivity, also known as "take-up," which measures the number of active lines in the FTTH network divided by the total number of UIs reached by the FTTH network. Deploying fiber networks is capital-intensive, and insufficient consumer take-up presents significant risks. In Italy, as of 31 December 2024, the fiber take-up rate was approximately 32% according to AGCOM, markedly lower than the corresponding rates recorded in other European countries. This disparity can impact our reputation, as we may be perceived as failing to facilitate Italy's technological advancement. Additionally, should we experience low fiber take-up relative to our competitor Open Fiber, or low FTTH conversion rates, in the longer term, we could incur substantial financial losses, with the potential for significant investments in infrastructure not yielding the expected returns. If our strategy to bridge the digital divide by relying upon our existing Legacy and FTTC networks is not effective, we could face reputational harm and revenue losses, adversely impacting our results of operations, financial condition and prospects.

We may be unable to recruit and retain key managers and personnel, including qualified technical personnel or other key employees, that we need to operate our business effectively.

We are highly dependent on the availability and continued service of our senior management and key employees, including our qualified scientific, technical and sales personnel, who are heavily involved in the daily operations of our business and are required to make strategic decisions and ensure their implementation while managing and supervising our development. The loss of any senior manager or key employee may significantly delay or prevent the achievement of our product development or business objectives.

We have experienced employees at both the corporate and operational levels who possess substantial knowledge of our business and operations, as well as implement innovative and sustainable plans for our future. Our research and development team also has intricate knowledge of our network capabilities and growth potential, as well as local customer needs. Demand for skilled and experienced employees remains high while the supply is limited. This challenge is exacerbated by the relatively aged nature of our current skilled workforce base – 53 years old on average – which we may not be able to fully replace with younger entrants. The ageing of our workforce, together with the adoption of an early retirement plan pursuant to Article 4 of the Italian Legislative Decree No. 92/2012 for certain of our employees, may create additional difficulties in retaining skilled employees and transmitting specific know-how and technical information necessary for the operation of our business. We cannot assure you that we will be successful in retaining the services of our talented and knowledgeable executives, engineers, technicians and other key personnel or that we would be successful in hiring and training suitable replacements without undue cost or delay. As a result, the loss of any of these key employees could have a material adverse effect on our business, financial condition and results of operations.

Due to the specialized scientific nature of our business, the demand and competition for high skilled employees in the telecommunications industry, such as electrical engineers, telecommunication engineers and talents in general is becoming increasingly challenging. To secure appropriate talent, we need to recruit, develop and retain highly skilled employees. Failure to recruit, develop and retain necessary skilled employees could lead to adverse consequences, such as reduced revenue and increased vulnerability to market downturns. Such outcomes could materially and adversely affect our business, financial condition, results of operations and/or prospects.

We may be subject to claims and penalties relating to the health and safety of our employees or of third parties.

Our operations are subject to environmental as well as health and safety laws and regulations, including those concerning occupational health. In most cases, we are responsible for the safety of our personnel as well as any external worker operating at our premises and the general health wellbeing of our customers' employees and patrons who may work or do business nearby. Workplace accidents or similar occurrences may damage our reputation and result in criminal and/or administrative liability, including pursuant to Italian Legislative Decree No. 231/2001.

If we fail to implement safety procedures or if the procedures that we implement are ineffective, our employees and others may become injured. We may incur significant costs, including fines, penalties (including operational bans), civil, criminal (also pursuant to Italian Legislative Decree No. 231/2001) and administrative sanctions as a result of violations of applicable health and safety laws and regulations. Unsafe work sites also have the potential to expose us to increased employee turnover, increased cost of services to our customers or increased operating costs. Any of the foregoing may result in financial losses, which may have a material adverse effect on our business, results of operations and financial condition.

In addition, the EU Corporate Sustainability Reporting Directive requires disclosure of any material actual and potential impacts on workers involved in our value chain in relation to working conditions (impacts related to living wage, health and safety, social security, working hours, water and sanitation);

access to equal opportunities (impacts related to discrimination, including on the rights of workers with disabilities or on female workers, as well as impacts related to issues of equality in pay and work-life balance); other human rights, (impacts related to trade union rights, freedom of association and collective bargaining, child labour, forced labour, privacy, adequate housing). Failure to comply may lead to reputational loss, loss of business or limit access to sustainable finance, as well as to the imposition of fines and other regulatory constraints.

The financial information included in this Offering Memorandum may not be representative of our operations as an independent company or otherwise comparable to our current operating results.

As a result of the Acquisition Transactions, the Audited Financial Statements and financial information derived therefrom presented in this Offering Memorandum may not reflect what our results of operations, financial position and cash flows would have been had we operated on an independent and consolidated basis during such periods, and may not be indicative of what our results of operations, financial position and cash flows will be in the future.

Furthermore, in order to aid the comparability of the financial condition and results of operations of the Group, giving effect to the Acquisition Transactions, as of and for the years ended 31 December 2023 and 2024, we have presented certain financial information on a pro forma basis after giving effect to the Acquisition Transactions and Post-Acquisition Adjustments as set forth in the Unaudited Pro Forma Income Statements. The Unaudited Pro Forma Income Statements have been prepared for illustrative purposes only and do not represent our actual results. The Unaudited Pro Forma Income Statements are based on certain assumptions that we believe are reasonable. However, actual future outcomes may differ from our assumptions. The Unaudited Pro Forma Income Statements have not been prepared in accordance with the requirements of Regulation S-X of the Securities Act, the Prospectus Directive or any generally accepted accounting standards. The Unaudited Pro Forma Income Statements may not reflect what our results of operations and financial condition would have been had the Acquisition Transactions and Post-Acquisition Adjustments been completed on 1 January 2024 or 2023, respectively, or what our results of operations and financial condition will be in the future.

The Unaudited Pro Forma Income Statements include the results of operations and financial condition of the NetCo Business for periods that we have not owned or controlled such businesses and we would not be permitted under IFRS to consolidate the results of such businesses in any historical financial statements of FiberCop. Since the NetCo Business has been contributed into FiberCop in connection with the Acquisition Transactions, we consolidate 100% of its revenue and expenses in the Unaudited Pro Forma Income Statements for the periods presented.

The Unaudited Pro Forma Income Statements present certain financial information at the level of the Group to give effect to the full-year performance of the NetCo Business and impact of Optics BidCo, among the other Post-Acquisition Adjustments, even though we may not have owned or controlled certain businesses or entities for the entire duration of the period presented or, in the case of Optics BidCo, at all during the periods presented. For example, the pro forma adjustments to EBITDA for 2024 and 2023 in connection with the contribution of the NetCo Business into FiberCop as part of the Acquisition Transactions have been derived from information relating to the Italian market and business performance in 2023 and 2024 made available to us during the acquisition process, and our external consultant's analysis of such information, and is based on certain assumptions that we believe to be reasonable but which may prove to be inaccurate over time. The pro forma adjustments to EBITDA in connection with the acquisitions of the NetCo Business are derived from financial accounts prepared by former management of the NetCo Business, pursuant to applicable accounting principles for this business. None of such data has been audited nor has it been reviewed by the auditors in their capacity as auditors to the Group.

In order to aid investors and facilitate a comparison of the Group's results of operations that reflects what we believe is a normalised basis for the years ended 31 December 2023 and 2024 as further described under "*Summary Financial and Other Information—Other Pro Forma Financial*

Information,” we have also presented certain unaudited financial data and ratios, including Normalised Pro Forma Organic EBITDA, Normalised Pro Forma Organic EBITDA-AL, Normalised Pro Forma Organic EBITDA-AL Margin and Normalised Pro Forma Operating Free Cash Flow, to reflect certain income statement and other financial measures and ratios of the Group on a normalised basis to account for certain developments that occurred during the year ended 31 December 2023 which we believe are not representative of the ordinary course of business of the Issuer. In connection with these metrics, we also present key operating expenditure categories by which our management analyses and monitors our business, and which we believe facilitate a clearer reconciliation of these metrics to our Pro Forma revenues.

We also present Structuring EBITDA-AL for the year ended 31 December 2024, reflecting our estimate of the €100 million of cost savings expected to be generated by our efficiency and value creation initiatives which we began implementing in the second half of 2024, as if all initiatives to be deployed had been fully effective on 1 January 2024. We expect to begin realising these cost savings in 2025. These adjustments are based upon various assumptions, forecasts and management estimates and are in part based upon historical information. We may not be able to realise these cost savings, either in the amount or within the timeframe we currently anticipate, and the costs of achieving these cost savings may be higher than expected. Our estimate is forward-looking in nature and based on assumptions made by us that are inherently uncertain in nature. Although we consider these estimates to be reasonable, they are subject to significant business, economic and competitive uncertainty and contingencies, which are difficult to predict and beyond our control.

These normalisation and cost-saving structuring adjustments are based upon various assumptions, forecasts and management estimates and are in part based upon historical information. This information does not represent the results we would have achieved had the adjustments occurred and been fully implemented on the first day of the relevant financial period. However, past performance may not be indicative of actual or future results, which may differ significantly from normalised results due to the impact of many factors, risks and uncertainties, many of which may not be within our control. These numbers have not been, and cannot be, audited, reviewed or verified by an independent accounting firm. In light of the foregoing, the financial information included in this Offering Memorandum may not be representative of our actual or future results and performance.

Our lack of independent operating history as a Group, and the challenge of transitioning to operating as a standalone company and historical and newly acquired businesses into our independent operations, make evaluating our business and future financial prospects difficult. Our potential for future business success and operating profitability must be considered in light of the risks, uncertainties, expenses and difficulties typically encountered by recently combined companies.

This Offering Memorandum includes forward-looking statements, certain targets and assumptions in forecasts that involve risks and uncertainties.

This Offering Memorandum contains forward-looking statements, targets and assumptions in forecasts that involve risks and uncertainties, including statements regarding our business, strategies, objectives, plans, expectations, performance targets, estimates, projections and forecasts, budgets, goals, resources, future projects, expenditure initiatives, certain estimated cost savings and other factors which anticipate future events. Actual results may differ materially from the expectations and targets provided (whether express or implied) in any forward-looking statement, although we believe that such information is based on reasonable assumptions.

We reference targets and estimates in this Offering Memorandum based on our business plan, calculations and/or public information previously disclosed to the market. The targets and estimates may not be met due to several factors and circumstances, some of which may be beyond our control. Due to various risks and uncertainties, actual events or results or our actual performance, operations, financial condition or liquidity and the development of the industry in which we operate may differ materially from those reflected or contemplated in such forward-looking statements or projections. The

estimates and targets contained herein are indicative only and should not be construed as forecasts or an assurance that such targets will be met during the timeframe mentioned herein or at all. These targets, assumptions and estimates have not been, and cannot be, audited, reviewed or verified by any independent auditors and have been prepared by our management.

Our opinions and beliefs in this regard are current and do not constitute an assurance of future performance or events of any kind. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Offering Memorandum may not be accurate or occur at all. We are under no obligation to review, update, supplement or provide any further information in respect of any estimate and/or forward-looking statement because of new information, future events or other factors. Accordingly, prospective investors should not place undue reliance on these forward-looking statements. See “*Forward-Looking Statements*” for further information.

Risks Related to Macroeconomic Conditions

Global economic conditions and political events could adversely affect our business, results of operations and financial condition.

Our business may be affected by a number of factors that are beyond our control, such as general macroeconomic conditions, conditions in the global capital and credit markets, geopolitical conditions and other general political and economic developments. Demand for our products and services may be impacted by economic uncertainty and corresponding changes in GDP growth, unemployment levels, household income, interest rates, inflation, consumer confidence and the cost of financing, as well as measures promoting home ownership or otherwise affecting housing prices. We also face the risk of increased costs, both in terms of increased labour costs and increased operational costs, as a result of improving general economic conditions and higher rates of inflation. In addition, we face the risks related to the outbreak of pandemics and other diseases, such as COVID-19, which could create significant uncertainty, volatility and disruptions that impact our business operations and financial results.

The outlook for the world economy remains subject to uncertainty, particularly in light of the current geopolitical conflicts and tensions, including the ongoing conflict between Russia and Ukraine, increased tensions in the Middle East resulting from the conflict between Israel and Hamas, the recent military operation of Israel in Lebanon, the recent and ongoing conflict between Israel and Iran and potential escalations thereof, the tensions in the Red Sea and growing political tensions worldwide, which have led to an increase in energy prices, cost of raw materials and disruptions in supply chains. A renewed or future recession could lead to an adverse impact on demand for our products and on our results of operations. The effects on our business of any specific conflicts, any escalation to neighbouring countries, or the direct military involvement of the United States or any EU or NATO Member in any such conflict, cannot be predicted, but could be material and adverse. Similarly, the ramifications of sanctions and export controls put in place by the United States or any EU or NATO Member against other countries or persons worldwide are unknown and could be material to our business. For example, as a result of ongoing armed conflict in Ukraine and related escalating geopolitical tensions, the United States, the European Union, the United Kingdom and other jurisdictions have imposed sanctions on certain Russian and Belarusian persons and entities, including, but not limited to, certain government officials, banks, energy companies and defense companies, and have imposed restrictions on exports of various items to Russia, and may impose increasingly stringent sanctions going forward.

Adverse changes in global financial markets could limit our ability to access capital or increase the cost of capital needed to fund our operations.

Volatility in the financial markets, including in the capital and credit markets, economic effects of pandemics or other natural disasters, volatility in European sovereign debt markets, Eurozone exits, a general rise in energy prices and any economic slowdown or uncertainty in Italy and other member states of the European Union, could have a negative effect on our business.

Over recent years, the uncertainty surrounding global growth rates, inflationary pressures, the Russian-Ukraine armed conflict as well as the potential risk of regional escalation in the Middle East following the armed conflict between Hamas and Israel and the recent and ongoing conflict between Israel and Iran and potential escalations thereof, have continued to produce volatility in the credit, currency and financial markets. Volatility may affect companies' access to the credit markets, leading to higher costs for borrowing or funding ongoing operations. Similarly to other operators in the telecommunications industry, we conclude contracts with large financial institutions to support our operations, and may enter into contracts to hedge our exposure on interest rates and foreign exchange and to fund of credit lines and other short-term debt obligations. These financial institutions face stricter capital-related regulations in Italy and Europe, as well as ongoing legal and financial issues concerning their loan portfolios, which may hamper their ability to provide us with credit or raise the cost of providing us with such credit.

While we may prove successful in accessing the credit and fixed income markets when needed, we may be able to access these markets only at higher interest costs and with restrictive financial or other conditions, severely affecting our business operations. Additionally, downgrades of our credit rating by the major credit rating agencies could also increase our cost of borrowing and impact our liquidity and collateral.

We are highly exposed to Italian political volatility and economic uncertainty.

We currently operate exclusively in the Italian telecommunications market and our success is therefore closely tied to the general economic, legal and political developments in Italy and cannot be offset by developments in other markets. According to estimates published by the European Commission, Italy's gross domestic product is expected to expand by 1% in 2025, a 0.3% increase compared to 2024. Inflation in Italy is forecast to rise to 1.9% in 2025, compared to 1.1% in 2024, and fall slightly again in 2026. The prospects for comparable growth in 2025 will hinge on Italy's employment growth, the deceleration of expansion and a partial increase in salaries.

Political instability in Italy may make conducting business challenging. The Italian economy is facing significant risks due to an energy price shock and high inflation. The inflation rate in Italy is putting pressure on real disposable incomes and weakening purchasing power, negatively impacting internal demand. Labour demand is already decreasing in more energy-intensive sectors such as manufacturing and construction, but employment growth has also slowed down in the retail and tourism sector. Overall, the unemployment rate as of 31 December 2024 was at around 6.2%. Stagnating gross domestic product, unemployment and generally unfavourable conditions in the Italian financial market could decrease consumer confidence and investments, and may cause a reduction in public spending, which in turn may cause a reduction demand for our products and a negative impact on our sales and profit levels. These factors are affecting the spending capacity of our direct costumers and end-consumers. Prolonged macroeconomic conditions such as those described herein could materially affect our direct customers. Given that we provide wholesale-only related services to telecommunication operators, we cannot take any proactive measure to offset such conditions. We will remain dependent on how our direct customer handle downfalls in demand. As a result, we could be exposed to the financial instability of our clients, thereby increasing our bad debts and reducing our revenue streams, which could in turn have a material adverse effect on our results of operations and financial stability. Furthermore, since we operate in a highly regulated industry, any actions or positions taken by the Italian government that are not favourable to us and the telecommunications industry at large, could have a material impact on our business, result of operations, financial condition and result of operations.

Higher energy costs and our inability to effectively implement pass-through mechanisms may adversely affect our results of operations.

We are dependent on a constant supply of energy in order to manage our large fixed-line network and operations. If, for any reason, certain of our energy supply contracts were terminated or were not renewed upon expiration, or if market conditions were to substantially change resulting in a significant increase in the energy prices, including as a result of the ongoing inflationary surge as well as the

military conflict between Russia and Ukraine, we could not be able to timely find alternative, comparable suppliers or suppliers capable of providing energy on terms or in amounts that we deem satisfactory.

While we maintain a sourcing strategy in place to stabilize our energy costs, in light of the current macroeconomic conditions, an increase in energy costs in the short- to medium-term could adversely impact our margins. Although our internal policy requires hedging of prospect energy consumption exposure through long term power purchase contracts valid beyond the current year, these hedges may not be completely in addressing our cost exposure to the price volatility of the Italian energy market and unfavourable energy price fluctuations. Our ability to pass along higher energy costs through price increases to our customers is dependent upon, among other factors, competitive pricing conditions in our industry. We may also not be able to agree energy costs-related pass-through mechanisms and other period price adjustments with our customers, in part or at all, or may only be able to pass them through on a delayed basis, which could reduce our margins and/or our production, either temporarily or for an extended period of time.

Risks Related to Our Legislative and Legal Framework

The Italian Golden Power Authority has in the past exercised its special powers under the Italian Golden Power Legislation with respect to our business and may in the future exercise again its special powers, including with respect to strategic transactions we may enter into.

In Italy, the Italian Golden Power Legislation provides the Italian Golden Power Authority with certain special powers over companies of strategic importance for the national essential interests. Pursuant to the Italian Golden Power Legislation, the Italian Golden Power Authority may, among others, prohibit or impose recommendations, restrictions, undertakings and/or similar measures with respect to: (i) the acquisition of direct or indirect shareholdings in companies having strategic assets and relationships in sensitive sectors (for example, but not limited to, defense and national security, energy, transport, communications, health, financial, agri-food, critical technologies and sensitive data) (“*Strategic Companies*”); and (ii) resolutions, acts or transactions concerning a Strategic Company and resulting in a change in ownership, control, possession or intended use of such strategic assets or relationships, including also the granting and/or the enforcement of security interests over the shares/quotas and certain other assets of said Strategic Companies.

More precisely – except for the defense and national security sectors, where a lower threshold as well as different subjective criteria apply – the Italian Golden Power Legislation requires, among others, the following transactions, acts and resolutions to be reported to the Italian Golden Power Authority for the potential exercise of the veto power or issue the relevant clearance, also with the imposition of recommendations, restrictions, undertakings and/or similar measures:

- direct or indirect acquisitions of interests by non-EU individuals or entities that entail the acquisition of, respectively, a controlling interest or an interest representing at least 10% of the voting rights or share capital (if the value of the investment is at least €1 million) of a Strategic Company (acquisitions by non-EU individuals or entities that exceed the 15%, 20%, 25% and 50% thresholds – also considering the interest directly or indirectly owned in the Strategic Company – are subject to the said reporting obligation) and acquisitions of controlling interests by EU (including Italian) individuals or entities in Strategic Companies operating in the communications, energy, transport, health, financial (including credit and insurance) and agri-food sectors;
- resolutions, acts or transactions concerning Strategic Companies that give rise, among others, to changes in the ownership, control, possession or intended use of strategic assets and relationships (with certain distinctions between the EU/non-EU nationality of the acquiring entities), including (a) the granting of security interests (including pledges) over: (x) the shares of a Strategic Company, or (y) the strategic assets, as defined by the Italian Golden Power

Legislation, as well as (b) the subsequent enforcement of security interests (including pledges) over (x) the shares, if leading to the acquisition of a shareholding in a Strategic Company meeting or exceeding, as the case may be, the thresholds mentioned in (i) above, or (y) the strategic assets, as defined by the Italian Golden Power Legislation; and

- incorporation of enterprises in Italy that qualify as Strategic Companies (as they carry out activities and/or hold assets considered strategic under the Italian Golden Power Legislation) whether one or more non-EU individuals or entities hold an interest representing at least 10% of the voting rights or share capital.

The Italian Golden Power Legislation provides for specific sanctions to be applied in case of non-compliance with its provisions, including, among others, administrative pecuniary sanctions up to two times the value of the transaction and in any case not less than 1% of the company turnover (or of the cumulative turnover of the companies involved in the relevant transaction) as resulting from the last financial year for which the financial statements have been approved. Furthermore, failure to comply with the obligations under the Italian Golden Power Legislation or any veto, undertaking, condition and/or other measure imposed by the Italian Golden Power Authority may result in the relevant transaction, act or resolution being unwound or declared null and void.

On 16 January 2024, the Italian Golden Power Authority issued a decree with which it imposed undertakings in reference to the Acquisition Transactions, as our business was considered a strategic asset for the telecommunications sector and for defense and national security. In this context, the Italian Golden Power Authority has imposed various requirements and conditions including in relation to governance, internal organization (including the obligation to establish a security organization), planning, compliance, network security, continuity of supplies, the locations where certain activities can be carried out and certain assets can be located, the supply chain, intellectual property and information. Furthermore, we are required to provide every six months to the monitoring committee of the Italian Golden Power Authority a compliance report describing the measures implemented in order to comply with these requirements.

Within the framework of the provisions on national security, the Italian Golden Power Legislation was accompanied by the legislation concerning the National Cyber Security Perimeter (“PSNC”), established with Italian Law No. 133/2019. The PSNC intends to ensure a high level of security of the networks, information systems and IT services of public administrations, public and private bodies and operators having an office in the national territory, on which the exercise of an essential function in Italy depends, or the provision of an essential service for the maintenance of civil, social or economic activities, fundamental to the interests of Italy and whose malfunction, interruption, even partial, or improper use, may result in prejudice to national security.

We are required to comply with the legislation on the PSNC. Failure to comply with these obligations may result in administrative fines of up to €1.8 million. Furthermore, the use of products and services in the absence of the required communications to the relevant authorities, or the passing of the tests or in violation of the established conditions may lead to the application of the additional administrative sanction of inability to assume management, administration and control roles in legal entities and businesses, for a period of three years starting from the date of discovery of the violation. Finally, anyone who provides untruthful information, data or factual elements to hinder or influence the completion of procedures or inspection and supervisory activities is punished with imprisonment from one to three years.

We operate under authorizations granted by government authorities and we have to satisfy certain obligations in order to maintain such authorizations.

Many of our activities and services require authorizations from governmental authorities in Italy. The continued existence and terms of our authorizations are subject to review by regulatory authorities and to interpretation, modification or termination by these authorities. Current authorizations to provide

networks and services require us to satisfy certain obligations, including minimum specified quality levels, service and coverage conditions. Failure to comply with these obligations could result in the imposition of fines or even in the revocation or forfeiture of the authorization. In addition, the need to meet scheduled deadlines may require us to expend more resources than otherwise budgeted for a particular network build-out.

If we fail to renew any of our licenses, permits, or authorizations, our ability to effectively operate our business may be materially and adversely affected. The procedure to obtain licenses, permits and authorizations (and renewals thereof) may be complex, lengthy, expensive and may require ongoing compliance with various obligations. Moreover, even if we renew our licenses, permits and authorizations, the costs for obtaining them might be higher than we would expect. Finally, if we fail to comply with the requirements of the applicable legislation and regulatory framework in general, which are very detailed and complex in nature, our authorizations may be suspended or terminated, or significant fines imposed.

Our activities could be negatively affected by failure to comply with the General Data Protection Regulation (“GDPR”) and the Italian Privacy Code.

The regulatory environment governing our use of personal data (customers, employees and others) is complex. Privacy, data protection and information security laws and regulations change frequently, and compliance with such laws and regulations may require us to incur significant costs to make necessary systems changes and implement new administrative processes.

In the ordinary course of our business, we process personal data of customers, business partners, employees, users, third parties and others and therefore we must comply with strict data protection and privacy laws and regulations. Any processing of personal data of individuals located in the EEA in the course of the provision of services is governed by European data protection laws and regulations, which restrict our ability to collect, process and use personal data relating to customers, potential customers, business partners, and employees, including for marketing purposes.

Such laws and regulations concern the collection, use, retention, security, processing and transfer of personal data. In particular, our operations are subject to the GDPR, and to the Italian Privacy Code. The GDPR increased both the number and the restrictive nature of the obligations binding our operations, in particular with respect to the collection, processing and use of personal data. Such obligations include, for example, (i) the processing of personal data in accordance with principles of transparency, data minimization, accuracy, storage limitation, security and confidentiality, (ii) the ability to demonstrate compliance with such principles (accountability), (iii) the obligation to identify a legal basis before the processing of data, (iv) the obligation to ensure the rights of data subjects, such as, among others, the right of access, the right to rectification and the right to erasure (which would require us to permanently delete a user’s personally identifiable information in certain circumstances), and (v) more onerous consent requirements, as consent will always have to be express/opt-in. The GDPR requires companies to implement several formal processes and policies to review and document the privacy implications of the development, acquisition, or use of all new products, technologies, or types of data. The GDPR, *inter alia*, provides for significant applicable maximum fines, up to the higher of (i) €20 million or (ii) 4% of annual global turnover per breach. The fine may be imposed instead of, or in addition to, measures that may be ordered by supervisory authorities (such as the request to cease processing). In addition, according to the Italian Privacy Code, certain criminal sanctions could be applied to individuals involved in unlawful processing activities.

However, the risk of deficiencies in implementing security measures, in fulfilling legal requirements on data processing, in applying rules on data retention and in notifying data breaches within the narrow mandatory timeframes could lead to disputes with the Italian Data Protection Authority (*Autorità Garante per la Protezione dei Dati Personali*) and to be sanctioned with heavy fines. Any failure, or perceived failure to comply with any applicable data protection laws and regulations could result in proceedings, investigations or actions (including class actions) brought against us by governmental

entities, agencies, or private individuals or entities, and in significant fines, penalties, judgments and reputational damages to our business, requiring us to change business practices and increasing the costs and complexity of compliance, any of which could materially adversely affect our business, financial condition, results of operations and prospects. Moreover, the risk of personal data breaches can lead to disputes with the interested data subjects. Even the perception of privacy and data protection concerns, whether or not valid, may harm our reputation and inhibit our business with current and future customers, which could have an adverse effect on our business, financial condition and results of operations.

If we are found liable for anti-competitive practices, we may be subject to substantial liability which could have an adverse effect on our reputation, business, financial condition, results of operations and/or prospects.

We are subject to laws and regulations relating to anti-competitive practices and anti-monopoly. With specific reference to Italian Competition Law, Italian Law No. 287 of October 10, 1990, as amended and supplemented from time to time, on the protection of competition and the market, prohibits, *inter alia*, activities and behaviour that amount to anticompetitive agreements and abuses of a dominant market position.

In the future, relevant competition authorities could find our business practices to have an anti-competitive effect or could determine that we have violated relevant laws and regulations relating to competition and anti-monopoly. For example, the AGCM could find our business practices discriminatory, alleging unequal treatment and conditions for accessing our fixed-line network, which could potentially disadvantage end-users by limiting their choices and leading to higher prices. As discussed above, the AGCM is currently investigating our business relationship with the TIM Group in connection with the Master Services Agreement. Further, in the context of potential AGCM's investigations, we may propose to undertake certain commitments in order to eliminate any alleged anti-competitive effects. If we are found to have violated any laws and regulations relating to competition and anti-monopoly or to have breached any of the abovementioned commitments, we may be subject to, among other things, substantial liability such as payments of fines which could have a material adverse effect on our reputation, business, financial condition, results of operations and/or prospects.

We may incur liabilities for the actions of our directors, employees, agents, representatives, advisors and intermediaries including under the Italian Legislative Decree 231/2001.

Conducting our business in an ethically acceptable manner is important to our reputation, status with regulators and our customers, and our business prospects. We face a number of risks related to compliance with applicable law - including in the context of participations in auctions, interactions held with the public administration or procurement officers in the process of obtaining or renewing any authorization or license and any possible public contribution - which may be due to our employee's activities or omissions and which may constitute criminal conduct in certain circumstances. In particular, we are exposed to the risk of sanctions under Decree 231/2001, which provides for the liability of companies as a consequence of certain crimes committed by directors, managers and/or employees in the interest of and to the advantage of such company.

In particular, pursuant to Decree 231/2001, we may be held responsible for certain crimes committed in Italy or abroad including, among others, bribery, money laundering, corruption (including among private individuals), fraud against the state, corporate offenses, market abuse, certain tax violations, certain environmental violations and manslaughter or serious injury depending from the violation of health and safety regulations at the workplace in our interest or for our benefit, by individuals having a functional relationship with us at the time the relevant crime was committed. In such circumstances, we may be subject to fines, confiscation of profits or price deriving from the offence or disqualification measures (which might be also applied as interim measures since the investigation phase), including, subject to certain conditions being met, the termination of authorization, permits, licenses, concessions

and financing arrangements, including facilitated financing, suspension of our operations, or prohibitions on contracting with public authorities. The duration of these disqualifications ranges from a minimum of three months to a maximum of two years, although, in certain serious cases, some of these disqualifications can be applied permanently and, with respect to corruptive offences only, the duration of the disqualification ranges from four to seven years if the offence is committed by individuals with management, representation and/or administration roles or from two years to a maximum of four years if the offence is committed by personnel subject to the supervision or management of the above individuals. In the event of active cooperation and self-cleaning by the involved company, the applicable disqualification sanctions would revert to the customary time-periods mentioned above. As an alternative to imposing disqualifying sanctions that would interrupt the entity's activities, the judge may appoint a commissioner to continue the entity's operations for a period equivalent to the duration of the disqualifying sanction, provided certain conditions are met.

In such case, the court may appoint a judicial custodian to run the company or execute a precautionary seizure of certain assets, with the consequence that the profits gained during the receivership period are automatically confiscated. The company, as employer of the wrongdoers, could also be held liable for the damages caused by its employees. These allegations may expose us to liability under Decree 231.

In the event of an offense covered by the Decree 231, the judicial authority is called upon to evaluate the Model 231 adopted and its implementation. If the judicial authority considers that the adopted model was not suitable for preventing such offense, if the model had not been effectively implemented or if there had been insufficient supervision of and compliance with the Model 231, the company would still be subject to liability and sanctions.

Any of these liabilities or sanctions, individually or in the aggregate, could have a material adverse effect on our business, financial condition, results of operations and reputation.

We may be involved in disputes and litigation with regulators, competition authorities, competitors and other parties and may become the subject of a number of investigations by judicial authorities, the ultimate outcome of which is generally uncertain.

From time to time, we might be involved, in the ordinary course of our business, in litigation and other legal proceedings, including regulatory and administrative proceedings, labour law related claims and audits and arbitrations. Some of the proceedings against us may involve claims for substantial monetary amounts and could divert management's attention from day-to-day business operations to address such issues. When we determine that a significant risk of a future claim against us exists, we record provisions in an amount equal to our estimated liability. There can be no assurance that our provisions will be sufficient to cover our litigation costs or that we will not be required to make further provisions in the future. Any failure to prevail in current or future litigation or to accurately predict the amounts at stake in a litigation or the likelihood of prevailing in any such litigation could result in unfavourable outcomes that could have a material adverse effect on our business, reputation, financial condition, results of operations and prospects.

Risks Relating to the Notes

There may not be an active trading market for the Notes in which case the ability of the holders of the Notes to sell such notes will be limited.

Application has been made to the Exchange for the Notes to be admitted to listing on the Official List of the Exchange and trading on the Euro MTF Market but there may be no active trading market for the Notes.

Furthermore, the Issuer cannot assure the holders as to:

- the liquidity of any market for the Notes;

- the holders' ability to sell their Notes; or
- the prices at which the holders would be able to sell their Notes.

Future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, the Issuer's operating results and the market for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on the holder of the Notes, regardless of the Issuer's prospects and financial performance. As a result, there may not be an active trading market for the Notes. If no active trading market develops, the holders may not be able to resell their Notes at a fair value, if at all.

Holders are required to conduct an independent review and to seek professional advice as they deem appropriate.

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on the Issuer or the Initial Purchasers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

None of the Trustee, Transfer Agent, Registrar, Paying Agent or Calculation Agent (each as hereinafter defined) makes any representation or warranty whatsoever or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Memorandum or any responsibility for the acts or omissions of the Issuer or any other person in connection with the issuance of the Notes or the acquisition of the Notes and therefore each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes.

The Notes are complex instruments that are not suitable for all investors.

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on the Issuer or the Initial Purchasers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to herein.

Each potential investor in the Notes 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 Notes, the merits and risks of investing in the Notes and the information contained in this Offering Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular;
- financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Potential investors should not invest in the Notes unless they have the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio. The investment activities of investors are subject to applicable investment laws and regulations and/or review or regulation by certain authorities and each potential investor should consult its legal advisers or the appropriate regulators.

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

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

Neither the Issuer, the Initial Purchasers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

An investment in the Notes involves interest rate risks.

Investment in the Notes, which bear a fixed rate of interest, involves the risk that if market interest rates subsequently increase above the rate paid on the Notes, this will adversely affect the value of the Notes. While the nominal interest rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, market interest rates typically change on a daily basis. As market interest rates change, the price of such security changes in the opposite direction. If market interest rates increase, the price of such security typically falls, until the yield of such security is approximately equal to the prevailing market interest rate. Conversely, if market interest rates fall, the price of a security with a fixed interest rate typically increases, until the yield of such security is

approximately equal to the prevailing market interest rate. Investors should be aware that the market price of the Notes may fall as a result of movements in market interest rates.

The market value of the Notes could decrease if the Issuer's creditworthiness deteriorates.

The market value of the Notes will suffer if the market perceives the Issuer to be less likely to fully perform all obligations under the Notes when they fall due. Even if the Issuer's ability to fully perform all obligations under the Notes when they fall due has not actually decreased, market participants could nevertheless have a different perception. In addition, market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Issuer could adversely change, thereby causing the market value of the Notes to fall. If any of these events occurs, third parties would only be willing to purchase the Notes for a lower price than before the crystallization of these risks. Under these circumstances, the market value of the Notes could decrease.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The credit ratings address the Issuer's ability to perform its obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. Such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Any adverse change in the credit ratings assigned to the Group and/or to the Notes, as applicable, may have a negative impact on the market value of the Notes and availability of future financing. Such change may, among other factors, be due to a change in the methodology applied by a rating agency to the rating of securities with similar structures to the Notes as opposed to any revaluation of the Group's financial strength or other factors such as conditions affecting the Group's industry generally.

No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if in its judgement circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of the Issuer's financings and could adversely affect the value and trading of the Notes.

The Notes may not remain listed on the Stock Exchange.

Although the Issuer intends to have the Notes listed on the Official List of the Exchange and to have them admitted to trading on the professional segment of the Euro MTF Market and to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure prospective investors that the Notes will remain listed. If the Issuer cannot maintain the listing of the Notes on the Official List of the Exchange or it becomes unduly onerous to make or maintain such listing, the Issuer may cease to make or maintain such listing on the Official List of the Exchange. In such event, we expect that the Issuer will use its commercially reasonable efforts to obtain and maintain the listing of the Notes on another recognized stock exchange, although there can be no assurance that the Issuer will be able to do so. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Official List of the Exchange, the delisting of the Notes from the Official List of the Exchange may have a material adverse effect on a holder's ability to resell the Notes in the secondary market.

Holders of the Notes will not be entitled to registration rights, and the Issuer does not currently intend to register the Notes under applicable securities laws. There are restrictions on investors ability to transfer or resell the Notes.

The Notes are being sold pursuant to an exemption from registration under the Securities Act and applicable state securities laws, and the Issuer does not currently intend to register the Notes. The holders of the Notes will not be entitled to require the Issuer to register the Notes for resale or otherwise. Therefore, investors may transfer or resell the Notes in the U.S. only in a transaction registered under or exempt from the registration requirements of the Securities Act and applicable state securities laws, and investors may be required to bear the risk of their investment for an indefinite period of time. See “*Notice to Investors*” and “*Offer Restrictions*.” the Issuer has not agreed to, nor undertaken to register, the Notes, nor does the Issuer have any intention to do so.

Prospective investors may face foreign exchange risks by investing in the Notes.

The Notes will be denominated and payable in Euro. An investment in the Notes denominated in a currency other than the currency by reference to which holders measure the return on their investments will entail foreign exchange related risks due to, amongst other factors, possible significant changes in the value of the euro relative to other relevant currencies because of economic, political or other factors over which the Issuer has no control. Depreciation of the euro against other relevant currencies could cause a decrease in the effective yield of the Notes their stated coupon rates and could result in a loss to noteholders when the return on the Notes is translated into the currency by reference to which noteholders measure the return on their investments. There may be tax consequences for prospective investors as a result of any foreign exchange gains or losses for any investment in the Notes.

In addition, despite the measures taken by countries in the Eurozone to alleviate credit risk, concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual Eurozone member states. These and other concerns could lead to the reintroduction of individual currencies in one or more member states, or, in more extreme circumstances, the possible dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. The Issuer cannot assure that the official exchange rate at which the Notes may be redenominated would accurately reflect their value in euro. These potential developments, or market perceptions concerning these developments and related issues, could adversely affect the value of the Notes.

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 (a) the Notes are legal investments for it, (b) the Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of the Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

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

The Conditions of the Notes are based on English law in effect as at the date of this Offering Memorandum, save that provisions governing meetings of Noteholders and the appointment of the Security Agent as *mandatario con rappresentanza* pursuant to articles 1703, 1704 et seq. of the Italian Civil Code of the Trustee and of the Noteholders from time to time and representative (*rappresentante*) of the holders of the Notes pursuant to Article 2414-bis, paragraph 3, of the Italian Civil Code and the appointment of a common representative (*rappresentante comune*) pursuant to Articles 2417 and 2418 of the Italian Civil Code, if any, in respect of the Notes are subject to compliance with Italian law. No assurance can be given as to the impact of any possible judicial decision or change to English or Italian

law (where applicable) or administrative practice after the date of this Offering Memorandum which may affect, for example, the extent to which the Notes:

- remain legal investments for certain Noteholders;
- can continue to be used as collateral for various types of borrowing; or
- remain attractive investments to potential buyers or can otherwise be freely traded.

The unforeseen consequences of any such change could have a material adverse effect on the marketability and /or value of the Notes or on the right of certain investors to continue holding the Notes and, under those circumstances, certain investors may be compelled to sell their Notes at a loss. See also “*Decisions at Noteholders’ meetings bind all Noteholders and Noteholders’ meeting provisions may change by operation of law or because of changes in the Issuer’s circumstances.*”

Payments in respect of the Notes may in certain circumstances be made subject to withholding or deduction of tax for which holders may not receive additional amounts.

The Issuer is organized under the laws of Italy and therefore payments of principal and interest on the Notes and, in certain circumstances, any gain on the Notes, will be subject to Italian tax laws and regulations. All payments made by the Issuer or on its behalf in respect of the Notes will be made free and clear of withholding or deduction for, or on account of, any present or future taxes, unless the withholding or deduction is required by law. In that event, subject to a number of exceptions, the Issuer will pay such additional amounts as may be necessary such that the net amounts received after such withholding or deduction shall equal the respective amounts that would have been received in regard to such Notes had no such withholding or deduction been required.

The Issuer and any future guarantor of the Notes are not liable to pay any additional amounts to holders of the Notes in certain circumstances, including if any withholding or deduction is required pursuant to Decree No. 239 except where the procedures required under Decree No. 239, in order to benefit from an exemption from Italian Substitute Tax, have not been complied with due to the actions or omissions of the Issuer or its agents. In those circumstances, investors will receive the proceeds of their investment in the Notes net of applicable withholding or deductions. See “*Certain Tax Consideration – Certain Italian Tax Considerations.*”

In particular, holders of Notes that are not residents in White List countries, holders who are residents in White List countries that do not properly and promptly satisfy the required conditions and procedures set forth by Decree No. 239 (and by the relevant application rules to benefit from exemption from Certain Italian Tax Considerations), and certain categories of holders of the Notes who are residents in Italy, will therefore only receive the net proceeds of their investment in the Notes and will not be paid any additional amounts to compensate them for the withholding or deduction.

Although the Issuer believes that, under current law, Italian withholding tax or substitute tax will not be imposed under Decree No. 239 where the Notes are traded on a regulated market or multilateral trading facility of an European Union or EEA country and the holder of the Notes, is a resident for tax purposes in a White List country and such holder promptly and properly complies with certain certification and procedural requirements set forth by Decree No. 239 by the relevant application rules, there is no assurance that this will be the case should there be a change in applicable law or relevant procedures. See “*Certain Tax Consideration.*”

Moreover, holders of the Notes should note that they will bear the risk of any change in the White List.

No assurance can be given that the procedural requirements provided by Decree No. 239 will be met.

The regime provided by Decree No. 239 and in particular the exemption from withholding tax in principle granted to holders of the Notes who are the beneficial owners of the Notes (or, if the holders

are institutional investors not subject to tax, even if they are not the beneficial owners of the Notes) and are resident in countries included in the White List applies if certain procedural requirements are met. See “*Certain Tax Considerations—Certain Italian Tax Considerations*.” No assurance can be given that all non-Italian resident investors will be eligible for the withholding tax exemption where the relevant foreign intermediary fails to provide sufficient information to the relevant Italian tax authorities under the procedures for applying the exemption regime. Should the procedural requirements not be met, Italian income withholding tax or substitute tax may apply on the payments made on the Notes to foreign investors resident in countries included on the White List. In such event, the Issuer or the relevant guarantor, as the case may be, will not be required to pay any additional amounts with respect to such withholding tax or substitute tax.

Italian tax changes may affect the tax treatment of the Notes.

Italian Law No. 111 of 9 August 2023 (“*Law 111*”), delegates power to the Italian government to enact, within twenty-four months from its publication, one or more legislative decrees implementing the reform of the Italian tax system (the “*Italian Tax Reform*”).

According to Law 111, the Italian Tax Reform could significantly change the taxation of financial incomes and capital gains and introduce various amendments in the Italian tax system at different levels. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with certainty at this stage, as for the time being not all laws and legislative decrees needed to implement such tax reform have been enacted.

The information provided in this Offering Memorandum may not reflect the future tax landscape accurately.

Investors should be aware that the amendments that may be introduced to the tax regime of financial incomes and capital gains could increase the taxation on interest, similar income and/or capital gains accrued or realized under the Notes and could result in a lower return of their investment.

Prospective investors should consult their own tax advisors regarding the tax consequences of the Italian Tax Reform.

The Issuer is incorporated in Italy, and Italian insolvency laws may not be as favourable to holders of the Notes as insolvency laws in other jurisdictions with which they may be familiar.

The Issuer is organized and is likely to have its centre of main interests under the laws of Italy.

The insolvency laws of Italy may not be as favourable to noteholders’ interests as the laws of the U.S. or other jurisdictions with which noteholders may be familiar, including in respect of creditors’ reorganization, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and thus may limit noteholders’ ability to recover payments due on the Notes to the extent exceeding the limitations arising under other insolvency laws.

In the event that any one or more of the Issuer or a guarantor experiences financial difficulty, it is not possible to predict with certainty the outcome of such proceedings or their duration (which may be significantly longer than the duration of analogous proceedings in jurisdictions you may be familiar with). In particular, the relevant indentures, trust deed and the Intercreditor Agreement could be limited in scope and effect by Italian courts to the extent their covenants and provisions, which are largely untested under Italian case law, could be considered to conflict with mandatory provisions of Italian law. In addition, the insolvency and other laws of Italy may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfer, priority of governmental and other creditors, the ability to obtain post-petition interest and the duration of the proceeding and preference periods. The application of these laws could call into question whether any particular jurisdiction’s laws should apply, adversely affect noteholders’

ability to enforce Noteholders' rights in Italy and limit any amounts that noteholders may receive. As a consequence, enforcement of rights under the Notes, any guarantees and the Collateral in an insolvency situation may be delayed and be complex and costly for creditors. See "*Certain Insolvency Law Considerations*."

In addition, Italian insolvency laws and regulations have recently undergone a major reform with the entry into force of the Code of Business Crisis and Insolvency, implementing the guidelines contained in Law No. 155 dated 19 October 2017 being a comprehensive and in material respects innovative legal framework regulating, among others, insolvency matters. Other than for minor changes in certain provisions of the Italian Civil Code, which already entered into force on 16 March 2019, the Code of Business Crisis and Insolvency came into force starting from 15 July 2022. The previous Italian Bankruptcy Law continues to apply to filings for declaration of insolvency procedures and bankruptcy restructuring plans (*concordato fallimentare*) and filings seeking the approval of debt restructuring agreement (*accordo di ristrutturazione dei debiti*) or the opening of a composition with creditors proceeding (*concordato preventivo*), in each case filed or pending before 15 July 2022.

Total remuneration under the Notes will be automatically reduced if it exceeds the anti-usury cap levels set under Italian law.

Under Italian law, any obligation of an Italian company and/or any obligation secured or guaranteed by an Italian company, to pay any portion of remuneration (including interest, where applicable, default interest, fees, charges, expenses and other costs and any other form of compensation related to the Notes) in excess of the thresholds permitted under Italian law No. 108 of March 7, 1996, as amended from time to time and related implementing rules and regulations (the "*Italian Usury Law*") may not be enforceable. The relevant provisions of the Italian Usury Law might also apply to securities such as the Notes. The Trust Deed will provide that, if the remuneration applicable to the Notes (including interest, default interest, fees, original issue discounts, premium, charges, expenses, costs and any other form of compensation related to the Notes falling within the scope of the Italian Usury Law (the "*Total Remuneration*")) at any time exceeds the maximum remuneration permitted under applicable Italian law (including the Italian Usury Law), then the Total Remuneration will immediately and automatically be reduced to the maximum remuneration permissible under applicable Italian law (including the Italian Usury Law) for, and limited to, the period during which it is not possible to apply the remuneration as originally provided. This will result in a change of the economic terms of the Notes which, in turn, may adversely impact the rights of the holders of the Notes and may have a material adverse effect on the market value of the Notes.

As the Notes are held by or on behalf of Euroclear and Clearstream, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer.

The Notes will be registered in the name of a nominee of a common depositary and deposited with a common depositary for Euroclear and Clearstream. Except in the circumstances described in the relevant global certificate (the "*Global Certificate*"), investors will not be entitled to receive the relevant Definitive Registered Notes. Euroclear and Clearstream will maintain records of the beneficial interests in the relevant Global Certificate. While the Notes are in global form, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, as the case may be.

While the Notes are in global form, the Issuer will discharge its payment obligations under the Notes by making payments to, or to the order of, the nominee of a common depositary. A holder of a beneficial interest in a Note must rely on the procedures of Euroclear and/or Clearstream, as the case may be, to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in such a Global Certificate.

The Issuer may incur substantially more debt in the future, which may make it difficult for it to service its debt, including the Notes, and impair its ability to operate its businesses.

Despite the Issuer's substantial leverage, the Issuer may incur substantial additional debt in the future. The terms of the Existing Financing Arrangements permit, and the Trust Deed will permit, the Issuer to incur an unlimited amount of additional indebtedness. In addition, such indebtedness may be permitted to share in the Collateral or benefit from security interests over assets that do not secure the Notes, and any such indebtedness could mature prior to the Notes. If additional debt is incurred, the related risks that the Issuer faces would increase. The Issuer's inability to service its debt could have a material adverse effect on its business, financial position, results of operations and its ability to fulfil its obligations under the Notes.

The Issuer is subject to restrictive covenants that limit its operating and financial flexibility.

The terms of the Senior Facilities Agreement contain covenants which impose significant operating and financial restrictions on the Issuer. The Trust Deed will impose, and the terms of the trust deed and indenture governing the Existing Notes also impose, limited operating and financial restrictions on the Issuer. All of these limitations will be subject to significant exceptions and qualifications. The Trust Deed will not, and the terms of the trust deed and indenture governing the Existing Notes do not, restrict the Issuer's ability to sell or transfer its assets, other than in connection with a sale of all or substantially all of the Issuer's assets, nor the Issuer's ability to make distributions to its shareholders.

The Trust Deed will also contain provisions pursuant to which the Issuer may be permitted to sell all or substantially all of its assets without causing a Change of Control and would not be required to make a Change of Control Offer in connection with a Change of Control (each as defined below), provided that certain leverage ratio and credit rating conditions are met.

The covenants to which the Issuer is subject could limit its ability to operate the business, to finance its future operations and capital needs and to pursue business opportunities and activities that may be in its interest. For further information, please see "*Terms and Conditions of the 2030 Fixed Rate Notes*," "*Terms and Conditions of the 2032 Fixed Rate Notes*," "*Terms and Conditions of the Floating Rate Notes*" and "*Description of Certain Other Financing Arrangements—Senior Facilities Agreement*."

The Group will require a significant amount of cash to service its debt and sustain its operations, which it may not be able to generate or raise. The terms of the Group's borrowings could materially adversely affect its financial condition.

The Group's ability to make payments on and refinance its debt will depend on its future operating performance and ability to generate cash from operations. The Group's ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors discussed in these "*Risk Factors*," many of which are beyond its control. The Group may not be able to generate sufficient cash flow from operations or obtain enough capital to service its debt or to fund future capital expenditure, acquisitions or working capital needs.

The Group also faces risks that it may be unable to refinance some or all of its borrowings on similar terms to the Notes and the Existing Financing Arrangements, on terms that it deems appropriate or at all. The Group's ability to refinance its future borrowings or to undertake additional borrowings in the future may be affected by a number of factors, including its operating and financial performance, as well as broader market and macroeconomic conditions that are outside its control.

If the Group's future cash flow from operations and other capital resources is insufficient to pay its obligations as they mature or to fund its liquidity needs, it may be forced to:

- reduce or delay certain business activities and capital expenditures particularly with respect to those to be incurred by the Issuer;
- sell assets or equity;
- obtain additional debt or equity capital;

- forgo strategic opportunities, such as acquisitions of other businesses; or
- restructure or refinance all or a portion of its debt, including the Notes, on or before maturity.

The Group cannot assure investors that it would be able to accomplish any of these alternatives on a timely basis or on commercially reasonable terms, if at all. Any refinancing of its debt could be at higher interest rates and may require it to comply with more onerous covenants, which could further restrict its business, financial condition and results of operations. The type, timing and terms of any future financing will depend on the Group's cash needs and the prevailing conditions in the financial markets. In addition, the terms of the Notes and any future debt may limit the Issuer's ability to pursue any of these measures.

If the Group is unable to access alternative financing, it may not be able to satisfy its debt obligations, including under the Notes. In that event, borrowings under other debt agreements or instruments that contain cross-acceleration or cross-default provisions, including the Notes, may become payable on demand, and the Issuer may not have sufficient funds to repay all its debts, including the Notes.

A significant change in finance costs, whether due to higher levels of borrowing or an increase in interest payable on future borrowings, or an inability to obtain financing on acceptable terms or at all may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Restrictions imposed by the terms of the Notes and certain of the Issuer's other outstanding debt agreements will limit its ability to take certain actions, which may limit the Issuer's ability to finance future operations and capital needs and to pursue business opportunities and activities.

The terms of the Notes and other outstanding debt agreements will limit the Issuer's flexibility to operate its business.

In addition, the Existing Financing Arrangements provide for various customary representations and undertakings as well as affirmative covenants and negative covenants, including relating to acquisitions, disposals and mergers, which restrict certain aspects of the Issuer's business, as well as events of default provisions. If the Issuer fails to comply with any of these representations, undertakings, or covenants and is unable to remedy (if applicable) such failure or fail to obtain a waiver or consent, a default could result under such credit facilities, which, in turn, could result in termination rights, acceleration rights, draw stops or increases in interest rates or fees in such credit facilities. In these circumstances, the Issuer's assets and cash flow may not be sufficient to repay in full the defaulted debt under such credit facilities or other debt instruments. If such debt was accelerated and the Issuer's financial resources were insufficient to discharge their respective obligations under such agreement, the Issuer could be forced into bankruptcy or liquidation.

Moreover, certain credit facilities entered into by the Issuer include, and in the future might include, certain events of default (such as breaches of representations, warranties and undertakings and if the Issuer fails to make payment when due on certain other debt) that are different from the events of default set forth in the terms of the Notes. If an event of default occurs under the Notes or any of the Issuer's other debt instruments and is not cured or waived, the holders of the defaulted debt could terminate their commitments and declare all outstanding debt, together with accrued and unpaid interest and other fees, to be immediately due and payable. Borrowings under the Issuer's debt instruments, including the Notes, that contain cross-acceleration or cross-default provisions also may be accelerated or become payable on demand as a result of an event of default under such debt instruments. In these circumstances, the Issuer's assets and cash flow may not be sufficient to repay in full the defaulted debt and other debt, including the Notes then outstanding. If some or all of these instruments were accelerated, the Issuer could be forced into bankruptcy or liquidation, and it may not be able to repay its obligations under the Notes in such an event.

Any future debt may include similar or other restrictive terms. These restrictions could materially and adversely affect the Issuer's ability to finance its future operations or capital needs or to engage in other business activities or consummate transactions that may be in its best interests.

Some of the Group's indebtedness bears interest at floating rates that could rise significantly, thereby increasing costs and reducing cash flow, and that may be impacted by applicable law and regulation.

A portion of the Group's outstanding borrowings bear interest at floating rates, and the Floating Rate Notes will bear interest at floating rates, exposing the Group to the fluctuations of variable interest rates based on benchmark rates such as the Euro Interbank Offered Rate ("EURIBOR"). Increases in the applicable benchmark rates used in the calculation of interest on these borrowings would result in higher interest expenses to service these debt levels in the future. An increase in variable and/or fixed interest rates may result in the Group incurring interest expense and cash outflows in relation to these debt instruments at higher levels than anticipated, thereby reducing cash flow available for capital expenditures and hindering the Group's ability to make payments on the Notes. These rates could increase significantly and for a variety of reasons, including due to changes in the monetary and interest rate policies of central banks, as well as broader macro-economic conditions in the European Union and globally. While the Group may from time to time hedge a portion of its interest rate exposure, it is under no obligation to do so and any hedging activity in respect of the Group's variable-rate debt may be discontinued at any time. Further, there can be no assurance that, if the Group wishes to hedge its interest rate exposure, such hedging arrangements will be available to the Group on commercially reasonable terms or at all. Hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging arrangements. To the extent interest rates were to rise significantly, the Group's interest expense would correspondingly increase, thus reducing cash flow. If one or more of the Group's counterparties falls into bankruptcy, any claims the Group has under hedging arrangements may become worthless. In addition, in the event that the Group refinances its debt or otherwise terminate any such hedging agreements, the Group may be required to make termination payments, which would result in a loss.

Following allegations of manipulation of LIBOR, another measure of interbank lending rates, regulators and law enforcement agencies from a number of governments and the European Union have conducted investigations into whether banks that contribute data in connection with the calculation of daily EURIBOR or the calculation of LIBOR may have been manipulating or attempting to manipulate EURIBOR and LIBOR.

Various interest rate benchmarks (including EURIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some reforms are already effective, including the EU Benchmark Regulation (Regulation (EU) 2016/1011) and the cessation of the publication of Sterling LIBOR rates and certain tenors of U.S. dollar LIBOR rates after 31 December 2021, while others are still to be implemented. On 3 April 2023, it was announced that publication of certain tenors of U.S. dollar LIBOR settings will continue until 30 September 2024 to serve only as a temporary bridge for use in certain legacy contracts.

These reforms and other pressures may cause EURIBOR, the Sterling Over Night Index Average Rate (SONIA), the Secured Overnight Financing Rate (SOFR) or other such benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted. Based on the foregoing, investors should in particular be aware that (a) any of these reforms or pressures or any other changes to a relevant interest rate benchmark, as well as manipulative practices or the cessation thereof, could affect the level of the published rate, including to cause a sudden or prolonged increase and/or to make it more volatile than it would otherwise be, which could have an adverse impact on the Group's ability to service debt that bears interest at floating rates of interest, and (b) if EURIBOR, SONIA, or SOFR (or any of their successors or other benchmarks) is discontinued, that may require amendments to the Group's finance documentation that references such rate and, in relation to any of its obligations which have not

transitioned to a successor rate by the relevant date, then the rate of interest applicable to such obligations may be determined for a period by applicable fallback provisions, specified in the relevant documentation for such obligations, although such provisions, if they are dependent in part upon the provision by reference banks of offered quotations, may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time).

Optics HoldCo and any other provider of Collateral will have control over the Collateral, and the sale of particular assets could reduce the pool of assets securing the Notes.

The Security Documents relating to the Notes will allow Optics HoldCo and any other Collateral providers, as applicable, to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the Collateral to the extent that it relates to their assets. So long as no acceleration event has occurred and subject to certain conditions, Optics HoldCo and any other Collateral providers, as applicable, may, among other things, conduct ordinary course activities with respect to the Collateral, such as selling, factoring, abandoning or otherwise disposing of the Collateral and, making ordinary course cash payments, including repayments of indebtedness, in each case in accordance with, or as otherwise permitted or not prohibited by the Trust Deed or the documents creating security over the Collateral or the Intercreditor Agreement. Any of these activities could reduce the value of the Collateral, which could in turn reduce the amounts payable to holders of the Notes from the proceeds of any sale of the Collateral in the case of an enforcement of the liens on the Collateral.

Corporate benefit, financial assistance laws, capital maintenance and other limitations on any guarantee may adversely affect the validity and enforceability of the Collateral and any guarantee of the Notes, if applicable.

Each of Optics HoldCo and the Issuer is incorporated and organized under the laws of Italy. Enforcement of the obligations under any Collateral or guarantee will be subject to certain available defences. These laws and defences may include those that relate to fraudulent conveyance or transfer, laws, rules and principles concerning financial assistance, corporate benefit, capital maintenance, preservation of share capital, liquidity maintenance, voidable preferences, thin capitalisation or similar laws as well as regulations or defences affecting the rights of creditors generally, by limiting the amounts recoverable under any guarantee or the Collateral and the amounts recoverable thereunder will be limited to the maximum amount that can be guaranteed or secured by the guarantor, or the relevant security provider under the applicable laws of each jurisdiction, to the extent that the granting of such guarantee or Collateral is not in the guarantor's or relevant security provider's corporate interests, or the burden of such guarantee or Collateral exceeds the benefit to the guarantor or relevant security provider, or such guarantee or Collateral would be in breach of laws, rules and principles on capital maintenance, financial assistance, liquidity maintenance or thin capitalisation rules or any other general statutory laws and/or would cause the directors of such subsidiary guarantor or security provider to contravene their fiduciary duties and incur civil or criminal liability. An increase in the amount of debt that benefits from the guarantee without a corresponding increase in the amount of the guarantee will dilute the value of the guarantee to its beneficiaries, including the holders of the Notes.

Accordingly, enforcement of the guarantee against the guarantor would be subject to certain defences available to guarantors generally or, in some cases, to limitations contained in the terms of the guarantee designed to ensure compliance with statutory requirements applicable to the guarantor. As a result, the guarantor's liability under its guarantee could be materially reduced or eliminated, depending upon the law applicable to it.

It is possible that the guarantor or creditor of the guarantor, or the bankruptcy trustee in the case of a bankruptcy of the guarantor, may contest the validity and enforceability of the guarantor's guarantee on any of the above grounds and the applicable court may determine that the guarantee should be limited or voided. To the extent that agreed limitations on the guarantee obligation apply, the Notes would to that extent be structurally subordinated to all liabilities of the guarantor, including trade payables of the

guarantor. Any future guarantees of the Notes required to be granted under the Trust Deed may be subject to similar limitations. See “*Certain Insolvency Law Considerations.*”

The Collateral and any guarantee of the Notes, if applicable, will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability.

Subject to the operation of certain agreed security principles, and certain significant limitations under applicable laws (i) the Collateral provides and (ii) if and once granted, the guarantees or any future security interests will provide, the holders of the Notes with a direct claim against the relevant guarantor or grantor of security. The obligations of a guarantor or grantor of security, the enforcement of any guarantee or security interests and the obligations of the grantor of security or guarantor and the ability of the Security Agent to enforce on the security interests or guarantee will be limited under the Trust Deed, the Intercreditor Agreement and the relevant security documents to the maximum amount that can be guaranteed or secured by the guarantor or provided by the grantor of security under the applicable laws, including the laws of Italy, which has been determined so as to ensure that amounts payable will not result in violations of laws, rules and principles related to, among others, corporate benefit, capitalisation, capital preservation, financial assistance or transactions under value, or otherwise cause the guarantor or the grantor of security to be deemed insolvent under applicable law or such guarantee or security to be deemed void, unenforceable or ultra vires, or cause the directors of the Issuer to be held in breach of applicable corporate or commercial law for providing such guarantee or security.

In particular, enforcement of a guarantee or collateral against the relevant guarantor or the relevant security grantor would be subject to certain defences available to guarantors generally or, in some cases, to limitations contained in the terms of the guarantee or security document designed to ensure compliance with statutory requirements applicable to the guarantor or relevant security grantors. These laws and defences include those that relate to fraudulent conveyances or transfers, insolvency, voidable preferences, rules and principles concerning financial assistance, corporate purpose or benefit, preservation of share capital, thin capitalisation, capital maintenance or similar laws and regulation or defences affecting the rights of creditors generally. As a result, the liability of the guarantor under its guarantee or of a grantor of security could be materially reduced or eliminated, depending on the amounts of its other obligations and the law applicable to it.

In addition, the obligations of a guarantor and/or security provider that becomes a guarantor and/or a security provider will be subject to certain agreed security principles and material limitations pursuant to applicable laws with respect to, amongst others, financial assistance (namely Article 2358 (*Altre operazioni sulle proprie azioni*) and Article 2474 (*Operazioni sulle proprie partecipazioni*) of the Italian Civil Code, as the case may be) and corporate benefit and will be subject to the additional limitations set forth in the relevant deed of guarantee and/or in the applicable security documents, in order for the Issuer to comply with the above corporate law requirements, rules and principles on, among others, corporate benefit and financial assistance.

In addition to the above, under article 1938 of the Italian Civil Code, if a corporate guarantee is issued by a guarantor incorporated under the laws of Italy to guarantee conditional or future obligations, the guarantee must be limited to a maximum amount. Such maximum amount should be expressly identified at the outset and expressed in figures (either in the guarantee deed or by reference to a separate document, such as the Trust Deed). It has been held that such determination must be proportionate to the Issuer’s assets. If such determination is deemed disproportionate to the assets of the Issuer, there is a risk that the guarantee could be declared void.

The proceeds of the enforcement of said guarantees and/or security interests will be distributed amongst the guaranteed and/or secured creditors (including, without, limitation, the holders of the Notes) in accordance with the provisions of the Intercreditor Agreement. Accordingly, the holders of the Notes will be able to recover limited amounts under the relevant notes guarantee and security. See “*Certain Insolvency Law Considerations.*”

Other limitations pursuant to bankruptcy or insolvency laws apply to any guarantee of the Notes, if applicable.

Although laws differ among various jurisdictions, in general, under bankruptcy or insolvency law and other laws, a court could (i) avoid or invalidate all or a portion of a guarantor's obligations under its guarantee, (ii) direct that the holders of the Notes return any amounts paid under a guarantee to the relevant guarantors or to a fund for the benefit of that guarantors' creditors or (iii) take other action that is detrimental to the holders of the Notes, typically if the court found that:

- the relevant guarantee was incurred with actual intent to give preference to one creditor over another, hinder, delay or defraud creditors or shareholders of the relevant guarantors or, in certain jurisdictions, when the granting of the relevant guarantee has the effect of giving a creditor a preference or the creditor was aware that the relevant guarantors was insolvent when the relevant guarantee was given;
- the relevant guarantors did not receive fair consideration or reasonably equivalent value or corporate benefit for the relevant guarantee or the relevant guarantor was: (i) insolvent or rendered insolvent because of the relevant guarantee; (ii) undercapitalised or became undercapitalised because of the relevant guarantee; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;
- the relevant guarantee was held to exceed the corporate objects of the relevant guarantors or not to be in the best interests or for the corporate benefit of the relevant guarantors; or
- the amount paid or payable under the relevant guarantee was in excess of the maximum amount permitted under applicable law.

It is possible that a guarantor or a grantor of security, or a creditor of a guarantor or a grantor of security, or the bankruptcy or insolvency trustee in the case of insolvency of a guarantor or a grantor of security, may contest the validity and enforceability of the guarantors' guarantees or grantor's creation of security on any of the aforementioned grounds and that the applicable court may determine that the guarantees or the relevant security interest should be limited or voided. In the event that any guarantee or security interest is invalid or unenforceable, in whole or in part, or to the extent such limitations on the guarantees or security obligation apply, the Notes would be effectively subordinated to all liabilities of the applicable guarantors or grantor, including trade payables of such guarantors or grantor to the extent of such limitations. Future pledges or guarantees may be subject to similar limitations.

Additionally, the grant of Collateral to secure the Notes may be voidable by the grantor or by an insolvency trustee, liquidator, receiver or administrator or by other creditors, or may otherwise be set aside by a court, or be unenforceable if certain events or circumstances exist or occur, including, among others, if the grantor is deemed to be insolvent at the time of the grant, or if the grant permits the secured parties to receive a greater recovery than if the grant had not been given and an insolvency proceeding in respect of the grantor is commenced within a legally specified "claw back" period following the grant. To the extent that the grant of any security interest is voided, holders of the Notes would lose the benefit of the relevant security interest.

Moreover, under Italian law, claims of certain categories of creditors (*creditori privilegiati*) are given statutory priority in relation to the proceeds of a debtor's property in respect to the claims of other creditors, even if such claims are secured claims. See "*Certain Insolvency Law Considerations*."

The Notes will be secured only to the extent of the value of the Collateral that has been granted as security for the Notes and other secured indebtedness may be secured by assets that do not secure the Notes.

The Notes will be secured only to the extent of the value of the relevant Collateral. See "*Terms and Conditions of the 2030 Fixed Rate Notes—Status of Notes, Guarantee and Security—Security*," "*Terms*

and Conditions of the 2032 Fixed Rate Notes—Status of Notes, Guarantee and Security—Security” and “Terms and Conditions of the Floating Rate Notes—Status of Notes, Guarantee and Security—Security.” Not all of the Issuer’s assets will secure the Notes, and the Trust Deed and the Intercreditor Agreement allow the Issuer to secure certain future indebtedness permitted to be incurred with certain property and assets that do not secure the Notes. If an event of default occurs and the obligations under the Notes are accelerated, the Notes and the guarantees thereof will not benefit from the assets securing such secured debt and will rank equally with the holders of other unsecured indebtedness of the Issuer with respect to any property or assets excluded from the Collateral securing the Notes. The claims of secured creditors that are secured by assets that do not also secure the Notes will have priority with respect to such assets over the claims of holders of the Notes. As such, the claims of the holders of the Notes will be effectively subordinated to the rights of such secured creditors to the extent of the value of the assets securing such indebtedness.

While the Trust Deed and the Intercreditor Agreement create certain obligations to provide additional guarantees and grant additional security over assets, or a particular class of assets, whether as a result of granting liens in favour of other indebtedness or the acquisition or creation of future assets or subsidiaries or otherwise, such obligations are subject to certain exceptions and qualifications pursuant to certain agreed security principles. Such agreed security principles set out a number of limitations on the rights of the holders of the Notes to be granted security or guarantees in certain circumstances. The operation of such agreed security principles may result in, among other things, the amount recoverable under any Collateral provided being limited or security not being granted over a particular type or class of assets. Pursuant to such agreed security principles, the Collateral will be limited to security over the shares of the Issuer and any company that is otherwise required to become a guarantor (and any other future guarantors) and any member of the Group which has earnings before interest, tax, depreciation and amortization (calculated on an unconsolidated basis and subject to certain adjustments) representing more than 5% of the Consolidated EBITDA (as defined in the finance documents relating to the Existing Financing Arrangements) of the Group, and certain material intercompany receivables owed by the Issuer to Optics HoldCo. Accordingly, such agreed security principles may affect the value of the security or guarantees provided by any guarantors.

In particular, even though the Notes and the Existing Financing Arrangements are expected to share security interests, this may not be the case and circumstances may arise in the future in which additional security or guarantees may be granted for the benefit of creditors under the Existing Financing Arrangements which are not otherwise permitted to be granted in favour of or for the benefit of holders of the Notes due to the application of certain agreed security principles and, ultimately, applicable financial assistance and corporate benefit rules. Accordingly, in such circumstances, holders of the Notes would have no and/or limited direct claim for payment against any such additional guarantor nor any and/or limited rights as a secured party with respect to any such additional collateral.

Creditors under certain future indebtedness permitted to be incurred under the terms of the Trust Deed and the Intercreditor Agreement will be entitled to be repaid with recoveries from the proceeds from the enforcement of the Collateral in priority over the Notes.

The Intercreditor Agreement includes provisions governing the sharing of proceeds from enforcement of the Collateral. Such enforcement proceeds are required to be turned over to the Security Agent after certain events, including the acceleration of the Notes. The Security Agent is required to apply turned over amounts and other recoveries by the Security Agent from enforcement actions towards discharging the super senior obligations (including, among others, (following the designation of any such document as a super senior liability in accordance with the terms of the Intercreditor Agreement) those under such document and future indebtedness that may be secured on a super senior basis (the “*Super Senior Liabilities*”)) in priority to applying any such amounts towards discharging the Notes. As such, in the event of a foreclosure of the Collateral, you may not benefit from such recoveries if then outstanding claims under such Super Senior Liabilities are greater than the proceeds recovered. Any proceeds remaining from an enforcement sale of Notes.

Collateral will, after all obligations under such Super Senior Liabilities have been discharged, be applied pro rata in repayment of the Notes, and any other indebtedness that ranks *pari passu* with the Notes. See “*Description of Other Indebtedness and Financing Arrangements of the Group—The Intercreditor Agreement.*”

The Collateral is limited to certain specific assets, the value of the Collateral securing the Notes may not be sufficient to satisfy the Issuer’s obligations under the Notes and such Collateral may be reduced or diluted under certain circumstances.

If the Issuer defaults on the Notes, holders of the Notes will be secured only to the extent of the value of the assets underlying the security interests granted in favour of holders of the Notes. In the event of an enforcement of the security interests in respect of the Collateral, the proceeds from the sale of the assets underlying the Collateral may not be sufficient to satisfy the Issuer’s obligations with respect to the Notes. As described elsewhere, the extent of the Collateral is limited. In accordance with certain agreed security principles, guarantee and/or security shall only be granted by certain entities. See “*Terms and Conditions of the 2030 Fixed Rate Notes—Status of Notes, Guarantee and Security—Security,*” “*Terms and Conditions of the 2032 Fixed Rate Notes—Status of Notes, Guarantee and Security—Security*” and “*Terms and Conditions of the Floating Rate Notes—Status of Notes, Guarantee and Security—Security.*”

No appraisal of the value of the Collateral has been made in connection with the Offering. The value of the assets underlying the pledges and the amount to be received upon a sale of the Collateral will also depend on many factors, including, among other things, whether or not the business is sold as a going concern, regulatory restrictions that could affect such sale, the ability to sell the assets in an orderly sale and the condition of the economies in which operations are located and the availability of buyers.

The shares and other Collateral that is pledged or assigned for the benefit of the holders of the Notes may provide for only limited repayment of the Notes, in part because most of the Collateral may not be liquid and its value to other parties may be less than its value to the Group. Likewise, there can be no assurance that the Collateral will be saleable or, if saleable, that there will not be substantial delays in the liquidation thereof. Delays in enforcement could decrease or eliminate recovery values. In the event of foreclosure, the transfer of the Group’s business operations may be prohibited or only permitted to a limited group of investors eligible to hold such assets, thereby decreasing the pool of potential buyers. Furthermore, entry into the Security Documents, enforcement of the Collateral and any direct or indirect transfer of the Group’s operations may require, in certain jurisdictions, governmental or other regulatory consents, approvals or filings similar to (or different from) those that has been required to be obtained in relation to the Offering, or might otherwise be challenged. Such consents, approvals or filings may take time to obtain or may not be obtained at all. As a result, enforcement may be delayed, a temporary shutdown of operations may occur and the value of the Collateral may be significantly decreased. Most of the Group’s assets will not secure the Notes and it is possible that the value of the Collateral will not be sufficient to cover the amount of indebtedness secured by such Collateral.

As a result, the creditors secured by a pledge of the shares of these entities may not recover anything of value in the case of an enforcement sale. In addition, the value of this Collateral may decline over time. If the proceeds of the Collateral are not sufficient to repay all amounts due on the Notes, the holders of the Notes (to the extent not repaid from the proceeds of the sale of the Collateral) would have only a senior unsecured, unsubordinated claim against the Issuer’s and any guarantors’ remaining assets.

The Trust Deed only limits liens granted in connection with Capital Markets Indebtedness (as defined under “*Terms and Conditions of the 2030 Fixed Rate Notes—Covenants—Restrictions on Security Interests,*” “*Terms and Conditions of the 2032 Fixed Rate Notes—Covenants—Restrictions on Security Interests*” and “*Terms and Conditions of the Floating Rate Notes—Covenants—Restrictions on Security Interests*”) and will also permit the granting of certain liens other than those in favour of the holders of the Notes on the Collateral. To the extent that holders of other secured indebtedness or third parties are secured by liens, including statutory liens, whether or not permitted by the Trust Deed, the Intercreditor

Agreement or the Security Documents, such holders or third parties may have rights and remedies with respect to such assets which, if exercised, could reduce the proceeds available to satisfy the Issuer's obligations under the Notes. Moreover, if the Issuer issues additional notes under the Trust Deed, holders of such Notes would benefit from the same Collateral as the holders of the Notes being offered hereby, thereby diluting your ability to benefit from the liens on the Collateral.

In addition, as described above, the value of any guarantees and the Collateral that will be granted by any guarantors will be limited. See also "*Certain Insolvency Law Considerations*."

The Collateral and any other future guarantees or security which may be granted under the Trust Deed, will be subject to exceptions, defects, encumbrances, liens and other imperfections permitted by the Trust Deed and the Intercreditor Agreement.

The existence of such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral and the guarantees, as well as the ability of the Security Agent to realize or foreclose on such Collateral and the guarantees. Furthermore, the first-priority ranking of security interests can be affected by a variety of factors, including the timely satisfaction of perfection requirements, statutory liens or re-characterization under applicable law. The granting of the guarantees and security interests in connection with the issuance of the Notes, or the incurrence of permitted debt in the future, may create or restart hardening or avoidance periods for such security interests in accordance with the laws applicable in certain jurisdictions.

The granting of the security interests to secure the Notes and the Existing Financing Arrangements may create hardening, claw back or avoidance periods for any guarantees and security interests in certain jurisdictions, including Italy. The granting of shared security interests (including security interests in the Collateral), including in connection with any release and retake of such security interest, to secure existing, new or future indebtedness (such as hedging obligations or any additional notes issued under the Trust Deed) or the transfer or the assignment of the security interest may restart or reopen hardening or claw back periods in certain jurisdictions, including Italy. The applicable hardening, claw back or avoidance period for these new security interests can run from the moment each new security interest has been granted, perfected, amended, shared or recreated (as applicable). At each time, if the security interest granted or recreated were to be enforced before the end of the respective hardening or avoidance period applicable in such jurisdiction, it may be declared void, ineffective, clawed back and/or it may not be possible to enforce it. Under Italian law, in case any security interests (including security interests in the Collateral) is released and retaken at any time, such release and retaking of security interests may give rise to the start of a new hardening period in respect of such security interests. Under certain circumstances, other creditors, bankruptcy trustees, insolvency administrators or courts could challenge the validity and enforceability of the grant of such security interests. See "*Certain Insolvency Law Considerations*."

The Trust Deed will provide that the Collateral securing the Notes may be released and retaken in several circumstances, including in connection with certain mergers and other similar events. In Italy, for example, such a release and retaking of Collateral may give rise to new hardening periods in respect of the relevant security interests in the Collateral that are granted, perfected or released and retaken, and the security interests in the relevant Collateral would be subject to the same risks described in the preceding paragraph.

Similar considerations also apply in connection with the accession of further subsidiaries as additional guarantors of the Notes and the granting of security interest over their relevant assets and equity interests for the benefit of holders of the Notes, as applicable.

The Collateral will be subject to exceptions, defects, encumbrances, liens and other imperfections permitted under certain agreed security principles, applicable laws, the Trust Deed and the Intercreditor Agreement. The existence of such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral, as well as the ability of the Security Agent to realize

or foreclose on such Collateral. The Trustee and the Security Agent will not be under any obligation or responsibility to take any steps or action to perfect, or ensure the perfection of, any such liens. Furthermore, the first-priority ranking of security interests can be affected by a variety of factors, including the timely satisfaction of perfection requirements, statutory liens or re-characterization under applicable law. The Collateral may be subject to practical problems generally associated with the realization of security interests in collateral. The Security Agent may also need to obtain the consent of a third party to enforce a security interest. The Security Agent may not be able to obtain any such consents. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of the Collateral may significantly decrease.

The recovery from the enforcement of the share pledges forming part of the Collateral may be complicated, involve long recovery times and a low recovery rate and may require prior approval by certain regulatory bodies.

In connection with the enforcement of share pledges over shares of entities with outstanding debt obligations, any sale of such entities is likely to involve a release of some or all of the debt of such entity, which could result in a taxable capital gain to such entities. As the Notes will be issued by the Issuer, an enforcement over the shares of the Issuer would involve the enforcement over the share pledge of an entity with outstanding debt claims. In addition, the Trust Deed does not prohibit the Issuer from incurring additional debt claims in the future. Consequently, the enforcement of the share pledge over the Issuer's shares may result in the release of the Issuer's debt obligations, which could result in a taxable capital gain. This taxable capital gain is likely to reduce the proceeds of any recovery from the enforcement of such share pledge. Therefore, the value of the pledge over the shares of the Issuer may be limited. In addition, the Collateral includes, *inter alia*, a security interest over the shares of the Issuer. The Acquisition Transactions (in connection with which the share pledge, which forms part of the Collateral, was originally granted) were authorized by the Italian Golden Power Authority on 16 January 2024. No separate Italian Golden Power approval was sought as and when the secured debt has been increased (or when the secured creditors have changed) thereafter; consistently no such approval has been sought in connection with the extension of the same share pledge to secure the payment obligations arising from the Notes. In any case, to the extent the enforcement of this security interest would result in an acquisition of a reportable holding in the Issuer, or any strategic asset pursuant to the Italian Golden Power Legislation held by the Issuer, any such enforcement would require clearance by the Italian Government, pursuant to the Italian Golden Power Legislation. Accordingly, the Security Agent may not have the ability to enforce its security and the value of the security interests may significantly decrease.

The security interests in the Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce the Collateral may be restricted by local law.

The security interests in the Collateral that will secure the obligations of the Issuer under the Notes will not be granted directly to the holders of the Notes but to the Security Agent pursuant to the Conditions of the Notes and the Intercreditor Agreement for the benefit of all holders of the Notes, and thus the holders of the Notes will not have any independent power to enforce, or have recourse to, any of the Security Documents or to exercise any rights or powers arising under the Security Documents except through the Security Agent as provided in the Intercreditor Agreement and the Trustee under the Trust Deed, who will (subject to the provisions of the Trust Deed) provide instructions to the Security Agent accordingly. The Security Agent is not required to take enforcement action unless instructed to do so in accordance with the provisions described in "*Description of Certain Other Financing Arrangements—Intercreditor Agreement.*" The Security Agent may also refrain from acting in accordance with any instructions until it has been indemnified and/or secured that it may in its discretion require for any cost, loss or liability which it may incur in complying with those instructions.

By accepting a Note, you will be deemed to have agreed to these restrictions. As a result of these restrictions, holders of the Notes will have limited remedies and recourse against the Issuer in the event

of a default. In addition, the Intercreditor Agreement and the documents that will create the security obligations under the Notes place limitations on the ability of the Security Agent to cause the sale of some of the Collateral. These limitations may include requirements that some or all of the Collateral be disposed of only pursuant to public auctions or only at a price confirmed by a valuation. See “*Description of Certain Other Financing Arrangements—Intercreditor Agreement.*”

In addition, the ability of the Security Agent to enforce the security interests is subject to mandatory provisions of the laws of each jurisdiction in which security interests over the Collateral are taken, including Italian law, as applicable. For example, the laws of certain jurisdictions may not allow for the appropriation of certain pledged assets, but require a sale through a public auction and certain waiting periods may apply. There is some uncertainty under the laws of certain jurisdictions as to whether obligations to beneficial owners of the Notes that are not identified as registered holders in, nor are directly parties to, a security document will be validly secured and/or can be enforced; this area of law is untested in the courts of certain jurisdictions (including Italy). In certain jurisdictions, due to the laws and other jurisprudence governing the creation and perfection of security interests and the enforceability of such security interests, the Intercreditor Agreement provides for the creation of “parallel debt” obligations in favour of the relevant Security Agent (“*Parallel Debt*”) mirroring the obligations of the Issuer and any guarantors owed to holders of the Notes under or in connection with the Trust Deed, as applicable (“*Principal Obligations*”), but in jurisdictions such as Italy, these Parallel Debt provisions would not be applicable taking into account that Italian case law has not ruled for its application. All or part of the pledges and other security interests in such jurisdictions will be granted to the Security Agent as security interests for the Parallel Debt and will not directly secure the Principal Obligations. Under parallel debt structures, the Parallel Debt will typically be at all times in the same amount and payable at the same time as the Principal Obligations and any payment in respect of the Principal Obligations shall discharge the corresponding Parallel Debt and any payment in respect of the Parallel Debt shall discharge the corresponding Principal Obligations. In respect of the security interests granted to secure the Parallel Debt, the holders of the Notes will not have direct security interests and will not be entitled to take enforcement actions in respect of such security interests except through the Security Agent. Therefore, the holders of the Notes will bear the risk of insolvency or bankruptcy of the Security Agent. In addition, the Parallel Debt construct in financing transactions, including credit facilities and bond issuances, has not been tested under law in certain of these jurisdictions, including under Italian law, and to the extent that the security interests in the Collateral created to secure the Parallel Debt construct are not validly granted, are unenforceable or are successfully challenged by other parties, holders of the Notes will not receive any proceeds from an enforcement of such security interests in the Collateral. The enforcement of security interests of the Notes will be subject to the procedures set forth in the Intercreditor Agreement or any additional Intercreditor Agreement (if any). See “*Certain Insolvency Law Considerations.*”

For example, in Italy, the Collateral will not be granted directly to the holders of the Notes but will be created and perfected in favour of the Security Agent, acting also in its capacity as representative (*rappresentante*) of the holder of the Notes pursuant to Article 2414-*bis*, paragraph 3, of the Italian Civil Code. Under such provision, the security interests and guarantees assisting bond issuances can be validly created in favour of an agent (*rappresentante*) of the holders of the Notes who will then be entitled to exercise in the name and on behalf of the holders all their rights (including any rights before any court and judicial proceedings) relating to the security interests and guarantees. Under the Intercreditor Agreement, the Security Agent (including in its role as representative (*rappresentante*) also for the purposes of Article 2414-*bis*, paragraph 3, of the Italian Civil Code) also acts on behalf of the lenders under the Senior Facilities Agreement; the trustee and the holders of the Notes under the trust deed governing such notes, the counterparties under certain hedging arrangements in relation to the security interests in favour of such parties. However, there is no guidance or available case law on the exercise of the rights and enforcement of such security interest and guarantee by a *rappresentante* pursuant to Article 2414-*bis*, paragraph 3, of the Italian Civil Code also in the name and on behalf of the holders of the Notes who are neither directly parties to the Collateral nor are specifically identified therein or in the relevant share certificates and corporate documents or public registries.

Furthermore, under Italian law, in the event that the Issuer enters into insolvency proceedings, the security interests created under the security documents entered into to secure the Issuer's obligations under the Notes could be subject to potential challenges by an insolvency administrator or by other creditors of the Issuer or by operation of law under the rules of avoidance or claw back of Italian insolvency laws and the relevant law on the non-insolvency avoidance or claw back of transactions by the debtor made during a certain legally specified period (the "suspect period"). A longer period may apply to any Collateral governed by Italian law which may be granted after the Offering. Moreover, under Italian law, claims of certain categories of creditors (*creditori privilegiati*) are given statutory priority in relation to the proceeds of a debtor's property in respect of the claims of other creditors, even if such claims are secured claims. See "*Certain Insolvency Law Considerations*."

The enforcement of any Collateral located in Italy or governed by Italian law is subject to mandatory provisions of Italian law, including in relation to limitations and defences or to limitations contained in the terms of the Security Documents designed to ensure compliance with applicable statutory requirements.

In case of insolvency of any guarantors, the enforcement of any Collateral provided by such guarantors may be subject to certain restrictions. For a more detailed description of various limitations on the security under Italian law, see "*Certain Insolvency Law Considerations*."

Decisions at Noteholders' meetings bind all Noteholders and Noteholders' meeting provisions may change by operation of law or because of changes in the Issuer's circumstances.

The Trust Deed will contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally, including, *inter alia*, modifications to the terms and conditions relating to the Notes.

For instance, the provisions of the Notes permit defined majorities to bind all Noteholders, including the holders of Notes who did not attend and vote at the relevant meeting, and holders of the Notes who voted in a manner contrary to the relevant majority. In particular, under the Trust Deed, an extraordinary resolution may include, among other things, proposals to reduce the rate or change the time for payment of principal or interest in respect of the Notes, to change the date on which the Notes may be subject to redemption or reduce the redemption price, to change the currency of payments under the Notes and/or to change the quorum requirements relating to meetings and/or to change the majority required to pass a resolution, and to change the amendment provisions. These and other changes may adversely impact rights of holders of Notes and may have a material adverse effect on the market value of the Notes.

Further, the provisions relating to Noteholders' meetings (including quorums and voting majorities) are subject to compliance with certain mandatory provisions of Italian law, which may change prior to the maturity date of the Notes. Under Italian law, the approval of an extraordinary resolution of holders of notes issued by Italian companies typically requires, at the initial meeting, the consent of a majority representing at least one half of the aggregate principal amount of the outstanding Notes. Furthermore, the interaction between (i) the provisions set forth under the Trust Deed with respect to meetings of holders of the Notes, the applicable majorities and the rights of each holder of the Notes to vote in the relevant meeting, and (ii) applicable Italian law provisions relating to quorum and majorities in meetings of holders of notes issued by Italian companies is also untested in the Italian courts.

Furthermore, certain Noteholders' meeting provisions could change as a result of amendments to the Issuer's by-laws.

Accordingly, Noteholders should not assume that the provisions relating to Noteholders' meetings that will be contained in the Trust Deed will be reflective of mandatory provisions of Italian law applicable to Noteholders' meetings at any future date during the life of the Notes.

There can be no assurance that the listing of the Notes will satisfy the listing requirement of Decree No. 239.

Application has been made to trade the Notes on the Official List of the Exchange with effect from the Issue Date. There can be no assurance that the listing of the Notes on the Official List of the Exchange will be maintained. Additionally, the Issuer does not make any representation that such listing will satisfy the listing requirement under Decree No. 239 in order for the Notes to be eligible to benefit from the exemption from the requirement to apply withholding tax.

The Italian tax authorities issued an interpretive circular relating to, among other things, the listing requirement of the aforementioned legislation that may be interpreted to require that the Notes be traded upon their issuance to benefit from the aforementioned provisions, including the exemption from the requirement to apply withholding tax. Hence, according to a stringent interpretation of this circular, the Notes may not be eligible to benefit from such provisions if the listing of the Notes is not effective as of the Issue Date. In the event that the Notes are not listed or that such listing requirement is not satisfied, payments of interest, premium and other income with respect to the Notes would be subject to a withholding tax (*ritenuta a titolo di imposta o acconto*), currently at a rate of 26% and, subject to certain exceptions under “*Terms and Conditions of the 2030 Fixed Rate Notes—Taxation—Additional Amounts*,” “*Terms and Conditions of the 2032 Fixed Rate Notes—Taxation—Additional Amounts*” and “*Terms and Conditions of the Floating Rate Notes—Taxation—Additional Amounts*” the Issuer would be required to pay additional amounts with respect to such withholding taxes such that holders receive a net amount that is not less than the amount that they would have received in the absence of such withholding. the Issuer cannot assure the holders of the Notes that the Italian tax authorities will not interpret the applicable legislation as requiring that the trading be effective at closing (upon issuance of the Notes) and the Issuer cannot assure the holders of the Notes that the listing can be achieved by the Issue Date. However, the Issuer intends to achieve the required trading of the holders of Notes on the Notes by obtaining a trading on the Luxembourg Stock Exchange. The imposition of withholding taxes with respect to payments on Notes, and the resulting obligation to pay, subject to certain exemptions, additional amounts to holders of Notes, could have a material adverse effect on the Issuer’s business, financial condition and results of operations.

Early redemption of the Notes may reduce the yield expected by the holders of the Notes.

The Notes will be subject to certain optional redemption features, exercisable at the discretion of the Issuer, enabling the Issuer to redeem the Notes, in whole or in part, as applicable, in the circumstances and at the redemption prices specified in Condition 6.2 (*Redemption for Taxation Reasons*) and Condition 6.3 (*Redemption at the Option of the Issuer (Make Whole Call)*) in the respective series of Notes. Under Condition 6.2 (*Redemption for Taxation Reasons*) in each series of Notes, the Issuer may redeem the Notes if a Payor is required to pay Additional Amounts either (i) as a result of a Change in Tax Law, or (ii) the merger of the Payor into another Person or the conveyance, transfer or lease of all or substantially all of the Payor’s assets, unless the sole purpose of the merger would be to permit the Issuer to redeem the Notes. In the event that the Issuer exercises its option to redeem the Notes, in whole or in part, prior to the relevant maturity date, Noteholders may suffer a lower than expected yield and may not be able to reinvest the redemption proceeds in securities offering a yield or risk profile that is comparable to that of the Notes. Prospective investors should consider investment and reinvestment risks in light of other investments available to them at the time of such investment or reinvestment. See “*Terms and Conditions of the 2030 Fixed Rate Notes*,” “*Terms and Conditions of the 2032 Fixed Rate Notes*” and “*Terms and Conditions of the Floating Rate Notes*.”

USE OF PROCEEDS

The expected sources and uses of the funds of the Offering are shown in the table below. The gross proceeds from the Offering are expected to be used to fund cash to the Issuer's balance sheet which will be available for general corporate purposes, which may include capital expenditures and the potential refinancing of existing indebtedness, and to pay any fees and expenses in connection with the Offering. Actual amounts may vary from the estimated amounts depending on several factors, including, among other things, the issue price of the Notes (which for the purpose hereof do not give effect to any issue premium or discount) and timing of the completion of the Offering. The table below should be read in conjunction with "*Summary—The Offering*" and "*Capitalisation*."

Sources of Funds	Amount	Uses of Funds	Amount
(in € million)			
Notes offered hereby ⁽¹⁾	2,800	Cash to balance sheet ⁽²⁾	2,778
		Transaction fees and expenses ⁽³⁾	22
Total sources	<u>2,800</u>	Total uses	<u>2,800</u>

(1) Represents the €2,800,000,000 aggregate principal amount of Notes.

(2) Represents the estimated amount of gross proceeds of the Notes which will be funded as cash to the Issuer's balance sheet which will be available for general corporate purposes, which may include capital expenditures and the potential refinancing of existing indebtedness, and to pay any fees and expenses in connection with the Offering.

(3) Represents estimated fees and expenses associated with the Offering, including underwriting, financial advisory, legal, accounting, ratings advisory and other transaction costs and professional fees. These fees and expenses have been estimated as of the date of this Offering Memorandum and are subject to change.

CAPITALISATION

The following table provides the cash and cash equivalents, the current financial liabilities (short-term debt) of the Issuer in accordance with IFRS and the capitalisation of the Issuer (i) on an actual basis as of both 31 December 2024 and 31 March 2025, and (ii) on an as adjusted basis to give effect to the Offering as of 31 March 2025, as set forth under “*Use of Proceeds*.”

Noteholders should read the below table together with “*Use of Proceeds*,” “*Description of Certain Other Financing Arrangements*” and the Audited Financial Statements included elsewhere in this Offering Memorandum.

(in € million)	Actual as of		As Adjusted for the Offering as of
	31 December 2024	31 March 2025	31 March 2025
Cash and cash equivalents⁽¹⁾	997	923	3,701
Existing Notes ⁽²⁾	5,534	5,534	5,534
Notes offered hereby ⁽³⁾	—	—	2,800
Credit Facilities ⁽⁴⁾	4,692	5,072	5,072
Total third-party indebtedness⁽⁵⁾	10,226	10,606	13,406
Total shareholders’ equity ⁽⁶⁾	9,551	9,551	9,551
Total capitalisation	19,777	20,157	22,957

- (1) The “As Adjusted” column gives effect to the €2,778,000,000 of proceeds from the Offering that we currently expect to remain on the balance sheet of the Group on the Issue Date. See “*Use of Proceeds*.” The “As Adjusted” column does not include any changes to our cash and cash equivalents position subsequent to 31 March 2025, due to the nature of our business, working capital expansion or contraction or drawing and repayment of our Revolving Credit Facility, and our actual amount of cash and cash equivalents as of the Issue Date may vary due to a number of factors.
- (2) Represents the €3,670 million aggregate principal amount of Existing EUR Notes and the €1,864 million (equivalent) aggregate principal amount of Existing USD Notes (swapped at an average secured foreign exchange rate of \$1.0729 per €1.00 for the full amount of the Existing USD Notes). See “*Description of Certain Other Financing Arrangements—Existing Notes*.”
- (3) Represents the €2,800,000,000 aggregate principal amount of Notes (and excluding any issuance costs).
- (4) The Revolving Credit Facility was undrawn on 31 December 2024 and 31 March 2025 and we expect it will remain undrawn as of the Issue Date. On 24 January 2025, the total commitments under the Revolving Credit Facility were increased by €20 million but remained undrawn. The “Actual as of 31 December 2024” column represents the approximately €4,692 million aggregate principal amount of indebtedness outstanding as of 31 December 2024 drawn under the Term Loan, pursuant the Senior Facilities Agreement. The “Actual as of 31 March 2025” column represents the approximately €5,072 million aggregate principal amount of indebtedness outstanding as of 31 March 2025 drawn under the Term Loan, pursuant the Senior Facilities Agreement. On 28 May 2025, we drew an additional €350 million under our Term Loan, pursuant to the Senior Facilities Agreement, bringing the aggregate principal amount of indebtedness outstanding drawn under the Term Loan to €5,422. This is not reflected in the “As Adjusted” column. As of the date of this Offering Memorandum, the Senior Facilities Agreement provides for aggregate borrowings of up to approximately €7,442 million. See “*Description of Certain Other Financing Arrangements—Senior Facilities Agreement*.”
- (5) Amounts exclude accrued and unpaid interests.
- (6) Represents the total cash equity investment made by the Shareholders in connection with the Acquisition. The book value of the total shareholders’ equity as of 31 December 2024 was €8,901 million and as of 31 March 2025 was €8,957 million. This increase was a result of increases in the book value of hedging reserves, partially offset by the results of the three-month period ending 31 March 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is intended to assist in providing an understanding of the Issuer's financial condition, changes in financial condition and results of operations and should be read together with the Audited Financial Statements, in each case prepared in accordance with IFRS, and the Unaudited Pro Forma Income Statements. Some of the information in this discussion and analysis includes forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements" and "Risk Factors" for a discussion of important factors to be evaluated in connection with an investment in the Notes.

Unless the context otherwise requires, when used in this section, the terms "we," "our," "us" and "Group" refer to the business constituting the Issuer as of the date of this Offering Memorandum even though we may not have owned such business or components thereof for the entire duration of the periods presented.

As a result of the Acquisition Transactions, no historical financial information of the Issuer as of and for the year ended 31 December 2023 is included in this Offering Memorandum and the comparability of the historical financial information of the Issuer for the year ended 31 December 2024 as compared to historical financial information of Netco for the year ended 31 December 2023 is limited. We have not included in this Offering Memorandum any historical or pro forma financial information of the Issuer, NetCo or any other entity as of and for the year ended 31 December 2022. Since the Acquisition Transactions were not completed until 1 July 2024 and neither the Issuer or NetCo operated independently as a separate entity prior to the completion of the Acquisition, separate historical financial statements were not prepared for the Issuer or NetCo for such period and we believe that such information would not be reflective of our financial performance or prospects.

To facilitate the comparability between periods, we present certain unaudited financial information of the Issuer on a pro forma basis after giving effect to the Acquisition Transactions and Post-Acquisition Adjustments. The Unaudited Pro Forma Income Statements have been prepared for illustrative purposes only and do not represent our actual results. The Unaudited Pro Forma Income Statements are based on certain assumptions that we believe are reasonable. However, actual future outcomes may differ from our assumptions. The Unaudited Pro Forma Income Statements have not been prepared in accordance with the requirements of Regulation S-X of the Securities Act, the Prospectus Directive or any generally accepted accounting standards. The Unaudited Pro Forma Income Statements may not reflect what our results of operations and financial condition would have been had the Acquisition Transactions and Post-Acquisition Adjustments been completed on 1 January 2024 or 2023, respectively, or what our results of operations and financial condition will be in the future. See "Risk Factors—Risks Related to Our Business and Industry—The financial information included in this Offering Memorandum may not be representative of our operations as an independent company or otherwise comparable to our current operating results."

In addition to the conventional financial performance measures established by the IFRS, the Issuer uses certain alternative performance measures to provide a measure of operating results excluding certain items that we believe are either outside of our recurring operating activities, or items that are non-cash. Excluding such items enables trends in our operating results and cash flow generation to be more easily observable. We use the non-IFRS measures internally to manage and assess the results of our operations, make decisions with respect to investments and allocation of resources, and assess the performance of management personnel. These adjustments are based upon various assumptions, forecasts and management estimates and are in part based upon historical information. This information does not represent the results we would have achieved had the adjustments occurred and been fully implemented on the first day of the relevant financial period. Such performance measures are also the de facto metrics used by investors and other members of the financial community to value other companies operating in our industry, and thus are a basis for comparability between us and our peers. Such non-IFRS measures are not necessarily comparable to similarly titled measures of other

companies. Furthermore, non-IFRS measures have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, data prepared in accordance with IFRS. In connection with certain of these non-IFRS measures, we also present key operating expenditure categories by which our management analyses and monitors our business and which we believe facilitate a clearer reconciliation of these metrics to our Pro Forma revenues. See “Presentation of Financial and Other Information” and “Summary Financial and Other Information—Other Pro Forma Financial Information” included elsewhere in this Offering Memorandum for further details regarding the non-IFRS measures presented in this section.

Basis of Preparation

The Unaudited Pro Forma Income Statements have not been audited and have been prepared on the basis of the historical information derived from the Audited Financial Statements, adjusted to reflect the effects of the Post-Acquisition Adjustments as if they had been completed on 1 January 2024 and 1 January 2023, respectively.

The Unaudited Pro Forma Income Statements are based on available information and certain current market-based assumptions that the Group’s management believes are reasonable. They are presented for illustrative purposes only and do not purport to represent what the actual results of operations would have been if the events for which the pro forma adjustments had occurred on the dates assumed, nor do they purport to project our results of operations for any future period or financial condition at any future date. For more information, see “Presentation of Financial and Other Information—Pro Forma Financial Information.”

Key Factors Affecting our Results of Operations and their Comparability

Our results of operations and their comparability are affected by a combination of factors, including factors which are beyond our control. We believe that our results of operations and, particularly, our results of operations during the periods under review, have been primarily affected by the following factors.

Development of our Fixed-line Infrastructure Network

We have placed infrastructure network rollouts, and therefore regional digital development, at the heart of our strategy. Aside from enabling us to improve service and product mix, our network investments allow us to future-proof our fiber optic network to meet market demands and generate higher margins. Over the short term, our business model is capital intensive, requiring significant capital expenditures to develop, maintain, repair, upgrade, protect and replace our existing network. However, we expect our business to become less capital intensive over time, as longer term ongoing maintenance capital requirements required to sustain our operations are expected to be low relative to our revenue base. These significant investments affect our cash balance, although we believe the returns on our investment will be substantial. In addition, to remain competitive and meet evolving customer demand, we are opportunistically investing to expand, modernize, and update our fixed-line infrastructure, including activities such as construction of a state-of-the-art FTTH network or investing in a new backbone infrastructure. In the periods under review, we have made significant investments and capital expenditures in building our next-generation fixed-line network infrastructure and we remain committed to further developing and future-proofing our network by investing in the latest network technologies. For example, we are working on offering our customers the most advanced internet access technologies by allowing retail customers to migrate from Legacy to FTTC or FTTH. Furthermore, our operations benefit from the increase proliferation and adoption of internet-connected devices and the rapid growth of data-intensive applications, which drive demand for Gigabit technologies in Italy and generate increased data traffic. In the periods under review, these structural drivers have contributed to a steady increase in broadband penetration (measured as a percentage of UIs).

The Italian fixed telecommunications market is increasingly oriented towards fiber optics, with a decline in copper-based access and an acceleration in FTTH coverage. We are at the forefront of this

technological transition, thanks to our cutting-edge infrastructure that enables operators to provide high-performance connectivity. Total fixed accesses continue to show a rationalization trend, with a reduction in legacy connections in favor of new fiber optic activations, as either FTTC or FTTH connections. FTTH broadband accesses are experiencing significant growth, supported by the expansion of our network and investments in next-generation infrastructure. Italy's topography, population density and lack of cable infrastructure have created ideal conditions for fixed-line network to establish itself. In addition, despite the increasing broadband penetration, the Italian market appears to be still relatively underpenetrated in certain areas. Broadband penetration in Italy is lower than other European Union countries, including France, Germany, and Spain. Currently, one-third of UIs in Italy do not have a fixed broadband connection.

Our revenue growth is partially dependent on our ability to realize the benefits of our ongoing value creation initiatives focused on cost saving and operational expenditure optimization, and our results of operations are affected by the continued development of our infrastructure network, namely: (i) the expansion of our FTTH network coverage and (ii) and in PNRR and White Areas where we don't provide FTTH coverage, the development, maintenance, repair, upgrade, protection and replacement of our existing FTTC and Legacy network to provide seamless connectivity to OAOs, and (iii) eventual decommissioning of our Legacy primary copper network to reduce operating expenses in the future.

We continue to monitor and plan the development of infrastructure network across our coverage areas within Italy. The maintenance and development of our existing fixed-line network and our fiber roll-out plans affect our results of operations, among others, in the following ways:

- protects and stabilizes our revenue generation and enhances our competitive position vis-à-vis other operators, as we are increasingly able to offer best-in-class technology to more telecommunication operators and geographic areas and capitalize on customers transitioning from Legacy and FTTC to FTTH technologies, especially in the B2B segment by leveraging our pervasive infrastructure network as well as our highly skilled labour force to generate revenues from third parties;
- increases our operating expenses over the short term, particularly related to purchases of materials and devices, maintenance services, independent contractors and other labour costs, which ultimately we expect will decrease and result in lower operating expenditures in the longer term once we complete our FTTH rollout as a result of lower operating expenses associated with this best-in-class technology and our expenditure optimization initiatives;
- increases both our Maintenance and Growth Capital Expenditures as well as tangible assets; and
- increases our current and non-current financial liabilities, as certain activities related to development and expansion of our fixed-line network are financed with debt financing arrangements.

For further information, please “*Risk Factors—Risks Related to Our Business and Industry—We may be unable to effectively complete our network rollouts and our business may be adversely affected if we fail to successfully implement our ultrabroadband fixed-line network strategy and objectives.*”

Macroeconomic and Geopolitical Developments

Our operations and revenues are dependent of the overall macroeconomic and geopolitical conditions, particularly in Italy, which are outside of our control. In the past, and in the periods under review, or results of operations were affected by, and we expect that our financial results will continue to be affected by, key macroeconomic factors such as GDP growth, high levels of inflation, conditions in the global capital and credit markets or sovereign debt, volatility in European sovereign debt markets, a and economic slowdown or uncertainty in Italy and other member states of the European Union. In

addition, significant increases in energy prices induced an increase in energy-related costs in the periods under review, as all of our activities are energy-dependent and both costs and revenues are impacted by inflation. Furthermore, our results of operations were affected by a combination of weak growth and high unemployment, private and public sector spending on, and investment in, telecommunications products and services, and weaker demand for our products and services. For example, our results of operations in the periods under review have been affected by adverse economic conditions, including as a result of inflationary pressures, higher energy costs and increases in interest rates, which have had a negative effect on the overall spending by customers in the telecommunication sector and the demand for our products and services in such market. See *“Risk Factors—Risks Related to Macroeconomic Conditions.”* However, we aim to proactively manage our interest rate risk and maintain between 70% and 100% of our total debt at fixed rates through the issuance of fixed rate debt instruments and hedging instruments. To the extent any debt is issued in currencies other than Euro, we intend to maintain 100% currency risk hedging to element currency risk exposure.

Regulatory framework

Our activities in the fixed telecommunications sector in Italy are governed by a comprehensive and evolving set of rules and regulations at both the European and Italian levels. In addition to general environmental, building, zoning, seismic and fire prevention regulations that apply to our infrastructure operations, we must comply with a specific regulatory framework for electronic communication services as established by the European Union and implemented into the Italian legal system. Our operations are impacted by the regulatory framework established by the AGCOM and AGCM. These authorities establish specific rules governing market entry, considering the transition from a monopolistic to a competitive market structure, and monitor anticompetitive practices by dominant operators seeking to hinder competition. In particular, our operations in the periods under review have been influenced by:

- constraints and controls imposed as a result of our designation as an operator with significant market power in the wholesale market, defined through the periodic market analyses conducted by AGCOM, which also apply to our offerings, subject to AGCOM’s oversight;
- terms and conditions of FiberCop’s wholesale offers (including the TIM Master Services Agreement under review by the AGCM); and
- rules governing the public communication of offers, with particular attention to the accurate disclosure of physical infrastructures used and their characteristics.

Compliance with this complex regulatory landscape in relation to the vertical integration, has had a significant impact on our results of operations. For example, applicable cost-orientation obligations have limited our discretion in setting prices for certain of our services. See *“Regulation”* and *“Risk Factors—Risks Related to Our Business and Industry—We are required to provide telecommunication service providers with access to our network infrastructure and capacity at regulated terms and conditions, notwithstanding our pending application to operate as a “wholesale-only” operator.”*

Competition and pricing

In the periods under review, the Italian telecommunications market continues to be characterized by strong competition and an increasing demand for high-speed connectivity. The sector shows signs of revenue stabilization with a positive trend in the fixed network, driven by the expansion of ultra-broadband, which remains the primary market driver, as well as by a significant increase in traffic. This increase is supported by the gradual migration of connections from copper to fiber optics. Competition among retail operators remains high with significant corporate operations.

During the periods under review, the pricing pressure affecting our results of operations has primarily come from other alternative FTTH operators, particularly in areas where there is overlap with our FTTH

network. However, there is no assurance that such pricing pressure may not increase in the future, including from FWA and mobile network operators, thereby materially and further affecting our results of operations. See *“Risk Factors—Risks Related to Our Business and Industry— We operate in a competitive industry, and competitive pressures could have a material adverse effect on our business.”*

In addition, our results of operations depend on actions taken by the AGCOM and the AGCM in the context of competition protection, such as ongoing monitoring of restrictive agreements between operators and anticompetitive conduct by dominant operators and a thorough scrutiny of unfair or aggressive commercial practices in the offering of electronic communication services. Given the competitive dynamics and the prevalent macroeconomic environments in Italy, during the periods under review, we have introduced pricing mechanisms for adjusting our product and service offerings to account for increased costs, primarily associated with heightened inflation, in order to reduce pressure on cash costs. For a description of the competitive landscape in the key geographies in which we operate, see *“Industry.”*

Research and Development

Our competitive position depends on our ability to innovate through research and development, which involve costs and investments that we believe will unlock revenue growth and corporate efficiency in the medium to long term. We are part of major international standardization forums with the purpose of cooperating, contributing and leading the development of international standards on different concerned aspects, including technology, regulatory, security and innovation. For example, in the periods under review, we have supported several projects, such as a project focused on sustainable high-capacity optical networks using advanced packet-optical convergence while exploring ultra-efficient network architectures leveraging AI.

In addition, our research and development efforts are supported by the laboratories located in Rome and Turin, which employ around 40 people and are centers of corporate and technological innovation, hosting testing and prototyping activities, proof of concepts demos and integrations demos. In our laboratories, we continuously innovate and test new technologies that have a direct impact on our network and the services we offer, such as the development of autonomous networks and high-speed access solutions to our infrastructure to operate more efficiently and deliver better customer experiences.

Relatively Narrow Range of Large Customers

We derive a significant portion of our B2B2C revenues from a limited number of customers, which includes the TIM Group and other main Italian fixed-line and mobile network operators such as Vodafone, Fastweb and WindTre. Our results of operations are dependent on these key customers and, while we continue to focus on customers retention, we believe that our revenues and profitability will be supported by the continued growth generated in the B2B2C segment as well as the growth of our commercial relationships with B2B customers. However, certain several factors underlying demand from these customers may materially affect our results of operations, including, among others, (i) changes in our regulatory framework, (ii) the evolving latency and bandwidth requirements of our key customers and/or (iii) advancements in competing technology (e.g., 5G, LEOS and FWA connectivity). In addition, any major disruption in our business, such as a strike, work stoppage or slowdown or a supply chain problem may affect the quality or reliability of our products and services, thereby leading to reduced demand for our products and services and negatively impacting our results of operations. Furthermore, any consolidation in our customer base may result in pricing pressure, which in turn could negatively contribute to our revenue. See *“Risk Factors—Risks Related to Our Business and Industry— We are exposed to risks arising out of our dependence on the TIM Group as a key customer and, to a lesser extent, on all other major telecommunications providers in Italy.”*

Ability to win attractive public tenders and to execute them profitably

The Italian regulatory environment is broadly supportive of fiber-based network growth, with the Italian government committed to fostering the expansion of the national telecommunications network infrastructure. This commitment is evidenced by government supports, such as funds made available under the PNRR for “*Italia a 1 Giga*” and “*5G backhauling*” initiatives, aimed at technological advancement within public administration and extending reach to rural areas. See “*Regulation*” and “*Business—Business Areas*.”

Where it is uneconomical to roll out a FTTH network without subsidies, the Italian government typically allocates funds and designates specific zones to a single operator, currently either the Issuer or Open Fiber, to guarantee the efficient delivery of services. The allocation of these zones is determined through competitive public tenders. The procurement of such tenders affects our operating results both in the short and long term. In the short term, our fiber roll-out determines an increase in our overall Capital Expenditures. However, in the long term, our results of operations are positively impacted given the ability to generate revenue from the expanded network, benefitting from being the sole operator in the tendered areas. Moreover, the Italian government provides funding to mitigate Capital Expenditures and other expenses associated with roll out in tendered areas. Conversely, the absence of a tender award precludes us from tapping into these government-allocated funds and, therefore, without these tenders, we face the inability to expand our network infrastructure in tendered areas, which could lead to a substantial impact on its operating results.

Moreover, when we secure government funding through public tenders, we are obligated to execute our deployment plan in accordance with the specific terms and conditions set forth in the relevant contracts. Non-compliance with these contractual obligations may lead to significant penalties, including the possibility of the government reducing, withholding, or demanding repayment of the awarded funds. Accordingly, we are required to precisely estimate resources and costs when competing in such tenders. Any reduction in our access to public funds may increase our operational costs. In addition, we may face difficulties in securing alternative financing. This may determine a delay in our roll-out plan and affect our operating results. See “*Risk Factors—Risks Related to Our Business and Industry—We may be unable to effectively complete our network rollouts and our business may be adversely affected if we fail to successfully implement our ultrabroadband fixed-line network strategy and objectives*.”

Discussion and Analysis of Pro Forma Results of Operations for the years ended 31 December 2024 and 31 December 2023

The below table sets forth the Unaudited Pro Forma Income Statements for the year ended 31 December 2024 and the year ended 31 December 2023. Please also refer to “*Summary Financial and Other Information—Other Pro Forma Financial Information*.”

(in € million)	Year ended 31 December	
	2023	2024
	(unaudited)	
Pro Forma revenues	4,052	3,875
Pro Forma cost of goods and services	(780)	(810)
Pro Forma personnel costs.....	(864)	(826)
Pro Forma other operating income/(expenses)	9	(17)
Pro Forma restructuring and transaction-related costs.....	(6)	(335)
Pro Forma depreciation and amortization.....	(1,375)	(1,389)
Pro Forma gains/(losses) on disposals of non-current assets..	—	(1)
Pro Forma operating income	1,036	497
Pro Forma net financial income/(expenses).....	(694)	(675)
Pro Forma (loss)/profit before tax	342	(178)
Pro Forma income tax benefit/(expense)	(125)	(31)
Pro Forma (loss)/profit for the period	217	(209)

Pro Forma revenues decreased to €3,875 million for the year ended 31 December 2024 from €4,052 million for the year ended 31 December 2023. However, normalised for one-off revenues realized in 2023 relating to the sale of bulk infrastructure assets to Open Fiber, in the form of access to our ducts in White Areas sold as IRUs, our Pro Forma revenues were the same across these periods, with Normalised Pro Forma revenues for the year ended 31 December 2023 also amounting to €3,875 million.

Pro Forma operating costs, which consists of our Pro Forma personnel costs, Pro Forma energy-related costs and Pro Forma other, general and administration costs, increased slightly to €1,653 million for the year ended 31 December 2024 from €1,635 million for the year ended 31 December 2023. However, normalised for certain one-off costs relating to the sale of bulk infrastructure assets to Open Fiber, in the form of access to our ducts in White Areas sold as IRUs, and lower energy prices incurred during this period which we believe are not representative of the ordinary course of business of the Issuer, our Pro Forma operating costs remained nearly the same across these periods, with Normalised Pro Forma operating costs for the year ended 31 December 2023 amounting to €1,654 million.

Pro Forma personnel costs decreased to €826 million for the year ended 31 December 2024 from €864 million for the year ended 31 December 2023. Normalised Pro Forma personnel costs were also €864 million for the year ended 31 December 2023. This decrease was mainly driven by lower expenses related to wages and salaries for employees, social and pension contributions, severance indemnities, benefits and other payroll expenses.

Pro Forma energy-related costs increased to €327 million for the year ended 31 December 2024 from €301 million for the year ended 31 December 2023. This increase was mainly driven by non-recurring lower energy prices incurred in 2023 resulting from a government-imposed price capping mechanism that was in place at the time, which we believe was an artificial and non-representative decrease that is not representative of the ordinary course of business of the Issuer, as energy volume consumptions were similar in the years ended 31 December 2023 and 2024 but actual energy-related costs were lower. On this basis, our Pro Forma energy-related costs were the same across these periods, with Normalised Pro Forma energy-related costs for the year ended 31 December 2023 also constituting €327.

Pro Forma other, general and administration costs increased to €499 million for the year ended 31 December 2024 from €471 million for the year ended 31 December 2023. This increase was mainly driven by higher general operational expenditures, including costs of goods sold, commercial costs, network costs, IT costs and other expenses. Our Normalised Pro Forma other, general and administration costs for the year ended 31 December 2023 were €464 million, accounting for certain one-off costs of approximately €7 million relating to the sale of bulk infrastructure assets to Open Fiber, in the form of access to our ducts in White Areas sold as IRUs.

Our Pro Forma Organic EBITDA and Pro Forma Organic EBITDA-AL decreased to €2,222 million and €1,855 million, respectively, for the year ended 31 December 2024 from €2,417 million and €2,047 million, respectively, for the year ended 31 December 2023. However, these metrics remained consistent across these periods on a normalised basis, with Normalised Pro Forma Organic EBITDA constituting €2,221 million and €1,851 million for the year ended 31 December 2023. Our Pro Forma Organic EBITDA-AL Margin for the year ended 31 December 2024 and our Normalised Pro Forma Organic EBITDA-AL Margin for the year ended 31 December 2023 were 47.9% and 47.8%, respectively.

Liquidity and Capital Resources

Going forward, we expect that our principal sources of liquidity will be cash flow from our operating activities, drawings under the Senior Facilities Agreement, which as of the date of this Offering Memorandum, provides for aggregate borrowings of up to approximately €2,020 million undrawn amounts under the Revolving Credit Facility and potential future debt issuances depending on overall market conditions.

We or an affiliate may, from time to time, depending on market conditions and other factors, repurchase or acquire an interest in our outstanding indebtedness, whether or not such indebtedness trades above or below its face amount, for cash and/or in exchange for other securities or other consideration, in each case in open market purchases and/or privately negotiated transactions or otherwise.

We aim to manage capital to ensure that we can continue to operate as a going concern. Our ability to generate cash flow from operations depends on our future operating performance, which is in turn dependent on general economic, financial, competitive, market and other factors, many of which are beyond our control. In addition, we anticipate that we will be highly leveraged for the foreseeable future and our ability to generate future financing cash flows will be limited by the Indenture, which may have important negative consequences for you. Any additional indebtedness that we do incur could reduce the amount of our cash flow available to make payments on our then existing indebtedness, including under the Notes offered hereby, and increase our leverage.

Capital Expenditure

We define Capital Expenditure as capital expenditures on an accrual basis. We define Maintenance Capital Expenditures as Capital Expenditures related to maintenance, improvement or upgrades of existing assets. The table below sets forth our Capital Expenditure and Maintenance Capital Expenditures for the periods indicated.

	For the year ended 31 December	
	2023	2024
<i>(in € million)</i>		
Maintenance Capital Expenditures.....	575	601
Growth Capital Expenditures	1,458	1,837
<i>Of which: PNNR Areas related.....</i>	<i>424</i>	<i>831</i>
<i>Of which: Black and Grey Areas (Autonomous Plan)</i>	<i>422</i>	<i>448</i>
<i>Of which: Success Based (e.g. verticals) and Others.....</i>	<i>611</i>	<i>558</i>
Total Capital Expenditures	2,033	2,439

Off Balance Sheet Arrangements

As of 31 December 2024, we had provided personal guarantees to certain suppliers of Telenergia and received third-party guarantees mainly relating to Telenergia's contractual obligations towards its suppliers and insurance guarantees.

Accounting Policies

The accounting policies adopted in preparing the Unaudited Pro Forma Income Statements are based on the accounting principles applied in the preparation of the Audited Financial Statements which are in conformity with the IFRS accounting standards issues by the International Accounting Standards Board and endorsed by the European Union.

INDUSTRY

Unless otherwise stated, all information regarding markets, market position and other industry data contained in this Offering Memorandum is based on our own estimates, internal surveys, market research, customer feedback, publicly available information and industry reports prepared by consultants. In many cases, there is no readily available external information (whether from trade associations, government bodies, other industry organizations or competitors) to validate market-related analyses and estimates, resulting in our relying on our own knowledge of the industry and markets we operate in and our own internally developed estimates. Certain of the information presented herein has been derived from external sources, including reports prepared by a major consulting firm, public websites and company financial reports and other independent third party research. Any third-party sources we use generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed, and that the projections they contain are based on significant assumptions. Similarly, while we believe that internal surveys, industry forecasts, customer feedback and market research we have used in making our estimates are generally reliable, none of this data has been independently verified. Market data and statistics are inherently subject to uncertainties and not necessarily reflective of actual market conditions. We cannot assure you that any of the assumptions underlying these statements are accurate or correctly reflect our position in the industry or the relevant markets, and none of our internal surveys or information have been verified by any independent sources. None of the Issuer or the Initial Purchasers makes any representation or warranty as to the accuracy or completeness of the industry and market data set forth in this Offering Memorandum, and none of the Issuer or the Initial Purchasers have independently verified this information and cannot guarantee its accuracy.

Italian market overview

Italy is a founding member state and the third largest economy in the European Union with a GDP of EUR 2.2 trillion and GDP per capita of EUR 37,169 in 2024, according to data from the International Monetary Fund (“IMF”) (USD 2.4 trillion and USD 40,224 accordingly; USD values converted to EUR using USD/EUR exchange rate of 0.924). The effects of the COVID-19 pandemic, which struck Italy before the other European countries, resulted in a slowdown of the Italian economy of 8.9% in 2020. The country observed a quick rebound thereafter of 8.9% in 2021, 4.8% in 2022, 0.7% in 2023 and 0.7% in 2024 (source: IMF). The Italian economy managed to offset any short-term weakness and expanded in real GDP terms by 3.7% in the period 2020 to 2024. In comparison, the average of Germany, France, United Kingdom and Spain grew by 3.1% in the same period. According to the IMF, Italy’s gross domestic product is expected to further expand by 0.4% in 2025.

Italy had historically inflation comparable to average of Germany, France, United Kingdom and Spain. In the last 5 years (2020-2024), Italy had a compounded annual average rate of inflation of 4.4% compared to 4.7% average of Germany, France, United Kingdom and Spain (source: IMF). Inflation in Italy peaked in 2022 at an annual rate of 8.7% and a monthly rate of 11.8% in November 2022 and was declining since to the target rate of 2.0% per annum, aligned to European Central Bank’s policy target. According to ISTAT, as of May 2025 Italy’s inflation remains within target rate and fell to 1.7%.

Italy’s population according to IMF in 2024 was 59.0 million (the third largest country by population in the EU) with 25.8 million households in 2024 according to data from ISTAT. Approximately 72% of the population lives in urban areas and 28% in rural areas according to data from the World Bank as of 2023, with a trend toward urban areas averaging 3.6 basis points per year between 2010 and 2023. The Italian population declined slightly at a CAGR of 0.3% in 2020-2024 compared to 0.6% increase in average of Germany, France, United Kingdom and Spain (source: IMF). The trend, however, is muted by immigration. During the same period (2020-2024) the net immigration in Italy recorded cumulative inflow of 719,000 at yearly average of 144,000 which represents 1.2% and 0.2% of 2024 population respectively (source: World Bank).

As of 2024, Italy's unemployment rate is approximately 6.6% and is in line with the average of 6.6% of Germany, France, United Kingdom and Spain. Moreover, Italy has seen its unemployment rate declined from the rate of 9.4% in 2020, highlighting improving economic outlook of the country (source: IMF). The unemployment rate in Italy recorded a decline from 2020 to 2024 by 2.8 percentage points compared to 1.3 percentage points average of Germany, France, United Kingdom and Spain.

Despite facing challenges in areas such as bureaucracy and tax compliance, Italy continues to implement reforms aimed at enhancing its business climate. These reforms focus on streamlining administrative processes, improving transparency, and reducing barriers to entry for businesses. The corporate tax rate in Italy of 24% and is approximately 2 percentage points below the 26% average of Germany, France, United Kingdom and Spain (source: PwC).

Italy's journey towards digital transformation is a critical component of its broader economic and social development strategy, aligning with the European Union's Digital Decade objectives. European Commission's report on the State of the Digital Decade 2024 highlights that Italy has still untapped potential to the European Union's Digital Decade objectives and targets with the view of a successful digitalisation. Italy has made progress in areas such as e-government, key digital public services for business and continued to advance on gigabit network roll-out. Key areas for further development include adoption of digital skills and advanced technologies like AI by Italian enterprises. The country's Digital Economy and Society Index ("*DESI*") score for 2024 reflects these dynamics, marking 11% progress between 2023 and 2024 in the score of 'Very High-Capacity Network' ("*VHCN*") vs European Union average progress of 7.4%. Italy's overall 5G coverage at 99.5% already outpaces EU average of 89.3%. However, only 45.8% of Italians possess at least basic digital skills, compared to the EU average of 55.6%. Italian digital public services for citizens and for businesses indicate scope for improvement at 68.3 points and 76.3 points respectively versus EU average of 79.4 and 85.4 respectively. The report highlights that the roadmap outlines a total of over 60 policy measures with a budget of over EUR 32 billion or about 1.6% of GDP. Overall, Italy shows a strong commitment and plans to invest substantial effort in reaching the goals and objectives of the Digital Decade.

As of the date of this Offering Memorandum, Italy is rated by Moody's, S&P and Fitch (collectively the "*Rating Agencies*") at Baa3, BBB+, and BBB, respectively. All three ratings have been reconfirmed by the Rating Agencies in the past six months.

Internet as an essential utility in the 21st century

Internet has become an indispensable component of modern societies, akin to traditional utilities such as water, gas and electricity. Fixed broadband technologies are deployed as a critical infrastructure directly to majority of residential units. In the European Union, 94% of households had access to the Internet as of 2024, according to the Eurostat data for the EU-27. Furthermore, fixed broadband offering speeds of more than 100 Mbs reached 89% of households on average of the EU-27 countries in 2023.

In 2024, 88% of the EU-27 individuals accessed the internet daily, highlighting its integral role in everyday life. This figure rises to 92% when considering those who use the Internet at least once a week (source: Eurostat). The widespread adoption of Internet is evident across all dimensions of society, encompassing individuals, households, businesses and government/public administration entities.

Households are becoming increasingly connected with smart devices. The trend is further supported by a natural generational replacement that is causing the earlier use and adoption of connected platforms and devices. The rise of remote working and the adoption of virtual communication services have considerably increased the demand for high-quality residential internet, particularly in the wake of the COVID-19 pandemic. According to the International Telecommunication Union (ITU), fixed broadband traffic in Europe surged from 451 exabytes in 2019 to 1,138 exabytes in 2024, underscoring the growing reliance on digital connectivity. The internet is also reshaping daily personal activities. According to the OECD, 77% of Internet users in the European Union made online purchases in 2024.

Businesses are increasingly dependent on hybrid cloud services, utilizing digitization to securely store information in a scalable and cost-efficient manner. According to the OECD, 78% of large businesses in the European Union, with 250 employees or more, purchased cloud services. Additionally, government and public administration entities are increasingly adopting internet-based solutions to streamline processes and reduce administrative costs. In 2024, 56% of individuals in the European Union used Internet to visit or interact with public authority websites. Exemplary uses cases include, e-health, telemedicine, digital ID cards, e-voting platforms, emergency response systems, biometric authentication or e-learning platforms, showcasing the diverse applications of digital connectivity in public services. Overall, governments have gradually adopted the Internet as part of their essential infrastructure facilitating advancements in public services and enhancing connectivity across multiple domains. Digitisation continues to play a key role in transforming quality of public administration services, thereby enhancing operational efficiency and accessibility for both citizens and businesses.

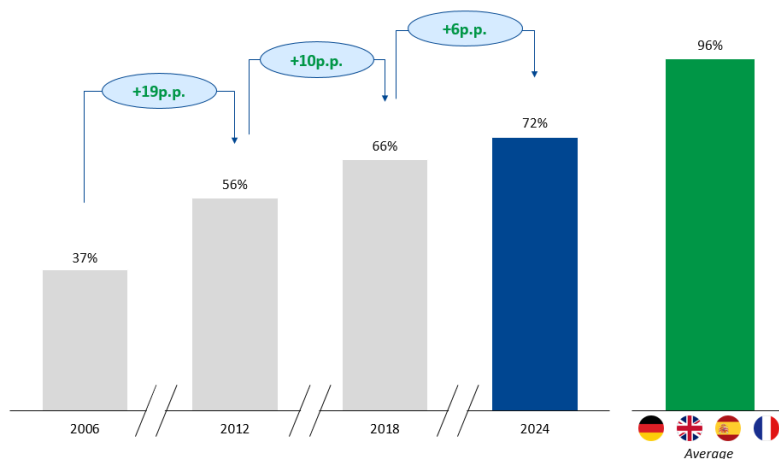
Italian fixed broadband market overview

According to Ampere Analysis, Italy is the fifth-largest fixed-line market in Europe. The revenue for the Italian fixed broadband market was estimated at EUR 4.9 billion in 2024 and is expected to grow at a compound annual growth rate of 1.8% between 2024 and 2028. The Italian telecommunications market is rapidly evolving, mainly due to the deployment of broadband and ultrabroadband technologies, with the introduction and expansion of 5G mobile, FTTC and FTTH fixed networks. According to the European Commission's report on the State of the Digital Decade 2024, Italy allocates 25.6% of its total Recovery and Resilience Plan to digital initiatives (EUR 47 billion), while an additional EUR 5.5 billion is allocated to the country's digital transformation from the Cohesion Policy funding.

The total Italian telecommunications revenue per capita was EUR 30.3 per month which includes mobile, fixed-line broadband, fixed telephony and Pay-TV services in residential and business segments in 2024. The value was 24% lower than the average of Germany, France, United Kingdom and Spain of EUR 40.1 per month. However, the telecommunications revenue on fixed broadband only was 35% lower and stood at EUR 6.9 per month in Italy versus EUR 10.6 per month average of Germany, France, United Kingdom and Spain. This potentially indicates scope for rationalization of the pricing observed in the Italian fixed broadband market. Moreover, the telecommunications revenue on fixed broadband relative to disposable income in residential and business segments is lower as well at 0.2% in 2024, compared to the average of Germany, France, United Kingdom and Spain of 0.3% for the same period (source: Ampere Analysis).

Italian broadband market remains still relatively underpenetrated vs comparable Western European countries. According to Ampere Analysis, fixed broadband penetration in 2024 as a percentage of households in Italy stood at 72% in comparison to 89% in Germany, 94% in Spain, 95% the United Kingdom and 105% in France. Historically, Italy's internet penetration increased by 16 percentage points from 2012 to 2024 and 19 percentage points from 2006 to 2012. On the demand side, growth in penetration is expected to be driven by proliferation of connected devices, increase in bandwidth requirements and government stimulus plans for digitization. On the supply side, the broadband development is expected to be supported by nationwide FTTH coverage plans.

Evolution of broadband penetration in Italy

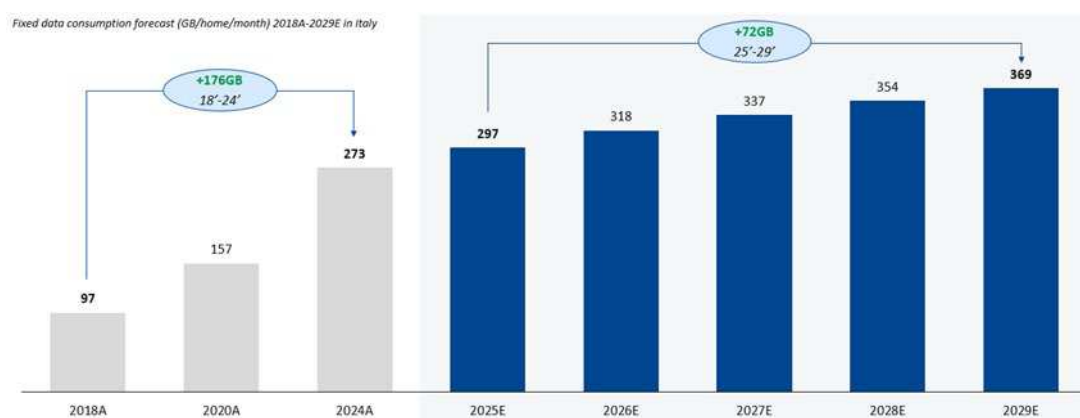


Source: Ampere Analysis.

The Italian fixed broadband market has robust structural tailwinds. Increasing adoption of connected devices and data intensive applications are driving growth in data traffic and demand for Gigabit technologies. New technologies and use cases such as 4K, gaming, cloud have high bandwidth requirements and require at least more than 1GB speeds. According to Ampere Analysis the fixed data consumption in Italy will grow by more than 72 GB per home per month in 2025-2029. Historically between 2018 and 2024 the fixed data consumption increased by more than 176 GB per home per month. Moreover, the Gigabit consumption per household is expected to increase by 45% in 2024-2030 while the number of IoT devices connected In Italy in the same timeframe is expected to double. The expansion of broadband continues to be driven not only by the evolution of enabling devices (e.g., smart TVs, smart speakers, connected devices), but also by the growing demand for speed and IP services (e.g., media and entertainment, IT, digital services). Growing consumption of data services by businesses is also expected to accelerate the adoption of fixed broadband. Enterprise use cases include further utilization of cloud services, industrial and merchant services or cybersecurity.

According to the European Commission's report on Broadband Coverage in Europe in 2023, 87% and 60% of the Italian population had access to broadband download speeds of more than 100 Mbps and more than 1 Gbps respectively, compared to 87% and 81% for the average of Germany, France, United Kingdom and Spain. The values confirm structural potential for further penetration of Italy with high-speed broadband services.

Fixed data consumption forecast (GB/home/month) in Italy



Source: Ampere Analysis.

The digital modernization of Italy's communication infrastructure is accelerating due to the substantial investments provided under the Italian National Recovery and Resilience Plan ("PNRR"), a plan

approved by the European Commission in June 2021 in response to the COVID-19 pandemic with a focus on green and digital transition following the pandemic. Italy's recovery and resilience plan allocates 26% of PNRR funds to support such digital transition and sets out a series of initiatives with the aim of taking ultrabroadband connections throughout Italy by the end of 2026 and full 5G coverage of the populated areas set by the new European Digital Compass Strategy for 2030. Funds specifically allocated to network connectivity total around €6.7 billion and have been broadly allocated as follows: (i) "Italia a 1 Giga" plan: €3.86 billion, (ii) "Italia 5G" Plan: €2.02 billion, (iii) "Sanità Connessa" (Connected Health) plan: €387 million, (iv) "Scuola Connessa" (Connected Schools) plan: €274 million, and (v) "Collegamento Isole Minori" (Smaller Islands) plan: €61 million (please "Regulation—The Italian Regulatory Framework" for further information).

It is expected that the stimulus impact on economic activity of the remaining PNRR funds will also boost the growth in the digital economy and related infrastructure. The growing availability of ultrabroadband connections is increasingly allowing operators to develop converged offerings combining telecommunication services with media and entertainment, IT and digital services.

Italian fixed broadband retail market overview

The Italian telecommunications market remains highly competitive and fragmented. The number of operators increased by greater than three times since Swisscom's entry in 2007 (source: Swisscom March 2024 Analyst and Investor Presentation). The competitive landscape in the Italian fixed broadband market features the incumbent TIM Group with 37.5% retail market share in subscribers as of 31 December 2024, which is approximately 2 times larger than the next competitor, Vodafone with a 15.4% market share. Vodafone merged with Fastweb that holds 13.0% market share in a transaction that closed on 31 December 2024. Other operators include Internet Service Providers ("ISPs") such as WindTre and new entrants such as Sky and Iliad. The latter entered Italian mobile market in 2018 and subsequently launched its fixed broadband offer in June 2022, achieving 389,000 subscribers as of the first quarter of 2025 (source: Iliad company presentation). As of 31 December 2024, key operators hold the following market shares in descending order in the Italian fixed broadband market by subscribers: TIM 37.5%, Vodafone 15.4%, WindTre 14.4%, Fastweb 13.0%, Sky WiFi 3.7%, Tiscali 3.0%, others 9.7% (source: AGCOM).

Some competition comes as well from FWA providers, such as EOLO. EOLO holds 3.4% market share of fixed broadband subscribers. However, the FWA technology represents approximately 2.4 million connections as of 31 December 2024, or approximately 11.7% of the total broadband accesses in Italy.

In recent years, telecommunication operators have mainly focused on developing broadband and ultrabroadband penetration and defending voice through the introduction of bundled voice, broadband and services packages, in a context of high competition with significant pressure on prices. Iliad's entry in 2022 to fixed market with a low-cost tariff plan has put further pressure on pricing of other operators. Retail broadband ARPU has increased by 4.3% from 2019 to 2024 (CAGR of 0.8%) in comparison to 20.9% growth (CAGR of 3.9%) in Germany, France, United Kingdom and Spain (source: Ampere Analysis). The Italian telecom market offers potential for added value for customers by increasing further fixed-mobile convergence penetration that stood at approximately 27% in Q3 2023 versus approximately 46% average in Europe (source: Swisscom March 2024 Analyst and Investor Presentation). Operators are also launching new services and entering new segments beyond traditional connectivity, such insurance services. Recent efforts to rationalize competitive landscape include acquisition of Vodafone Italy by Swisscom/Fastweb that closed on 31 December 2024.

Comparison of fixed broadband technologies in Italy

A comparison of broadband technologies is presented below.

- **Fiber to the Home (FTTH)** is a broadband technology that uses fiber optic cables to deliver internet directly to homes and businesses. These cables consist of glass conductors that transmit

data as pulses of light, allowing for high-speed data transfer with minimal signal loss over long distances;

- **Cable** internet utilizes coaxial cables, traditionally used for television signals, to transmit data as electrical signals. While capable of delivering high speeds, cable networks often share bandwidth among multiple users within a neighbourhood, leading to potential congestion and slower speeds during peak usage times. The technology is not available in Italy;
- **Fiber to the Cabinet (FTTC)** combines fiber optic and copper technologies, with fiber optic cables running to a street cabinet and copper lines completing the “last mile” to individual premises. This setup allows for faster speeds than traditional copper connections, typically up to 200 Mbps. FTTC offers a resilient alternative in areas where FTTH in Italy is not available;
- **Copper** connections, such as ADSL, use telephone lines to transmit data as electrical signals. This technology is limited by the physical properties of copper, resulting in signal loss and reduced speeds over distance. Copper are currently being phased out in favour of more advanced technologies like FTTC or FTTH;
- **Fixed Wireless Access (FWA)** uses radio links between two fixed points to deliver broadband connectivity. This technology sees deployment, especially in rural or hard-to-reach areas but can be affected by coverage and capacity limitations. Moreover, its performance can be affected by environmental factors such as weather and physical obstructions;
- **5G** is a mobile broadband technology that uses licensed spectrum to provide high-speed internet access. Actual speeds can vary significantly based on network conditions and user density;
- **Satellite** internet provides global coverage by transmitting data between ground stations and satellites orbiting the Earth. While offering connectivity in remote areas, satellite internet is subject to potentially high latency and lower speeds compared to terrestrial options.

Increasing demand for bandwidth requires suitable infrastructure and future-proven technologies able to guarantee reliable connection with low latency and low risk of congestion. FTTH stands out as the most suitable network technology that is able deliver reliable, high-bandwidth connectivity for households and businesses. FTTH provides a reliable connection with low latency and no distance dependency. FTTH offers a dedicated line to each user, ensuring reliable and stable speeds, unlike mobile networks where bandwidth is shared among all users in a cell. Latency in case of FTTH is <1ms vs 5G of 1-10ms (in case of satellites latency increases even up to 100-600ms).

Moreover, FTTH is the only technology offering symmetrical speeds up to 10 Gbit/s. Symmetrical speeds are especially important in case of applications that require large upload capabilities such as video conferencing, live streaming, online gaming, cloud computing. Although theoretical 5G speeds are also relatively high, the actual speeds are significantly lower. The current median 5G download speed in Italy is approximately 56 Mbit/s (source: Speedcheck). In Italy 10 Gbit/s FTTH packages are already available commercially to subscribers. As of the date of this Offering Memorandum, while the most premium 5G packages can offer speeds up to 2 Gbit/s on download, the upload is limited to 300 Mbit/s (based on Telecom Italia’s offer as of the date of this Offering Memorandum). FiberCop’s FTTC network already offers competitive 100-200 Mbit/s speeds while covering 88% of Italy.

Comparison of broadband technologies

	Fixed broadband					Mobile broadband	
	FTTH	Cable	FTTC	Copper	FWA	5G	Satellite
Architecture	Fiber optic cables with glass conductors	Coaxial cable with fiber as the feeder segments	Fiber optic cable until the street cabinet / copper line as the "last mile"	Telephone network copper line terminating at the telephone exchange	Wireless broadband using radio links between two fixed points	Mobile radio access network using licensed 5G spectrum	Satellite network with ground stations
Max download speeds ¹	10 Gbps Highest bandwidth capacity	+1 Gbps (DOCSIS 3.1) 10 Gbps (DOCSIS 4.0)	200 Mbps	20 Mbps	300 Mbps to 1 Gbps	2 Gbps 56Mbps avg. download Dependent on distance from cells	100-250 Mbps
Network maintenance costs	Low Lowest maintenance costs	High	Low	High	High	High	Very high
Dedicated bandwidth	✓	✗	✓	✓	✗	✗	✗
Limited degradation over distance	✓	✓	✗	✗	✗	✗	✗
Low latency	✓	✗	✗	✗	✓	✓	✗
Symmetrical upload speeds	✓ Only technology offering symmetrical speeds	✗	✗	✗	✗	✗	✗

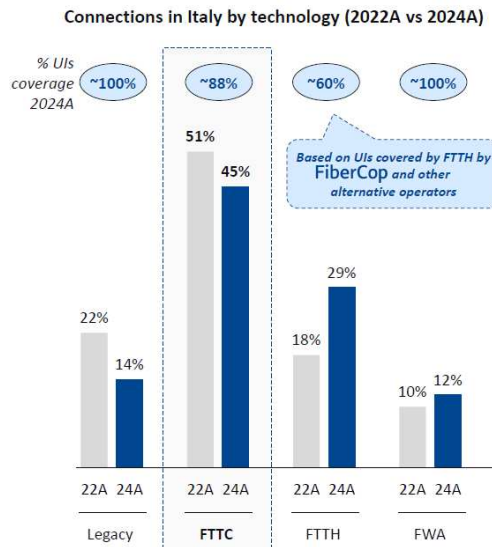
Source: Company information. Note: (1) Max download speeds based on speeds achievable by operators in Italy.

Italian fixed lines accesses market

There were 20.3 million fixed active lines in Italy as of 31 December 2024. Broadband and ultrafast broadband active lines stood at 18.9 million, with the remainder being Legacy voice accesses. Due to the absence of cable infrastructure and difficult topography, FTTC connections remain a resilient alternative in the Italian market, with an average distance between cabinets and premises among the shortest in Europe, allowing high connection speeds of 100-200 Mbps. The ADSL/Copper, FTTC, FTTH, and FWA had coverage of approximately 100%, 88%, 60%, and 100% in Italy, respectively, as of 2024.

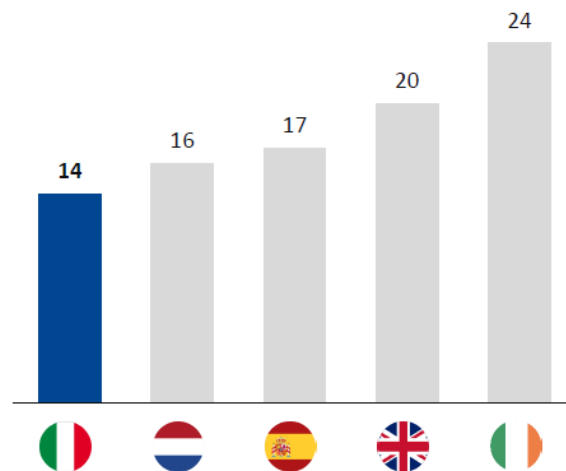
Over the last five years the proportion of active DSL lines has declined at a rapid pace, falling from 36.0% in 2020 to 14.2% of total fixed active lines as of 31 December 2024. In parallel, higher-quality access technologies have increased considerably, with FTTC and FTTH connections reaching 15.0 million as of 31 December 2024, up from 11.1 million in 2020. FTTC connections continued holding a nearly 50% share in connections (approximately 51% in 2022 and approximately 45% in 2024). FTTC connections are expected to remain viable especially in areas outside FTTH coverage areas. As FTTH coverage in Italy gradually increases, the percentage of FTTH connections have seen increased traction in footprint from 18% in 2022 to 29% in 2024. (Source: AGCOM).

Connections in Italy by technology (2022 vs 2024)



Source: AGCOM, company information.

Furthermore, in the European telecommunications landscape, Italy stands out for its attractive and competitive wholesale FTTH access pricing. The average VULA FTTH access price in Italy is approximately €14 per month per line, which is lower compared to other major European markets. The prices in the Netherlands, Spain, United Kingdom and Ireland are approximately €16, €17, €20 and €24 per month per line, respectively, based on the latest available FTTH access prices for 100-150 Mbit/s download speeds of KPN, Telefonica, Openreach and eir (based on GBP/EUR exchange rate of 1.20).

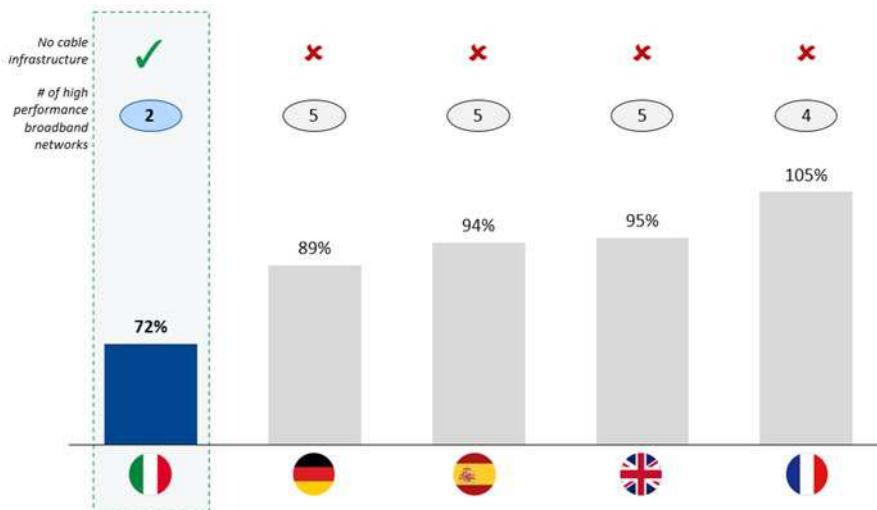


Note: Represents average FTTH access prices for 100-150 Mbit/s download speeds of FiberCop, KPN, Telefonica, Openreach and eir, and reflects an exchange rate of GBP to EUR of 1.20.

Overview of fixed network providers in Italy

The Italian market is characterized by an overall limited infrastructural competition. The wholesale Italian fixed broadband market currently consists of FiberCop and Open Fiber, as the main players. A limited number of high performance, nationwide broadband networks provides a favourable backdrop in comparison to Germany, United Kingdom, Spain with five nationwide networks each and France of four.

Fixed broadband penetration by country (2024, percentage of households)



Source: Ampere Analysis, company information.

FiberCop and Open Fiber, as infrastructure operators of the fixed broadband infrastructure, mainly compete on the FTTH network given FiberCop is the sole wholesale provider of FTTC services at scale in Italy. Open Fiber is a wholesale-only operator controlled by CDP and Macquarie. Open Fiber is the only at scale AltNet that has undertaken development plans for ultrabroadband networks in major Italian cities (i.e., Black Areas) and previously underserved “market failure” zones (i.e., Subsidy Areas). Open Fiber entered the Italian market in 2016, following the Digital Agenda Strategy: a public intervention to cover White (rural) Areas with NGA through public tenders, and plans to provide ultra-fast broadband network coverage to certain identified areas.

Out of the two service providers to the fragmented Italian fixed broadband market, FiberCop is the leading wholesale provider with 71% share in active lines as of 31 December 2024 and the only national provider of wholesale broadband services to the Italian market. In terms of market share by technology it holds approximately 100% market share in both Legacy and FTTC and approximately 40% in FTTH. FiberCop has achieved share in FTTH net adds above 50% in both 2023 and 2024, with an average of 56% and 60% respectively. In the last quarter of 2024, FiberCop reported 59% market share in new FTTH net adds, marking 7 consecutive quarters of greater than 50% market share of FTTH net adds.

BUSINESS

Overview

We are the leading fixed broadband access provider in Italy, offering mission-critical digital infrastructure to telecommunication customers through our market-leading fixed line wholesale network. We have developed a unique and extensive nationwide network across all of the main broadband technologies and are the only operator offering a full suite of both B2B2C and B2B products and services to a wide range of diversified customers across Italy. We are a technology-agnostic operator, with an established network spanning over 26 million kilometres of optical fiber infrastructure and 152,000 cabinets. As of 31 December 2024, our total network coverage across technologies spans approximately 31 million total *Unità Immobiliari* (“UIs”) or customer units, constituting the potential market coverage of premises in Italy including both occupied and empty premises and representing approximately 100% of the addressable Italian fixed broadband market (based on our definition of the total fixed broadband market by UI). As of 31 December 2024, we also provided telecommunication services to approximately 14.5 million active B2B2C lines on our network, and we achieved a wholesale passive access service volume market share of approximately 71% blended across the various fixed broadband technologies that we offer.

Our nationwide network currently operates across both copper and fiber optic infrastructure, delivering a broad mix of wholesale B2B2C services to our customers, which represented approximately 65% of our Pro Forma revenues in 2024, through copper-based Legacy technologies (ADSL and voice), and a mix of fiber and copper-based FTTC technology and fiber-based FTTH technology. Our Legacy network is the only nationwide Legacy network in Italy, providing approximately 100% coverage to the approximately 31 million total UIs in Italy, of which there are 3 million active lines. While our Legacy network is well-established and extensive, we are supporting the digitisation of Italy by migrating customers from Legacy to FTTC and FTTH, which are superior ultra-broadband technology providing download speed above 100 Mbps, in the service areas where we offer either of those technology services. As of 31 December 2024, we provide coverage to approximately 27.5 million UIs through our FTTC network, which is the sole nationwide FTTC network and represents approximately 88% of the total Italian UIs. FTTC encompasses a fiber connection up to the street cabinet, and a copper connection from the cabinet to the premise. It remains a viable ultra-broadband technology that is widely penetrated in Italy with 9.1 million active lines as of 31 December 2024 (45% of the total fixed broadband active lines), particularly since FTTH is not planned to cover the full Italian market. Our FTTC services are provided mostly through our VULA-C active product and, to a much lesser extent, through our passive SLU service (0.7 million active lines), which we provide only if another telecommunications operator has rolled out its own primary fiber network up to the cabinet and uses its own active equipment. Our FTTH network is the fastest growing segment of our infrastructure network. As of 31 December 2024, we provide coverage to approximately 12.2 million UIs through our FTTH network, which represents 60% of our total FTTH coverage target.

Our operating market comprises three areas, classified by operators’ coverage objectives and the level of public investment: (i) Black Areas, which are municipalities in which at least two operators have deployed an extensive proprietary FTTH infrastructure, and where we face limited risk of competition from new entrants in the market and benefit from established framework agreements with our key customers, alongside our comprehensive provision of FTTC and Legacy services in these areas; (ii) Commercial Grey Areas, which are municipalities where, in most cases, only one major operator is expected to have proprietary FTTH infrastructure and in which we gained a first move advantage by investing early in the market, alongside our comprehensive provision of FTTC and Legacy services in these areas; (iii) Subsidy Areas, which comprise both PNRR FiberCop Areas, where we offer FTTC and Legacy technology and provide FTTH through the tenders awarded under the “Italia a 1 Giga” plan, and other operator exclusive areas, where we only provide FTTC and Legacy services and alternative operators have been assigned *Banda Ultra Larga* (“BUL”) tenders; and (iv) other White Areas, where we or other operators do not have any planned FTTH infrastructure roll-outs and in which we expect to benefit from our FTTC and Legacy services offering.

Italy is one of the most penetrated FTTC markets in Europe, offering high reliability and the best available broadband technology based on average download capacity in areas without FTTH in Italy. Against a backdrop of increasing digitisation and intensive data requirements across Italy, Italian retail customers are gradually migrating from Legacy and FTTC technologies to FTTH technologies in certain service areas and we are executing a FTTH rollout plan to future-proof our fiber optic network. Since April 2021, we have already invested over €3 billion in our FTTH infrastructure and as of 31 December 2024 we have approximately 12.2 million UIs added to our FTTH network, constituting 10.8 million UIs in our Autonomous rollout areas comprising of Black Areas and Commercial Grey Areas, 1.2 million UIs in PNRR areas and 0.2 million UIs in other operator exclusive areas. This represents a 2.5 times increase of UIs added in PNRR areas since December 2023. Our current target for FTTH rollout is approximately 20.3 million UIs across our Autonomous areas and the PNRR lots that we were awarded in the “Italia a 1 Giga” plan tender in 2022. The 12.2 million total UIs we have already added represents approximately 60% of our overall coverage target for our FTTH network. We believe that we are on track to meet our targets of completing our entire FTTH rollout by 2027 and achieving 20.3 million UIs on our FTTH network, with an intermediary target of completing our rollout in PNRR areas by 2026. In the year ended 31 December 2024, we achieved the highest market share in FTTH network customer net additions in Italy, constituting on average 60% of the total net FTTH customer additions in this period. In addition, as of 31 December 2024, we had approximately 2.4 million active FTTH lines on our network and held approximately 40% of the total FTTH access market share. Our FTTH rollout plan targets approximately two-thirds of the Italian market FTTH coverage, which we believe constitutes the economically feasible FTTH market coverage, and adoption is strongly supported by the existing regulatory and political environment in Italy, with a shared ambition of achieving nationwide gigabit coverage by 2026 and limiting overbuild across the fixed network.

Alongside our B2B2C products and services, we also offer our customers a full suite of B2B products and services, which represented approximately 35% of our Pro Forma revenues in 2024, and that we provide on an open access and technology-agnostic basis. Our B2B offering consists of the following key services:

- **Colocation:** Space, connectivity, and ancillary services to host operators’ equipment in our central offices, which is a regulated service.
- **Engineering:** Network services, including engineering, delivery, assurance and network operations and maintenance provided to the TIM Group.
- **Connectivity:** Traffic collection and transport services complementary to the provision of wholesale network access to third parties.
- **Dark fiber:** Leasing of fiber optic cables to connect a Peripheral Delivery Point to an operator delivery point.
- **Infrastructure:** Access to backhauling infrastructure, optical fiber unbundling (for example, pay per use), and optic fiber termination segment, which includes access to ducts and poles through IRUs or recurring fee arrangements.
- **Other:** Various other services including assurance, maintenance, and delivery services to be provided to other operators.

These B2B services complement our B2B2C wholesale services and provide significant diversification and stability to our revenue and cash flow generation with 35% of our Pro-Forma Revenues for the year ended 31 December 2024 linked specifically to B2B services.

Since the NetCo Business was contributed into FiberCop in the context of the Acquisition Transactions in July 2024, we believe we have smoothly executed the separation from the TIM Group without disruptions to business continuity and have begun implementing a variety of initiatives aimed at value

creation and efficiency, which we estimate will generate an estimated run-rate EBITDA increase of €100 million from 2025 based only on the initiatives launched in 2024. We believe the ongoing rollout and conversion to FTTH technologies, along with our other ongoing value creation and efficiency initiatives, will continue to generate additional long-term cost savings and enhance our revenue growth and profitability.

For the year ended 31 December 2024, we generated total Pro Forma revenue of €3,875 million, approximately 65% of which was generated from our B2B2C channel and approximately 35% of which was generated from our B2B channel and significant diversification in revenue streams within both channels. We also generated Pro Forma Organic EBITDA-AL of €1,855 million, representing a 48% Pro Forma Organic EBITDA-AL Margin.

Strengths

Highly attractive Italian broadband market with structural tailwinds characterized by robust structural drivers and demand trends with favorable competitive dynamics

We operate in the Italian broadband market, which is supported both by robust structural tailwinds that bolster demand and positive competitive dynamics. Our market benefits from the increasing proliferation and adoption of internet-connected devices and the rapid growth of data-intensive applications. These devices and applications have high bandwidth requirements and are driving increased data traffic and demand for Gigabit technologies globally and in Italy specifically. These structural drivers are contributing to a steady increase in broadband penetration (measured as a percentage of UIs) in Italy, which has grown by 16% from 2012 through 2024.

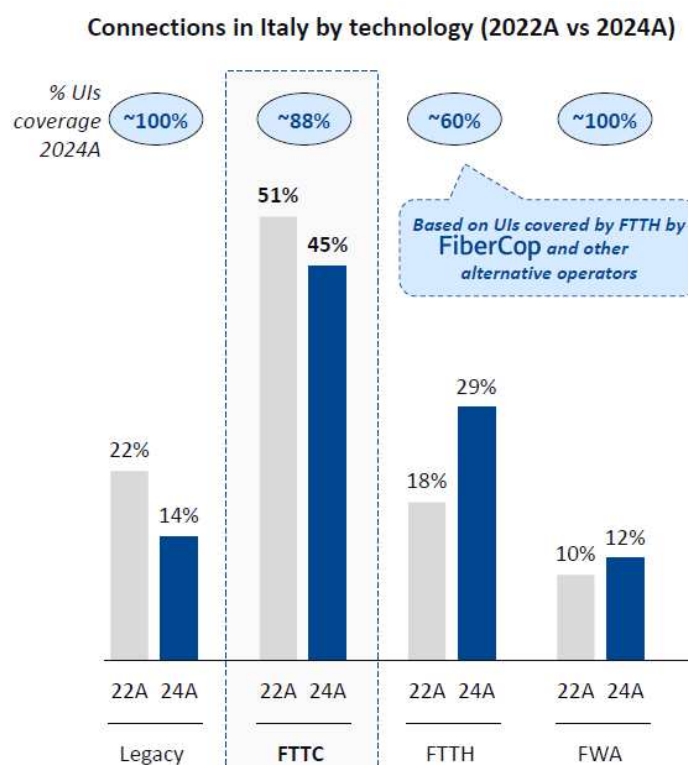
Despite this increasing broadband penetration in Italy, the Italian market is still relatively underpenetrated and has significant upside potential: broadband penetration in Italy was approximately 72% at the end of 2024, while key Western European countries (Germany, the United Kingdom, Spain, and France) have achieved an average broadband penetration of 98%. Approximately one-third of UIs in Italy do not have a fixed broadband connection, currently constituting an untapped broadband market of approximately 11 million UIs. This relative under-penetration, and the favorable backdrop for growth and structural tailwinds it presents, are compounded by the lack of competing cable infrastructure in Italy and the presence of only two high performance network operators. Italy is one of the few European markets with no cable infrastructure, making fiber-based FTTC and FTTH technologies the only available high performance fixed broadband technologies. Italy also features a supportive regulatory framework incentivizing investments in digital infrastructure with subsidies and support provided through the “Italia 1 Giga” tender plan.

Furthermore, the lack of cable infrastructure in Italy positions our FTTC infrastructure as a viable broadband technology in the medium-term as Italy gradually transitions to FTTH. FTTH has superior speed, no latency, and no bandwidth limitations, and FTTH coverage and adoption is strongly supported by the existing regulatory and political environment, creating conducive market conditions for further growth and development. 5G will be unlikely to meet the growing data demand of most end consumers; it is likely to act only as a transitional technology from Legacy to FTTH, instead of a primary alternative. FTTH is the most suitable network technology to deliver reliable, high-bandwidth connectivity to meet this demand.

Leading national fixed broadband infrastructure provider with limited prospect of FTTH overbuild

As the leading national fixed broadband infrastructure provider, we provide the largest critical telecommunications infrastructure in Italy, covering over 20 million total fixed broadband UIs across more than 26 million kilometres of optical fiber and 152,000 cabinets across Italy. Our unique and difficult to replicate nationwide network delivers coverage spanning all main broadband technologies, providing approximately 100% coverage in Legacy to approximately 31 million UIs, approximately 88% coverage in FTTC to approximately 27 million UIs, and approximately 40% coverage in FTTH to

approximately 12 million UIs as of 31 December 2024, which represents 60% of our target rollout of 20.3 million UIs passed. The following table illustrates the connections in Italy across technologies from 2022 to 2024:



Source: Company information, AGCOM, Eurostat, Omdia, Speedcheck.

Leveraging this deeply established and widespread network infrastructure, we have achieved a market-leading position as an operator in the Italian wholesale access service market, with approximately 71% of the national market share in passive wholesale access service volume, excluding operators who use their own active equipment in certain service areas. This constitutes approximately 100% market share of wholesale passive access services in both Legacy and voice and FTTC, along with approximately 40% market share of accesses in FTTH. Our market share in FTTH is expected to rise further as our FTTH coverage expands. We achieved seven consecutive quarters of more than 50% market share of FTTH net adds (on average 56% and 60% for the years ended 31 December 2023 and 2024, respectively). We also provide service to approximately 14.5 million active B2C lines as of the end of 2024.

The critical nature of our infrastructure network and our market-leading position are strengthened by the fact that as of today, approximately two-thirds of our FTTH target rollout footprint is not overbuilt by any other alternative FTTH operator, based on our total addressable FTTH market relative to our target FTTH market. We believe our network is difficult to replicate, which is largely the result of our pervasive copper network for Legacy and FTTC technologies and to a certain extent our primary fiber network. This is due to limited overbuild exposure, resulting from technological, economic, and legal and regulatory constraints, and our network having exclusivity in certain geographical areas. The following table provides an overview of our network and coverage:

	Subsidy areas					
	Black areas	Commercial grey areas	PNRR FiberCop	Other operator exclusive areas <i>PNRR + white</i>	Other white areas	Total
Description	High competition areas with 2+ major operators with an extensive proprietary FTTH infrastructure	Lower competition areas where FiberCop expected to be the only major operator with proprietary FTTH infrastructure	PNRR lots assigned to FiberCop post walk-in	PNRR lots and Uls with BUL tenders assigned to alternative operators	Other areas where no operator has an extensive FTTH coverage ¹	
FC access technologies	FTTH, FTTC, Legacy	FTTH, FTTC, Legacy	FTTH, FTTC, Legacy	FTTC, Legacy	FTTC, Legacy	-
FiberCop FTTH strategy	Steady increase in few areas not yet covered by FiberCop	Accelerate rollout in the region as limited rationale for FTTH overbuild	Complete roll-out by Jun-2026 in line with government targets	Not part of FiberCop's rollout with existing technologies providing broadband coverage		
Total Uls	7.1m Uls	12.5m Uls	2.0m Uls	7.5m Uls	2.1m Uls	31.2m Uls <i>Total BB market</i>
FTTH rollout plan	FiberCop's FTTH rollout focus (~20.3m Uls)					
	Current Uls	5.2m Uls	5.6m Uls	1.2m Uls	0.2m Uls	-
Target Uls by 2027	7.1m Uls	11.2m Uls	2.0m Uls	-	-	20.3m Uls

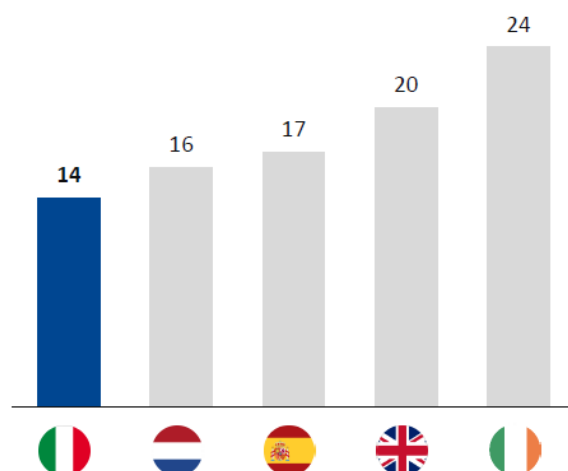
In general, the scale and depth of our infrastructure network makes it difficult to replicate. We believe that there is limited economic rationale for new entrants to enter our market given the strong and well-established network offering in most areas. High switching costs and existing framework agreements with key wholesale operators further strengthen FiberCop's competitive position. For example, the majority of Black Areas are already comprehensively covered by our and alternative operators' respective FTTH networks and we have framework agreements already in place with major customers, such as the TIM Group, which is exclusive to us. In Commercial Grey areas, the nature of such geographies and customer populations also create a significant first mover advantage for the first operator providing coverage, which we are capitalizing on, and make it economically challenging for other operators to extensively overbuild. In PNRR and BUL areas, which are government-subsidized markets covered under the "Italia 1 Giga" tender plan, we believe it is not currently economically feasible for market participants to build out infrastructure in the area without receiving government subsidies, which are tightly regulated. For example, we received approximately €1.6 billion of subsidies, out of the approximately €3.7 billion deployed, based on our allocated PNRR lots. Across all areas, we continue to be a sole provider of high performance FTTC and other fixed line technologies, and given the limited economic rationale for competitors to overbuild our network in the majority of the areas in which we presently operate, we believe our network infrastructure is unrivalled.

Predictable and stable pricing dynamics and arrangements

Our supportive and reasonable pricing arrangements enable stability and long-term visibility of our cash flows. We are currently engaging with the regulatory process and procedures to shift from our current BULRIC+ cost-oriented regulatory pricing model implemented by AGCOM to a "wholesale only" model with a "fair and reasonable" pricing approach across all of our technologies and all operational zones, excluding subsidized areas. There are approximately 31 million addressable Legacy and FTTC Uls to which this pricing approach can be applied, and we are targeting to address 20.3 million Uls through our FTTH rollout plan by 2027. Implementing the wholesale only model will reduce regulatory restrictions on our pricing options and allow us to employ a more commercial pricing strategy with greater flexibility. Based on this approach, we will be able to set our own prices in all areas excluding subsidized areas, while pricing in subsidized areas will be based on the "Italia 1 Giga" tender price list.

We believe that this approach presents opportunities for us to optimize prices in a flexible manner and adapt to competitive considerations as they arise. Currently, FTTH regulated prices are lower than those assumed by AGCOM's regulatory BULRIC+ model and Italy has the lowest average FTTH prices

compared to other main European markets at €14 per month per line as set forth in the graph below. We believe this disincentives further downward price competition and presents potential opportunities for future increases.

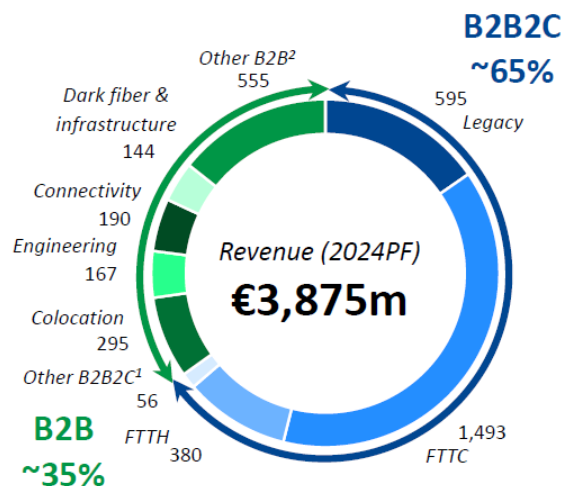


Note: Represents average FTTH access prices for 100-150 Mbit/s download speeds of FiberCop, KPN, Telefonica, Openreach and eir, and reflects an exchange rate of GBP to EUR of 1.20.

The supportive and reasonable pricing arrangements we have established across our customer base are complemented by the long-term master services agreement we recently entered with the TIM Group, our largest customer by Pro Forma revenue, which provides further stability and longer-term visibility in relation to our pricing and in turn our cash flows. This agreement covers a wide range of services over a term of 15 years, with a renewal mechanism for additional term of 15 years, subject to ongoing review by the AGCM. Pursuant to this agreement, we are the exclusive provider of wholesale access services to the TIM Group, subject to certain limited exceptions, which provides us with significant certainty on a base load of volume. The pricing mechanism in the agreement allows us to set a price floor for various FTTH services, providing predictability and stability over a significant source of revenue and cash flow, while the TIM Group benefits from a most favoured client provision in relation to all services we provide thereunder. See also “*Business—Material Contracts—TIM Master Services Agreement*” and “*Risk Factors—Risks Related to our Business and Industry—We are exposed to risks arising out of our dependence on the TIM Group as a key customer and, to a lesser extent, on all other major telecommunications providers in Italy.*”

Well-diversified revenue in terms of services and clients

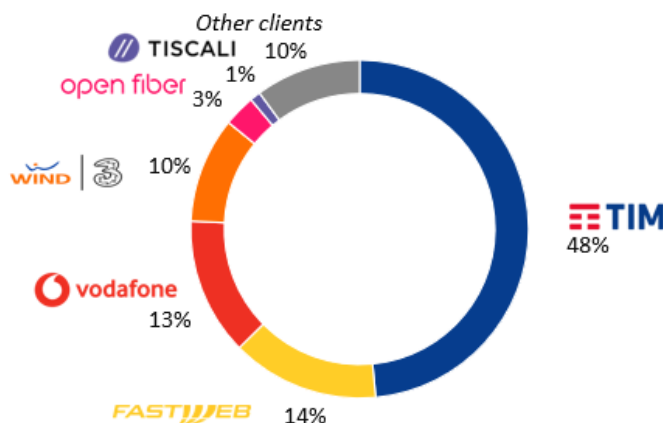
The pervasiveness of our critical fixed broadband infrastructure has enabled us to develop a well-diversified network of services and clients. In turn, the broad range of wholesale products and services we offer to our clients drives significant diversification of our revenue streams and long-term revenue visibility. We are the only operator in our industry offering a full suite of B2B2C and B2B products on an open-access basis, with long-term framework agreements established with multiple major retail operators. As shown in the following chart, these factors enabled us to achieve approximately €2.5 billion in Pro Forma revenue in the year ended 31 December 2024 from B2B2C products and services leveraging our high-performance broadband network, constituting approximately 65% of our total Pro Forma revenue for the period, and nearly €1.4 billion in Pro Forma revenue in the year ended 31 December 2024 from B2B products and services, constituting approximately 35% of our total Pro Forma revenue for the period.



Notes: (1) Including activations / deactivations; (2) Including delivery, assurance, commercial housing, buildings, energy, and other revenues from asset sales.

We expect our FTTC channel, which is our largest revenue segment, generating nearly €1.5 billion in Pro Forma revenue in 2024, to be a resilient revenue stream in the future due to the anticipated gradual nature of the migration to FTTH and FTTC remaining available to users who have not yet decided to migrate to FTTH. Our FTTH channel is a growing revenue segment, with the ongoing rollout program focused on establishing a strong market position and further growth expected to occur in accordance with the continuing rollout. Our B2B services channel is also a high-growth revenue stream, achieving a compound annual growth rate of approximately 8% in 2024 on a normalised basis.

Since we operate as an open access network, we have the ability to work with all telecommunications operators in Italy without any conflicts. While there are certain Black Areas in which our FTTH coverage overlaps with a competitor's and we provide service to different operators, in other FTTH coverage areas we service all operators, and both our FTTC and Legacy networks provide service to all operators without any overlap. This has enabled us to establish a large and diversified customer base to whom we offer our broad range of wholesale products and services, ensuring that we have a large footprint across all service areas. We have approximately 14.5 million fixed active lines across our network as of 31 December 2024, offering telecommunication access services through a variety of technologies to all Italians across all telecommunications operators, resulting in large and stable cash flows overall. Our long-term framework agreements with major retail operators in the Italian market, such as the TIM Group, provide high visibility on significant portions of our revenue and long-term cash flows, while our wider customer base provides substantial revenue diversification and stability and limited concentration, as set forth in the following chart:



Note: Represents customer splits of Pro Forma revenue for 2024, excluding certain engineering services made to TIM based on managerial reconciliation of revenues.

Significant scope for cost savings and operational expenditure optimization initiatives

With significant asset backed cash-generating active lines across our network, we believe that we are well-positioned to capitalise on clear drivers of cash flow growth supported by our modular technology-agnostic platform and operational expenditure optimization initiatives. In particular, we believe we will be able to continue to achieve cash flow growth through both cost savings and market growth.

Our prompt and effective implementation of value creation initiatives in the second half of 2024 has already identified run-rate efficiencies of over €100 million in EBITDA savings per year, which we expect to realise from 2025 onwards. Short-term savings already realized in 2024 resulted from efficiencies we achieved in labour, equipment rental and vehicle leasing costs. The commencement of these initiatives slightly contributed to our strong and attractive Pro Forma Organic EBITDA Margin and Pro Forma EBITDA-AL Margin in 2024 of 57% and 48%, respectively, and we believe we have scope for further growth resulting from the continued materialization of efficiencies and expected pricing upside.

We expect to be able to optimize all of our significant operational expenditure costs to drive our cash flow growth. In particular, we are continuing to implement the following value creation and efficiency initiatives:

- Decommissioning of our legacy primary copper infrastructure network, which is expected to be completed by 2028;
- Switching to fiber-based FTTC and FTTH networks by decommissioning our Legacy network over time, which generates significant savings in energy costs, due to the fiber network requiring less active equipment and real estate usage, and in turn consuming less energy than copper-based technologies. For example, certain other European telecommunications competitors have achieved energy cost savings of approximately 85%. Switching to fiber-based networks is also expected to generate other savings in equipment rental and infrastructure maintenance costs due to lower frequency of networks fault. Such lower maintenance will result in further savings;
- Switching to fiber-based networks also is expected to result in a reduction of our real estate portfolio by at least two-thirds, due to factors such as the lower attenuation of the fiber network and the dismantling of legacy network equipment reducing our central office and other spatial requirements, which will generate significant corresponding cost savings;
- Launching an affiliate company dedicated to production of solar energy to provide an economical long-term energy source at an attractive price;
- Implementing new technologies and procurement practices to optimize our FTTH network rollout; and
- Insourcing certain services through the use of our skilled workforce to achieve further cost savings.

Clear and de-risked FTTH rollout plan with robust drivers of underlying growth and secure cash flow profile

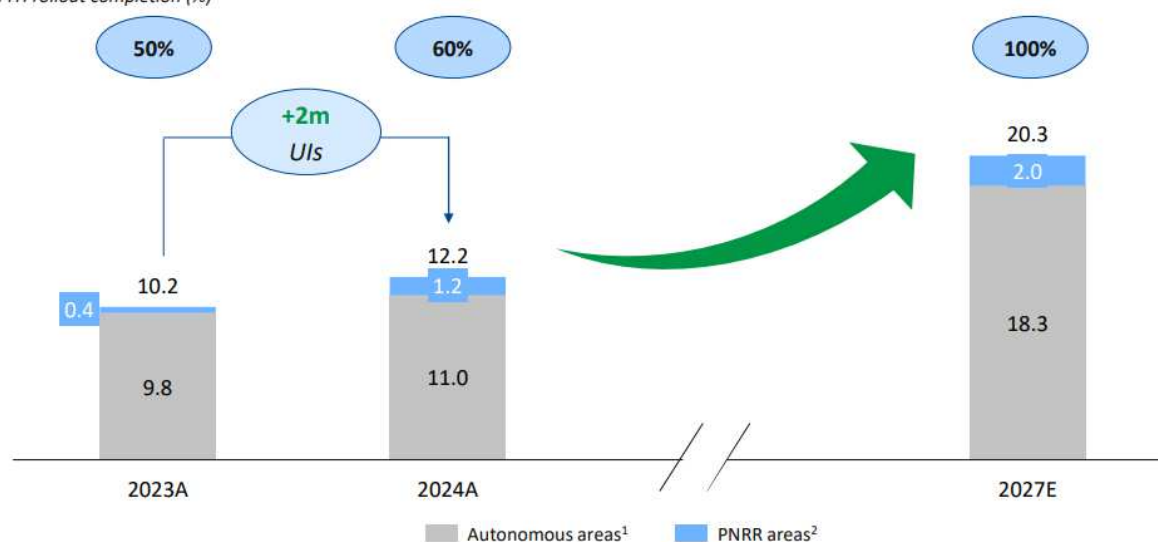
Based on the foregoing structural, operational, and commercial factors, we have developed a predictable and secure underlying cash flow profile, which supports our clear and de-risked FTTH rollout plan alongside robust drivers of underlying growth.

Currently, our Legacy and FTTC channels provide significant, predictable, and resilient cash flows, with a base of approximately 12.1 million cash-generative active lines across these channels. Such strong base provides a solid foundation and opportunities for further growth. While we expect Legacy and FTTC customers to convert to FTTH over time, the existing strength of these channels currently provides a solid financial foundation and acts as a natural hedge against the trend of relatively slower FTTH rollout and take-up in Italy. Due to the resilience and diversity of our network and operations outside of FTTH, we expect that any delays in FTTH take-up will have limited financial impact on our business.

We expect our cash flow growth to be further supported by new UIs acquired through the continuing rollout of our FTTH network coverage across Italy. As of the end of 2024, we had completed 60% of our targeted FTTH rollout, a 10 percentage points increase in completion from 2023 which enabled us to add 2 million more UIs on our network. In addition, we are on track to meet our coverage goal for PNRR areas ahead of our targeted deadline, with approximately 52% already covered by December 2024 (which increased to 58% as of April 2025) compared to an average of approximately 33% covered by alternative operators. With a well-optimized rollout strategy, we believe we are well-positioned to meet our targets of completing our FTTH network rollout by 2027 and obtaining a total of 20.3 million UIs on the network. Our FTTH rollout also is achieving controlled capital expenditure per FTTH unit, which will enhance our cash flow growth as we continue to add UIs on the network. The following table demonstrates the current progress of our FTTH rollout plan since 2023 and our targeted coverage by completion in 2027 across both Autonomous and PNRR Areas:

National FTTH coverage target (million UIs)

FTTH rollout completion (%)



Notes: (1) Includes Black and Grey Areas, as well as approximately 0.2m UIs passed in FTTH that were rolled out in areas previously considered as Grey Areas, now reclassified as White Areas. (2) Includes 7 of the 15 lots awarded by Italia 1 Giga.

As we continue to roll out and complete our FTTH network transition initiatives and various other efficiency measures we are implementing, we expect to reduce a large portion of our growth capital expenditure in relation to the FTTH rollout program to obtain significant further cost savings, and to increase our recurring free cash flow from the fiber network as a result. We also expect our cash flow to be bolstered by an eventual broadband market growth and the continuing implementation and realization of efficiencies in relation to the gradual transition to fiber, such as reduced energy and real estate cost requirements and less maintenance capital expenditure being required for the fiber network than the copper network, which once rolled out has a long useful life.

Fully committed and supportive blue-chip shareholders, including the Italian government and KKR Infrastructure, alongside a fully built-out high-quality management team

Our business is backed by fully committed and supportive blue-chip shareholders alongside a fully built-out high-quality and experienced management team. Our operations are overseen by a group of reputable investors with significant experience in managing and governing similar companies, led by KKR Infrastructure, and our board is composed of highly qualified individuals with considerable experience in digital infrastructure. Our Chairman and CEO, along with the top five other executive members of our management committee, have over 170 years of combined experience.

We benefit from the market expertise, business relationships, knowledge and experience of our Chairman (since 2020) and Chief Executive Officer (since 2025), Mr. Massimo Sarmini. Mr. Sarmini has over 50 years of experience in the telecommunications sector, serving in leadership positions across some of Italy's major strategic companies. Mr. Sarmini worked at Telecom Italia from 1976 to 1999, and was the first General Manager of TIM when the mobile radio division was spun off from Telecom Italia, later becoming General Manager at Telecom Italia. Among his other appointments, Mr. Sarmini has also served as Chief Executive Officer and General Manager of Siemens Italia and Chief Executive Officer and General Manager of Poste Italiane Group.

We also benefit from the leadership of our professional management committee team with considerable experience in the Italian telecommunications and infrastructure market and a proven track record of strategic execution. Mr. André Rogowski has been our Chief Financial Officer since 2024. Prior to joining us, Mr. Rogowski was Chief Financial Officer at Abertis Infraestructuras SA, a leading international operator in toll road management, from 2019 to 2024, and was co-head of the Global Coverage operations at Mediobanca. Mr. Simone Bonannini is currently our Chief Revenue & Data Officer, and was previously our Chief Commercial Officer since 2024. Mr. Stefano Paggi has been our Chief Technology & Operations Officer since 2024, and has previously held various roles at Open Fiber in operations, network management and procurement and spent over twenty years working for the TIM Group. Mr. Alberto Boffelli is currently our Chief Corporate Officer, and was previously Chief Operations Officer and General Manager of the Projects Business Unit at Prysmian, a leading Italian company specialising in the production of electrical cable for use in the energy and telecom sectors and for optical fibers, overseeing the execution of interconnection and offshore wind farm projects. Mr. Riccardo Busani is currently our Chief Strategy Officer, after spending over seven years at KKR in London where he was Director for Infrastructure Private Equity for the EMEA region.

The high-quality management team we have assembled to execute on our future strategy is complemented by our strong blue-chip shareholder and governance team. KKR Infrastructure is a global leader in infrastructure investment and management, with a strong established track record and over \$80 billion committed through its investment mandates, notably including several digital infrastructure and telecommunications investments. More specifically, KKR Infrastructure has a unique track record of successful fiber investments and delivering accelerated fiber rollouts, along with strong experience of managing fiber networks and infrastructure in Italy. This includes other successful experiences of carving-out business units from larger operating companies and partnering with national governments on infrastructure transactions. For example, KKR Infrastructure has successfully invested in Vantage Towers, Telenor, Reintel, Open Dutch Fiber and MásMóvil, among other leading digital infrastructure and telecommunication operators. KKR Infrastructure also successfully partnered with the German federal government in connection with its investment in Hensoldt, a German defence supplier, which KKR Infrastructure initially acquired in 2016 and supported in its successful initial public offering which raised over €400 million in 2020. Thanks to KKR Infrastructure's strong track record and expertise in both investing in and managing digital infrastructure and telecommunication operators, we believe KKR Infrastructure is well-positioned to continue supporting us in our fiber rollout and migration process and achieving our strategic objectives, as it has done since its initial indirect investment in our business in 2021.

We are further supported by strong participation in our business by our Italian government shareholders. The Ministry of the Economy and Finance of Italy (“MEF”) and F2i, Italy’s largest independent infrastructure fund manager, collectively own approximately 27% of our shares and are both committed to ensuring a successful digitisation of Italy and supporting our initiatives to achieve this objective. We believe there are significant benefits to the presence of Italian government stakeholders amongst our key shareholders. We are strategically aligned with these shareholders on the need for rapid “fiberisation” and ensuring access to gigabit technology across Italy, which supports our strategic vision and future growth plans. The involvement of government shareholders in our business facilitates opportunities for supportive policy change through a greater understanding of our industry, key challenges that we face, and opportunities for growth and development.

Strategy

Optimize our financial performance through the implementation of our business plan and financial policy

We intend to continue implementing our business plan and financial policy to optimize our financial performance by enhancing our profitability through higher margins and further improving our cash flow profile and liquidity. Our financial policy favours medium-term investment while taking what we believe is a prudent stance on leverage, dividends and mergers and acquisitions. Following this policy, we currently have an average debt life of approximately 5.6 years and a weighted average debt cost of approximately 5.3%. We intend to implement our financial policy with a focus on the following objectives:

- **Rating:** We intend to maintain our current rating profile during our investment phase, which we expect to last until 2027. After the completion of this phase, we aim to achieve an investment grade rating, as we expect the intensity of our Capital Expenditures to reduce and the realization of operational expenditure savings to contribute to cash flow generation.
- **Leverage:** We expect our leverage to peak in 2025 as we continue to accelerate our capital expenditure initiatives. We intend to promptly deleverage after the completion of this peak phase through achieving strong financial performance driven by the execution of our strong managed reduction in both Capital Expenditures and operating expenditures.
- **Dividend:** We have not established minimum annual dividends to our shareholders and intend to assess our dividend approach from year to year with a strong focus on maintaining prudent leverage levels and supporting our value-accretive growth capital expenditure program.
- **Hedging:** We aim to proactively manage our interest rate risk and maintain 70%-100% of our debt at fixed rates through the issuance of fixed rate debt instruments and hedging instruments. To the extent any debt is issued in currencies other than Euro, we intend to maintain 100% currency risk hedging to element currency risk exposure.
- **Liquidity:** We expect to continue adhering to a prudent cash management policy, maintaining a sufficient liquidity margin through cash and unfunded credit lines. We intend to meet our future funding needs for investments in our business and refinancing our existing indebtedness by prioritizing access to strong and diversified sources of liquidity across the financial markets and through operating free cash flow generation.

With our financial policy as our foundation, we intend to implement our business plan to optimize our financial performance over the coming years. Our business plan seeks to achieve certain financial objectives from 2024 to 2029, including:

- Growing our Pro Forma revenue by greater than a 2% CAGR, driven primarily through gains in our B2B business channel, the completion of our FTTH coverage, the continued growth of

the fixed broadband market, and steady growth to the average B2C ARPU expected under our anticipated new pricing regime;

- Reducing our operating expenditures by approximately €500 million, driven primarily by our Legacy network decommissioning and its acceleration to 2028, which is expected to achieve significant reductions in power consumption and central office lease costs, along with reductions to our IT costs and backbone rental fees, among others; and
- Based on the foregoing improvements to revenue and operating expenditures, achieving a 15 percentage point increase in our Pro Forma Organic EBITDA-AL Margin from 2024 to 2029, driven primarily by the operational expenditure reductions, and approximately one-third of the increase arising from our B2B business channel and a limited portion from the evolution of the B2C market.

Our business plan further envisions optimizing our financial performance through the deployment of approximately €8.5 billion of Capital Expenditures from 2025 to 2027 (€7.4 billion net of the €1.1 billion of PNRR subsidies expected to be received over this period), focusing on the continued rollout and completion of our FTTH network and investments to realize operating expenditure reductions, which we believe will be partially offset by approximately €1.1 billion of subsidies that we expect to receive in connection with capital expenditures to be spent on PNRR areas. We expect our FTTH rollout and new projects to account for approximately half of this amount, with success-based Capital Expenditures (incurred only upon new activations), Maintenance Capital Expenditures, and other Capital Expenditures (decommissioning and IT), expected to account for approximately 15-17%, 17-20% and 13-18% of this amount, respectively. After 2027, we expect our Capital Expenditures to be significantly lower, with a focus on success-based client activation and reduced maintenance initiatives, and aim for our Maintenance and success-based Capital Expenditures to collectively account for approximately 80% of our total Capital Expenditures and approximately 20-25% of our revenues moving forward.

Our ability to achieve the financial targets and objectives set out above is subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control, and our financial targets and objectives have been developed based upon assumptions with respect to future business decisions and conditions that are subject to change. As a result, our actual results may vary from the financial targets and objectives set out above, and those variations may be material. We do not undertake to publish revised financial targets and objectives to reflect events or circumstances existing or arising after the date of the Offering Memorandum or to reflect the occurrence of unanticipated events or circumstances. See “*Risk Factors—Risks Related to our Business and Industry*” and “*Presentation of Financial and Other Information—Presentation of Non-IFRS Measures*.” Certain of the foregoing are forward-looking statements. See “*Forward-Looking Statements*.”

Execute FTTH rollout in an economically disciplined manner to achieve committed targets

We remain committed to further developing and future proofing our network, particularly through continuing to execute the rollout of our FTTH network in an economically disciplined manner. Our growing FTTH market share is driven by our higher share of FTTH net additions relative to our competitors. We already have approximately 12.2 million UIs added to our FTTH network coverage, which represents approximately 60% of our target, and we believe we are on track to meet our targets of completing 100% of our FTTH rollout by 2027 and thereby achieving 20.3 million UIs. As part of these targets, we have specifically committed to delivering FTTH network coverage to 2.0 million UIs in PNRR areas by June 2026, and we believe we are on track to meet this coverage target in advance of our deadline, with approximately 52% already covered by December 2024 (which increased to 58% as of April 2025) compared to an average of approximately 33% covered by alternative operators. We intend to implement our optimised rollout plan through the continued acceleration and deployment of the necessary capital expenditures in order to promptly achieve these targets and the resultant benefits. Executing our FTTH rollout plan in this manner and upholding the delivery of our committed targets

will positively contribute to the Italian government's critical national objective of digitisation of the country, a key priority for us as the leading fixed broadband access provider in Italy and a strategic partner of the Italian government.

Maintain market leading position through diversified and enhanced product and service offerings

We expect to maintain our position as the leading national fixed broadband infrastructure provider in Italy and capitalise on the steadily increasing broadband penetration in Italy by continuing to offer a broad mix of wholesale services across multiple technologies in our B2B2C channel and a full suite of B2B products and services on an open access, operator-neutral basis. As the only industry player with the capacity to offer extensive nationwide coverage and such a broad range of services to all operators across Legacy, FTTC, and FTTH technologies, we have achieved a robust and diversified customer base with entrenched relationships and benefits of scale. We also intend to continue structuring and offering a variety of different products and services, such as VULA-H, VULA-C, SLU, Semi GPON and Full GPON, and packages thereof, to our customer base in order to further strengthen these relationships. Leveraging the strength of our existing network and customer relationships, we expect that our ongoing investments to upgrade and build out our network infrastructure and to migrate customers to enhanced network technologies will further drive scale and network utilization, further increase our penetration of the broadband market through attracting new UIs, and reinforce the digitalization tailwinds in Italy.

Transition to “wholesale only” pricing model offering greater flexibility

We intend to transition away from AGCOM's BULRIC+ cost-oriented regulated tariffs in all access technologies services, including FTTH for areas where there is a single provider, to a “wholesale only” regulatory model with a “fair and reasonable” pricing approach across all technologies in all service areas excluding PNRR areas for FTTH specifically, whereby the price was set at €15.20 as part of the Italia 1 Giga tender. We anticipate that this approach will enable us to set prices more flexibly and in a more commercial manner, allowing us to be more responsive to commercial and competitive factors to achieve optimized pricing. We also expect that our new pricing approach will better enable us to recover the replacement costs of our assets and achieve a fair rate of return on our investments.

Continue implementing value creation and efficiency initiatives to optimize expenditures and continue increasing cash flow generation

Since the closing of the Acquisition Transactions by a consortium led by KKR Infrastructure in July 2024, we already have identified an estimated run-rate EBITDA increase of more than €100 million annually through the implementation of various value creation and efficiency initiatives. We expect the ongoing shift from copper to fiber to further reduce our operational cost structure and reduce both capital expenditure and maintenance expenditure requirements, as fiber demands a reduced real estate footprint and less energy consumption, while increased take-up from the operational status of the planned deployment of FTTH network is expected to further contribute to economies of scale and growth in profitability. We have been accelerating the deployment of our Growth Capital Expenditures and intend to continue promptly implementing these initiatives in targeted areas in order to maximize the advantages of being a first mover and secure our competitive position. There is an established track record of other European telecommunications players achieving cost savings as a result of migrating from copper to fiber, particularly in real estate and energy costs, and we also intend to realize benefits in these areas. We also intend to optimize all of our significant operational expenditure costs as we continue to implement these initiatives, and to achieve significant cost savings and cash flow growth as a result. As the rollout of our ongoing growth capital expenditure initiatives is completed, the associated costs will cease and we expect our cash flow growth to be further stimulated as a result.

Continue leading on sustainability by advancing digitization

We are evolving into a sustainability-focused company, with 2024 marking the foundation of this transformation and we are set to accelerate value creation in 2025. As Italy's most advanced and expansive digital network infrastructure operator, we are uniquely positioned to lead the sustainable digital transition while delivering long-term value for all stakeholders. We intend to continue accelerating Italy's transition to a digital and sustainable economy through innovative infrastructure and digital solutions. We aim to create efficient infrastructure with an increasing use of renewable energy, circular models for recycling and recovery of waste and selection of suppliers by evaluating their commitment to sustainability. The fiber rollout is key to our sustainability project as, in addition to being more energy efficient, production of fiber results in significantly lower CO₂ emissions than copper wires, and fiber is made of abundant, non-harmful silicon dioxide. In addition, our energy-saving plan has already led to 62.4 GWh of fixed network energy savings in 2024 via decommissioning activities that included the shutdown of obsolete technologies and services, such as network exchanges. Our broader corporate group also intends to implement a new energy strategy focused on self-production of renewable energy and procurement of attractive PPA contracts. This strategy will be supported by EnerCop, our sister entity, which was established to manage renewable energy asset rollout and other energy efficiency projects and provide us with attractive energy procurement opportunities. We believe these initiatives will support our climate targets of reducing our Scope 1 and 2 emissions and our key Scope 3 emissions in line with the 1.5°C pathway set forth under the Paris Agreement, and achieving net-zero emissions in the long term across our entire value chain in alignment with the goals of the Paris Agreement.

History

FiberCop was originally established in 2021 as a company of the TIM Group that comprised its secondary network business and assets. KKR Infrastructure indirectly acquired 37.5% of FiberCop in 2021. In 2023, the TIM Group reached an agreement to sell TIM Group's shares in FiberCop, after the contribution into FiberCop of certain infrastructure assets of TIM Group's fixed network, to a consortium led by KKR Infrastructure and the acquisition closed on 1 July 2024. Since the completion of the transaction, we are fully independent from the TIM Group and we are the leading Italian digital infrastructure operator.

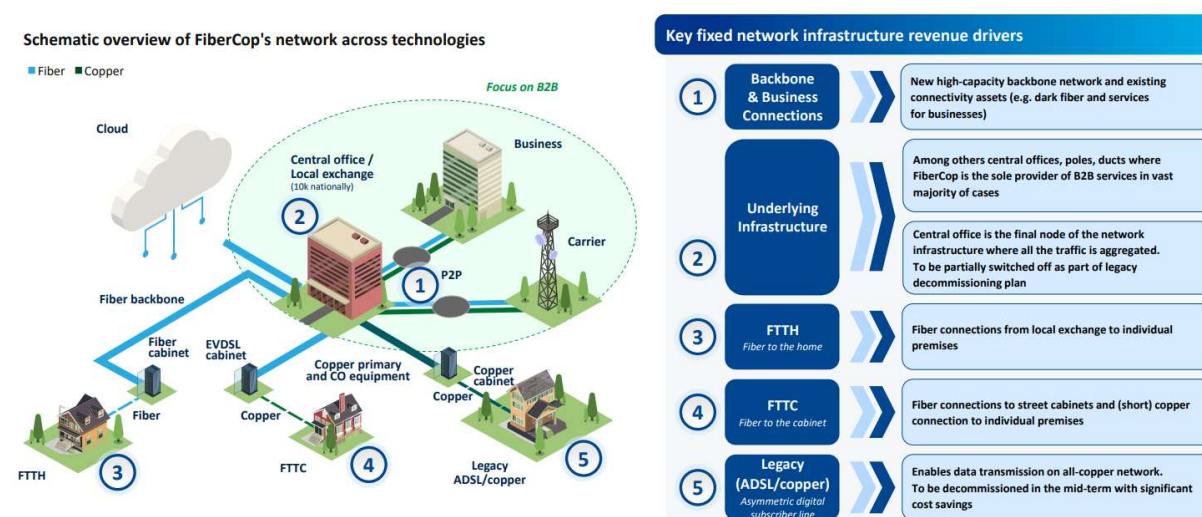
In connection with the Acquisition Transactions, Telenergia, a provider of energy supply and procurement services, which was previously a subsidiary of the TIM Group was contributed to us. On 3 December 2024, as part of an internal reorganization, we sold Telenergia to EnerCop, a subsidiary of Optics HoldCo.

Our Operations

With €3,875 million Pro Forma revenue and €1,855 million Pro Forma Organic EBITDA-AL for the year ended 31 December 2024, we are the largest national independent open-source fixed-line network provider not vertically integrated in a major European country by revenue. Our business operations consist of a comprehensive range of activities performed over our fixed-line network, leveraging broadband and ultrabroadband technologies to deliver critical digital infrastructure-related services and products in the Italian telecommunication sector. We offer voice and data-related connectivity services, develop high-capacity fiber optic networks and provide access services to our networks and associated equipment to a wide range of customers, including telecommunications and wholesale operators. We also manage the maintenance and repair of our fixed-line network infrastructure and provide monitoring services, diagnostics, network engineering and installation support. We are the sole nationwide provider of Legacy and FTTC networks in Italy, and the largest national provider of FTTH technology by number of UI passed. Our network is supported by a considerable asset base, featuring approximately 25 million kilometres of laid optical fiber backbone available to operators and ultra-broadband coverage exceeding 88% of UIs. As of 31 December 2024, our network consists of approximately 26 million kilometres of total fiber infrastructure. We also provide over 114.3 million kilometres of traditional copper network, approximately 10,000 local central offices, poles and ducts and over 152,000 cabinets.

Our network infrastructure consists of two main components: the backbone and the access networks. Our backbone is mainly built with optical fibers and consists of transport nodes. The access network consists of copper cables, optical cables and access nodes. As of 31 December 2024, we reached approximately 31 million homes with either FTTC, FTTH and/or Legacy (i.e., without taking into account overlaps with FTTC), providing widespread coverage throughout Italy.

The graphic below illustrates the structure of our network, from the central nodes in the national backbone, to the local exchange and then onward to business and individual premises.



Source: Company information

Underlying Infrastructure

Our underlying infrastructure consists of a robust optical fiber network that connects 32 national central offices to 565 regional central offices and approximately 10,000 local central offices, poles and ducts where we are the sole provider of B2B services in the vast majority of cases. The central offices are the final node of our network infrastructure, where all of our traffic is aggregated. We expect to partially switch off up to two-thirds of our central offices as part of our Legacy decommissioning plan.

Access Network

Our extensive access network infrastructure of approximately 114.3 million kilometres of copper pairs and approximately 26 million kilometres of fiber passing through aerial and ducted cables. As of December 2024, we had approximately 14.5 million active accesses to our network.

Local PoPs are connected to street cabinets by either fiber, supporting the FTTx infrastructure, or copper connections to local PoPs, thereby providing Legacy connectivity to end-consumers. This configuration ensures a comprehensive service delivery across the network. Broadband connectivity is provided from the local central offices mainly using Legacy technology. As of 31 December 2024, our ADSL network is the only nationwide ADSL network in Italy, providing approximately 100% coverage to the approximately 31 million UIs.

The type of ultrabroadband connectivity provided through the street cabinets is determined by the cable infrastructure:

- **FTTC.** FTTC technology consists of fiber connections to the cabinets, with copper lines completing the connection to UIs and commercial buildings. This configuration allows for higher speeds of up to 200 Mbps compared to Legacy, thanks to the fiber connection to the

cabinets, while maintaining the existing copper infrastructure to individual premises. As of 31 December 2024, our FTTC services reached approximately 27.5 million UIs, representing approximately 88% of the total Italian fixed broadband market.

- **FTTH.** FTTH technology represents the most advanced level of service, with fiber connections running from the cabinets directly to UIs and commercial buildings. This technology offers the highest speed available in the market, with fiber optics connections extending to both street cabinets and individual premises. The development of the FTTH infrastructure is a primary focus for both the Italian government and market participant. In October 2022, we were the first operator in Italy and among the first in Europe to launch a consumer and business offer with high-performance FTTH fiber connections up to 10 Gigabits per second using our XGS-PON (10 Gigabit capable Symmetric Passive optical networks) technology. As of 31 December 2024, our FTTH services reached approximately 12.2 million UIs.

Business Areas

Our business is structured around the following two business areas: the B2B2C Access Services Area and the B2B Services Area, which is further split between B2B Access Services and Revenues from Other B2B Services. For the year ended 31 December 2024, B2B2C Access services and B2B services amounted to approximately 65% and 35%, respectively, of our pro forma revenue, whereas for the year ended 31 December 2023 these services represented 64% and 36% of our revenue, respectively. The operations of each of these three business areas are described below.

B2B2C Access Services

Our B2B2C Access Services area includes services provided to telecommunications operators which have not developed any proprietary infrastructure, or have developed partial proprietary infrastructure and use our network to provide various connections to their respective retail consumers via traditional voice, Legacy, FTTC and FTTH. Given Italy's lack of DOCSIS co-axial cable infrastructure, these technologies represent the major broadband and ultrabroadband options available, setting Italy apart from other European countries where cable infrastructure may also be prevalent. See "*Industry*." Our B2B2C Access Services offering encompasses the full range of these connectivity solutions. For the year ended 31 December 2024, our pro forma revenue from Legacy voice services, FTTC services and FTTH services amounted to approximately €595 million, €1,493 million and €380 million of our pro forma revenue, respectively, whereas for the year ended 31 December 2023 these services represented approximately €727 million, €1,589 million and €239 million of our revenue, respectively.

Being the Italian incumbent network operator, we lease our network to other authorized telecommunications operators ("*OAOs*") and other licensed telecommunications operators ("*OLOs*"). Our comprehensive network infrastructure enables us to tailor our service to the specific requirements of OAOs and OLOs by offering access at different points and to particular segments within our network.

Access Services Network Coverage

As of 31 December 2024, our access network coverage was 31 million UIs. We are the sole wholesale provider of FTTC services at scale in Italy, serving approximately 27 million UIs nationwide. While Fastweb and Vodafone concurrently offer FTTC services in certain Black Areas, they still rent passive sub-loop unbundling (SLU) from us to offer connectivity from the cabinet to their respective end users (which is therefore accounted within Legacy voice services). We are one of the only two main fixed-line network providers of FTTH technology with approximately 12.2 million UIs, out of the estimated 18.7 million UIs across Italy, located predominantly in Black Areas. Despite a growing market preference for higher-speed connectivity, we are the sole provider of Legacy services, with 31 million UIs reached within the same period.

We have defined a nationwide framework including three areas based on operators' coverage targets and public investment. As a result, our coverage varies across different areas:

- *Black Areas* are municipalities in which at least two operators have deployed or plan to deploy ultrafast broadband and are considered the most profitable areas where operators are more likely to invest. In Black Areas, we are mostly in competition with our direct competitor, Open Fiber. As a result, in these areas we face limited risk of competition from new entrants in the market. As of 31 December 2024, in Black Areas, we were the main provider of FTTC services. The construction of additional FTTH network infrastructure is carefully planned and executed, as we have framework agreements already in place with our key customers. The aim is to achieve the most efficient use of resources and investments, which helps to balance cost-efficiency with the delivery of high-quality services. As of 31 December 2024, we completed 73% of our planned FTTH roll out in Black Areas, representing 5.2 million UIs.
- *Commercial Grey Areas* are municipalities in which at least one operator has deployed or plans to deploy a FTTH infrastructure with speed faster than 30 Mbps. In Commercial Grey Areas, as of 31 December 2024, we maintained our position as the main FTTC network provider. Our FTTH infrastructure within Commercial Grey Areas is subject to limited competition, as these areas represent a more challenging environment for new entrants in the market, which likely limit the risk of overbuilding. In addition, by expanding in this market early, we gained a first mover advantage. As of 31 December 2024, we have passed more than 5.6 million UIs through FTTH in Commercial Grey areas, which represents about 50% of our planned FTTH roll out in Commercial Grey areas.
- *PNRR FiberCop Areas* are municipalities in which we operate through the tenders awarded under the “Italia a 1 Giga” plan set forth in the PNRR. In these areas, we plan to complete our FTTH roll-out by June 2026, in line with government targets. As of 31 December 2024, we have passed approximately 1.2 million UIs in PNRR FiberCop Areas out of a target of 2.0 million in our allocated PNRR lots. We may from time to time win tenders in new PNRR areas, either directly or through one of our affiliates, and/or transfer the tenders awarded to us in existing PNRR FiberCop Areas to one of our affiliates to complete the relevant FTTH roll-out instead of us. We or our parent may from time to time be awarded tenders in new PNRR areas, which we or our parent, respectively, may assess on an ad hoc basis.
- *Other Operator and Exclusive Areas* and *Other White Areas* are municipalities where alternative operators were assigned PNRR and *Banda Ultra Larga* (“BUL”) tenders or where no operator currently has an extensive FTTH coverage, respectively. These are often rural, sparsely populated municipalities where no operator has deployed proprietary ultrafast broadband infrastructure and does not have any planned deployments in those areas, which represent non-economically feasible areas to roll-out our infrastructure given the lack of subsidies. These areas are not currently encompassed by our roll-out strategy. However, we serve 0.2 million FTTH UIs which were previously classified within Commercial Grey Areas and we offer Legacy and FTTC access technologies, which we expect to structurally decline as subscribers switch to FTTH.

Despite our current partial FTTH coverage in Commercial Grey Areas and in PNRR FiberCop Areas, the Italian regulatory environment is broadly supportive of fiber-based network growth, with the Italian government committed to fostering the expansion of the national telecommunications infrastructure. This commitment is evidenced by government support under the PNRR for “Italia a 1 Giga” and “5G Backhauling” initiatives, aimed at technological advancement within the subsidized portions of the PNRR FiberCop Areas. We are aligned with the Italian government’s objectives and we are exploring opportunities to expand into these underserved areas by actively participating in the “Italia a 1 Giga” tender, which aims to develop an optical fibre network to meet the European digital agenda’s goal of delivering a 1 Giga connection to the entire population by 2030.

B2B2C Access Services offerings

Our service offerings include Bitstream Access, Virtual Unbundled Local Access (VULA), both on fiber (VULA-H) and copper networks (VULA-C), Unbundled Local Loop (LLU), Sub Loop Unbundled

Access on copper network (SLU) and passive fiber services (full-GPON and semi-GPON) on FTTH network, each designed to meet the diverse needs of our customers. We mainly focus on VULA solutions (both for FTTC and FTTH), Bitstream Access and other passive services such as SLU and Semi-GPON.

Our B2B2C Access Services revenue model is structured around two key components: an initial activation fee (and a deactivation fee upon cancellation of a line) and a recurring fee. This approach facilitates a clear and consistent revenue stream, ensuring stability and predictability in our financial performance.

B2B Services

In our B2B Services Area, we offer a wide array of services to telecommunications operators which have not developed any infrastructure or have developed partial infrastructure. These operators rely on our extensive network to deliver various connectivity solutions to business customers, including corporate clients and the Italian public sector. In particular, we offer six main services across B2B Access Services and Other B2B Services, as further detailed below:

- **Colocation:** Space, connectivity, and ancillary services to host operators' equipment in our central offices, which is a regulated service.
- **Engineering:** Network services, including engineering, delivery, assurance and network operations and maintenance provided primarily to the TIM Group.
- **Connectivity:** Traffic collection and transport services complementary to the provision of wholesale network access to third parties, such as P2P connectivity and FTTO.
- **Dark fiber:** Leasing of fiber optic cables to connect a Peripheral Delivery Point to an operator delivery point. Dark fiber services are offered as part of Other B2B Services if sold under financial IRUs as an asset sale and is also offered as B2B Access Services for the portion of revenues generated through operational IRUs or recurring access revenues.
- **Infrastructure:** Access to backhauling infrastructure, optical fiber unbundling (for example, pay per use), and optic fiber termination segment, which includes access to ducts and poles through IRUs or recurring fee arrangements. Infrastructure services are offered as part of Other B2B Services if sold under financial IRUs as an asset sale and is also offered as B2B Access Services for the portion of revenues generated through operational IRUs or recurring access revenues.
- **Other:** Various other services including assurance, maintenance, and delivery services to be provided to other operators.

Other Services

The Other Services mainly relates to technical assistance services, awarded government subsidies as well as certain services rendered to the TIM Group under the TIM Master Services Agreement. See “— *Material Contracts— TIM Master Services Agreement*” for further details.

Material Contracts

Our business primarily relies on multi-year wholesale framework agreements with business and retail telecommunications operators. We typically execute long-term wholesale framework agreements with a term of ten or more years covering several municipalities, and typically can be renewed on an evergreen basis. In certain cases, retail operators enter a wholesale agreement with an intermediary with whom we have a separate wholesale agreement. The terms of these wholesale agreements, particularly

pricing, are subject to lighter regulation or regulatory interventions in the form of tariff-regulated services subject to “fair and reasonable” prices, which we must comply with following our recognition as a “wholesale-only” operator. The nature of our customer relationships depends on the type of connectivity service we provide to them. See “—Business Areas” and “—Customers.”

TIM Master Services Agreement

On 1 July 2024, we entered into a master services agreement (the “*TIM Master Services Agreement*”) with the TIM Group pursuant to which we provide or procure certain services to the TIM Group (the “*FiberCop Services*”) and the TIM Group provides or procures certain services to us (the “*TIM Group Services*”) and together with the FiberCop Services, the “*Services*”). FiberCop Services mainly encompass: (i) a variety of access services required for the purposes of the transmission of data and voice traffic directed to and/or generated by TIM Group’s end customers, (ii) premium connectivity services such as point-to-point fiber optic connectivity, (iii) network services consisting of engineering services for the purposes of network operations and maintenance, delivery services for the access activation in favor of TIM Group’s end customers and assurance services for solving faults experience by TIM Group’s end-consumers, (iv) real estate services mainly regarding the use, by the TIM Group, of certain real estate properties owned or leased by us, (v) energy supply and procurement services and (vi) other minor services. TIM Group Services are ancillary and minor services functional to FiberCop’s operations and include services such as: (i) mobile telecommunication services and IT services supporting our employees’ activities, (ii) hosting arrangements within TIM Group’s data centres, and (iii) the provision of certain service components (such as bandwidth) enabling us to sell aggregated services to the OAOs.

Without prejudice to the shorter term applicable to certain Services, the TIM Master Services Agreement has a general duration consisting of a first term of 15 years with a renewal mechanism for an additional equivalent term. In addition, the TIM Master Services Agreement includes provisions for penalties should either party fail to meet specified performance parameters, such as KPIs, KPOs, and SLAs. See *Risk Factors—Risks Related to Our Business and Industry—We are exposed to risks arising out of our dependence on the TIM Group as a key customer.*

TIM Transitional Services Agreement

On 1 July 2024, we entered a transitional services agreement (the “*TIM Transitional Services Agreement*”) with the TIM Group, which governs the supply of certain services from the TIM Group to us and from us to the TIM Group for a limited time to help ensure the orderly transition of these services between both entities following the completion of the Acquisition Transactions. The transitional services to be rendered in accordance with the TIM Transitional Services Agreement consist, *inter alia*, of: (i) IT services regarding certain so-called hybrid systems, (ii) cyber-security services, (iii) accounting services, (iv) wholesale management services, (v) tax services, (vi) physical security services, (vii) payroll services and (viii) the provision of certain licenses from the TIM Group to us.

The TIM Transitional Services Agreement has a term of 36 months (with certain services having a term lower than 36 months), and each recipient party can unilaterally extend the term of a particular TIM Transitional Services Agreement service for a maximum of six additional months. Under the TIM Transitional Services Agreement, a receiving party may withdraw from the agreement with respect to one or more transitional services in case it becomes independent in respect thereof (either insourcing the service or acquiring the service from a third-party provider) earlier than applicable contractual term.

Other Key Agreements

Other key agreements include, among others, infrastructure agreements with certain suppliers and services providers for the construction, operation and maintenance of our networks, for the provision of core infrastructure and transmission equipment and for certain network-related hardware, software and services.

Informational Technology Systems and Security

We operate a modern information technology (“IT”) infrastructure in order to support our business. In the year ended 31 December 2024, we invested approximately €93 million in our IT platform. Our IT infrastructure is generally managed in-house, with external support from vendors including Accenture, IBM, Oracle and the TIM Group. We utilize a broad portfolio of software applications and technical infrastructures, both for internal purposes and to provide services to our customers. The key IT systems employed across our business include Alcatel and Jive softwares, inventory management and tracking systems, workforce management platforms, Google Cloud Platform and wholesale business revenue management systems.

We recognize cyber security as one of our greatest areas of risk, as we handle enormous amount of information technology assets that we manage to deliver services to our customers. We have implemented defined security plans for our information technology assets to mitigate risks by regular monitoring emerging cyber hazards. Our security operation centre is available 24/7 to manage security incidents and to help limit their impacts. All personnel involved in software development activities are required to follow an obligatory security awareness and other dedicated training programs. We also have an insurance program to cover cyber risks.

We have implemented policies and systems for GDPR compliance that consist of, among other things, a data processing register, privacy statements for customers and employees, a security policy, a data retention policy, a data breach and notification policy and internal instructions on how to deal with data subjects’ rights and requests. Our designated, full-time Data Privacy Officer (“DPO”) is supported by (i) a Privacy and Complaints team, (ii) a Privacy and Compliance Specialist, (iii) risk officers, who are a part of our Governance, Risk Management and Compliance Department and (iv) by the legal department. In addition to providing our employees with our data protection policy along with instructions regarding the secure handling of data, we require regularly our employees to complete a GDPR e-learning.

Property and Leases

As of 31 December 2024, we managed our operations across approximately 14,000 offices, industrial complexes, mixed-use properties and parcels of land, covering a total area of more than 6.9 million square metres, of which 29% were directly owned.

Intellectual Property

As part of our business operations, we may take actions to protect our proprietary rights in our network and related technology, including through registration of trademarks and application for patents. We own certain internet domain names relating to our brand, including *fibercop.it*.

Patents

As of 31 December 2024, we held 69 issued patents and an additional 12 patents applications pending. Typically, patents are protected for a duration of 20 years. The patents we currently hold are scheduled to expire at various times between the years 2025 and 2043, with 43 of these patents set to expire by December 2030. As of 31 December 2024, we have not been made aware of any legal challenges to the validity of our patents by any third parties.

Customers

We are the leading national provider of wholesale broadband and ultrabroadband services in Italy. In the year ended 31 December 2024, our total network coverage across technologies spans across approximately 31 million UIs representing approximately 100% of the addressable Italian fixed broadband market.

A significant portion of our customer base consists of a variety of operators, demonstrating our extensive market penetration and capacity to attract a diverse range of end-users. As of 31 December 2024, we provided telecommunication services to approximately 14.5 million active B2B2C lines on our network, and we achieved a wholesale passive access service volume market share of approximately 71% blended across the various broadband technologies that we offer. Our customers include consumer customers, SMEs, SOHOs, the Italian public sector and other large accounts, enterprises, fixed-line telecommunications operators, Internet service providers or access service providers in the wholesale market to multinational companies.

As the leading FTTC provider, we provide network access to all telecommunications operators in Italy. In the FTTH market, we mainly compete with Open Fiber in Black Areas due to overlapping networks. In PNRR FiberCop Areas and Commercial Grey Areas, our network does not have any significant overlap. In Black Areas, our key tenants include TIM and Fastweb, with Iliad and Tiscali also being tenants outside of Black Areas. Other key tenants also include Vodafone, Wind3, Sky Wifi, and other telecommunications operators.

We are committed to sustaining our strategic, multi-year relationships with our direct customers, striving to be an irreplaceable component of their operations. We have solidified our customer base by securing a portion of the former TIM Group's fixed-business customers. Additionally, we have established wholesale agreements with most of the principal operators in competing areas, ensuring a competitive edge and fostering enduring partnerships. This strategic positioning allows us to leverage our unique market status to secure favourable terms and maintain multi-year customer relationships.

Employees

As of 31 December 2024, we had approximately 20,000 employees, approximately 95.8% of which were full-time employees. The average age of our employees was 55. As of 31 December 2024, approximately 22.6% of our employees who hold managerial positions are women.

The majority of our employees' relationships are subject to collective bargaining agreements. In general, the collective bargaining agreements include terms that regulate remuneration, minimum salary, salary complements, extra time, benefits, bonuses and partial disability. Our employees in Italy are subject to the following Italian national collective bargaining agreements (*Contratto Collettivo Nazionale del Lavoro* or *CCNL*):

- Our relations with blue-collar and white-collar employees are regulated by the national collective bargaining agreement for the employees in the modern and organized distribution (*Contratto Collettivo di Lavoro della Distribuzione Moderna e Organizzata*); and
- Our relations with executives are regulated by the national collective bargaining agreement for executives in the tertiary sector (*Contratto Collettivo di Lavoro per i Dirigenti di Aziende del Terzi Ario, della Distribuzione e dei Servizi*).

Pensions

Italian law provides that, upon termination of employment, Italian employees are entitled to severance (*trattamento di fine rapporto*) based on their annual salary, the duration of their employment and the rate of inflation. We have both defined-contribution and defined-benefit pension plans. We make pension contributions on behalf of our employees as required by applicable Italian law. As of 31 December 2024, the amount set aside by us under our severance indemnities under employees' contracts of employment (*trattamento di fine rapporto*) amounted to €308.6 million. Other than increases in contributions required by law, we do not expect significant pension liabilities going forward.

Insurance

We maintain insurance coverage for our potential risks and liabilities associated with our business, including, among others, property damage, data breaches, directors' and officers' liability, professional indemnity, third party liability, product liability, employer's liability, crimes, goods in transit liability and construction related liability. We undertake periodic risk reviews to assess whether our insurance is in line with our business risks and whether the developments in insurance policies are reflective of the changes in our business. We do not insure against certain liabilities or operational risks for which insurance is unavailable or which can only be insured at unreasonable terms, such as war. We believe that our insurance coverage is adequate for the risks associated with our operations and that our policies are in accordance with customary industry best practices. However, there can be no guarantee that the coverage we maintain will be sufficient to cover the entire amount of damages in the event of an extraordinary event. See *"Risk Factors—Risks Related to Our Business and Industry— Our insurance may not be adequate to cover losses or liabilities that may arise."*

Subject to final IVASS approval and authorization, beginning in June 2025, we expect our insurance coverage to be managed and placed through FiberCop Insurance Broker. We believe FiberCop Insurance Broker possesses all the necessary expertise to identify and structure insurance coverage tailored to our business and operational needs. When appropriate, it may also collaborate with specialised external brokers. We believe this approach enables us to achieve greater control over insurance-related costs and to maintain a direct and continuous relationship with leading insurers, ensuring transparency, efficiency, and a high level of customisation in risk management. See *"Summary—Recent Developments—In-House Insurance Broker."*

Environmental, Social and Governance ("ESG")

We recognize the impact that our business activities may have on the environment. We are dedicated to ensuring our business operations are respectful of ESG principles in all spheres of operations. One of our primary goals is to accelerate Italy's transition to a digital and sustainable economy through innovative infrastructure and solutions.

Fiber optics are significantly more energy-efficient than copper. Additionally, fiber-based networks require fewer central offices, enabling a reduction in central office density when transitioning from copper to fiber. This consolidation contributes to lower energy consumption and operational costs. Maintenance demands for fiber are also substantially lower than for copper. The durability of fiber, less susceptible to atmospheric conditions, results in fewer faults and in a longer mean time between failures in comparison to copper. Consequently, the shift to fiber is expected to result in a considerable reduction in maintenance costs. From an environmental perspective, the production of fiber optics is associated with significantly lower CO2 emissions compared to the production of copper wires.

We regularly monitor the impact of our operations to ensure that we can improve our sustainability performance. We believe that by pursuing our sustainability strategy we can contribute to economic prosperity, environmental resilience and societal well-being, thereby shaping a more sustainable and inclusive future for Italy.

Environmental

Our environmental strategy focuses on achieving net-zero emissions through science-based targets and we have set out clear goals and KPIs in areas such as energy management and CO2 emissions. We believe these initiatives will support our climate targets of reducing our Scope 1 and 2 emissions and our key Scope 3 emissions in line with the 1.5°C pathway set forth under the Paris Agreement, and achieving net-zero emissions in the long term across our entire value chain in alignment with the goals of the Paris Agreement. We have also partnered with EnerCop to produce sustainable energy from solar sources.

We have implemented a comprehensive environmental policy and publicly committed to our Science-Based Targets initiative (“SBTi”). Our action plan includes validating targets to SBTi by 2025 and obtaining key environmental certifications to further reinforce our commitment.

We are pursuing a strategic transition from copper to fiber-based infrastructure, recognizing the long-term sustainability benefits of fiber as a superior alternative to the legacy copper network. This shift is not only aimed at enhancing the technological capabilities offered to our customers, but also at minimizing our environmental impact. In particular, we aim to create a sustainable and efficient infrastructure by increasing the use of renewable energy, decommissioning certain copper networks, adopting waste management processes and selecting suppliers who are committed to sustainability. Moreover, fiber is composed of silicon dioxide, the second most abundant material on the earth’s crust, and its use does not pose environmental hazards.

The gradual phasing out and decommissioning of copper networks also presents an opportunity to generate a stockpile of copper that can be recycled, further contributing to circular economy and resource efficiency. For example, we intend to deactivate 6,700 telephone exchanges out of 10,500 existing exchanges by 2028. The decommissioning of copper exchanges, alongside the simultaneous shutdown of all devices linked to traditional services in other connected exchanges, will ultimately reduce energy consumption by about 450,000 MWh and decrease CO2 emissions by 209,600,000 kilograms, which is equivalent to the planting of more than 16 million trees.

For the year ended 31 December 2024, our energy-saving plan led to 62.4 GWh of reduced energy consumption resulting from efficiencies in our fixed-line network and decommissioning activities, including shutting down obsolete technologies and services. We intend to accelerate our energy-saving plan in the next years with projects aimed at switching off Legacy technologies.

Social

We are committed to strengthening our positive social impact. This commitment is underscored by efforts to expand FTTH coverage, thereby advancing digital service penetration and addressing the Italian digital divide, by providing high-speed internet access to underserved areas. Many rural and remote regions still struggle with slow or unreliable connections, which pose limits on opportunities for education, remote work, and digital services. We actively participate in projects for local communities, leveraging approximately €2.3 billion from the PNRR to bring ultra-fast connectivity to previously underserved geographical areas. In addition, we are committed to continue investing in our human resources and to cultivating an inclusive and diverse corporate culture by fostering initiatives aimed at promoting gender equality, bridging the digital divide and enhancing media literacy.

We prioritize human capital development through inclusive workforce practices, comprehensive health and safety programs, and meaningful community engagement. We have a comprehensive corporate welfare framework designed to support the well-being of our employees and to nurture a strong sense of belonging within our organization. We have established Gender Equality & Health & Safety Steering Committees to ensure systematic oversight of these critical areas. Our commitment to workplace safety is reflected in our comprehensive Health & Safety Policy implementation and ISO 45001 (Occupational Health and Safety Management Systems) certification. We have developed accident reduction initiatives to achieve specific targets and extended safety training programs.

We maintain ISO 30415 (Diversity and Inclusion) certification and UNI/PdR 125 (Gender Equality) certification as formal recognition of our commitment to inclusive practices. We have implemented initiatives to achieve targets in reducing gender diversity gap across the organization. Our comprehensive policies address human resources equality, gender-based harassment, sexual harassment, and bullying, while we continuously monitor engagement and inclusion metrics.

Governance

Our business is underpinned by a structured corporate governance to support our goals of long-term sustainability. We have implemented an internal control system through the adoption a risk based organizational and management model pursuant to the Italian Decree 231/2001, which includes specific crime prevention protocols, whistleblowing mechanisms and a disciplinary system to ensure compliance. We have integrated KPIs into executive incentives through a Management by Objectives (“MBO”) approach, focusing on safety and environmental KPIs. Our double materiality analysis has been shared with our Board of Directors, and we have established a C-Level Management Committee for sustainability oversight.

We hold an ISO 9001 (Quality Management Systems) and ISO 37001 (Anti-bribery) certifications. Our action plan includes implementing our ESG strategic plan embedded in the our business plan, achieving additional relevant certifications, enhancing supplier monitoring on ESG criteria, and defining a supplier code of conduct to ensure compliance.

We regularly monitor our internal control system for updates with the aim to ensure its adherence to our industry’s best practices. We also established a centralized and standardized group reporting system, promoting clear communication throughout the organization.

Legal Proceedings and Disputes

We are involved from time to time in various claims and lawsuits arising in the ordinary course of our business, such as labour law related claims, disputes with our suppliers, authorities or business partners, health and safety, environmental and intellectual property disputes as well as criminal proceedings and proceedings under Legislative Decree 231/2001.

To our knowledge, as of the date of this Offering Memorandum, we are not currently involved in any legal proceedings which, either individually or in the aggregate, are expected to have a material adverse effect on our reputation, results of operations and financial condition. See “*Risk Factors—Risks Related to Our Business and Industry—We may be involved in disputes and litigation with regulators, competition authorities, competitors and other parties and may become the subject of a number of investigations by judicial authorities, the ultimate outcome of which is generally uncertain.*”

MANAGEMENT

Board of Directors

The following table sets forth, as of the date of this Offering Memorandum, certain information regarding the individuals who currently serve on the board of directors of the Issuer.

The members of the board of directors of the Issuer can be contacted at the Issuer's registered office in Via Marco Aurelio 24, 20127 Milan, Italy.

Name	Age	Position
Massimo Sarmini.....	76	Chairman and Chief Executive Officer
Manilo Marocco	66	Director
Marco Fontana.....	40	Director
James Anthony Gordon	39	Director
Simone Vellucci	35	Director
Tara Davies.....	47	Director
Gabriele Questa	45	Director
Riccardo Busani	36	Director
Alexandre Van Meeuwen	33	Director
Mauro Miglio	63	Director
Davies Graham Alan	45	Director
Batiste Thomas Degaris Ogier.....	44	Director
Mamoun Jamaï	44	Director
Laurent Fortino.....	48	Director

Executive Officers

The following table sets forth, as of the date of this Offering Memorandum, certain information regarding other individuals, in addition to our Chief Executive Officer, who currently serve as key managers of the Issuer.

Name	Age	Position
André Rogowski.....	54	Chief Financial Officer
Simone Bonannini	54	Chief Revenue & Data Officer
Stefano Paggi.....	61	Chief Technology & Operations Officer
Alberto Boffelli	46	Chief Corporate Officer
Riccardo Busani	36	Chief Strategy Officer

PRINCIPAL SHAREHOLDERS

The legal name of the Issuer is FiberCop S.p.A.

The Issuer was incorporated as a joint stock company under the laws of Italy on 4 November 2020. The Issuer's registered office is Via Marco Aurelio 24, 20127 Milan, Italy. The telephone number is +39 (02) 85951. The Issuer is recorded in the Milan Companies Register with number 11459900962, R.E.A. (*Repertorio Economico Amministrativo*) with number 2604085.

FiberCop's website is <https://www.fibercop.it/en/>.

As of 31 December 2024, principal shareholders' shareholdings are as follows:

	% of ownership (directly or indirectly)
KKR Infrastructure.....	37.8%
Canada Pension Plan Investment Board.....	17.5%
Abu Dhabi Investment Authority	17.5%
Ministry of the Economy and Finance of Italy	16.0%
F2i SGR S.p.A.....	11.2%

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In the course of our ordinary business activities, we enter into various agreements and transactions with related parties. These agreements and transactions, when not dictated by specific laws, are carried out on arm's length terms, in compliance with our related-party transactions procedure, which sets forth rules designed to ensure the transparency and fairness of any transactions it enters into in accordance with CONSOB Regulation No. 17221/2010 of 12 March 2010, as subsequently amended and supplemented, concerning "Related-Party Transactions" (the "*CONSOB Regulation 17221/2010*").

The related-party transactions described in this section are those qualifying as transactions of 'greater importance,' for the purposes of CONSOB Regulation 17221/2010 and Article 7 of Issuer's related-party transactions procedure, in the years ended 31 December 2024 and 2023.

For further information on the recent transactions described below and other related-party transactions, including the effect thereof on the Issuer's financial position or results of operations (as applicable), see Note 29 to the 2024 Audited Financial Statements and Note 2 to the 2023 Audited Combined Carve Out Financial Information each included elsewhere in this Offering Memorandum.

Telenergia Disposition

On 3 December 2024, as part of an internal reorganization, FiberCop sold its shares in Telenergia to EnerCop, a direct subsidiary of Optics HoldCo. See "*Presentation of Financial Information*," "*Unaudited Pro Forma Income Statements*" and "*Business—History*."

BeeXact Services Agreement

In connection with Optics HoldCo's acquisition of BeeXact (see "*Business—History*"), we entered into a services agreement with BeeXact, pursuant to which we have contracted to receive certain services from BeeXact relating to the development of our fiber network through planning network deployment.

Management Equity Program

We are in the process of creating a management equity participation program, which we expect to implement in the near future. Pursuant to this program, we intend for the subscribing managers to enter into an equity participation agreement ("*Equity Participation Agreement*") governing their rights and obligations in connection with their investments in FiberCop, which will be made at the level of Optics HoldCo. The Equity Participation Agreement will be entered into on customary terms.

REGULATION

The Issuer's operations are subject to EU and Italian electronic communications regulations, general competition law and a variety of other regulations, including privacy and security-related regulations. This section summarizes the key areas of such regulatory frameworks.

The EU Electronic Communications Regulatory Framework

Overview

The EU electronic communications regulatory framework is the basis for the national electronic communications laws in all Member States in the EU ("*Member States*"), including Italy where FiberCop operates. The Member States are required to transpose directives issued by the EU Council and Parliament into national legislation, while the regulations issued by the same EU institutions are binding for any Member State without the need for their transposition into national law. Additionally, EU recommendations suggest certain actions and good practices although they do not have any binding effect on the operators active in the different Member States. The EU electronic communications regulatory framework contains provisions on the execution of sectoral activities of national telecommunications providers and sets out general rules applicable to all providers of electronic communication networks and services, as well as specific regulatory obligations that may be imposed by the national regulatory authorities ("*NRAs*"). In all Member States NRAs are independent bodies that are tasked with regulating and supervising the electronic communications sector and ensuring compliance with the EU electronic communications regulatory framework in each Member State.

Directive (EU) 2018/1972 establishing the European Electronic Communication Code ("*EECC*") entered into force on 20 December 2018, and is applicable to FiberCop's operations as implemented through Italian Legislative Decree of 8 November 2021, no. 207. As per its article 125, the EECC builds on the scope of and recasts the objectives and regulatory tools of the repealed EU Directives issued in 2002 and amended in 2009 (the so-called "*Telecom Package*"). The EECC includes a comprehensive set of measures related to: (i) wholesale-only operators and innovative regulatory models applicable for investments in very high capacity network ("*VHCN*"), (ii) new rules on spectrum, such as minimum licence duration to improve investment return, (iii) regulation of services, including the introduction of an improved level playing field between telecom operators and new actors of the communications ecosystem like the Over-the-Top ("*OTT*"), and (iv) a revised scope of Universal Service Obligation ("*USO*") for the benefit of users with low income or special social needs with a view to pursue adequate broadband internet access service as well as voice communications services at a fixed location.

The regulatory framework is also supplemented by EU Directive 2014/61/EU ("*Broadband Cost Reduction Directive*") that aims to facilitate and promote the roll-out of high-speed electronic communications networks (ECN) (i.e. fast broadband internet with speeds above 30 Mbps) in the EU. This objective is pursued by promoting the reuse of existing physical infrastructure, creating the conditions for coordinating civil works and more efficiently installing new physical infrastructure, equipping newly constructed and majorly renovated buildings with physical infrastructure; and streamlining the procedures for granting permits for civil works. Under the Broadband Cost Reduction Directive Member States shall ensure that network operators (telecoms, as well as energy, transport and water) give telecoms operators access to their physical infrastructure and network operators are required to give access to their physical infrastructure, on reasonable terms and conditions, including price.

On 23 February 2023, the European Commission put forward a legislative proposal for a new Regulation (the "*Gigabit Infrastructure Act*") on measures to reduce the cost of deploying gigabit electronic communications networks and repealing the Broadband Cost Reduction Directive, with the aim of setting new rules to enable faster, cheaper and more effective rollout of Gigabit networks across the EU.

Regulation (EU) 2018/1971 of the European Parliament and the Council entered into force on 20 December 2018 and it has repealed Regulation (EC) 1211/2009 and amended Regulation (EU) 2015/2120 (“*BEREC Regulation*”). The BEREC Regulation established the Body of European Regulators for Electronic Communications (“*BEREC*”) and the Agency for Support for BEREC (the “*BEREC Office*”). BEREC acts as a forum for cooperation among each Member State’s NRA and between the NRAs and the European Commission. In addition, BEREC Regulation has introduced maximum retail rates charged to consumers for regulated intra-EU communications in the amount of €0.19 per minute for calls and €0.06 per SMS message, with a five year application between 15 May 2019 and 14 May 2024 (Article 5a of Regulation 2015/2120, as introduced by Article 50 of the BEREC Regulation).

The European Commission Delegated Regulation (EU) 2021/654 supplementing the EECC (“*Delegated Regulation*”) that was published in the Official Journal of the EU (“*OJEU*”) on 22 April 2021, has set the single maximum EU-wide wholesale fixed and mobile voice termination rates, equal to €0.07 cent per minute and €0.2 cent per minute, respectively. Such single maximum fixed termination rate is applicable from 1 July 2021 (by derogation, different caps are set for some Member States up to 31 December 2021), while the single maximum mobile termination rates will be applicable from 1 January 2024 gradually according to a specific glide path that will be discussed below (see “—*The Italian Regulatory Framework—Wholesale Mobile Markets*”), allowing for a swift implementation without significant disruptions for operators.

The European Commission’s Recommendation EU 2020/2245 of 18 December 2020 on relevant product and service markets susceptible to ex ante regulation, identifies those products and service markets in which ex ante regulation may be justified. In alignment with the objectives of the EU electronic communications regulatory framework to progressively reduce ex ante sector-specific rules as competition in the markets develops and, ultimately, to ensure that electronic communications markets are governed only by competition laws, the number of relevant markets in which imposition of ex ante regulation may be justified has been significantly reduced since the first Commission’s Recommendation issued in 2003. By applying the three criteria test from Articles 67(1)(a), (b) and (c) of the EECC, the European Commission has identified (i) the wholesale local access provided at a fixed location market and (ii) the wholesale dedicated capacity market, as the product and service markets in which ex ante regulation may still be justified, subject to meeting the three criteria test to be performed by the Member States’ NRAs.

In September 2016, through its Connectivity for a Competitive Digital Single Market - Towards a European Gigabit Society Communication (COM/2016/587 final, the “*Gigabit Society Communication*”), the European Commission has set out a vision for connectivity in the EU over the following decade that includes growth of the high capacity networks, and has established specific strategic objectives to be achieved by 2025. Such objectives include:

- gigabit connectivity for all main socio-economic drivers such as schools, transport hubs and main providers of public services as well as digitally intensive enterprises;
- access to internet connectivity offering a downlink with a speed of at least 100 Mbps, upgradable to gigabit speed for all European rural and urban households; and
- uninterrupted 5G coverage for all urban areas and major terrestrial transport paths.

Additionally, in order to achieve a successful digital transformation of Europe by 2030, the European Commission has adopted the 2030 Digital Compass: the European way for the Digital Decade (COM/2021/118 final) (“*Digital Compass*”) setting forth the initiative for a creation of a set of digital principles and a legislative proposal that would include a governance framework to monitor the progress of the envisioned digital transformation. The Digital Compass include the following aims:

- *Skills*: securing that at least 80% of all adults possess basic digital skills and that there is 20 million ICT specialists hired in the EU, with predominantly women taking up such jobs;
- *Infrastructure*: putting in place a secure, functional and sustainable digital infrastructures that would include (i) gigabit connectivity for all EU households and 5G coverage for all populated areas, (ii) cutting-edge and sustainable semiconductors (including processors) with at least 20% of the world's production originating from Europe, (iii) a 10,000 climate-neutral highly secure edge nodes and (iv) the development of the first quantum computer in Europe by 2025;
- *Business*: (i) having three out of four companies using cloud computing services, big data and artificial intelligence, (ii) having more than 90% small and medium size businesses reaching at least a basic level of digital intensity, and (iii) doubling the number of EU unicorns; and
- *Government*: digitalisation of public services that would ensure an online availability of all key public services and e-medical records accessible to all citizens, with 80% of citizens using a digital ID solution.

The related Decision (EU) 2022/2481 establishing the Digital Decade Policy Programme (the “*Policy Programme*”) was published in OJEU on 19 December 2022. The Policy Programme introduces a novel form of governance based on cooperation between the Member States and the European Commission to ensure that Member States pool their resources and ultimately jointly achieve the envisioned EU digital transformation.

On 12 December 2022, the European Commission adopted the revised Communication on State aid for broadband networks (the “*Broadband State Aid Guidelines*”), used by the European Commission primarily when it assesses the allocation of state aid for the deployment of fixed and mobile broadband networks and the take-up of available broadband services to support the digital transition, also ensuring its minimal impact on the competition.

On 23 February 2023 the European Commission presented a set of actions aimed to make Gigabit connectivity available to all citizens and businesses across the EU by 2030, in line with the objectives of Europe's Digital Decade, and to enable the transformation of the connectivity sector in the EU. Beyond the aforementioned proposal for a Gigabit Infrastructure Act, this so called “Connectivity package” includes:

- A draft Recommendation, addressed to the Member States' NRAs, on the regulatory promotion of Gigabit connectivity (so-called Gigabit Recommendation) that will replace the Commission Recommendation 2010/572/EU of 20 September 2010 on regulated access to Next Generation Access Networks (NGA) and the Commission Recommendation 2013/466/EU of 11 September 2013 on consistent non-discrimination obligations and costing methodologies to promote competition and enhance the broadband investment environment, both regarding the ex ante remedies on undertakings with significant market power in wholesale regulated fixed access markets.
- An exploratory consultation on the future of the connectivity sector and its infrastructure, to gather views on how increasing demands for connectivity and technological advances may affect the future developments and needs, including on the potential need for all players benefitting from the digital transformation to fairly contribute to the investments in connectivity infrastructure.

Some of the key areas of the EU telecommunication regulatory framework which apply to FiberCop's operations are discussed in more detail below.

Net Neutrality

Net neutrality is a principle providing that there should be no restriction on an individual's access to the networks making up the infrastructure of the internet and that any discrimination, restriction, or interference between the types and sources of data conveyed across such networks should be eliminated, irrespective of the sender and receiver, the content accessed or distributed, and the applications or services used or provided. Regulation (EU) 2015/2120 laying down measures concerning open internet access ("*TSM Regulation*") foresees new rules on net neutrality. In particular, TSM Regulation:

- establishes end-users' access rights to distribute information and content, use and provide applications and services and use terminal equipment of their choice, also forbidding internet service providers from blocking or slowing down specific content and applications or services, except in a very limited set of circumstances;
- allows the implementation by providers of internet access services of reasonable, transparent, non-discriminatory and proportionate traffic management measures aimed at improving quality of the network based on objectively different technical quality of service requirements for specific categories of traffic; such measures shall not be based on commercial considerations but on objectively different technical quality of service requirements of specific categories of traffic and shall not monitor the specific content and shall not be maintained for longer than necessary;
- allows operators to offer services, excluding internet access services, optimised for specific content, applications or services subject to the network capacity and unobstructed availability and quality of internet access services for end-users;
- allows end users to agree with providers of internet access services on tariffs for specific data volumes and speeds of the internet access services. Such commercial practices should not limit the exercise of end users' rights and are subject to monitoring by the NRAs. Additionally, contrary to BEREC's and NRA's previous indications, the European Court of Justice rulings in September 2021 established that zero rating infringes the Net Neutrality rules and is not allowed.

Zero-rating (also called toll-free data or sponsored data) is the practice of mobile network operators ("*MNOs*"), MVNOs, and internet service providers not to charge end customers for data used by specific applications or internet services through their network, in limited or metered data plans. It allows customers to use provider-selected content sources or data services like an app store, without worrying about bill shocks, which could otherwise occur if the same data was normally charged according to their data plans and volume caps. This has especially become an option to market 4G networks but has also been used in the past for SMS or other content services.

- places further transparency obligations for ensuring open internet access on providers of internet access services in addition to those already included in the electronic communications regulatory framework.

Privacy and Data Protection

GDPR has been directly applicable in all EU Member States since 25 May 2018. The purpose of GDPR is to provide for the protection of the individual's right to privacy with respect to the processing of personal data, while allowing a certain degree of flexibility for service providers to process such personal data. As such, GDPR significantly changes the EU and EEA data protection landscape, including strengthening of individuals' rights, stricter requirements on companies processing personal data and stricter sanctions with substantial administrative fines for breaching GDPR of up to 4% of an annual turnover. FiberCop has put in place a specific project to carry out all the activities needed to ensure its compliance with the rules introduced by GDPR.

Additionally, FiberCop's operations are subject to the complimentary sectorial rules under Directive 2002/58/EC (the "*e-Privacy Directive*") implemented into Italian law on 30 June 2003, which imposes additional limitations on the data processing by the electronic communications services operators. Currently, this directive is being under review by the European Commission and the regulatory proposal foresees fines for non-compliance with the rules thereunder that are equal to those for breaches of GDPR.

Data Act

Following publication in the Official Journal on 22 December 2023, the Data Act, a European regulation that introduces harmonized rules on fair access to data and its use, entered into force on 11 January 2024 and will be directly applicable starting from 12 September 2025.

The Data Act covers several areas:

- ***Business to Business***

The aim is to ensure fairness in the allocation of the value of data generated by connected devices among actors in the data economy. The Data Act provides for a shared right in the use of data between the manufacturer and the user of connected devices, allowing the latter to access— without undue delay and free of charge— the data generated by the device and to share such data with third parties to provide after-sales services or other innovative services based on them.

However, the Data Act provides that the circulation of data between companies may require the payment of a reasonable and non-discriminatory price which includes the cost of making it available and the investments made for the collection and production of such data.

The Data Act also recognizes that some data may represent trade secrets, the circulation of which would harm companies' interests and proprietary rights. The text of the Data Act has therefore introduced a series of provisions aimed at protecting such information.

- ***Business to Government***

The Data Act also aims at enabling the access by public sector bodies to data held by the private sector in emergency situations, such as health emergencies or serious natural disasters, and in other exceptional cases, where it is not possible to find the data on the market and the lack of such data prevents the public entity from carrying out a specific task of public interest provided for by law. Data sharing in emergency situations must be carried out free of charge, while in the remaining exceptional cases private entities will be entitled to reasonable compensation.

- ***Cloud Services***

The Data Act introduces interoperability requirements for data processing services – such as cloud or edge computing services – aimed at preventing vendor lock-in phenomena and at facilitating the possibility for users to switch to a new supplier.

Furthermore, the Data Act offers specific safeguards to prevent unlawful transfers of non-personal data held by cloud service providers to third countries in contrast with data protection obligations under EU or Member States' law.

Digital Services Act

Following publication in the Official Journal on 27 October 2023, the Digital Service Act ("*DSA*"), a European regulation that introduces a harmonized rules set of rules designed to protect consumers, define clear responsibilities of digital and online platforms, face illegal content and products, hate

speech and disinformation disseminated via the Internet, as well as to encourage innovation, growth and competitiveness.

The DSA sets out specific obligations for intermediary service providers, which includes a range of actors such as hosting providers, online platforms, and Internet and access network services providers (such as providers of mere conduits, caching services, and hosting services).

The DSA outlines several core obligations for digital services, especially targeting large online platforms and intermediaries. It mandates that online platforms must take proactive steps to address illegal content, protect user rights, and increase transparency in their content moderation processes. This includes providing users with clear and accessible mechanisms for reporting illegal content and filing complaints, as well as requiring platforms to disclose how they moderate and remove such content. Additionally, platforms must assess and mitigate risks related to illegal content and systemic threats, such as disinformation or harm to public health. For very large online platforms, the DSA enforces stricter risk management obligations, including the need to conduct regular audits and provide transparency reports to the authorities.

In addition, the DSA imposes certain duties on them to ensure transparency and facilitate operator's transparency and compliance, which include:

- Appointment of a Point of Contact: intermediary services providers must designate a contact point where users and authorities can address issues related to the transmission of illegal content. This point of contact is essential for facilitating quick and effective cooperation with regulatory authorities;
- Cooperation obligations: Even though intermediary services providers are not directly responsible for content moderation, they are required to cooperate with law enforcement and other competent authorities in cases where content that violates laws or regulations is identified. This includes taking appropriate action when notified of illegal content or services being transmitted via their networks; and
- Transparency Reports: intermediary services providers are required to report the moderation activities they carried out in specific transparency reports, which must then be published on operator's website.

The DSA is fully applicable since 17 February 2024.

Security

The new Directive 2022/2555 on Network and Information Systems ("*NIS2 Directive*"), which replaces the current Directive 2016/1148 (NIS) entered into force on 16 January 2023 and has been transposed into Italian legislation by Legislative Decree no. 138/2024 (the "*NIS2 Decree*" and, together with the NIS2 Directive, the "*NIS2 Regulation*"). The NIS2 Regulation is part of a wider regulatory framework concerning security, which includes the following key acts:

- Regulation (EU) 2019/881 (the "*Cybersecurity Act*") - which has been implemented in Italy with the Legislative Decree no. 123/2022 - that aims to strengthen the role of the European Union Agency for Cybersecurity ("*ENISA*") and to create a common European certification system for information and communication technologies ("*ICT*");
- Directive (EU) 2022/2557 on Critical Entities Resilience (the "*CER Directive*") - implemented in Italy by Legislative Decree no. 134/2024 (the "*CER Decree*") - which establishes measures aimed at ensuring that services critical to the maintenance of essential functions of Member States (so-called "essential services") are provided without hindrance by identifying, among other things, specific obligations aimed at strengthening the resilience of entities operating in

particular sectors and sub-sectors identified by the CER Directive (so-called “critical entities”) and fostering cross-border cooperation between competent authorities. The application of the CER Directive and the identification of the critical entities requires a specific measure to be adopted by the competent sectorial authorities (*Autorità Settoriali Competenti*) by 17 January 2026;

- Regulation (EU) 2024/2487 (the “*Cyber Resilience Act*”) - entered into force on 10 December 2024 and that shall apply, with some exceptions, from 11 December 2027 - that enhances cybersecurity standards of products that contain a digital component, requiring manufacturers and retailers to ensure cybersecurity throughout the lifecycle of their products from a horizontal perspective.

The NIS2 Regulation envisages the extension of the scope of application of the rules on the security of networks and information systems, including on the one hand sectors currently covered by other regulations, which are simultaneously repealed (i.e. the security measures of networks and services of electronic communications, currently included in the EECC) and on the other hand extending the rules to new subjects (e.g. data centres, CDNs, etc.).

While the NIS2 Regulation confirms the obligation to adopt security measures that are proportionate to the risk, it introduces however introducing a series of minimum requirements, including with regard to supply chain security management, and it revises the mandatory notification procedure for cyber incidents.

The penalties for non-compliance with the NIS2 Regulation can be up to 2% of the turnover.

The Italian Regulatory Framework

Overview

The electronic communications regulatory framework applicable to FiberCop’s operations in Italy, is based primarily on the Electronic Communications Code, i.e., Legislative Decree No. 259/2003, as amended by Legislative Decree No. 207 (“*ECC*”) that entered into force on 24 December 2021. By implementing this latest amendment, Italy has transposed the EECC into Italian national law.

Another law affecting FiberCop’s business, related to consumer, data and security protection and specific aspects of the communication sector is the Decree Law No. 76/2020, converted by Law No. 120/2020, and Decree Law No. 77/2021, converted by Law no. 108/2021 (also known as “*Decreti Semplificazioni*”). Especially the latter piece of law contains important simplification measures to speed up the completion of both 5G and the ultrabroadband fiber optic networks in Italy. Furthermore, Decree - Law no. 36/2022 (also known as PNRR 2 Decree), converted by Law no. 29 of June 2022, which introduces measures in the ECC, namely simplified authorization measures for mobile network development, and Decree-Law no. 13/2023 (also known as PNRR 3 Decree) converted by Law No. 41/2023, which introduces other important simplification measures in the authorization process, with the aim of fostering the development of fixed and mobile ultrabroadband. Moreover, Legislative Decree no. 48/2024 introduces measures in the ECC further simplifying measures concerning the authorization process, with the aim of fostering the development of fixed and mobile ultrabroadband, as well as specific provisions to allow a more detailed mapping of broadband infrastructures. Lastly, with Decree of 14 February 2025 the Ministry of Enterprises and Made in Italy has modified the modules attached to the ECC to obtain, *inter alia*, the relevant authorizations aimed at realizing broadband and ultrabroadband infrastructures.

The telecommunications sector in Italy is primarily supervised by the “*Autorità per le Garanzie nelle Comunicazioni*” (“*AGCOM*”), Italy’s NRA for the communications sector. The key duties of AGCOM consist of ensuring fair market competition and protecting fundamental rights of all users of electronic communication networks and services and, more generally, all citizens, also extending to different

functions related to the communications sector. Additional powers related to the electronic communications sector were granted to AGCOM by the Italian Decree Law No. 119/2018 dated 18 December 2018, that also amended the ECC with a view to foster investment in ultra broadband networks. Such AGCOM's powers include defining adequate measures of investment remuneration to incentivise the merger of different access networks placed under the control of a non-vertically integrated subject offering only wholesale network services. Governmental responsibility for electronic communication networks and services in Italy lies with the Ministry of the Enterprises and Made in Italy, having a principal responsibility related to the national broadband plan, spectrum and numbering management as well as integrity and security of the networks.

Market Analysis

The Italian regulatory framework requires AGCOM, in its role as Italian NRA, to carry out periodic market analyses according to the specific EU guidelines before imposing any obligations on any individual operator with a significant market power ("*SMP*").

Such market analysis sets the rules for a period of up to five years. In such context, AGCOM may impose *ex ante* obligations on an operator with SMP when a specific market is found to have three characteristics: (i) high and non-transitory structural, legal or regulatory barriers to entry; (ii) a market structure which does not tend towards effective competition within the relevant time horizon, having regard to the state of infrastructure-based competition and other sources of competition behind the barriers to entry; and (iii) competition law alone is insufficient to adequately address the identified market failures.

In both cases, pursuant to Article 79 of the ECC, AGCOM must impose, based on proportionality principle, one or more of the following obligations on an operator with SMP:

- the obligation to make public specific information, such as that relating to accounting, prices, technical specifications, network characteristics, or terms and conditions (*transparency obligation*);
- the obligation to ensure equivalent conditions in equivalent circumstances to other providers of equivalent services, as well as same conditions and quality as provided for its own services (non-discrimination obligation). Such obligation may include the so-called replicability test (i.e. the obligation, for a vertically integrated operator, to set prices in the retail market that can be replicated by an efficient operator);
- the obligation to keep separate accounts in relation to specified activities related to interconnection or access (*accounting separation obligation*);
- the obligation to meet reasonable requests by competitors for access to civil engineering as well as access to, and use of, specific network elements and associated facilities at fair terms (*access obligation*);
- the obligation to apply cost-oriented prices and cost accounting (*cost-orientation obligation*).

The following sections summarize the key areas of the Italian wholesale market that have been scrutinized by AGCOM to assess competition conditions, along with the recent developments concerning the electronic communications market.

Wholesale Fixed Access Markets

AGCOM's Resolution 114/24/CONS published on 6 May 2024 sets the obligations and economic conditions for wholesale access services for the period from 2024 to 2028. With reference to the most important geographic issues under the market analysis, AGCOM has taken the following major decisions:

- confirmation of the FiberCop’s status as an SMP operator in the wholesale local access provided at a fixed location market (“*Market 1B*”), and wholesale dedicated capacity services from fixed network between an alternative operator’s point of attestation at a network node of the operator offering the service and a user location market (“*Market 2B*”);
- as a consequence of FiberCop SMP in both Market 1B and Market 2B, the following conditions have been imposed over them:
 - (a) the obligation to provide access to and use of certain of FiberCop’s network elements;
 - (b) transparency obligations in relation to wholesale access services to copper and fiber network;
 - (c) non-discrimination obligations. As to FiberCop, it is specifically requested to apply to alternative requesting operators and other FiberCop companies the same economic supply conditions, the same technical supply and repair terms and conditions, using the same systems and processes (*Equivalence of Input - EoI model*);
 - (d) accounting separation obligations; and
 - (e) cost-orientation and cost-fairness obligations with specific services;
- in 95 municipalities considered “*contestable*” in the Market 1B, the cost orientation requirement for access to fiber local access services has been withdrawn. Consistently, in 67 municipalities considered “*contestable*” in the Market 2B, the cost orientation requirement for pricing of wholesale dedicated capacity services (terminating circuits) for which FiberCop is required to charge fair and reasonable prices has been withdrawn. For such municipalities, FiberCop is required to charge prices in accordance with the principles of fairness and reasonableness. The list of “*contestable*” municipalities will be updated during each year. The last updated list is provided under Annex III of Resolution 114/24/CONS.

With Resolution No 315/24/CONS, published in September 2024, AGCOM started a new coordinated analysis of the markets for electronic communications network access services from fixed locations pursuant to Article 89 of the ECC following the implementation of the structural separation of the TIM Group’s fixed access network. The coordinated analysis procedure, which is still ongoing, will update the regulatory framework for the markets for wholesale fixed network access services based on changed competitive conditions following the Acquisition Transactions. During such proceedings, with Resolution No 406/24/CONS adopted a precautionary measure under Article 33(8) of the ECC ordering the immediate suspension of the applicability of the regulatory obligations imposed on FiberCop with Resolution no. 114/24/CONS until the completion of the new procedure started with Resolution No 315/24/CONS.

With Resolution No 38/24/CIR, FiberCop’s economics and technical conditions for the provision of passive fiber-optic network access services (Full-GPON and Semi-GPON services) offered by FiberCop pursuant to Articles 28 and 29 of Resolution No. 114/24/CONS have been approved. This is the first time prices based on the principle of fairness and reasonableness have been approved in Italy.

With Resolution No 103/25/CONS, AGCOM has launched a public consultation regarding the qualification of FiberCop as a “wholesale-only” operator, pursuant to art. 91 of the Code. This consultation ended on 16 May 2025 we expect and the results to be notified to the European Commission in June 2025. We expect another public consultation to be launched by AGCOM in July 2025 to discuss the modification of the regulatory remedies applicable to wholesale only operators.

Co-investment Offer in a VHC network

On 29 January 2021, the TIM Group notified AGCOM of an offer for co-investment pursuant to Articles 76 and 79 of EECC related to the construction of a new fibre network (“*CIO*”), in order to assess the

CIO's conformity with Articles 76 and 79 of EECC that provides for an innovative deregulation regime for new fibre infrastructures. The CIO was subsequently amended and integrated by the TIM Group in March, April, June and December 2021, in accordance with the indications provided by the AGCOM in its "*Preliminary Conclusions*" issued at the end of the market test that was commenced by AGCOM's Resolution 110/21/CONS. The co-investment project related to the CIO is open to any provider of electronic communications networks or services and is the first co-investment project proposed at a national level with a view to implement the innovative model introduced by the EECC to govern it. In particular, the project intends to achieve a total of 9.7 million technical households in 2,549 municipalities by April 2026.

On 11 January 2022, AGCOM published Resolution No. 1/22/CONS that launched the public consultation, on the regulatory treatment of the FiberCop fibre network covered by the CIO.

On 16 May 2022, AGCOM sent a draft of the notification related to the CIO to the European Commission (case IT-2022-2375). However, on 7 June 2022 AGCOM withdrew the notification following TIM Group's notification of an indexation mechanism to the price inflation related to the co-investment offer, pointing to recent, unforeseen and significant increase in inflation. The indexation mechanism was subsequently amended by the TIM Group in July, September and October 2022 on the basis of indications provided by AGCOM.

By its Resolution 385/22/CONS published on 7 November 2022, AGCOM launched a market test on the staggered mechanism of indexation of prices proposed by FiberCop to set the annual inflation rate to be applied to the prices of the CIO from 2023. On 9 February 2023, the Authority communicated to FiberCop its preliminary conclusions requiring a revision of the price indexation model of the co-investment offer.

As a result of the new market test, with Resolution No 339/23/CONS AGCOM has not approved the TIM Group's commitments concerning the last version of the CIO submitted on October 2022 as the Authority resolved that the conditions set forth in Article 76 and 79 of ECC are not met approved cert. Consequently, the TIM Group acknowledged the expiration of the CIO with immediate effect.

Prices for wholesale fixed network access services

By its Resolution 337/22/CONS, subsequently supplemented with Resolution 388/22/CONS, AGCOM opened a public consultation on the prices for the period from 2022 to 2023 for wholesale access services to the fixed network of copper and fibre network offered by the TIM Group and FiberCop. The deadline for stakeholders to present their contributions to the public consultation expired on 5 December 2022. As clarified by AGCOM, the definition of the abovementioned prices for 2022 and 2023 is necessary in order to ensure, pending the completion of the coordinated analysis of the access markets launched by Resolution 637/20/CONS, the necessary regulatory predictability for all operators active in the market, both at wholesale and retail level, and avoid the retroactive application of economic conditions, as repeatedly requested by the European Commission.

This decision reduces the differential between wholesale access prices in fibre and copper by creating, on the one hand, an incentive to invest in new FTTH networks for both the incumbent and new entrants, and on the other hand, an acceleration of customer migration from legacy copper networks to new fibre networks. It is a decision in some ways historical that reverses a ten-year trend of reduction: it was ten years that AGCOM did not adjust copper and FTTC rates upwards, pursuing a policy of maintaining or reducing tariffs.

With Resolution No. 38/24/CIR, AGCOM also approved FiberCop's economic and technical conditions concerning the provision of Semi-GPON and Point-to-Point access services in secondary network, as well as of Full-GPON and End to End access services in accordance with Articles 28 and 29 of Resolution No. 114/24/CONS. Such fees applicable to the mentioned services are made available to all market under non-discriminatory and transparent technical and economic conditions, and in compliance

with the limits of existing network resources and technical standards and conditions for proper network operation.

Terminating Segment of Leased Lines

AGCOM's Resolution 333/20/CONS related to the market of wholesale high-quality access provided at a fixed location divided in two relevant markets concerning the terminating segment of leased lines, published on 31 August 2020, provides the following:

- withdrawal of an ex ante regulation in the competitive area of Milan;
- removal of the cost-orientation obligation for leased lines services 24 municipalities that have been found "*contestable*" in relation to this specific market;
- withdrawal of the obligation to provide the following access services for new activations: (i) analogic terminating circuits, and digital PDH terminating circuits with a speed less than or equal to 2 Mbps, (ii) ethernet over SDH termination and (iii) Ethernet over SDH interconnection links.

Consistently with a previous round of market analysis of prices of PDH, SDH circuits are set according to a network cap model valid for the years 2019, 2020 and 2021, while corresponding one-off fees were reduced by 2% per year. On the other hand, monthly fees and one-off fees for terminating ethernet over optical fibre services will be evaluated yearly by way of the Reference Offer approval procedure.

As for the year 2022, AGCOM proposed in consultation (Resolution No. 337/22/CONS, as subsequently integrated by Resolution No. 388/22/CONS) to confirm prices for the year 2021 for all the services in no-contestable areas, to limit retroactive effect. Considering the instable condition of inflation, in the consultation AGCOM proposed to confirm 2021 prices approved for leased lines over SDH also for year 2023 and confirmed cost orientation for fiber products.

After the national consultation all the proposed provisions were confirmed by Resolution No 132/23/CONS in the notified draft decision to European Commission, except for the prices of Ethernet over fiber leased lines products that were updated consistently with price evolution of VULA FTTH services, for 2022 (-3.36% with respect to 2021) and 2023 (-2.04% with respect to 2022).

With Resolution 15/25/CIR, AGCOM is consulting on the approval of the economic and technical conditions of access services for the years 2024 and 2025. The consultation is expected to be completed in June 2025. The final resolution is expected in September 2025.

Terminal Equipment for Internet Access

On 2 August 2018, AGCOM issued its Resolution 348/18/CONS on terminal equipment (modem) for internet access. In this Resolution, AGCOM clarified that the modem is not part of the network, hence the user's freedom of choice must be guaranteed as established by TSM Regulation.

Pursuant to AGCOM's resolution, from 1 December 2018 onwards, all new offers must ensure that customers can freely choose their terminal equipment, and operators are additionally required to:

- remove any technical limitations of the modem so that the customer may use it for similar services provided by other operators;
- not request additional charges if the modem, which was provided free of charge and not used permanently by the user, is not returned to the operator; and

- allow the current subscribers who in the past have been obliged to accept the paid provision of a modem to either change it with a free of charge modem or, alternatively, withdraw without any penalty.

From 1 December 2018, the TIM Group has been compliant with the free choice of the modem provision. However the TIM Group has appealed AGCOM's Resolution 348/18/CONS before TAR, claiming that the above listed additional obligations imposed to operators by AGCOM are illegitimate and unjustified. The subsequent decision partially upheld the challenges against the obligation concerning the lack of protection of the TIM Group in case the users do not meet their obligations to return the modem received free of charge and not permanently owned, while the other grounds of appeal have been rejected. The decisions of the first instance Administrative Court have been then confirmed in the subsequent proceeding before the Council of State.

In May 2020, the TIM Group has also communicated to customers that have activated before 1 December 2019, an offer for internet access and modem instalment sale, the possibility of joining an equivalent offer of internet without modem with the concurrent allowance for residual instalments.

Regulatory levies

Contribution Fees for the Functioning of AGCOM and for maintaining the authorizations as provider of electronic communications networks and services, together with numbering resources and spectrum rights of use

FiberCop and the other electronic communications operators in the Italian market are required to pay annual contribution fees to cover AGCOM's costs for its regulatory activities over the electronic communications sector. The contribution fees are determined in accordance with the AGCOM's specific resolutions issued yearly by AGCOM and are calculated on the basis of each operator's revenues.

The resolution for calculating the contribution fee in 2025 were aligned with the guidelines for 2024, with the rate of 1.30 per thousand of the operators' revenues for the electronic communications sector and 2 per thousand for the "media" sector and 0.135 per thousand of the operators' revenues due for the activates carried out by AGCOM as Digital Service Coordinator under the Regulation (EU) no. 2022/2065 (the "*Digital Service Act*"). AGCOM issued respectively Resolutions No. 474/24/CONS, No. 475/24/CONS and No. 482/24/CONS relating to contribution fees payment for 2025 and on the basis of the applicable contribution rate. The relevant contributions shall be paid no later than 31 March 2025.

In addition, FiberCop is required to pay additional annual levies to the Ministry for the Enterprises and the Made in Italy for maintaining its authorizations as provider of electronic communications networks and services, together with numbering resources and spectrum rights of use (see below "*—The Italian Regulatory Framework— Spectrum*").

Government's UBB Network State Aid Plans

In June 2016, the European Commission authorized the Italian government's ultra broadband ("*UBB*") State Aid Plan ("*UBB State Aid Plan*") in an amount of €4 billion. The purpose of UBB is to foster expansion of NGA, a new or upgraded access networks, that compared to the existing services will allow for the substantial improvements in broadband speeds and quality of service for 25% of the Italian population living in about 7,200 municipalities across Italy belonging to UBB "subsidy areas" (i.e. the areas where NGA is currently not available and there is no interest of private operators to deploy it in the near future). According to UBB State Aid Plan, these 7,200 municipalities are grouped into two clusters, cluster C and cluster D. According to UBB State Aid Plan, 70% of the connections in cluster C will be provided with at least a speed of 100 Mbit/s for downloading and 50 Mbit/s for uploading services, while the remaining 30% should be able to reach at least a speed of 30 Mbit/s for downloading

and 15 Mbit/s for uploading services. Connections falling under cluster D should be able to download at a speed of at least 30 Mbit/s for and upload at a speed of at least 15 Mbit/s.

On 3 June 2016, Infratel published an invitation for a tender procedure of €1.4 billion for a 20-years concession for deploying and managing an UBB “passive” infrastructure, composed by ducts and dark fibre, in the Subsidy areas in Abruzzo, Molise, Emilia Romagna, Lombardia, Tuscany and Veneto regions. On 7 March 2017, the tender was awarded to Open Fiber.

On 8 August 2016, Infratel published another invitation for a second tender regarding the ultrabroadband Subsidy areas that include ten additional Italian regions (Piemonte, Valle d’Aosta, Friuli Venezia Giulia, Liguria, Marche, Umbria, Lazio, Campania, Basilicata, Sicily and Trento Autonomous Province), for a total public financing of approximately €1.25 billion. The TIM Group did not submit any bids. On 28 July 2017, the second tender was awarded to Open Fiber.

The Italian Strategy for Ultra Broadband “Towards the Gigabit Society” (the “*Strategy*”), approved on 25 May 2021 by the Interministerial Committee for the Digital Transition (“*ICDT*”), defined the actions necessary to achieve the digital transformation objectives set by the European Commission in its Gigabit Society Communication and Digital Compass. See “—*The EU Electronic Communications Regulatory Framework— Overview.*”

The Italian National Recovery and Resilience Plan (“*PNRR*”) approved by the Italian government on 29 April 2021, allocates 27% of the resources to the digital transition, of which €6.7 billion are intended for strategic projects related to the ultra-broadband services, in line with the Government’s strategy launched in 2015. In addition to the objective to complete the coverage plan for UBB Subsidy areas and create measures to support demand, the Strategy mentioned in the previous paragraph is composed by five further public intervention plans to cover the geographical areas in which the supply of infrastructures and very high-speed digital services by market operators is absent, insufficient, or the improvement is not imminently expected. The €6.7 billion funds have been allocated by PNRR’s for the following plans:

- “*Italia a 1 Giga*” Plan;
- “*Italy 5G*” Plan;
- “*Connected Health*” Plan;
- “*Connected School*” Plan; and
- “*Smaller Islands*” Plan.

Through these measures and plans, the Italian government intends to bring forward by 2026 the 1 Gbit/s connectivity objectives for all Italian citizens across the national territory and full 5G coverage in the populated areas set by the Digital Compass for 2030.

“Italia a 1 Giga” Plan

The “Italia a 1 Giga” is a €3.86 billion plan that would guarantee a fixed coverage of 1 Giga in download and at least 200 Mbit/s in upload speed in the Grey and Black areas where, until 2026, the plans of private operators could not guarantee “reliable” download connections of at least 100 Mbit/s.

In April 2021, Infratel started mapping UBB fixed coverage plans for the period starting from 2021 and ending in 2026 by all private operators, including Fixed Wireless Access (“*FWA*”) coverage, based on 21.3 million Grey and Black addresses collected during the previous mappings. The results of the fixed mapping were published on 6 August 2021. The intervention threshold was set at the coverage of 300 Mbit/s, and based on such threshold approximately 6.2 million street addresses were identified as the object of public intervention. Following a public consultation on the methods of intervention, invitations

for tenders with an incentive model on a regional or multi-regional basis will be used for the disbursement of public funding.

Within the “*Italia a 1 Giga*” plan, on 13 October 2021, Infratel launched a complementary consultation that ended on 15 November 2021, relating to updates to the mapping of UBB fixed coverage in the Subsidy areas of the 2016 BUL Plan, which covers 11.8 million citizens, including:

- the street addresses of the BUL tender awarded to the public concessionaire Open Fiber; and
- street addresses corresponding to approximately 450,000 real estate units located in remote areas (so-called “*scattered houses*”), not included in previous public intervention plans.

On the basis of the coverage plans declared by Open Fiber and private operators, 1.6 million street addresses that do not have access to at least 300 Mbit/s coverage, have been identified as subject of public funding for the completion of the “*Italia a 1 Giga*” by 2026.

The “*Italia a 1 Giga Plan*” was sent to the European Commission on 8 November 2021 and was approved on 27 January 2022.

On 15 January 2022, Infratel published the “*Italia a 1 Giga*” invitation for a tender procedure granting public funds for the financing of investment projects aimed at the construction of new electronic communications infrastructures and related access equipment capable of providing services with at least 1 Gbit/s in download and 200 Mbit/s in upload speed, with a deadline of 31 March 2022. The tender included 15 lots covering around 6.9 million citizens and the funding foreseen in the tender amounted to €3.68 billion. Each competitor was able to win up to eight lots. 70% of the expenses incurred will be paid from the public contribution, while remaining share of no less than 30% will be paid by the beneficiary of the public funds. The results of the tenders were published on 24 May 2022 and are as follows:

- the group companies formed by the TIM Group and FiberCop at such time won the tenders relating to: Sardinia (lot 1), Abruzzo, Molise, Marche and Umbria (lot 3), Piemonte, Liguria and Val d’Aosta (lot 4), South Calabria (lot 5), North Calabria (lot 11) and Basilicata (lot 14) for approximately €1.6 billion; and
- Open Fiber won the tenders relating to: Puglia (lot 2), Tuscany (lot 6), Lazio (lot 7), Sicily (lot 8), Emilia-Romagna (lot 9) Campania (lot 10), Friuli Venezia Giulia-Veneto (lot 12) and Lombardia (lot 13) for approximately €1.8 billion.

The tender relating to Trento and Bolzano (lot 15) was resubmitted in April 2022 with a deadline of 3 June 2022 and was awarded to the TIM Group on 28 June 2022 for approximately €65 million. On 29 July 2022, the relevant agreements were signed between Infratel and the operators that had been awarded the individual lots.

“Italy 5G” Plan

The “*Italy 5G*” is a €2.02 billion plan, that provides for 5G coverage with 150 Mbit/s download speed and at least 50 Mbit/s upload speed in the following areas:

- European 5G corridors: these corridors cover 2,645 km and the funds allocated under the plan amount to €420 million;
- extra-urban roads ready for 5G: these roads are extended on an area of approximately 10,000 km, with the plan funds of €600 million; and
- no 5G/4G areas: the funds allocated to this project amount to €1 billion.

To identify the areas to be financed, Infratel has mapped the 4G and 5G mobile coverage plans of private operators for the period from 2021 to 2026, including the sites' fibre backhauling connections. As a result of the mapping, the following were identified as subjects to the public intervention:

- 13,200 mobile radio sites, that include approximately 18,600 Radio Base Stations ("SRBs"), for the implementation of fibre backhauling; and
- 15% of the national territory primarily consisting of crucial land transport routes, such as roads and railways, for the implementation of 5G.

The results were subject to a public consultation opened until 15 December 2021. Following the results of the public consultation, to encourage the creation of infrastructures for the development of 5G networks without investments from the market, on 21 March 2022 Infratel published the following two tenders:

- fibre backhauling tender; and
- new 5G sites tender.

The European Commission approved the State aid measure, including the above tenders on 25 April 2022. The deadline for submitting the bids expired on 9 May 2022.

Fibre Backhauling Tender

The tender provides for incentives for the investments in the construction of fibre optic links of over 10,000 existing mobile radio sites, up to 90% of its costs. It is divided into six multi-regional lots with an investment incentive of approximately €949,1 million. On 13 June 2022, all lots were awarded to the TIM Group for a total value of approximately €725 million, and the relevant agreements related to each lot were signed between Infratel and the TIM Group on 29 July 2022. In connection with the Acquisition Transactions, the assets and activities related to the primary fiber and copper fixed network were transferred to FiberCop (which already owned the secondary infrastructure). Therefore, the obligations arising from the relevant agreements entered into with Infratel lie with FiberCop.

"Connected Health" Plan

The "Connected Health" plan aims to provide connectivity with symmetrical speeds, starting from 1 Gbit/s to 10 Gbit/s to approximately 12,280 healthcare facilities throughout Italy. In order to implement the plan, on 28 January 2022 Infratel launched a tender for the supply of ultra-broadband connectivity services at the public health service facilities in Italy, including the supply and installation of the access network and management and maintenance services, expiring on 11 April 2022.

The invitation provides for an allocation of €387 million and is divided into eight territorial lots. Each bidder could be awarded up to four lots. The provisional results of the tenders awarding €314 million was announced on 6 June 2022. The TIM Group won two of the eight lots comprising the regions of Lombardia, Emilia-Romagna, Marche and Umbria, and was awarded approximately €78 million. The relevant agreements related to these lots were signed between Infratel and the TIM Group on 20 September 2022.

"Connected School" Plan

The "Connected School" plan aims to complete the 2020-2023 School Plan launched by the Italian Government on 5 May 2020, that provided for the supply of an ultra-broadband connection speed up to 1 Gbit/s with a minimum guaranteed speed of 100 Mbit/s. The plan captures 35,000 school buildings, comprising 78% of the total number of the school buildings in Italy. Particularly, these include

kindergartens, primary schools, the first and second level secondary schools, including those located in the Subsidy areas.

In order to implement the plan, between September and December 2020, Infratel carried out a public consultation and issued an invitation for tender with public funding of €274 million divided into seven lots. Each bidder could be awarded up to two lots. On 26 February 2021 Infratel announced the results of the tender awarding €271 million. The TIM Group won two lots that include the regions of Tuscany, Veneto, Marche, Abruzzo, Molise and Puglia, that were awarded €84 million.

The new “Connected School” plan launched in 2022 aims to complete the public intervention by including the remaining 9,900 school buildings into the plan.

In order to implement this plan, on 28 January 2022 Infratel launched a new tender, with a total budget of over €184 million to be awarded for the supply of ultra-broadband internet connectivity services at schools in Italy, including the supply and installation of the access network and management and maintenance services. The tender was divided into eight territorial lots and the same operator could be awarded up to four lots. The provisional award of the tenders was announced on 6 June 2022 with approximately €166 million awarded. The TIM Group won four lots comprising the regions of Piemonte, Liguria, Valle d’Aosta, Tuscany, Lazio, Campania, Calabria, Sicily and Sardinia, winning over €99 million. The related relevant agreements were signed between Infratel and the TIM Group on 20 September 2022.

“Smaller Islands” Plan

The “Smaller Islands” an approximately €60.5 million plan aims to provide an adequate connectivity to 18 smaller islands currently without fibre optic connections with the mainland. In particular, the islands will be equipped with an optical backhaul that will allow a development of an ultra-broadband connectivity. The optical backhaul will be accessible to all operators through Submarine Backhaul Access Points (“SBAP”) identified according to the criterion of the shortest distance from the neutral delivery point (“NDP”), if present on the island, and from the landing point of the submarine cable.

The plan would be implemented through direct intervention models, with the new network financed and owned by the State and managed by one or more operators, chosen on the basis of a competitive, open, transparent and non-discriminatory process.

The tender to identify the economic operators to be entrusted with the design, supply and installation of submarine fibre optic cables for the construction of the “Smaller Islands” plan was launched on 18 November 2021 and ended on 22 December 2021. The tender was abandoned and resubmitted by Infratel on 11 February 2022 with certain modifications. The tender was awarded to Elettra TLC on 28 April 2022 for approximately €45 million.

Extension of Golden Power Legislation to broadband communication systems based on 5G technologies

Under the Golden Power Legislation, the Golden Power Authority may, among others, prohibit or impose undertakings on: (i) the acquisition of shareholdings in Strategic Companies, and (ii) resolutions, acts or transactions concerning a Strategic Company and resulting in a change in ownership, control, possession or intended use of such strategic assets or relationships, including, among others, any merger, de-merger, transfer of business/branch of business as going concern, and the enforcement of pledges over the shares or assets of Strategic Companies. See “Risk Factors— Risks Related to Our Legislative and Legal Framework— The Italian Golden Power Authority has in the past exercised its special powers under the Italian Golden Power Legislation with respect to our business and may in the future exercise again its special powers, including with respect to strategic transactions we may enter into.”

The scope of application of the Golden Power Legislation, also includes broadband communication systems based on 5G technology that are classified as strategic for the national defence and security, as well as certain 5G technological components. In particular, under the Golden Power Legislation, the acquisition of goods, including high technological components, or services related to the design, implementation, maintenance and management of 5G networks is subject to the approval of the Golden Power Authority. To such end, Strategic Companies operating in the sector of 5G broadband communications are required to provide (and to update if necessary every four months) the Italian Golden Power Authority in advance with an annual plan of purchases of goods and services relating to the design, implementation, maintenance and management of 5G networks. As mentioned, such plan is subject to the approval of the Italian Golden Power Authority, including through the potential imposition of undertakings.

Antitrust

Antitrust Issues in Italy

FiberCop is subject to Italian competition laws, particularly Law no. 287 dated 10 October 1990 (*“Provisions aiming at protecting competition and the market”*) that established the Italian antitrust authority, the AGCM. AGCM’s primary responsibilities and powers include the following:

- application of (i) Law no. 287/1990, (ii) the relevant EU provisions, including Article 101 and Article 102 of the Treaty on the Functioning of the European Union (*“TFEU”*), when applicable,
- Legislative Decree No. 206/2005 concerning consumer protection and Legislative Decree No. 146/2007 concerning unfair commercial practices;
- supervision of the (i) practices and/or agreements that could be restrictive for the competition landscape, (ii) abuses of dominant positions and (iii) mergers and concentrations of enterprises; and
- monitoring conflicts of interest in the case of individuals holding government positions.

In addition, AGCM may adopt interim measures and make binding and enforce commitments upon the proposing parties in order to prevent identified competition concerns and violations.

For a description of antitrust issues in Italy see *“Risk Factors—Risks Related to our Business and Industry—We are exposed to risks arising out of our dependence on the TIM Group as a key customer and, to a lesser extent, on all other major telecommunications providers in Italy.”* and *“Risk Factors—Risks Related to our Business and Industry—If we are found liable for anti-competitive practices, we may be subject to substantial liability which could have an adverse effect on our reputation, business, financial condition, results of operations and/or prospects.”*

Antitrust Issues at the European Level

FiberCop is subject to the European competition framework. European competition regulation covers various matters, including anticompetitive agreements (Article 101 TFEU), abuse of dominance (Article 102 of TFEU), mergers with an EU dimension reaching certain turnover thresholds, and state aid (Article 107 of TFEU).

The European Commission is empowered by the TFEU to apply antitrust rules (Articles 101 and 102 TFEU) directly and for that purpose it holds a number of investigative powers, such as inspection at business and non-business premises and written requests for information. It may also impose fines on subjects and their undertakings infringing the EU antitrust rules. The main antitrust rules on procedures are set out in Council Regulation (EC) 1/2003.

Since 1 May 2004, all National Competition Authorities have been empowered to fully apply EU antitrust rules by virtue of Articles 101 and 102 of the TFEU, in order to ensure that competition is not distorted or restricted.

The national courts may also apply these provisions in order to protect the individual rights guaranteed to the EU citizens by TFEU.

As part of the overall enforcement of EU competition law, the European Commission has also developed and implemented a policy on the application of EU competition law to actions for damages before national courts. European Commission also cooperates with national courts in order to ensure the coherent application of the EU competition rules within the Member States.

DESCRIPTION OF CERTAIN OTHER FINANCING ARRANGEMENTS

The following contains a summary of the terms of our key items of indebtedness. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the underlying documents. Capitalised terms not otherwise defined in this section shall, unless the context otherwise requires, have the same meanings set out in the underlying debt documents, as applicable.

Senior Facilities Agreement

Overview

On 19 December 2023, Optics Bidco S.p.A. entered into a senior secured term and revolving facilities agreement between, among others, Banco BPM S.p.A., Bank of America Europe Designated Activity Company, Banco Bilbao Vizcaya Argentaria, S.A., Milan Branch, BNP PARIBAS, Italian Branch, BPER Banca S.p.A., Caixabank, S.A., Succursale in Italia, CIBC Capital Markets (Europe) S.A., Citibank, N.A. London Branch, Crédit Agricole Corporate and Investment Bank, Milan Branch, Deutsche Bank Aktiengesellschaft, Deutsche Bank Luxembourg S.A., J.P. Morgan SE, Mediobanca – Banca di Credito Finanziario S.p.A., Mizuho Bank, Ltd., Morgan Stanley Bank AG, MUFG Bank, Ltd. - Milano Branch, National Westminster Bank Plc, Natixis S.A. – Milan Branch, SMBC Bank EU AG Milan Branch, Société Générale and UniCredit S.p.A. as mandated lead arrangers and UniCredit S.p.A. as facility agent and security agent (the “*Facility Agent*” and “*Security Agent*”) (as amended and/or amended and restated pursuant to certain amendment and/or amendment and restatement agreements 8 April 2024, 10 June 2024, 28 June 2024, 29 July 2024, 4 December 2024, 2 January 2025, 24 January 2025 and twice on 21 May 2025, the “*Senior Facilities Agreement*”).

Pursuant to the Pushdown Merger, the Issuer, as the surviving entity of the Pushdown Merger, assumed the role of the company (the “*Company*”) and the original borrower (the “*Borrower*”) for all purposes under the Finance Documents (as such term is defined in the Senior Facilities Agreement).

The Senior Facilities Agreement provides a euro term loan facility which comprises six tranches, facility B1 (“*Facility B1*”), facility B2 (“*Facility B2*”), facility B3 (“*Facility B3*”), facility B4 (“*Facility B4*”), facility B5 (“*Facility B5*”) and facility B6 (“*Facility B6*” and together with Facility B2, Facility B2, Facility B3, Facility B4 and Facility B5, “*LB*”) and a revolving facility (the “*Revolving Credit Facility*,” and together with the TLB, the “*Credit Facilities*” or the “*Facilities*”) to the Company as original borrower and original guarantor. The total commitments under the TLB, as at the date hereof, are equal in aggregate to €5,422,094,957.80 (which are fully drawn). The total commitments under the Revolving Credit Facility, as at the date hereof, are equal in aggregate to €2,020,000,000.00 (which is fully undrawn). The Senior Facilities Agreement contains the ability for the Company (and any member of the Group) to incur indebtedness (which may be in the form of loans, bonds or notes) for the purpose of directly or indirectly, or otherwise in connection with or pursuant to, refinancing or replacing of all or any portion of the TLB, the Revolving Credit Facility, any additional facility incurred under the Senior Facilities Agreement and/or any other permitted refinancing from time to time, in each case, including any indebtedness incurred for the purpose of the payment of principal, interest, fees, discounts, expenses, commissions, swap breakage costs, premium or other similar amounts payable under or in connection with the permitted refinancing and any amount of the TLB, Revolving Credit Facility, any additional facility incurred under the Senior Facilities Agreement and/or any other permitted refinancing, as the case may be, being refinanced or replaced and any fees, costs and expenses incurred in connection therewith, subject to certain conditions set out in the Senior Facilities Agreement.

Purpose

Borrowings funded under the TLB have been applied towards (directly or indirectly):

- (a) financing or refinancing any amounts payable under or in connection with (i) the contribution of the network business of TIM S.p.A. to FiberCop S.p.A. (“*NetCo*”) (the “*Contribution*”) and (ii) the acquisition by the Company of the shares in NetCo, (iii) the refinancing of certain

indebtedness of the Company and its subsidiaries (the “*Group*”), of NetCo and its subsidiaries (the “*NetCo Group*”) and (iv) the other transactions contemplated by the transaction documents (in each case including the financing thereof) (the “*Transaction*”);

- (b) refinancing (including by way of intercompany loan) any indebtedness of the Group (together with any related costs and expenses), including any indebtedness owing to TIM S.p.A. and existing indebtedness of NetCo;
- (c) financing or refinancing all transaction costs in connection with the Transaction; and/or
- (d) financing or refinancing the general corporate purposes and/or working capital requirements of the Group, provided that the TLB may not be used to (x) fund dividends or distributions to any direct or indirect shareholder of the Company (subject to certain described exceptions) or (y) for purposes described in this paragraph (d) to the extent such use would result in the Group having insufficient resources to refinance its existing indebtedness.

Facility B1 was fully utilized at the date of closing of the Acquisition.

Borrowings under the Revolving Credit Facility may be applied towards (directly or indirectly) the general corporate and working capital purposes of the Group (including, for the avoidance of doubt, capital expenditure, acquisitions, guarantee or bonding requirements, investments and taxes). The Revolving Credit Facility may be drawn in cash or letter of credit and can be made available by lenders thereunder way of bilateral ancillary facility and fronted ancillary facilities. The Revolving Credit Facility is available until the date falling one month before the maturity date of the Revolving Credit Facility (being 60 months after the first utilization date under the Senior Facilities Agreement).

Repayments and prepayments

Repayment of Facility B1, Facility B2, Facility B3, Facility B4 and Facility B5 under the TLB is due on the date falling 60 months after the first utilization date under the Senior Facilities Agreement, being 27 June 2029.

Repayment of Facility B6 under the TLB is due on the date falling 60 months after the first utilization date of Facility B6, being 28 May 2030.

Repayment of loans drawn under the Revolving Credit Facility and related interest payments will be due and payable at the end of the interest period for each loan and final repayment of amounts outstanding under the Revolving Credit Facility is due on the date falling 60 months after the first utilization date under the Senior Facilities Agreement, being 27 June 2029. The applicable interest period is selected in the relevant utilization request or selection notice and will either be one, three or six months subject to certain exceptions.

If it becomes unlawful in any applicable jurisdiction for a lender to perform its obligations under the Senior Facilities Agreement, such lender under the Senior Facilities Agreement will have the right to cancel its commitments. Each Borrower shall repay the relevant lender’s participation in any loans made to that Borrower on the date specified by the relevant lender in the notice delivered to the Company (being no earlier than the last Business Day of any applicable grace period permitted by law).

On a change of control or sale of all or substantially all of the assets of the Group (taken as a whole), a lender may, by notice to the Company to be received not later than the date that is 30 days after the date on which the Agent was notified of such event, cancel all of its commitments and declare all outstanding amounts owed to it due and payable within 15 Business Days of the notice.

In addition, the Senior Facilities Agreement requires that, in respect of each financial half-year of the Company starting from the seventh full financial half-year occurring after the first utilization date under the TLB, a mandatory prepayment of loans under the TLB is made in an amount equal to a percentage of excess cash flow (net of a minimum threshold amount and the amount of any voluntary prepayments

made during such financial year and amounts reinvested in the business of the Group within certain time limits and certain other permitted uses of such amounts).

Additional mandatory prepayment provisions include mandatory prepayment of the net proceeds received in cash in respect of the net proceeds of (i) disposals; (ii) insurance claims; and (iii) claims under the due diligence reports and the TIM Transaction Documents, in each of the above cases subject to certain exclusions and subject to a minimum annual threshold.

The Senior Facilities Agreement allows for voluntary prepayments (subject to de minimis amounts).

Interest and fees

Borrowings under both the TLB and the Revolving Credit Facility initially bear interest at a rate equal to the aggregate of EURIBOR and a margin of 2.25% per annum. EURIBOR has a zero floor under the Senior Facilities Agreement. Borrowings under both the TLB may also bear interest at a rate equal to Term SOFR for loans denominated in U.S. dollars and compounded SONIA for loans denominated in sterling.

The margin for each loan under the TLB and the Revolving Credit Facility shall step up to (i) following the second anniversary of the first utilization date up to and including the third anniversary of the first utilization date, 2.75 per cent. per annum; (ii) following the third anniversary of the first utilization date up to and including the fourth anniversary of the first utilization date, 3.00 per cent. per annum; and (iii) following the fourth anniversary of the first utilization date, 3.50 per cent. per annum.

Default interest on each of the Credit Facilities will be calculated as an additional 1.00% on the overdue amount.

Commitment fees are payable (i) in respect of the TLB, on the available and undrawn commitments under the TLB from and including the Closing Date until the end of the availability period applicable to the TLB, at a rate of 35% of the applicable margin; and (ii) in respect of the Revolving Credit Facility, on the aggregate undrawn and uncanceled amount of the Revolving Credit Facility, until the end of the availability period applicable to the Revolving Credit Facility, at a rate of 35% of the applicable margin for the Revolving Credit Facility. Commitment fees shall also be payable in respect of the TLB on available and undrawn amounts: (i) from and including the date falling 91 days after the date of the Senior Facilities Agreement to and including the date falling 180 days after the date of the Senior Facilities Agreement at the rate of 15% of the initial margin applicable to the TLB and (ii) from the date falling 181 days after the date of the Senior Facilities Agreement until the Closing Date, at the rate of 30% of the initial margin applicable to the TLB.

Such commitment fees are payable on the Closing Date (to the extent accrued) and thereafter on the last day of each successive period of three months following the Closing Date which ends during the relevant availability period applicable to each applicable facility and, if cancelled in full, on the cancelled amount of the relevant lender's commitment at the time the cancellation becomes effective.

The Company is required to pay customary agency fees to each of the Agent and the Security Agent in connection with the Senior Facilities Agreement.

Additional Facilities

The Company may elect to request additional facilities either as a new facility or as additional tranches of the Senior Facilities Agreement (the "*Additional Facilities*"). The Company and the lenders in respect of the Additional Facilities may agree to certain terms in relation to the Additional Facilities, including the margin, the termination date (each subject to certain parameters and conditions as set out in the Senior Facilities Agreement) and the availability period thereof. Unless the indebtedness incurred is otherwise permitted under the Senior Facilities Agreement or a Release Condition (as defined below) applies, the maximum aggregate principal amount of the indebtedness outstanding under all Additional Facilities (after taking into account the application of proceeds of any relevant indebtedness) may not

at any time exceed the maximum amount such that the Company would have complied with the Lock-Up Adjusted Leverage Ratio on the last accounting date preceding the date on which that Additional Facility is utilized (or, at the option of the Company, if earlier, the last accounting date preceding the date on which that Additional Facility is established), with compliance to be determined on a pro forma basis assuming any such utilization and any transaction directly or indirectly funded by that utilization has occurred on the first day of the relevant measurement period.

Guarantees

The Senior Facilities Agreement is guaranteed by the Company and by any Additional Guarantor which shall accede to the Senior Facilities Agreement from time to time. The Senior Facilities Agreement requires that (subject to agreed security principles as set out in the Senior Facilities Agreement (the “*Agreed Security Principles*”) and any additional limitations on guarantees applicable under Italian law) each member of the NetCo Group which is a “Material Subsidiary” (which is generally defined under the Senior Facilities Agreement to include, among other things, any wholly owned subsidiary of the Company that has earnings before interest, tax, depreciation and amortization representing 5% or more of consolidated EBITDA of the Group) as at the first utilization date, will be required to become a guarantor under the Senior Facilities Agreement within the earlier of (a) the date falling 60 days after the Closing Date and (b) the date falling 20 business days following the envisaged reverse merger between the Company and NetCo (the “*Backstop Date*”).

Subject to the Agreed Security Principles and any additional limitations on guarantees applicable under Italian law:

- (a) each member of the Group which is a “Material Subsidiary” (which is generally defined under the Senior Facilities Agreement to include, among other things, any wholly owned subsidiary of the Company that has earnings before interest, tax, depreciation and amortization representing 5% or more of consolidated EBITDA of the Group); and
- (b) obligors that account for at least 80% of the consolidated EBITDA of the Group (excluding the EBITDA of any member of the Group not required to become a Guarantor in accordance with the Agreed Security Principles),

are required to become guarantors under the Senior Facilities Agreement and grant security (as described in the sub-section headed “*Security*” below) within 60 days of each delivery of the Group’s annual audited consolidated financial statements together with each of their holding companies (provided that such holding company is a member of the Group but not including any entity above the Company).

Security

Subject to the Agreed Security Principles and any additional limitations applicable under mandatory provisions under Italian law, the following security interests have been granted on a first priority basis (to the extent legally possible) in favor of the Security Agent over certain assets as described below:

- (a) security over the issued share capital of the Company held by Optics HoldCo (the “*Parent*”); and
- (b) security over receivables arising from material intercompany loans from the Parent to the Company.

Subject to the Agreed Security Principles and any additional limitations applicable under mandatory provisions under Italian law, each other member of the Group required to accede to the Senior Facilities Agreement as a guarantor (as described in the sub-section headed “*Guarantees*” above) is required to grant security over shares held by it in any other Obligor (and the Company will grant security over the shares it holds, if any, in that such additional Obligor).

Representations and warranties

The Senior Facilities Agreement contains certain customary representations and warranties (subject to certain exceptions and qualifications and with certain representations and warranties being repeated), including status and incorporation, power and authority, binding obligations, non-conflict with constitutional documents, applicable laws and certain other obligations, consents and filings, litigation, labour disputes, no default, accounts, environmental warranties, intellectual property, assets, applicable laws, taxation, information, *pari passu* ranking, security interests, guarantees and indebtedness, pension schemes group structure chart and insolvency.

Affirmative covenants

The Senior Facilities Agreement requires certain members of the Group to observe certain affirmative covenants, including:

- (a) maintenance of relevant authorizations and consents;
- (b) compliance with laws;
- (c) payment of taxes;
- (d) maintenance of *pari passu* ranking;
- (e) compliance with obligations relating to pension schemes;
- (f) provision of financial and other information and (in certain circumstances) granting access to books and records to the facility agent and the security agent;
- (g) maintenance of intellectual property;
- (h) maintenance of insurance;
- (i) maintenance of guarantor and security coverage and further assurances;
- (j) compliance with applicable environmental laws;
- (k) using commercially reasonable endeavours to complete a merger pursuant to Article 2501-bis of the Italian Civil Code of the Company with NetCo, with NetCo as the surviving entity (the “*NetCo Merger*”) within six months of the closing date; and
- (l) prepayment of the existing indebtedness at the NetCo level, to be completed within 60 days of the closing date.

The Senior Facilities Agreement also contains an “information covenant” under which, among other things and in the first instance, the Company is required to deliver to the Agent annual financial statements, quarterly financial statements and compliance certificates.

Negative covenants

The Credit Facilities Agreement contains certain customary operating and financial covenants (see “—*Financial covenant*” below), subject to certain exceptions and qualifications, including covenants restricting the ability of certain members of the Group to do the following:

- (a) merge with other companies;
- (b) incur additional indebtedness;
- (c) enter into transactions other than on arm’s length basis;

- (d) enter into certain hedging arrangements;
- (e) make dividends and payments on subordinated debt, grant loans, guarantees or indemnities;
- (f) create security over its assets;
- (g) acquire other businesses or other ownership interests in entities that are not members of the Group;
- (h) dispose of its assets (and any related re-investment rights or prepayment requirements in relation to such sales);
- (i) engage in business which is not a similar line of business;
- (j) enter into investments in any joint venture or similar arrangement; and
- (k) enter into certain leasing arrangements.

Certain obligations, covenants and restrictions set out in the Senior Facilities Agreement shall be amended, suspended or shall cease to apply in the event that the long-term corporate credit rating of the Company is equal to or better than BBB- (or its equivalent) from at least two rating agencies (one of which being either Standard & Poor's or Moody's) (the "*Release Condition*").

Financial covenant

The Senior Facilities Agreement requires that the ratio of the total net debt of the Group on the last day of any measurement period ending on or after the last day of the second complete financial half-year ending after the closing date to the adjusted reported consolidated EBITDA of the Group for that measurement period shall not be greater than 9.0:1. Upon occurrence of the Release Condition, such ratio shall be adjusted to 10:1.

The Company is permitted to prevent or cure breaches of the net leverage covenant by applying a "cure" amount (generally, amounts received by the Company in cash pursuant to any new equity or permitted subordinated debt) as if consolidated EBITDA had been increased by such amount. There is no requirement to apply any cure amount in prepayment of the TLB. No cures may be applied in consecutive accounting periods, no more than four cures may be applied at the option of the Company towards the calculation of adjusted reported consolidated EBITDA or total net debt or borrowings, and no more than three cures may be applied towards the calculation of adjusted reported consolidated EBITDA.

Events of default

The Senior Facilities Agreement contains certain events of default, the occurrence of which would allow the requisite majority of lenders (under and as defined in the Senior Facilities Agreement) to, amongst other actions, accelerate all outstanding loans and terminate their commitments, including, among other events (subject in certain cases to agreed grace periods, financial thresholds and other qualifications):

- (a) failure to pay off any amounts when due under the finance documents entered into in connection with the Facilities;
- (b) breach of the financial covenant or failure to comply with other obligations under the finance documents;
- (c) inaccuracy of a representation or statement when made (subject to materiality qualifications);
- (d) cross defaults;

- (e) (subject to certain thresholds) insolvency, insolvency proceedings and commencement of certain creditors' processes, such as expropriation, attachment, sequestration, distress or execution;
- (f) unlawfulness, invalidity rescission and repudiation, or unenforceability of the finance documents entered into in connection with the Credit Facilities; and
- (g) breach of material obligations under the Intercreditor Agreement by any holding company of the Company.

Governing law and jurisdiction

The Senior Facilities Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law and the courts of England have exclusive jurisdiction to settle any disputes arising out of or in connection with the Senior Facilities Agreement.

Intercreditor Agreement

General

To establish the relative rights of certain of the Optics Group's creditors under Optics Group's financing arrangements, Optics HoldCo S.r.l. (as the "*Original Investor*" and the "*Original Third Party Security Provider*"), the Company (as the "*Original Debtor*") entered into an intercreditor agreement (the "*Intercreditor Agreement*") dated 19 December 2023, with, among others, UniCredit S.p.A. (as "*Senior Facility Agent*" and "*Security Agent*"). Citibank, N.A., London Branch in its capacity as Trustee acceded to the Intercreditor Agreement as a Senior Notes Trustee on 1 July 2024.

The Intercreditor Agreement is governed by English law and sets out, among other things, the relative ranking of certain indebtedness of the Debtors, the relative ranking of certain security granted by the collateral providers, when payments can be made in respect of certain debt of the Debtors, when enforcement action can be taken in respect of that indebtedness, the terms pursuant to which certain of that indebtedness will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

The Intercreditor Agreement additionally provides for Hedge Counterparties and Operating Facility Lenders (each as defined below) to receive guarantees and indemnities from the Debtors on substantially the same terms (including the relevant limitations) as such guarantees and indemnities are provided by the obligors to the finance parties under the Senior Facilities Agreement.

Capitalised terms set forth and used in this section entitled "*—Intercreditor Agreement*" have the same meanings as set forth in the Intercreditor Agreement, which may have different meanings from the meanings given to such terms and used elsewhere in this Offering Memorandum. In particular, in this summary the term "Senior Notes" includes the indebtedness to be incurred under the Trust Deed in respect of the Optics Notes as defined elsewhere in this Offering Memorandum.

Definitions

The following capitalised terms used in this summary of the Intercreditor Agreement have the meaning given to them below. Terms not defined herein shall have the meaning given to them under the Intercreditor Agreement.

"*Bridge Facility Agreement*" means the senior bridge facility agreement dated on or about the date of the Intercreditor Agreement and made between, inter alios, the Company, the Bridge Lenders and the Bridge Facility Agent.

"*Bridge Lender Discharge Date*" means the first date on which all Bridge Lender Liabilities have been fully and finally discharged, whether or not as the result of an enforcement, and the Bridge Lenders are

under no further obligation to provide financial accommodation to any of the Debtors under any of the Bridge Facility Finance Documents.

“*Bridge Lender Liabilities*” means the Liabilities owed by the Debtors and/or (to the extent arising pursuant to the terms of any Third Party Security) any Third Party Security Provider to the Bridge Lenders under the Bridge Facility Finance Documents.

“*Creditors*” means the Senior Secured Creditors, the Senior Parent Creditors, the Hedge Counterparties, the intra-Group lenders and the investors in the Group.

“*Enforcement Action*” means:

- (a) in relation to any liabilities:
 - (i) the acceleration of any liabilities or the making of any declaration that any liabilities are prematurely due and payable (other than as a result of it becoming unlawful for a Senior Secured Creditor or a Senior Parent Creditor to perform its obligations under, or of any voluntary or mandatory prepayment arising under, any of the debt documents);
 - (ii) the making of any declaration that any liabilities are payable on demand;
 - (iii) the making of a demand in relation to a liability that is payable on demand;
 - (iv) the making of any demand against any member of the Group in relation to any guarantee liabilities of that member of the Group;
 - (v) the exercise of any right to require any member of the Group or any Third Party Security Provider to acquire any liability, including exercising any put or call option against any member of the Group or any Third Party Security Provider for the redemption or purchase of any liability but excluding any such right which arises as a result of the permitted debt purchase transactions provisions of the Senior Facilities Agreement (or any other similar or equivalent provision of any of the Secured Debt Documents) and/or any other acquisition of liabilities, acquisition or transaction which any member of the Group or any Third Party Security Provider is not prohibited from entering into by the terms of the Secured Debt Documents and excluding any mandatory offer arising as a result of a change of control or asset sale (howsoever described) as set out in the Senior Notes finance documents or the Senior Parent Notes Finance Documents (or any other similar or equivalent provision of any of the Secured Debt Documents);
 - (vi) the exercise of any right of set-off, account combination or payment netting against any member of the Group or any Third Party Security Provider in respect of any liabilities other than the exercise of any such right:
 - (A) as close-out netting by a Hedge Counterparty or by a hedging ancillary lender;
 - (B) as payment netting by a Hedge Counterparty or by a hedging ancillary lender;
 - (C) as inter-hedging agreement netting by a Hedge Counterparty;
 - (D) as inter-hedging ancillary document netting by a hedging ancillary lender; and/or
 - (E) which is otherwise permitted by the terms of any of the Secured Debt Documents, in each case to the extent that the exercise of that right gives effect to a permitted payment; and
 - (vii) the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group or any Third Party Security Provider to recover any liabilities;

- (b) the premature termination or close-out of any hedging transaction under any hedging agreement, save to the extent permitted by the Intercreditor Agreement;
- (c) the taking of any steps to enforce or require the enforcement of any transaction security (including the crystallization of any floating charge forming part of the transaction security);
- (d) the entry into any composition, compromise, assignment or similar arrangement with any member of the Group or any Third Party Security Provider which owes any liabilities, or has given any security, guarantee or indemnity or other assurance against loss in respect of the liabilities (other than any action permitted under the Intercreditor Agreement or any debt buy-back, tender offer, exchange offer or similar or equivalent arrangement not otherwise prohibited by the debt documents); or
- (e) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, receiver, examiner, administrator or similar officer) in relation to the winding up, dissolution, examinership, administration or reorganization of any member of the Group or any Third Party Security Provider which owes any liabilities, or has given any security, guarantee, indemnity or other assurance against loss in respect of any of the liabilities, or any of such member of the Group's or such Third Party Security Provider's assets or any suspension of payments or moratorium of any indebtedness of any such member of the Group or any Third Party Security Provider, or any analogous procedure or step in any jurisdiction, except that the following shall not constitute Enforcement Action:
 - (i) the taking of any action falling above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods; or
 - (ii) a Senior Secured Creditor or Senior Parent Creditor bringing legal proceedings against any person solely for the purpose of: (a) obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any debt document to which it is party, (b) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages or (c) requesting judicial interpretation of any provision of any debt document to which it is party with no claim for damages; or
 - (iii) bringing legal proceedings against any person in connection with any securities violation, securities or listing regulations or common law fraud; or
 - (iv) to the extent entitled by law, the taking of any action against any creditor (or any agent, trustee or receiver acting on behalf of that creditor) to challenge the basis on which any sale or disposal is to take place pursuant to the powers granted to those persons under any relevant documentation; or
 - (v) any person consenting to, or the taking of any other action pursuant to or in connection with, any merger, consolidation, reorganization or any other similar or equivalent step or transaction initiated or undertaken by a member of the Group or any Third Party Security Provider (or any analogous procedure or step in any jurisdiction) that is not prohibited by the terms of the Secured Debt Documents to which it is a party.

“Equity Contribution” means (a) any subscription for shares issued by, and any capital contributions to, the Original Borrower (in each case *provided* that any such shares are not redeemable at the option of their holder whilst any amount remains outstanding under the Facilities, unless otherwise permitted by the Intercreditor Agreement) and/or (b) any loans, notes, bonds or like instruments issued by or made to the Original Borrower which are subordinated to the Facilities pursuant to the Intercreditor Agreement

(with no right to prepayment or acceleration or cash return payable whilst any amount remains outstanding under the Facilities, in each case, unless otherwise permitted by the Intercreditor Deed) or otherwise on terms satisfactory to the Senior Facility Agent or Bridge Facility Agent, as applicable, acting reasonably.

“First/Second Lien Discharge Date” means the later to occur of the Senior Discharge Date and the Second Lien Discharge Date.

“Group” means the Company and each of its Subsidiaries for the time being *provided* that, notwithstanding anything to the contrary, no Excluded Subsidiary (or any of its Subsidiaries for the time being) shall be a member of the Group (or a Subsidiary, Holding Company or Affiliate of any member of the Group or a Joint Venture) for the purposes of the Senior Finance Documents.

“Hedge Counterparty” means any person that executes or accedes to the Intercreditor Agreement as a Hedge Counterparty.

“Hedging Liabilities” means the liabilities owed by any Debtor to Hedge Counterparties in respect of certain hedging agreements.

“Majority Permitted Parent Financing Creditors” means, in relation to any Permitted Parent Financing Debt, the requisite number or percentage of Permitted Parent Financing Creditors under the Permitted Parent Financing Agreement on whose instructions the Senior Parent Creditor Representative is required to act in relation to the relevant matter.

“Majority Permitted Second Lien Financing Creditors” means, in relation to any Permitted Second Lien Financing Debt, the requisite number or percentage of Permitted Second Lien Financing Creditors under the Permitted Second Lien Financing Agreement on whose instructions the Second Lien Creditor Representative is required to act in relation to the relevant matter.

“Majority Permitted Senior Financing Creditors” means, in relation to any Permitted Senior Financing Debt, the requisite number or percentage of Permitted Senior Financing Creditors under the Permitted Senior Financing Agreement on whose instructions the Senior Creditor Representative is required to act in relation to the relevant matter.

“Majority Priority Creditors” means, at any time, those Priority Creditors whose Priority Credit Participations at that time aggregate more than 66 $\frac{2}{3}$ per cent. of the total Priority Credit Participations at that time.

“Majority Priority Facility Lenders” means, in relation to any Priority Facility, the requisite number or percentage of Priority Facility Lenders under the Priority Facility Agreement on whose instructions the Priority Facility Agent is required to act in relation to the relevant matter.

“Majority Second Lien Creditors” means, at any time, those Second Lien Secured Creditors whose Second Lien Secured Credit Participations (as defined below) at that time aggregate more than 66 $\frac{2}{3}$ % of the total Second Lien Secured Credit Participations at that time.

“Majority Second Lien Lenders” has the meaning given to the term “Majority Lenders” in the Second Lien Facility Agreement.

“Majority Senior Creditors” means, at any time, those Senior Creditors whose Senior Credit Participations at that time aggregate more than 66 $\frac{2}{3}$ % of the total Senior Credit Participations at that time.

“Majority Senior Lenders” means, at any time, subject to certain provisions of the Senior Facilities Agreement, a Senior Lender or Senior Lenders whose Commitments (as defined in the Senior Facilities Agreement) aggregate at least 66 $\frac{2}{3}$ % of the Total Commitments (as defined in the Senior Facilities

Agreement) (or, if the total commitments have been reduced to zero, aggregate at least $66\frac{2}{3}\%$ of the total commitments immediately prior to that reduction).

“Majority Senior / Notes Tranche Lenders” shall mean, at any time, those Senior Lenders and Senior Notes Tranche Holders whose Senior Lender / Notes Tranche Participations at that time aggregate more than $66\frac{2}{3}\%$ per cent. of the total Senior Lender / Notes Tranche Participations at that time.

“Majority Senior / Notes Tranche / Bridge Lenders” shall mean, at any time, those Senior Lenders, Senior Notes Tranche Holders and Bridge Lenders whose Senior Lender / Notes Tranche / Bridge Lender Participations at that time aggregate more than $66\frac{2}{3}\%$ per cent. of the total Senior Lender / Notes Tranche / Bridge Lender Participations at that time.

“New Debt Financing” means any new, additional or increased Liabilities under any Secured Debt Document and/or in connection with any Debt Refinancing (as defined below).

“Operating Facility” means any facility or financial accommodation (including, without limitation, any overdraft or other current account facility, any foreign exchange facility, any guarantee, bonding, documentary or standby letter of credit facility, any credit card or automated payments facility, any short term loan facility and any derivatives facility) provided to a member of the Group by an Operating Facility Lender which is notified to the Security Agent by the Company in writing as a facility or financial accommodation to be treated as an “Operating Facility” for the purposes of the Intercreditor Agreement.

“Operating Facility Document” means, at the election of the Company, any document relating to or evidencing an Operating Facility.

“Operating Facility Lender” means any person that executes or accedes to the Intercreditor Agreement as an Operating Facility Lender.

“Operating Facility Liabilities” means the liabilities owed by any Debtor and/or (to the extent arising pursuant to the terms of any Third Party Security) any Third Party Security Provider to the Operating Facility Lenders under or in connection with the Operating Facility Documents.

“Permitted Parent Financing Agreement” means, in relation to any Permitted Parent Financing Debt, the facility agreement, indenture or other equivalent document by which that Permitted Parent Financing Debt is made available or, as the case may be, issued.

“Permitted Parent Financing Creditors” means, in relation to any Permitted Parent Financing Debt, each of the lenders, holders or other creditors in respect of that Permitted Parent Financing Debt from time to time (including the applicable Senior Parent Creditor Representative).

“Permitted Parent Financing Debt” means any indebtedness incurred by any member of the Group which is notified to the Security Agent by the Company in writing as indebtedness to be treated as “Permitted Parent Financing Debt” for the purposes of the Intercreditor Agreement *provided* that (a) the incurrence of such indebtedness is not prohibited by the terms of the Secured Debt Documents (as defined below) and (b) the providers of such indebtedness or the agent, trustee or other relevant representative in respect of that Permitted Parent Financing Debt have agreed to become a party to the Intercreditor Agreement in such capacity, in each case to the extent not already a party in that capacity.

“Permitted Parent Financing Documents” means, in relation to any Permitted Parent Financing Debt, the Permitted Parent Financing Agreement, any fee letter entered into under or in connection with the Permitted Parent Financing Agreement and any other document or instrument relating to that Permitted Parent Financing Debt and designated as such by the Company and the Senior Parent Creditor Representative in respect of that Permitted Parent Financing Debt.

“Permitted Parent Financing Liabilities” means all liabilities of any Debtor and/or (to the extent arising pursuant to the terms of any Third Party Security) any Third Party Security Provider to any Permitted Parent Financing Creditors under or in connection with the Permitted Parent Financing Documents.

“Permitted Second Lien Financing Agreement” means, in relation to any Permitted Second Lien Financing Debt, the facility agreement, indenture or other equivalent document by which that Permitted Second Lien Financing Debt is made available or, as the case may be, issued.

“Permitted Second Lien Financing Creditors” means, in relation to any Permitted Second Lien Financing Debt, each of the lenders, holders or other creditors in respect of that Permitted Second Lien Financing Debt from time to time (including the applicable Second Lien Creditor Representative).

“Permitted Second Lien Financing Debt” means any indebtedness or obligations incurred by any member of the Group which is notified to the Security Agent by the Company in writing as indebtedness to be treated as “Permitted Second Lien Financing Debt” for the purposes of the Intercreditor Agreement *provided* that (a) the incurrence of such indebtedness or obligations is not prohibited by the terms of the Secured Debt Documents (as defined below) and (b) the providers of such indebtedness or obligations or the agent, trustee or other relevant representative in respect of that Permitted Second Lien Financing Debt have agreed to become a party to the Intercreditor Agreement in such capacity, in each case to the extent not already a party in that capacity.

“Permitted Second Lien Financing Documents” means, in relation to any Permitted Second Lien Financing Debt, the Permitted Second Lien Financing Agreement, any fee letter entered into under or in connection with the Permitted Second Lien Financing Agreement and any other document or instrument relating to that Permitted Second Lien Financing Debt and designated as such by the Company and the Second Lien Creditor Representative in respect of that Permitted Second Lien Financing Debt.

“Permitted Second Lien Financing Liabilities” means all liabilities of any Debtor and/or (to the extent arising pursuant to the terms of any Third Party Security) any Third Party Security Provider to any Permitted Second Lien Financing Creditors under or in connection with the Permitted Second Lien Financing Documents.

“Permitted Senior Financing Agreement” means, so long as any amounts under the Bridge Facility are or may be outstanding, the Bridge Facility Agreement and in relation to any Permitted Senior Financing Debt, the facility agreement, indenture or other equivalent document by which that Permitted Senior Financing Debt is made available or, as the case may be, issued.

“Permitted Senior Financing Creditors” means, so long as any amounts under the Bridge Facility are or may be outstanding, the Bridge Lenders and, in relation to any other Permitted Senior Financing Debt, each of the lenders, holders or other creditors in respect of that Permitted Senior Financing Debt from time to time (including the applicable Senior Creditor Representative).

“Permitted Senior Financing Debt” means (a) any indebtedness or obligations incurred by any member of the Group under the Bridge Facility Agreement; and (b) any other indebtedness or obligations incurred by any member of the Group which is notified to the Security Agent by the Company in writing as indebtedness to be treated as “Permitted Senior Financing Debt” for the purposes of the Intercreditor Agreement (which may, for the avoidance of doubt, include any Senior Notes Tranche Notes), *provided* that (a) the incurrence of such indebtedness or obligations is not prohibited by the terms of the Secured Debt Documents (as defined below) and (b) the providers of such indebtedness or obligations or the agent, trustee or other relevant representative in respect of that Permitted Senior Financing Debt have agreed to become a party to the Intercreditor Agreement in such capacity, in each case to the extent not already a party in that capacity.

“Permitted Senior Financing Documents” means, so long as any amounts under the Bridge Facility are or may be outstanding, the Bridge Facility Finance Documents and in relation to any Permitted Senior Financing Debt, the Permitted Senior Financing Agreement, any fee letter entered into under or in

connection with the Permitted Senior Financing Agreement and any other document or instrument relating to that Permitted Senior Financing Debt and designated as such by the Company and the Senior Creditor Representative under that Permitted Senior Financing Debt.

“Permitted Senior Financing Liabilities” means all liabilities of any Debtor and/or (to the extent arising pursuant to the terms of any Third Party Security) any Third Party Security Provider to any Permitted Senior Financing Creditors under or in connection with the Permitted Senior Financing Documents.

“Primary Creditors” means the Senior Secured Creditors and the Senior Parent Creditors.

“Priority Creditors” means the Priority Facility Lenders and the Priority Hedge Counterparties.

“Priority Creditor Discharge Date” means the first date on which all Priority Facility Liabilities and Priority Hedging Liabilities have been fully and finally discharged (if applicable, including by way of defeasance permitted in accordance with the Priority Facility Finance Documents and/or the relevant Hedging Agreements), whether or not as a result of an enforcement, and the Priority Creditors are under no further obligation to provide any financial accommodation to any of the Debtors under the Priority Facility Finance Documents and/or the relevant Hedging Agreements.

“Priority Facility” means any facility which is notified to the Security Agent by the Company in writing as a facility to be treated as a “Priority Facility” for the purposes of the Intercreditor Agreement *provided* that such Priority Facility is established in accordance with the Intercreditor Agreement.

“Priority Facility Agent” means, in relation to any Priority Facility, the agent, trustee or other relevant representative in respect of that Priority Facility.

“Priority Facility Agent Liabilities” means the Agent Liabilities owed by the Debtors and/or (to the extent arising pursuant to the terms of any Third Party Security) any Third Party Security Provider to the relevant Priority Facility Agent under or in connection with the Priority Facility Finance Documents.

“Priority Facility Agreement” means, in relation to any Priority Facility, the facility agreement, indenture or other equivalent document by which that Priority Facility is made available or, as the case may be, issued.

“Priority Facility Arranger Liabilities” means the Arranger Liabilities owed by the Debtors to any Priority Facility Arranger under or in connection with the Priority Facility Finance Documents.

“Priority Facility Discharge Date” means the first date on which all Priority Facility Liabilities have been fully and finally discharged (if applicable, including by way of defeasance permitted in accordance with the Priority Facility Finance Documents), whether or not as a result of an enforcement, and the Priority Facility Lenders are under no further obligation to provide any financial accommodation to any of the Debtors under the Priority Facility Finance Documents.

“Priority Facility Finance Documents” means, in relation to any Priority Facility, the Priority Facility Agreement, any fee letter entered into under or in connection with the Priority Facility Agreement and any other document or instrument relating to that Priority Facility and designated as such by the Company and the Priority Facility Agent in respect of that Priority Facility.

“Priority Facility Lenders” means, in relation to any Priority Facility, each of the lenders or other creditors in respect of that Priority Facility from time to time (including the applicable Priority Facility Agent) which becomes a party to the Intercreditor Agreement as a Priority Facility Lender.

“Priority Facility Liabilities” means all Liabilities of any Debtor and/or (to the extent arising pursuant to the terms of any Third Party Security) any Third Party Security Provider to any Priority Facility Lenders under or in connection with the Priority Facility Finance Documents.

“Priority Hedge Counterparties” means any Hedge Counterparties in respect of Priority Hedging Liabilities.

“Priority Hedging Liabilities” means any Hedging Liabilities, which are notified to the Security Agent by the Company in writing as Hedging Liabilities to be treated as “Priority Hedging Liabilities” for the purposes of the Intercreditor Agreement.

“Second Lien Agent” means the Second Lien Facility Agent and/or any Second Lien Creditor Representative, as the context requires.

“Second Lien Arranger Liabilities” means the liabilities owed by the Debtors and/or (to the extent arising pursuant to the terms of any Third Party Security) any Third Party Security Provider to any Second Lien Arranger under or in connection with the Second Lien Finance Documents.

“Second Lien Creditor Representative” means, in relation to any Permitted Second Lien Financing Debt, the agent, trustee or other relevant representative in respect of that Permitted Second Lien Financing Debt.

“Second Lien Debt” means any Financial Indebtedness outstanding under any Second Lien Facility.

“Second Lien Discharge Date” means the date that the Second Lien Lender Liabilities and the Permitted Second Lien Financing Liabilities have been discharged.

“Second Lien Facility” has the meaning given to the term “Facility” in the Second Lien Facility Agreement.

“Second Lien Facility Agreement” means any second lien facility agreement entered into or to be entered into by a member of the Group which is notified to the Security Agent by the Company in writing as a facility agreement to be treated as the “Second Lien Facility Agreement” for the purposes of the Intercreditor Agreement *provided* that (i) the providers of the indebtedness under such agreement have agreed to become³ a party to the Intercreditor Agreement as a Second Lien Facility Finance Party, or (ii) the agent, trustee or other relevant representative in respect of the Second Lien Facility Agreement has agreed to become a party to the Intercreditor Agreement as a Second Lien Facility Finance Party and Second Lien Facility Agent on behalf of the providers of such indebtedness.

“Second Lien Lenders” means each Lender under and as defined in the Second Lien Facility Agreement.

“Second Lien Lender Liabilities” means the liabilities owed by the Debtors and/or (to the extent arising pursuant to the terms of any Third Party Security) any Third Party Security Provider to the Second Lien Lenders under the Second Lien Finance Documents.

“Second Lien Liabilities” means the Second Lien Lender Liabilities and any Permitted Second Lien Financing Liabilities.

“Second Lien Secured Creditors” means the Second Lien Facility finance parties and/or the Permitted Second Lien Financing Creditors, as the context requires.

“Secured Debt Documents” means the Senior Facilities Finance Documents (as defined below), the Priority Facility Finance Documents, the Senior Notes finance documents, the Permitted Senior Financing Documents, the hedging agreements regulated by the Intercreditor Agreement, the Operating Facility finance documents, the Second Lien Finance Documents, the Permitted Second Lien Financing Documents, the Senior Parent Notes Finance Documents and/or the Permitted Parent Financing Documents.

“Secured Party” means, to the extent legally possible and subject to the Agreed Security Principles, each of the Security Agent, any receiver or delegate and each of the creditor representatives of the relevant secured creditors, the arrangers under the Senior Facilities Agreement, the Operating Facility Lenders, the Senior Secured Creditors and the Senior Parent Creditors from time to time but, to the extent required by the Intercreditor Agreement, only if it is a party to the Intercreditor Agreement or has acceded to it, in the appropriate capacity, pursuant to its terms.

“Senior Agent Liabilities” means the liabilities owed by the Debtors and/or (to the extent arising pursuant to the terms of any Third Party Security) any Third Party Security Provider to the Senior Facility Agent under or in connection with the Senior Facilities Finance Documents.

“Senior Arranger Liabilities” means the liabilities owed by the Debtors to any Senior Arranger under or in connection with the Senior Facilities Finance Documents.

“Senior Creditor Liabilities” means the Senior Lender Liabilities, the Hedging Liabilities, the Priority Facility Liabilities and the Operating Facility Liabilities.

“Senior Creditor Representative” means, so long as any amounts under the Bridge Facility are or may be outstanding, the Bridge Facility Agent and in relation to any other Permitted Senior Financing Debt, the agent, trustee or other relevant representative in respect of that Permitted Senior Financing Debt.

“Senior Creditors” means the Senior Lenders, Senior Notes Tranche Holders, Priority Facility Lenders and the Hedge Counterparties.

“Senior Discharge Date” means the first date on which each of the Senior Creditor Discharge Date, the Senior Notes Discharge Date and the Permitted Senior Financing Discharge Date has occurred.

“Senior Financing Agreement” means the Priority Facility Agreement, the Senior Facilities Agreement, the Second Lien Facility Agreement, any Senior Notes Indenture, any Permitted Senior Financing Agreement and/or any Permitted Second Lien Financing Agreement, as the context requires.

“Senior Lender” means each of the lenders, issuing banks and ancillary lenders under the Senior Facilities Agreement.

“Senior Lender Liabilities” means the liabilities owed by the Debtors and/or (to the extent arising pursuant to the terms of any Third Party Security) any Third Party Security Provider to the Senior Lenders under the Senior Facilities finance documents.

“Senior Liabilities” means the Senior Creditor Liabilities, the Second Lien Lender Liabilities, the Senior Notes Liabilities, the Permitted Senior Financing Liabilities and the Permitted Second Lien Financing Liabilities (as applicable).

“Senior Noteholders” means the registered holders from time to time of the applicable Senior Notes.

“Senior Notes” means high yield notes, exchange notes, debt securities and/or other debt instruments issued or to be issued by any member of the Group which are notified to the Security Agent by the Company in writing as indebtedness to be treated as “Senior Notes” for the purposes of the Intercreditor Agreement.

“Senior Notes Creditors” means, on and from the first Senior Notes Issue Date, the Senior Noteholders and each Senior Notes Trustee.

“Senior Notes/Permitted Financing Credit Participations” means the aggregate of all the Senior Secured Credit Participations at any time of the Senior Notes Creditors and the Permitted Senior Financing Creditors.

“Senior Notes Tranche Finance Documents” means the Senior Notes Tranche Notes, each Senior Notes Tranche Trust Deed, each Senior Notes Tranche Subscription Agreement, each guarantee granted by a member of the Group in respect of the Senior Notes Tranche Notes, the Intercreditor Agreement, the Security Documents and any other document entered into in connection with the Senior Notes Tranche Notes and designated a Senior Notes Tranche Finance Document by the Company and the applicable Senior Notes Tranche Trustee (which, for the avoidance of doubt, excludes any document to the extent it sets out rights of any initial purchasers of the Senior Notes Tranche Notes (in their capacities as initial purchasers) against any member of the Group).

“Senior Notes Tranche Finance Parties” means any Senior Notes Tranche Notes Trustee (on behalf of itself and the Senior Notes Tranche Holders which it represents), any Senior Notes Tranche Holder and the Security Agent.

“Senior Notes Tranche Holder Discharge Date” means the first date on which all Senior Notes Tranche Holder Liabilities have been fully and finally discharged, whether or not as the result of an enforcement, and the Senior Notes Tranche Holders are under no further obligation to provide financial accommodation to any of the Debtors under any of the Senior Notes Tranche Finance Documents.

“Senior Notes Tranche Holders” means each holder of Senior Notes Tranche Notes from time to time.

“Senior Notes Tranche Holder Liabilities” means the Liabilities owed by the Debtors and/or (to the extent arising pursuant to the terms of any Third Party Security) any Third Party Security Provider to the Senior Notes Tranche Finance Parties under the Senior Notes Tranche Finance Documents (excluding any Senior Notes Tranche Notes Trustee Amounts).

“Senior Notes Tranche Notes” means any debt securities and/or other debt instruments issued or to be issued by any member of the Group in connection with any refinancing or replacement of all or any part of the Senior Lender Liabilities (or any such refinancing or replacement indebtedness from time to time) which are notified to the Security Agent by the Company in writing as indebtedness to be treated as Permitted Senior Financing Indebtedness and further as “Senior Notes Tranche Notes” for the purposes of the Intercreditor Agreement.

“Senior Notes Tranche Notes Trustee” means any entity acting as trustee under any issue of Senior Notes Tranche Notes (to the extent it has acceded to the Intercreditor Agreement).

“Senior Notes Trustee” means any entity acting as trustee under any issue of Senior Notes (to the extent it has acceded in such capacity to the Intercreditor Agreement in accordance with its terms) in each case as the context requires.

“Senior Parent Creditors” means, on and from the first Senior Parent Notes Issue Date, the Senior Parent Noteholders, the Senior Parent Notes Trustee and any Permitted Parent Financing Creditors.

“Senior Parent Creditor Representative” means in relation to any Permitted Parent Financing Debt, the agent, trustee or other relevant representative in respect of that Permitted Parent Financing Debt.

“Senior Parent Debt Issuer” means, in relation to any Senior Parent Notes or Permitted Parent Financing Debt, the member of the Group which is the issuer, or, as the case may be, the borrower of those Senior Parent Notes or that Permitted Parent Financing Debt, *provided* that no member of the Group which is:

an issuer or, as the case may be, a borrower of any outstanding Senior Term Debt, outstanding Senior Notes, outstanding Second Lien Debt, outstanding Permitted Senior Financing Debt or outstanding Permitted Second Lien Financing Debt; or

a subsidiary of a member of the Group falling within (a) above (other than a subsidiary which is a financing vehicle), may be a Senior Parent Debt Issuer.

“Senior Parent Finance Parties” means any Senior Parent Notes Trustee (on behalf of itself and the Senior Parent Noteholders that it represents), any Senior Parent Noteholder, the Security Agent and the Permitted Parent Financing Creditors.

“Senior Parent Liabilities” means the Senior Parent Notes Liabilities and any Permitted Parent Financing Liabilities.

“Senior Parent Noteholders” means the registered holders from time to time of the Senior Parent Notes.

“*Senior Parent Notes*” means high yield notes, exchange notes, debt securities and/or other debt instruments issued or to be issued by any member of the Group which are notified to the Security Agent by the Company in writing as indebtedness to be treated as “Senior Parent Notes” for the purposes of the Intercreditor Agreement.

“*Senior Parent Notes Finance Documents*” means, generally, the Senior Parent Notes, each indenture for Senior Parent Notes, guarantees of the Senior Parent Notes, the Intercreditor Agreement, the relevant security documents securing the liabilities in respect of the Senior Parent Notes and any other document designated as such by the Company and the applicable Senior Parent Notes Trustee.

“*Senior Parent Notes Liabilities*” means, generally, the liabilities owed by any Debtor and/or (to the extent arising pursuant to the terms of any Third Party Security) any Third Party Security Provider to the Senior Parent Notes Creditors and the Security Agent under the finance documents for the Senior Parent Notes (excluding, generally, certain amounts owed to the relevant Senior Parent Notes Trustee in respect of each issuance of Senior Parent Notes).

“*Senior Parent Notes Trustee*” means any entity acting as trustee under any issue of Senior Parent Notes (to the extent it has acceded in such capacity to the Intercreditor Agreement in accordance with its terms) in each case as the context requires.

“*Senior Secured Creditors*” means the Senior Creditors, the Senior Notes Creditors, the Second Lien Lenders, the Permitted Senior Financing Creditors and/or the Permitted Second Lien Financing Creditors, as the context requires.

“*Third Party Security*” means Transaction Security granted by a Third Party Security Provider.

“*Third Party Security Provider*” means the Original Third Party Security Provider and any other person that is not a member of the Group and that has provided Transaction Security over any or all of its assets but is not a Debtor in respect of any of the direct Borrowing Liabilities or Guarantee Liabilities of the Secured Obligations to which that Transaction Security relates and which has acceded to the Intercreditor Agreement as a Third Party Security Provider.

Debt Refinancing, Priority Facilities and Priority Hedging Liabilities

The Intercreditor Agreement permits any of the liabilities under the debt documents to be refinanced, replaced, increased or otherwise restructured in whole or in part including by way of Permitted Senior Financing Debt, Second Lien Debt, Permitted Second Lien Financing Debt and/or Permitted Parent Financing Debt or the issue of additional Senior Notes and/or Senior Parent Notes, or the establishment of new or additional Operating Facilities or the establishment of new or additional Priority Facilities (each a “*Debt Refinancing*”).

Each party to the Intercreditor Agreement shall be required to enter into any amendment to or replacement of the then current Secured Debt Documents and/or take such other action as is required by the Company in order to facilitate such a Debt Refinancing including changes to, the taking of, or release and retake of any guarantee or security (except for any release of the security over the shares in the Company, unless following the relevant transaction such share security is replaced by security provided by an alternative holding company which continues to own all the shares or other equivalent ownership interests in the Company or in another person which acts as the common holding company for all operating entities in the Group and those shares or other ownership interests are subject to the transaction security), subject to certain conditions.

In any event, prior to the later of the Senior Lender Discharge Date, the Bridge Lender Discharge Date and the Senior Notes Tranche Holders Discharge Date, unless otherwise agreed by the Majority Senior / Notes Tranche / Bridge Lenders, the Company shall not (i) establish any Debt Refinancing which is a Priority Facility which would rank ahead of the Senior Lender Liabilities, the Bridge Lender Liabilities and/or the Senior Notes tranche Holder Liabilities, and/or a Second Lien Facility or any Permitted Second Lien Financing Debt, any Senior Parent Notes or any Permitted Parent Financing debt, in each

case that would become subject and benefit from the Intercreditor Agreement, or (ii) cause any Hedging Liabilities to be treated as Priority Hedging Liabilities.

At the option of the Company, a Debt Refinancing may be made available on a basis which is senior to, *pari passu* with or junior to any of the other liabilities, shall be entitled to benefit from all or any of the security, may be made available on a secured or unsecured basis (subject to certain restrictions) and may be effected in whole or in part by way of a debt exchange, non-cash rollover or other similar or equivalent transaction, in each case unless otherwise prohibited by the Debt Financing Agreements or the Intercreditor Agreement.

Under the terms of the Intercreditor Agreement each agent, each Secured Party and each Primary Creditor agrees that it shall co-operate with the Company, each other member of the Group, each Third Party Security Provider and each agent in order to facilitate any Debt Refinancing (including by way of, at the request and cost of the Company, executing any document or agreement and/or giving instructions to any person).

In the event of any refinancing or replacement of all or any part of the Senior Lender Liabilities (or any such refinancing or replacement indebtedness from time to time), the Company shall be entitled to require that the definition of Instructing Group is amended such that the relevant refinancing or replacement indebtedness is treated in the same manner as the Senior Facilities (meaning that for the purpose of calculating the voting entitlement of any person, at the option of the Company all or any part of the relevant refinancing or replacement indebtedness may be treated as Senior Secured Credit Participations of the Senior Creditors and not Senior Notes/Permitted Financing Credit Participations).

In the event that any Priority Facility becomes subject to the provisions of the Intercreditor Agreement, the Company shall be entitled to require that all or any part of the liabilities in relation to Hedging Liabilities and/or the Operating Facility Liabilities shall rank in right and priority of payment *pari passu* with that Priority Facility (which, for the avoidance of doubt, may result in such Hedging Liabilities and/or, as the case may be, Operating Facility Liabilities ranking ahead of the Senior Lender Liabilities, the Senior Notes Liabilities, the Permitted Senior Financing Liabilities, the Senior Parent Notes Liabilities and/or the Permitted Parent Financing Liabilities) in each case unless otherwise prohibited by the Debt Financing Agreements.

Ranking and Priority

Priority of Debts

Subject to the provisions set out under the caption “—*Senior Parent Liabilities and Security*” below, the Intercreditor Agreement provides that the liabilities owed by the Debtors (other than any Senior Parent Debt Issuer to the extent relating to liabilities in respect of Senior Parent Notes and/or Permitted Parent Financing Debt where that Senior Parent Debt Issuer is the issuer or the borrower) to the Primary Creditors and the Operating Facility Lenders shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

- (a) **first**, the Senior Lender Liabilities, the Senior Notes Liabilities, the Permitted Senior Financing Liabilities, the Hedging Liabilities, the Operating Facility Liabilities, the Priority Facility Liabilities, the Second Lien Lender Liabilities, the Permitted Second Lien Financing Liabilities, the Senior Arranger Liabilities, the Second Lien Arranger Liabilities, the Senior Agent Liabilities, the Priority Facility Agent Liabilities, amounts due to the Senior Notes Trustee, the Second Lien Agent Liabilities and amounts due to the Senior Parent Notes Trustee *pari passu* and without any preference amongst them; and
- (b) **second**, the Senior Parent Notes Liabilities and the Permitted Parent Financing Liabilities *pari passu* and without any preference amongst them,

The liabilities owed by any Senior Parent Debt Issuer (to the extent relating to Liabilities in respect of Senior Parent Notes and/or Permitted Parent Financing Debt where that Senior Parent Debt Issuer is the

issuer or the borrower) to the Primary Creditors and the Operating Facility Lenders shall rank *pari passu* in right and priority of payment without any preference amongst them.

Priority of Security

The Intercreditor Agreement provides that the security shall secure the liabilities (but only to the extent that such security is expressed to secure those liabilities) in the following order:

- (a) **first**, the Senior Lender Liabilities, the Senior Notes Liabilities, the Permitted Senior Financing Liabilities, the Hedging Liabilities, the Operating Facility Liabilities, the Priority Facility Liabilities, the Senior Arranger Liabilities, the Senior Agent Liabilities, the Priority Facility Agent Liabilities, amounts due to the Senior Notes Trustee, the Second Lien Agent Liabilities and amounts due to the Senior Parent Notes Trustee *pari passu* and without any preference amongst them;
- (b) **second**, the Second Lien Lender Liabilities, the Permitted Second Lien Financing Liabilities and the Second Lien Arranger Liabilities *pari passu* and without any preference amongst them; and
- (c) **third**, the Senior Parent Notes Liabilities and the Permitted Parent Financing Liabilities *pari passu* and without any preference amongst them.

Senior Parent Liabilities and Security

The Senior Parent Notes Liabilities and the Permitted Parent Financing Liabilities owed by a Senior Parent Debt Issuer (to the extent relating to Liabilities in respect of Senior Parent Notes and/or Permitted Parent Financing Debt where that Senior Parent Debt Issuer is the issuer or, as the case may be, the borrower) are senior obligations of that Senior Parent Debt Issuer. Notwithstanding the preceding sentence, the Senior Parent Notes Creditors and the Permitted Parent Financing Creditors agree that, until the First/Second Lien Discharge Date, they may not take any steps subject to the security documents in connection with any Enforcement Action, other than as expressly permitted by the Intercreditor Agreement.

For the avoidance of doubt, the restrictions set out in the preceding paragraph shall not impair the right of the Senior Parent Creditors and/or the Permitted Parent Financing Creditors to institute suit for the recovery of any payment due by a Senior Parent Debt Issuer in respect of the Senior Parent Notes Liabilities and/or the Permitted Parent Financing Liabilities (in each case to the extent relating to liabilities in respect of Senior Parent Notes and/or Permitted Parent Financing Debt where that Senior Parent Debt Issuer is the issuer or, as the case may be, the borrower).

Intra-Group Liabilities and Investor Liabilities

The Intercreditor Agreement provides that the intra-Group liabilities and the liabilities of the Group to an investor are postponed and subordinated to the liabilities owed by the Debtors and the Third Party Security Providers to the Primary Creditors and the Operating Facility Lenders, but does not purport to rank any of those liabilities as between themselves.

Additional and/or Refinancing Debt

The Creditors and the Operating Facility Lenders acknowledge in the Intercreditor Agreement that the Debtors (or any of them) may wish to incur incremental borrowing liabilities (including guarantees of such liabilities) or refinance or replace borrowing liabilities (including incurring guarantee liabilities in respect of such refinancing or replacement). Such liabilities are intended to rank *pari passu* with any other liabilities and/or share *pari passu* in any security and/or to rank behind any other liabilities and/or to share in any security behind any such other liabilities.

The Creditors and the Operating Facility Lenders undertake in the Intercreditor Agreement (at the cost of the Debtors) to co-operate with the Company and the Debtors with a view to enabling and facilitating such financing, refinancing or replacement and such sharing in the security (provided it is not prohibited by the terms of the Debt Financing Agreements at such time) to take place in a timely manner. In particular, but without limitation, each of the Secured Parties authorizes and directs each of its respective agents and the Security Agent to execute any amendment to or replacement of the Intercreditor Agreement and such other debt documents and/or (subject to certain pre-conditions) release and retake of security required by the Company to reflect, enable and/or facilitate any such arrangements (including, as regards the ranking of any such arrangements).

If a Debtor incurs any new, additional or increased liabilities under any Secured Debt Document and/or in connection with any Debt Refinancing, at the option of the Company, the relevant Debtor and/or any Third Party Security Provider may (but subject to the relevant Debt Financing being elected to be secured in accordance with the applicable terms of the Intercreditor Agreement and subject to the Agreed Security Principles) grant to the relevant Secured Parties in respect of all or any part of such Debt Financing additional security by executing additional security documents which will benefit from the order of priority and ranking set out in the Intercreditor Agreement.

Restrictions Relating to Senior Secured Liabilities

The Company, the Debtors and the Third Party Security Providers may make payments of the Senior Liabilities at any time.

The Intercreditor Agreement provides that the Senior Secured Creditors, the Operating Facility Lenders, the Company, the Debtors and the Third Party Security Providers may at any time amend or waive the terms of the finance documents in relation to the Senior Facilities (the “*Senior Facilities Finance Documents*”), the Senior Notes, the Permitted Senior Financing Debt, the Second Lien Facility (the “*Second Lien Finance Documents*”), the Permitted Second Lien Financing Documents, the Operating Facility Documents and/or any Priority Facility Finance Documents in accordance with their respective terms from time to time (and subject only to any consent required under them).

Security and Guarantees: Senior Secured Creditors

The Senior Secured Creditors and the Operating Facility Lenders may take, accept or receive the benefit of:

- (a) any security from any member of the Group or any Third Party Security Provider in respect of any of the Senior Liabilities in addition to the shared security provided that, to the extent legally possible and subject to the Agreed Security Principles:
 - (i) the security provider (for the avoidance of doubt, excluding any Third Party Security Provider) becomes party to the Intercreditor Agreement as a Debtor (if not already a party in that capacity);
 - (ii) all amounts actually received or recovered by any Senior Secured Creditor or Operating Facility Lender with respect to any such security shall immediately be paid to the Security Agent and applied in accordance with the provisions set out under the caption “—*Application of Proceeds*;” and
 - (iii) any such security may only be enforced in accordance with the provisions set out under the caption “—*Enforcement of Security—Security Held by Other Creditors*.”
- (b) any guarantee, indemnity or other assurance against loss from any member of the Group or any Third Party Security Provider regarding any of the Senior Liabilities in addition to those in:
 - (i) the Senior Facilities Agreement, any Senior Notes Indenture, any Permitted Senior Financing Document, the Second Lien Facility Agreement, any Permitted Second Lien

Financing Document, any Operating Facility Document or any Priority Facility Finance Document;

- (ii) the Intercreditor Agreement; or
- (iii) any guarantee, indemnity or other assurance against loss in respect of any of the liabilities, the benefit of which (however conferred) is, to the extent legally possible and subject to the Agreed Security Principles, given to, or expressed to be given to, all the senior secured parties in respect of their senior secured liabilities;

provided that (except for any guarantee, indemnity or other assurance against loss permitted to be given to any ancillary lender or issuing bank), to the extent legally possible, and subject to the Agreed Security Principles,

- (A) the guarantee provider becomes party to the Intercreditor Agreement as a Debtor (if not already a party in that capacity); and
- (B) such guarantee, indemnity or assurance against loss is expressed to be subject to the Intercreditor Agreement.

- (c) any security, guarantee, indemnity or other assurance against loss from any member of the Group or Third Party Security Provider in connection with:
 - (i) any escrow or similar or equivalent arrangements entered into in respect of amounts which are being held (or will be held) by a person which is not a member of the Group prior to release of those amounts to a member of the Group; or
 - (ii) any actual or proposed defeasance, redemption, prepayment, repayment, purchase or other discharge of any Senior Lender Liabilities, Operating Facility Liabilities, Senior Notes liabilities, Permitted Senior Financing Liabilities, Priority Facility Liabilities and/or Second Lien Liabilities (in each case provided that such defeasance, redemption, prepayment, repayment, purchase or other discharge is not prohibited by the terms of the Intercreditor Agreement).

Restriction on Enforcement: Senior Lenders, Operating Facility Lenders, Senior Notes Creditors, Priority Creditors and Permitted Senior Financing Creditors

The Intercreditor Agreement provides that no Senior Lender, Operating Facility Lender, Senior Notes Creditor, Permitted Senior Financing Creditor or Priority Creditor may take certain Enforcement Action without the prior written consent of an Instructing Group (as defined below).

Notwithstanding the above restriction or anything to the contrary in the Intercreditor Agreement, after the occurrence of certain specified insolvency events (an “*Insolvency Event*”) in relation to the Company, a Debtor or a Third Party Security Provider, each Senior Lender, Operating Facility Lender, Senior Notes Creditor, Priority Creditor and/or Permitted Senior Financing Creditor may, to the extent it is permitted to do so under the relevant Debt Documents, take certain Enforcement Action and/or claim in the winding up, dissolution, administration, reorganization or similar insolvency event or process in relation to that Debtor for liabilities owing to it (but no Senior Secured Creditor or Operating Facility Lender may direct the Security Agent to enforce the common security in any manner).

Option to Purchase: Senior Notes Creditors and Permitted Senior Financing Creditors

Senior Notes Creditors holding at least a simple majority of the Senior Notes liabilities or Permitted Senior Financing Creditors holding at least a simple majority of the Permitted Senior Financing Liabilities (but excluding for this purpose Bridge Lender Liabilities and Senior Notes Tranche Holder Liabilities) (the “*Senior Secured Acquiring Creditors*”) may, after the occurrence of an acceleration event which is continuing, by giving not less than ten (10) days’ notice to the Security Agent (with the

first notice to prevail in the event that more than one set of Creditors serves such a notice), require the transfer to them (or to a nominee or nominees), in accordance with the applicable transfer provisions of the Intercreditor Agreement, of all, but not part, of the rights, benefits and obligations in respect of the Senior Lender Liabilities, the Priority Facility Liabilities, the Bridge Lender Liabilities, the Senior Notes Tranche Holder Liabilities and the Operating Facility Liabilities (a “*Senior Liabilities Transfer*”) if:

- (i) that transfer is lawful and, subject to paragraph (ii) below, otherwise permitted by the terms of the Senior Facilities Agreement, the Priority Facility Agreements and the Operating Facility Documents;
- (ii) any conditions relating to such a transfer contained in the Senior Facilities Agreement, the Priority Facility Agreements and the Operating Facility Documents are complied with, other than:
 - (A) any requirement to obtain the consent of, or consult with, a member of the Group or a Third Party Security Provider in relation to such transfer, which consent or consultation shall not be required; and
 - (B) to the extent to which all the Senior Secured Acquiring Creditors provide cash cover for any letter of credit, the consent of the relevant letter of credit issuing bank relating to such transfer;
- (iii) the Senior Facility Agent, on behalf of the Senior Lenders, is paid an amount equal to the aggregate of:
 - (A) any amounts provided as cash cover by the Senior Secured Acquiring Creditors for any letter of credit (as envisaged in paragraph (ii)(B) above);
 - (B) all of the Senior Lender Liabilities at that time (whether or not due), including all amounts that would have been payable under the Senior Facilities Agreement if the Senior Facilities were being prepaid by the relevant Debtors on the date of that payment; and
 - (C) all costs and expenses (including legal fees) incurred by the Senior Facility Agent and/or the Senior Lenders and/or the Security Agent as a consequence of giving effect to that transfer;
- (iv) the Priority Facility Agent, on behalf of the Priority Facility Lenders, is paid an amount equal to the aggregate of:
 - (A) any amounts provided as cash cover by the Senior Secured Acquiring Creditors for any Letter of Credit (as envisaged in paragraph (ii)(B) above);
 - (B) all of the Priority Facility Liabilities at that time (whether or not due), including all amounts that would have been payable under the Priority Facility Agreements if the Priority Facilities were being prepaid by the relevant Debtors on the date of that payment; and
 - (C) all costs and expenses (including legal fees) incurred by the Priority Facility Agent and/or the Priority Facility Lenders and/or the Security Agent as a consequence of giving effect to that transfer;
- (v) the Operating Facility Lenders are paid an amount equal to the aggregate of:
 - (A) all of the Operating Facility Liabilities at that time (whether or not due), including all amounts that would have been payable under the Operating Facility Documents if the

Operating Facilities were being prepaid by the relevant Debtors on the date of that payment; and

- (B) all costs and expenses (including legal fees) incurred by the Operating Facility Lenders and/or the Security Agent as a consequence of giving effect to that transfer.
- (vi) as a result of that transfer:
 - (A) the Senior Lenders have no further actual or contingent liability to a Debtor under the Senior Facilities Finance Documents;
 - (B) the Priority Facility Lenders have no further actual or contingent liability to a Debtor under the Priority Facility Finance Documents; and
 - (C) the Operating Facility Lenders have no further actual or contingent liability to a Debtor under the Operating Facility Documents.
- (vii) an indemnity is provided from each of the Senior Secured Acquiring Creditors (other than any Senior Agent) or from another third party acceptable to all the Senior Lenders, the Priority Facility Lenders and the Operating Facility Lenders in a form reasonably satisfactory to each Senior Lender, each Priority Facility Lender and Operating Facility Lender in respect of all costs, expenses, losses and liabilities which may be sustained or incurred by any Senior Lender, Priority Facility Lender or Operating Facility Lender in consequence of any sum received or recovered by any Senior Lender, Priority Facility or Operating Facility Lender from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Senior Lender or Operating Facility Lender for any reason;
- (viii) the transfer is made without recourse to, or representation or warranty from, the Senior Lenders, the Priority Facility Lenders or the Operating Facility Lenders, except that each Senior Lender, Priority Facility Lender and Operating Facility Lender shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorize the making by it of that transfer; and
- (ix) the Senior Parent Creditors have not exercised their rights to purchase as described under the provisions set out in the paragraph captioned “—*Option to Purchase: Senior Parent Creditors*” or having exercised such rights, have not failed to complete the acquisition of the relevant Senior Secured Liabilities in accordance with such provisions.

Subject to the Intercreditor Agreement, the Senior Secured Acquiring Creditors may only require a Senior Liabilities Transfer if, at the same time, they require a transfer of the Hedging Liabilities in accordance with the Intercreditor Agreement and if, for any reason, such transfer cannot be made in accordance with the Intercreditor Agreement, no Senior Liabilities Transfer may be required to be made.

At the request of a Senior Agent (on behalf of the Senior Secured Acquiring Creditors), the Senior Facility Agent and the Operating Facility Lenders shall notify that Senior Agent of the foregoing payable sums in connection with such transfer.

Instructing Group

The term “Instructing Group” means at any time:

- (a) prior to the Senior Discharge Date:
 - (i) in relation to any instructions to the Security Agent to enforce the transaction security or refrain or cease from enforcing the transaction security or to take any other enforcement action:

- (A) those Senior Secured Creditors (other than the Second Lien Secured Creditors) whose Senior Secured Credit Participations at that time aggregate to more than 66 $\frac{2}{3}$ % of the Total Senior Secured Credit Participations at that time; and/or
 - (B) (x) if agreed by the Company under the terms of any Priority Facility that this paragraph (i)(B)(x) will apply and notified as such by the Company to the Security Agent and/or (y) if the Company has notified the Security Agent that any Hedging Liabilities are to be treated as Priority Hedging Liabilities pursuant to the provisions of the Intercreditor Agreement, in each case, prior to the Priority Creditor Discharge Date, the Majority Priority Creditors; or
- (ii) in relation to any other matter:
 - (A) those Senior Secured Creditors (other than the Second Lien Secured Creditors) whose Senior Secured Credit Participations at that time aggregate more than 66 $\frac{2}{3}$ % of the Total Senior Secured Credit Participations at that time; and
 - (B) (x) if agreed by the Company under the terms of any Priority Facility that this paragraph (ii)(B)(x) will apply and notified as such by the Company to the Security Agent and/or (y) if the Company has notified the Security Agent that any Hedging Liabilities are to be treated as Priority Hedging Liabilities pursuant to the provisions of the Intercreditor Agreement, in each case, prior to the Priority Creditor Discharge Date, the Majority Priority Creditors;
- (b) on or after the Senior Discharge Date but before the Second Lien Discharge Date, and subject always to the provisions set out under the caption “—*Payment Blockage Provisions—Restrictions on Enforcement by Second Lien Secured Creditors*,” those Second Lien Secured Creditors whose Second Lien Secured Credit Participations at that time aggregate to more than 66 $\frac{2}{3}$ % of the Total Second Lien Secured Credit Participations at that time; and
- (c) on or after the First/Second Lien Discharge Date but before the Senior Parent Discharge Date, and subject always to the provisions set out under the caption “—*Payment Blockage Provisions—Restrictions on Enforcement by Senior Parent Creditors*,” the Majority Senior Parent Creditors.

In the foregoing definition of “Instructing Group”:

“*Majority Senior Parent Creditors*” means, at any time, those Senior Parent Creditors whose Senior Parent Credit Participations at that time aggregate to more than 66 $\frac{2}{3}$ % of the total aggregate amount of all Senior Parent Credit Participations at that time.

“*Second Lien Secured Credit Participation*” means:

- (a) in relation to a Second Lien Lender, its second lien commitments; and
- (b) in relation to a Permitted Second Lien Financing Creditor, the aggregate amount of its commitments under each Permitted Second Lien Financing Agreement (drawn or undrawn and calculated in a manner consistent with the second lien commitments) and/or the principal amount of outstanding Permitted Second Lien Financing Debt held by that Permitted Second Lien Financing Creditor (as applicable and without double counting).

“*Senior Parent Credit Participation*” means:

- (a) in relation to a Senior Parent Noteholder, the principal amount of outstanding Senior Parent Notes Liabilities held by that Senior Parent Noteholder; and
- (b) in relation to a Permitted Parent Financing Creditor, the aggregate amount of its commitments under each Permitted Parent Financing Agreement (drawn or undrawn and calculated in a

manner consistent with the senior commitments) and/or the principal amount of outstanding Permitted Parent Financing Debt held by that Permitted Parent Financing Creditor (as applicable and without double counting).

“Senior Secured Credit Participation” means:

- (a) in relation to a Senior Creditor, its Senior Credit Participation in relation to the Senior Facilities Agreement, the Priority Facility Agreements and the hedging agreements only;
- (b) in relation to a Senior Noteholder, the principal amount of outstanding Senior Notes liabilities held by that Senior Noteholder; and
- (c) in relation to a Permitted Senior Financing Creditor, the aggregate amount of its commitments under each Permitted Senior Financing Agreement (drawn or undrawn and calculated in a manner consistent with the senior commitments) and/or the principal amount of outstanding Permitted Senior Financing Debt held by that Permitted Senior Financing Creditor (as applicable and without double counting).

“Total Second Lien Secured Credit Participations” means the aggregate of all the Second Lien Secured Credit Participations at any time.

“Total Senior Secured Credit Participations” means the aggregate of all the Senior Secured Credit Participations at any time.

Restrictions Relating to Second Lien Secured Creditors and Second Lien Liabilities

Restriction on Payment and Dealings

The Intercreditor Agreement provides that, until the Senior Discharge Date, no Debtor or Third Party Security Provider shall (and the Company shall ensure that no member of the Group will) make any payment of the Second Lien Liabilities at any time unless:

- (a) that payment is permitted by the provisions set out below under the captions “—*Permitted Second Lien Liabilities Payments*,” and the fourth paragraph under the caption “—*Effect of Insolvency Event; Filing of Claims*” or by a refinancing of the Second Lien Debt or the Permitted Second Lien Financing Debt as permitted by the Intercreditor Agreement; or
- (b) the taking or receipt of that payment is permitted by the provisions set out below under the caption “—*Permitted Second Lien Enforcement*.”

Permitted Second Lien Liabilities Payments

Prior to the Senior Discharge Date, any member of the Group or Third Party Security Provider may, directly or indirectly, make payments with respect to the Second Lien Liabilities at any time:

- (a) if:
 - (i) the payment is of:
 - (A) any of the principal amount of the Second Lien Liabilities which is either (1) not prohibited from being paid by the Senior Financing Agreements; or (2) paid on or after the final maturity date of the relevant Second Lien Liabilities (subject to certain conditions); or
 - (B) any other amount which is not an amount of principal or capitalised interest;
 - (ii) no Second Lien Payment Stop Notice (as defined below) is outstanding;

- (iii) no payment default under the Senior Facilities Agreement, any Senior Notes Indenture or any Permitted Senior Financing Documents (the “*Senior Payment Default*”) has occurred and is continuing;
- (b) if the Majority Senior Lenders, the Senior Notes Trustee and the Permitted Majority Senior Financing Creditors or the Senior Creditor Representative in respect of that Permitted Senior Financing Debt (as applicable) (the “*Required Senior Consent*”) give prior consent to that payment being made; or
- (c) if the payment is of
 - (i) Second Lien Agent Liabilities;
 - (ii) any costs and expenses of any holder of security in relation to protection, preservation or enforcement of such security;
 - (iii) of costs, commissions, taxes, fees and expenses incurred in respect of or in relation to (or reasonably incidental to) any of the Second Lien Debt Documents (including in relation to any reporting or listing requirements under such documents);
- (d) if the Payment is funded directly or indirectly with Second Lien Debt, Permitted Second Lien Financing Debt, Permitted Parent Financing Debt and/or the proceeds of any indebtedness incurred under or pursuant to any Second Lien Debt Document and/or Senior Parent Notes;
- (e) if the payment is funded directly or indirectly with the proceeds of an Equity Contribution (other than any Equity Contribution received by the Group on or prior to the first utilization date) or Available Shareholder Amounts; or
- (f) of any other amount not exceeding €5,000,000 (or its equivalent) in aggregate in any financial year of the Company.

On or after the Senior Discharge Date, any Debtor or Third Party Security Provider may make payments to the Second Lien Creditors in respect of the Second Lien liabilities in accordance with the terms of the Second Lien Finance Documents, as applicable.

Payment Blockage Provisions—Restrictions on Enforcement by Second Lien Secured Creditors

Until the Senior Discharge Date, except with the Required Senior Consent, no Debtor shall make (and the Company shall procure that no other member of the Group shall make), and no Second Lien Secured Creditor may receive from any other member of the Group, any Permitted Second Lien Payment (other than, for the avoidance of doubt, a roll-up or capitalisation of any amount and Second Lien Agent Liabilities, and payments permitted under (b) to (f) under the caption “—*Permitted Second Lien Liabilities Payments*”) if:

- (a) a Senior Payment Default is continuing; or
- (b) an insolvency event of default under the Senior Facilities Agreement, any Senior Notes Indenture and/or any Permitted Senior Financing Agreement and/or a breach of the revolving facility financial maintenance covenant under the Senior Facilities Agreement (a “*Material Event of Default*”) is continuing, from the date which is one Business Day after the date on which any Senior Agent delivers a notice (a “*Second Lien Payment Stop Notice*”) specifying the event or circumstance in relation to that Material Event of Default to the Company, the Security Agent and the Second Lien Agents until the earliest of:
 - (i) the date falling 120 days after delivery of that Second Lien Payment Stop Notice;

- (ii) in relation to payments of Second Lien Liabilities, if a Second Lien Standstill Period is in effect at any time after delivery of that Second Lien Payment Stop Notice, the date on which that Second Lien Standstill Period expires;
- (iii) the date on which the relevant Material Event of Default has been remedied or waived in accordance with the Senior Facilities Agreement, any Senior Notes Indenture or any Permitted Senior Financing Agreement (as applicable);
- (iv) the date on which the Senior Agent which delivered the relevant Second Lien Payment Stop Notice delivers a notice to the Company, the Security Agent and the Second Lien Agents cancelling the Second Lien Payment Stop Notice;
- (v) the Senior Discharge Date; and
- (vi) the date on which the Security Agent or a Second Lien Agent takes Enforcement Action permitted under the Intercreditor Agreement against a Debtor or a Third Party Security Provider.

Unless each of the Second Lien Agents waives this requirement, (i) a new Second Lien Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Second Lien Payment Stop Notice; and (ii) no Second Lien Payment Stop Notice may be delivered by a Senior Agent in reliance on a Material Event of Default more than 75 days after the date that Senior Agent received notice of that Material Event of Default.

The Senior Agents may only serve one Second Lien Payment Stop Notice with respect to the same event or set of circumstances. Subject to the immediately preceding paragraph, this shall not affect the right of the Agents to issue a Second Lien Payment Stop Notice in respect of any other event or set of circumstances. No Second Lien Payment Stop Notice may be served by an Agent in respect of a Material Event of Default which had been notified to the Agents at the time at which an earlier Second Lien Payment Stop Notice was issued.

Any failure to make a payment due under the Second Lien Debt Documents as a result of the issue of a Second Lien Payment Stop Notice or the occurrence of a Senior Payment Default shall not prevent (i) the occurrence of an Event of Default (as defined under a Second Lien Financing Agreement) as a consequence of that failure to make a payment in relation to the relevant Second Lien Debt Document; or (ii) the issue of a Second Lien Enforcement Notice on behalf of the Second Lien Secured Creditors.

Payment Obligations and Capitalisation of Interest Continue

No Debtor or Third Party Security Provider shall be released from the liability to make any payment (including of default interest, which shall continue to accrue) under any Second Lien Debt Document by the operation of the provisions set out under each section above under the caption “—*Restrictions Relating to Second Lien Secured Creditors and Second Lien Liabilities*” even if its obligation to make such payment is restricted at any time by the terms of any of those provisions.

The accrual and capitalisation of interest (if any) in accordance with the Second Lien Debt Documents shall continue notwithstanding the issue of a Second Lien Payment Stop Notice.

Cure of Payment Stop—Second Lien Secured Creditors

If:

- (i) at any time following the issue of a Second Lien Payment Stop Notice or the occurrence of a Senior Payment Default, that Second Lien Payment Stop Notice ceases to be outstanding and/or, as the case may be, the Senior Payment Default ceases to be continuing; and
- (ii) any Debtor then promptly pays to the Second Lien Secured Creditors an amount equal to any Payments which had accrued under the Second Lien Debt Documents and which would have

been Permitted Second Lien Payments but for that Second Lien Payment Stop Notice or Senior Payment Default,

then any Event of Default (including any cross default or similar provision under any other Debt Document) which may have occurred as a result of that suspension of Payments shall be waived and any Second Lien Enforcement Notice which may have been issued as a result of that Event of Default shall be waived, in each case without any further action being required on the part of the Second Lien Secured Creditors or any other Creditor or Operating Facility Lender.

Restrictions on Enforcement by Second Lien Secured Creditors

Until the Senior Discharge Date, except with the prior consent of or as required by an Instructing Group:

- (i) no Second Lien Secured Creditor shall direct the Security Agent to enforce or otherwise require the enforcement of any security; and/or
- (ii) no Second Lien Secured Creditor shall take or require the taking of any Enforcement Action in relation to the Second Lien Liabilities,

except as permitted under the provisions set out below under the caption “—*Permitted Second Lien Enforcement*” below, *provided, however*, that no such action required by the Security Agent need be taken except to the extent the Security Agent otherwise is entitled under the Intercreditor Agreement to direct such action.

Permitted Second Lien Enforcement

Subject to the provisions set out under the caption “—*Enforcement on behalf of Second Lien Secured Creditors*,” the restrictions set out under the caption “—*Payment Blockage Provisions—Restrictions on Enforcement by Second Lien Secured Creditors*” above will not apply if:

- (i) an Event of Default (as defined under a Second Lien Financing Agreement, a “*Second Lien Event of Default*”) (the “*Relevant Second Lien Default*”) is continuing;
- (ii) each Senior Agent has received a notice of the Relevant Second Lien Default specifying the event or circumstance in relation to the Relevant Second Lien Default from the relevant Second Lien Agent;
- (iii) a Second Lien Standstill Period (as defined below) has elapsed; and
- (iv) the Relevant Second Lien Default is continuing at the end of the relevant Second Lien Standstill Period.

Promptly upon becoming aware of a Second Lien Event of Default, the relevant Second Lien Agent may by notice (a “*Second Lien Enforcement Notice*”) in writing notify the Senior Agents of the existence of such Second Lien Event of Default.

Second Lien Standstill Period

In relation to a Relevant Second Lien Default, a Second Lien Standstill Period shall mean the period beginning on the date (the “*Second Lien Standstill Start Date*”) the relevant Senior Agent serves a Second Lien Enforcement Notice on each of the Senior Agents in respect of such Second Lien Event of Default and ending on the earlier to occur of:

- (i) the date falling 120 days after the Second Lien Standstill Start Date;
- (ii) the date the Senior Secured Parties (other than the Second Lien Secured Creditors) take any Enforcement Action in relation to a particular Second Lien Borrower or Second Lien Guarantor or Third Party Security Provider, *provided, however*, that if a Senior Parent Standstill Period ends pursuant to this paragraph, the Second Lien Secured Creditors may only take the same

Enforcement Action in relation to the relevant Second Lien Borrower or Second Lien Guarantor or Third Party Security Provider as the Enforcement Action taken by the Senior Secured Parties (other than the Second Lien Secured Creditors) against such Second Lien Borrower or Second Lien Guarantor or Third Party Security Provider and not against any other member of the Group or other Third Party Security Provider;

- (iii) the date of an Insolvency Event in relation to the relevant Second Lien Borrower or a particular Second Lien Guarantor or Third Party Security Provider against whom Enforcement Action is to be taken;
- (iv) the expiry of any other Second Lien Standstill Period outstanding at the date such first-mentioned Second Lien Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy);
- (v) the date on which the consent of each of the Senior Facility Agent (acting on the instructions of the Majority Senior Lenders), any Senior Notes Trustee (acting on behalf of the Senior Noteholders), any Priority Facility Agent (acting on behalf of the Priority Facility Lenders) and any Senior Creditor Representative (acting on the instructions the Majority Permitted Senior Financing Creditors) has been obtained; and
- (vi) a failure to pay the principal amount outstanding under any Second Lien Facility or on any Permitted Second Lien Financing Debt, as the case may be, at the final stated maturity of the amounts outstanding on that Second Lien Facility or on that Permitted Second Lien Financing Debt, as the case may be (*provided* that, unless the Senior Lender Discharge Date and the Senior Notes Tranche Holder Discharge Date has occurred or as otherwise agreed by the Majority Senior / Notes Tranche Lenders and the Company, such final stated maturity does not fall on a date prior to the first anniversary of the latest maturity date under the Senior Facilities Agreement and any Senior Notes Tranche Notes).

Subsequent Second Lien Facility Defaults

The Second Lien Secured Creditors may take Enforcement Action under the provisions set out in caption “—*Permitted Second Lien Enforcement*” in relation to a Relevant Second Lien Default even if, at the end of any relevant Second Lien Standstill Period or at any later time, a further Second Lien Standstill Period has begun as a result of any other Second Lien Event of Default.

Enforcement on behalf of Second Lien Secured Creditors

If the Security Agent has notified the Second Lien Agents that it is enforcing Security created pursuant to any security document over shares of a Second Lien Borrower or a Second Lien Guarantor, no Second Lien Secured Creditor may take any action referred to under the provisions set out under the caption “—*Permitted Second Lien Enforcement*” against that Second Lien Borrower or Second Lien Guarantor (or any Subsidiary of that Second Lien Borrower or Second Lien Guarantor) while the Security Agent is taking steps to enforce that Security in accordance with the instructions of an Instructing Group where such action might be reasonably likely to adversely affect such enforcement or the amount of proceeds to be derived therefrom.

Option to Purchase: Second Lien Secured Creditors

Subject to the final two paragraphs of this section below, any of the Second Lien Agent(s) (on behalf of the Second Lien Secured Creditors) may, after an acceleration event under any of the Senior Facilities Agreement, any Senior Notes Indenture or in relation to any Permitted Senior Financing Debt which is continuing, by giving not less than 10 days’ notice to the Security Agent, require the transfer to the Second Lien Secured Creditors (or to a nominee or nominees) of all, but not part, of the rights, benefits and obligations in respect of the Senior Lender Liabilities, the Senior Notes Liabilities, any Permitted Senior Financing Liabilities, any Priority Facility Liabilities and the Operating Facility Liabilities if:

- (i) that transfer is lawful and, subject to paragraph (ii) below, otherwise permitted by the terms of the Senior Facilities Agreement (in the case of the Senior Lender Liabilities), any Senior Notes Indenture(s) pursuant to which any Senior Notes remain outstanding (in the case of the Senior Notes Liabilities), any Permitted Senior Financing Agreement pursuant to which any relevant Permitted Senior Financing Liabilities remain outstanding (in the case of the Permitted Senior Financing Liabilities) and/or any Operating Facility Documents pursuant to which any relevant Operating Facility Liabilities remain outstanding (in the case of the Operating Facility Liabilities) and/or any Priority Facility Agreement pursuant to which any relevant Priority Facility Liabilities remain outstanding (in the case of the Priority Facility Liabilities);
- (ii) any conditions relating to such a transfer contained in the Senior Facilities Agreement (in the case of the Senior Lender Liabilities), any Senior Notes Indenture(s) pursuant to which any Senior Notes remain outstanding (in the case of the Senior Notes Liabilities), any Permitted Senior Financing Agreement pursuant to which any relevant Permitted Senior Financing Liabilities remain outstanding (in the case of the Permitted Senior Financing Liabilities) and/or any Operating Facility Documents pursuant to which any relevant Operating Facility Liabilities remain outstanding (in the case of the Operating Facility Liabilities) and/or any Priority Facility Agreement pursuant to which any relevant Priority Facility Liabilities remain outstanding (in the case of the Priority Facility Liabilities) are complied with, in each case, other than as specified in the Intercreditor Agreement;
- (iii) each of the Senior Facility Agent (on behalf of the Senior Lenders), the applicable Senior Notes Trustee (on behalf of the relevant Senior Noteholders), the applicable Senior Creditor Representative (on behalf of the relevant Permitted Senior Financing Creditors) and the Operating Facility Lenders is paid the amounts required under the Intercreditor Agreement;
- (iv) the applicable Priority Facility Agent, on behalf of the Priority Facility Lenders, is paid the amounts required under the Intercreditor Agreement;
- (v) as a result of that transfer the Senior Lenders, the Priority Facility Lenders, the Senior Notes Creditors, the Permitted Senior Financing Creditors and the Operating Facility Lenders have no further actual or contingent liability to the Company or any other Debtor or a Third Party Security Provider under the relevant Secured Debt Documents;
- (vi) an indemnity is provided from each Second Lien Secured Creditor (other than any Second Lien Agent) (or from another third party acceptable to all the Senior Lenders, the Senior Notes Creditors, the Permitted Senior Financing Creditor, the Operating Facility Lenders and the Priority Facility Lenders) in a form reasonably satisfactory to each Senior Lender, Priority Facility Lender, Senior Notes Creditor, Permitted Senior Financing Creditor and Operating Facility Lender in respect of all costs, expenses, losses and liabilities which may be sustained or incurred by any Senior Lender, Priority Facility Lender, Senior Notes Creditor, Permitted Senior Financing Creditor or Operating Facility Lender in consequence of any sum received or recovered by any Senior Lender, Priority Facility Lender, Senior Notes Creditor, Permitted Senior Financing Creditor or Operating Facility Lender from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Senior Lender, Senior Notes Creditor, Permitted Senior Financing Creditor or Operating Facility Lender for any reason; and
- (vii) the transfer is made without recourse to, or representation or warranty from, the Senior Lenders, the Priority Facility Lenders, the Senior Notes Creditors, the Permitted Senior Financing Creditors or the Operating Facility Lenders, except that each Senior Lender, Senior Notes Creditor, Permitted Senior Financing Creditor and Operating Facility Lender shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorize the making by it of that transfer.

Subject to the terms of the Intercreditor Agreement, a Second Lien Agent (on behalf of all the Second Lien Secured Creditors) may only require a transfer of Senior Secured Liabilities if, at the same time, they require a transfer of hedging liabilities regulated by the Intercreditor Agreement and if, for any reason, such transfer cannot be made in accordance with the Intercreditor Agreement, no transfer of Senior Secured Liabilities may be required to be made.

At the request of a Second Lien Agent (on behalf of all the Second Lien Secured Creditors), the Senior Facility Agent, the Priority Facility Agent any relevant Senior Notes Trustee, any relevant Senior Creditor Representative and the Operating Facility Lenders shall notify the Second Lien Agents of the foregoing payable sums in connection with such transfer.

Restrictions Relating to Senior Parent Creditors and Senior Parent Liabilities

Restriction on Payment and Dealings

The Intercreditor Agreement provides that, until the First/Second Lien Discharge Date, no Senior Parent Debt Issuer shall (and no Third Party Security Provider shall and the Company shall ensure that no member of the Group will):

- (a) pay, repay, prepay, redeem, acquire or defease any principal, interest or other amount on or in respect of, or make any distribution in respect of, any Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities in cash or in kind or apply any such money or property in or towards discharge of any Senior Parent Notes Liabilities and any Permitted Parent Financing Liabilities except as permitted by the provisions set out below under the captions “—*Permitted Senior Parent Payments*,” “—*Permitted Senior Parent Enforcement*,” and the fourth paragraph under the caption “—*Effect of Insolvency Event; Filing of Claims*” or by a refinancing of the Senior Parent Notes or the Permitted Parent Financing Debt as permitted by the Intercreditor Agreement;
- (b) exercise any set-off against any Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities, except as permitted by the provisions set out under the caption “—*Permitted Senior Parent Payments*” below, the provisions set out under the caption “—*Payment Blockage Provisions—Restrictions on Enforcement by Senior Parent Creditors*” below or the fourth paragraph under the caption “—*Effect of Insolvency Event; Filing of Claims*” below or by a refinancing of the Senior Parent Notes or the Permitted Parent Financing Debt as permitted by the Intercreditor Agreement; or
- (c) create or permit to subsist any security over any assets of any member of the Group or any Third Party Security Provider or give any guarantee (and the Senior Parent Notes Trustee or Senior Parent Creditor Representative, as the case may be, may not, and no Senior Parent Creditor may, accept the benefit of any such security or guarantee from any member of the Group or any Third Party Security Provider) for, or in respect of, any Senior Parent Notes liabilities or any Permitted Parent Financing Liabilities other than:
 - (i) guarantees by a member of the Group of any obligations of the Group under the Senior Parent Notes Finance Documents and/or the Permitted Parent Financing Documents;
 - (ii) at the option of the Company and/or (with respect to any Third Party Security), the relevant Third Party Security Provider, all or any of the transaction security (provided that, for the avoidance of doubt, each of the parties agrees that the security shall rank and secure any Senior Parent Notes and any Permitted Parent Financing Debt as set out in “—*Ranking and Priority—Priority of Security*);”
 - (iii) any security over any assets of any Senior Parent Debt Issuer or Third Party Security Provider (other than, any such assets over which a Senior Parent Debt Issuer has granted security);

- (iv) any other security or guarantee provided by a member of the Group or a Third Party Security Provider (the “*Credit Support Provider*”) provided that, to the extent legally possible:
 - (A) the Credit Support Provider (other than any Third Party Security Provider) becomes party to the Intercreditor Agreement as a Debtor (if not already a party in that capacity);
 - (B) all amounts actually received or recovered by the Senior Parent Notes Trustee, the Senior Parent Creditor Representative or the Senior Parent Creditors, as the case may be, with respect to any such security shall immediately be paid to the Security Agent and applied in accordance with the provisions set out under the caption “—*Application of Proceeds*;”
 - (C) any such security may only be enforced in accordance with the provisions set out under the caption “—*Enforcement of Security—Security Held by Other Creditors*;” and
 - (D) such guarantee is expressed to be subject to the Intercreditor Agreement; and
- (v) any security, guarantee, indemnity or other assurance against loss from any member of the Group or a Third Party Security Provider in connection with:
 - (A) any escrow or similar or equivalent arrangements entered into in respect of amounts which are being held (or will be held) by a person which is not a member of the Group or a Third Party Security Provider prior to release of those amounts to a member of the Group or a Third Party Security Provider; or
 - (B) any actual or proposed defeasance, redemption, prepayment, repayment, purchase or other discharge of any Senior Lender Liabilities, Operating Facility Liabilities, any Priority Facility Liabilities, any Senior Notes liabilities and/or any Permitted Senior Financing Liabilities (in each case provided that such defeasance, redemption, prepayment, repayment, purchase or other discharge is not prohibited by the terms of the Intercreditor Agreement).

Permitted Senior Parent Payments

Prior to the First/Second Lien Discharge Date, any member of the Group or Third Party Security Provider may, directly or indirectly, make payments with respect to the Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities then due in accordance with the finance documents in relation to the Senior Parent Notes and the Permitted Parent Financing Debt (such payments, collectively, “*Permitted Senior Parent Payments*”):

- (a) if:
 - (i) the payment is of:
 - (A) any of the principal amount of the Senior Parent Notes liabilities and the Permitted Parent Financing Liabilities which is either (1) not prohibited from being paid by the Senior Financing Agreements; or (2) paid on or after the final maturity date of the relevant Senior Parent Notes liabilities and Permitted Parent Financing Liabilities (subject to certain conditions); or
 - (B) any other amount which is not an amount of principal or capitalised interest;
 - (ii) no Senior Parent Payment Stop Notice (as defined below) is outstanding;
 - (iii) no Senior Payment Default has occurred and is continuing; and

- (iv) no payment default under the Second Lien Facility Agreement or the Permitted Second Lien Financing Documents has occurred and is continuing;
- (b) if the Required Senior Consent has been obtained;
- (c) if consent has been obtained from the Majority Second Lien Lenders and the Majority Permitted Second Lien Financing Creditors or the Creditor Representative in respect of that Permitted Second Lien Financing Debt Senior Lenders (as applicable);
- (d) if the payment is of certain amounts due to the Senior Parent Notes Trustee for its own account;
- (e) if the payment is made by the relevant Senior Parent Debt Issuer and funded directly or indirectly with amounts which have not been received by that Senior Parent Debt Issuer from another member of the Group;
- (f) if the payment is of any costs and expenses of any holder of security in relation to protection, preservation or enforcement of such security;
- (g) if the payment is of costs, commissions, taxes, fees and expenses incurred in respect of or in relation to (or reasonably incidental to) any of the Senior Parent Notes Indenture and any Permitted Parent Financing Documents (including in relation to any reporting or listing requirements under such documents);
- (h) if the payment is funded directly or indirectly with Permitted Parent Financing Debt and/or the proceeds of any indebtedness incurred under or pursuant to any Senior Parent Notes;
- (i) if the payment is funded directly or indirectly with the proceeds of an Equity Contribution (other than any Equity Contribution received by the Group on or prior to the First Utilisation Date) or Available Shareholder Amounts; or
- (j) of any other amount not exceeding €5,000,000 (or its equivalent) in aggregate in any financial year of the Company.

On or after the First/Second Lien Discharge Date, the Debtors may make payments directly or indirectly in respect of the Senior Parents Liabilities at any time.

Payment Blockage Provisions—Restrictions on Enforcement by Senior Parent Creditors

Until the Senior Discharge Date, except with the Required Senior Consent, and until the Second Lien Discharge Date, except with the Required Second Lien Consent, no Senior Parent Debt Issuer shall make (and the Company shall procure that no other member of the Group shall make), and neither the Senior Parent Notes Trustee, any holder of Senior Parent Notes or the Permitted Parent Financing Creditors may receive from any other members of the Group, any Permitted Senior Parent Payment (other than, for the avoidance of doubt, a roll-up or capitalisation of any amount and certain amounts due to the Senior Parent Notes Trustee for its own account, payments funded by amounts not received from another member of the Group or payments funded by Permitted Parent Financing Debt and/or the proceeds of any indebtedness incurred or pursuant to any Senior Parent Notes) if:

- (a) a Senior Payment Default and/or a Second Lien Payment Default is continuing; or
- (b) an event of default under the Senior Facilities Agreement, any Second Lien Facility Agreement, any Senior Notes Indenture, any Permitted Senior Financing Agreement and/or any Permitted Second Lien Financing Agreement (a “*Senior Event of Default*”) (other than a Senior Payment Default and/or a Second Lien Payment Default) is continuing, from the date which is one business day after the date on which any of the Senior Facility Agent, the Senior Notes Trustee and any Senior Creditor Representative (together, the “*Senior Agents*”) delivers a payment stop notice (a “*Senior Parent Payment Stop Notice*”) specifying the event or circumstance in relation

to that Senior Event of Default to the Company, the Security Agent, the Senior Parent Notes Trustee and any Senior Parent Creditor Representative until the earliest of:

- (i) the date falling 179 days after delivery of that Senior Parent Payment Stop Notice;
- (ii) in relation to payments of the Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities, if a Parent standstill period is in effect at any time after delivery of that payment stop notice, the date on which that standstill period expires;
- (iii) the date on which the relevant Senior Event of Default has been remedied or waived in accordance with the Senior Facilities Agreement, any Senior Notes Indenture or any Permitted Senior Financing Agreement (as applicable);
- (iv) the date on which the Senior Agent which delivered the relevant Senior Parent Payment Stop Notice delivers a notice to the Company, the Security Agent, the Senior Parent Notes Trustee and the Senior Parent Creditor Representative cancelling the Senior Parent Payment Stop Notice;
- (v) the First/Second Lien Discharge Date; and
- (vi) the date on which the Security Agent, the Senior Parent Notes Trustee and any Senior Parent Creditor Representative take Enforcement Action permitted under the Intercreditor Agreement against a Debtor and/or a Third Party Security Provider.

Unless the Senior Parent Notes Trustee and any Senior Parent Creditor Representative waive this requirement, (i) a new Senior Parent Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Senior Parent Payment Stop Notice; and (ii) no Senior Parent Payment Stop Notice may be delivered by a Senior Agent in reliance on a Senior Event of Default more than 45 days after the date that Senior Agent received notice of that Senior Event of Default.

The Senior Agents may only serve one Senior Parent Payment Stop Notice with respect to the same event or set of circumstances. Subject to the immediately preceding paragraph, this shall not affect the right of the Senior Agents to issue a Senior Parent Payment Stop Notice in respect of any other event or set of circumstances. No Senior Parent Payment Stop Notice may be served by a Senior Agent in respect of a Senior Event of Default which had been notified to the Senior Agents at the time at which an earlier Senior Parent Payment Stop Notice was issued.

Any failure to make a payment due under any Senior Parent Notes Indenture and any Permitted Parent Financing Documents as a result of the issue of a Senior Parent Payment Stop Notice or the occurrence of a Senior Payment Default shall not prevent (i) the occurrence of an Event of Default (as defined in any Senior Parent Notes Indenture or any Permitted Parent Financing Documents, as applicable) as a consequence of that failure to make a payment in relation to the relevant Senior Parent Notes Indenture and any Permitted Parent Financing Documents; or (ii) the issue of a Senior Parent Enforcement Notice (as defined below) on behalf of the Senior Parent Creditors.

Payment Obligations and Capitalisation of Interest Continue

Neither the relevant Senior Parent Debt Issuer, any other Debtor nor Third Party Security Provider shall be released from the liability to make any payment (including of default interest, which shall continue to accrue) under any Senior Parent Notes Indenture and any Permitted Parent Financing Document by the operation of the provisions set out under each section above under the caption “—*Restrictions Relating to Senior Parent Creditors and Senior Parent Liabilities*” even if its obligation to make such payment is restricted at any time by the terms of any of those provisions.

The accrual and capitalisation of interest (if any) in accordance with any Senior Parent Notes Indenture and any Permitted Parent Financing Document shall continue notwithstanding the issue of a Senior Parent Payment Stop Notice.

Cure of Payment Stop—Senior Parent Creditors

If:

- (i) at any time following the issue of a Senior Parent Payment Stop Notice or the occurrence of a Senior Payment Default, that Senior Parent Payment Stop Notice ceases to be outstanding and/or, as the case may be, the Senior Payment Default ceases to be continuing; and
- (ii) the relevant Senior Parent Debt Issuer or the relevant Debtor then promptly pays to the Senior Parent Creditors an amount equal to any payments which had accrued under any Senior Parent Notes Indenture and any Permitted Parent Financing Document and which would have been Permitted Senior Parent Payments but for that Senior Parent Payment Stop Notice or Senior Payment Default,

then any Event of Default (including any cross default or similar provision under any other debt document) which may have occurred as a result of that suspension of payments shall be waived and any Senior Parent Enforcement Notice which may have been issued as a result of that Event of Default shall be waived, in each case without any further action being required on the part of the Senior Parent Creditors or any other Creditor or Operating Facility Lender.

Restrictions on Amendments and Waivers

The Intercreditor Agreement provides that the Senior Parent Creditors, the relevant Senior Parent Debt Issuers and other Debtors may amend or waive the terms of the Senior Parent Notes Finance Documents and/or the Permitted Parent Financing Documents in accordance with their respective terms from time to time (and subject only to any consent required under them).

Restrictions on Enforcement by Senior Parent Creditors

Until the First/Second Lien Discharge Date, except with the prior consent of or as required by an Instructing Group:

- (i) no Senior Parent Creditor shall direct the Security Agent to enforce, or otherwise require the enforcement of, any security; and/or
- (ii) no Senior Parent Creditor shall take or require the taking of any Enforcement Action in relation to the guarantees by a member of the Group of any of the obligations of any member of the Group under the Senior Parent Notes Finance Documents and/or Permitted Parent Financing Documents,

except as permitted under the provisions set out below under the caption “—*Permitted Senior Parent Enforcement*” below, *provided, however*, that no such action required by the Security Agent need be taken except to the extent the Security Agent otherwise is entitled under the Intercreditor Agreement to direct such action.

Permitted Senior Parent Enforcement

The restrictions set out under the caption “—*Payment Blockage Provisions—Restrictions on Enforcement by Senior Parent Creditors*” above will not apply if:

- (i) an Event of Default (as defined in any Senior Parent Notes Finance Document and any Permitted Parent Financing Agreement, as applicable, each a “*Senior Parent Event of Default*”) (the “*Relevant Senior Parent Default*”) is continuing;

- (ii) each Senior Agent has received a notice of the Relevant Senior Parent Default specifying the event or circumstance in relation to the Relevant Senior Parent Default from the Senior Parent Notes Trustee or any Senior Parent Creditor Representative (as the case may be);
- (iii) a Senior Parent Standstill Period (as defined below) has elapsed; and
- (iv) the Relevant Senior Parent Default is continuing at the end of the relevant Senior Parent Standstill Period.

Promptly upon becoming aware of a Senior Parent Event of Default, the Senior Parent Notes Trustee or any Senior Parent Creditor Representative, as the case may be, may by notice (a “*Senior Parent Enforcement Notice*”) in writing notify the Senior Agents of the existence of such Senior Parent Event of Default.

Senior Parent Standstill Period

In relation to a Relevant Senior Parent Default, a Senior Parent Standstill Period shall mean the period beginning on the date (the “*Senior Parent Standstill Start Date*”) the relevant Senior Agent serves a Senior Parent Enforcement Notice on each of the Senior Agents in respect of such Senior Parent Event of Default and ending on the earlier to occur of:

- (i) the date falling 179 days after the Senior Parent Standstill Start Date (the “*Senior Parent Standstill Period*”);
- (ii) the date the Senior Secured Parties take any Enforcement Action in relation to a particular guarantor of the Senior Parent Notes and/or any Permitted Parent Financing Debt (a “*Senior Parent Guarantor*”) and/or a Third Party Security Provider, *provided, however*, that if a Senior Parent Standstill Period ends pursuant to this paragraph, the Senior Parent Creditors may only take the same Enforcement Action in relation to the Senior Parent Guarantor and/or a Third Party Security Provider as the Enforcement Action taken by the Senior Secured Parties against such Senior Parent Guarantor and/or a Third Party Security Provider and not against any other member of the Group or other Third Party Security Provider;
- (iii) the date of an Insolvency Event in relation to the relevant Senior Parent Debt Issuer or a particular Senior Parent Guarantor or Third Party Security Provider against whom Enforcement Action is to be taken;
- (iv) the expiry of any other Senior Parent Standstill Period outstanding at the date such first-mentioned Senior Parent Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy);
- (v) the date on which the consent of each of the Senior Facility Agent (acting on the instructions of the Majority Senior Lenders), the Second Lien Facility Agent (acting on the instructions of the Majority Second Lien Lenders), any Senior Notes Trustee (acting on behalf of the Senior Noteholders), any Senior Creditor Representative (acting on the instructions the Majority Permitted Senior Financing Creditors), any Priority Facility Agent (acting on the instructions of the Majority Priority Facility Lenders) and any Second Lien Creditor Representative (acting on the instructions of the Majority Permitted Second Lien Financing Creditors) has been obtained; and
- (vi) a failure to pay the principal amount outstanding on any Senior Parent Notes or on any Permitted Parent Financing Debt, as the case may be, at the final stated maturity of the amounts outstanding on the Senior Parent Notes or on the Permitted Parent Financing Debt, as the case may be (*provided* that unless the Senior Lender Discharge Date and the Senior Notes Tranche Holder Discharge Date has occurred or as otherwise agreed by the Majority Senior / Notes Tranche Lenders and the Company, such final stated maturity does not fall on a date prior to

the first anniversary of the latest maturity date under the Senior Facilities Agreement and the Senior Notes Tranche Notes).

Subsequent Senior Parent Event of Default

The Senior Parent Finance Parties may take Enforcement Action under the provisions set out in caption “—*Permitted Senior Parent Enforcement*” above in relation to a Relevant Senior Parent Default even if, at the end of any relevant Senior Parent Standstill Period or at any later time, a further Senior Parent Standstill Period has begun as a result of any other Senior Parent Event of Default.

Enforcement on Behalf of Senior Parent Creditors

If the Security Agent has notified the Senior Parent Agents that it is enforcing security created pursuant to any security document over shares of a Senior Parent Guarantor, no Senior Parent Creditor may take any action referred to under the provisions set out under the caption “—*Permitted Senior Parent Enforcement*” above against that Senior Parent Guarantor while the Security Agent is taking steps to enforce that security in accordance with the instructions of an Instructing Group where such action might be reasonably likely to adversely affect such enforcement or the amount of proceeds to be derived therefrom.

Option to Purchase: Senior Parent Creditors

Subject to the final two paragraphs of this section below, any of the Senior Parent Notes Trustee and any Senior Parent Creditor Representative (on behalf of the Senior Parent Creditors) may, after an acceleration event under the Senior Facilities Agreement, any Senior Notes or Permitted Senior Financing Debt which is continuing, by giving not less than 10 days’ notice to the Security Agent, require the transfer to the Senior Parent Creditors (or to a nominee or nominees) of all, but not part, of the rights, benefits and obligations in respect of the Senior Secured Liabilities and the Operating Facility Liabilities if:

- (i) that transfer is lawful and, subject to paragraph (ii) below, otherwise permitted by the terms of the Senior Facilities Agreement (in the case of the Senior Lender Liabilities), the Second Lien Facility Agreement (in the case of the Second Lien Lenders Liabilities), any Senior Notes Indenture(s) pursuant to which any Senior Notes remain outstanding (in the case of the Senior Notes liabilities), any Permitted Senior Financing Agreement pursuant to which any relevant Permitted Senior Financing Liabilities remain outstanding (in the case of the Permitted Senior Financing Liabilities), any Permitted Second Lien Financing Agreement pursuant to which any relevant Permitted Second Lien Financing Liabilities remain outstanding (in the case of the Permitted Second Lien Financing Liabilities), any Operating Facility Documents pursuant to which any relevant Operating Facility Liabilities remain outstanding (in the case of the Operating Facility Liabilities) and/or any Priority Facility Agreement pursuant to which any relevant Priority Facility Liabilities remain outstanding (in the case of the Priority Facility Liabilities) (as applicable);
- (ii) any conditions relating to such a transfer contained in the Senior Facilities Agreement (in the case of the Senior Lender Liabilities), the Second Lien Facility Agreement (in the case of the Second Lien Lenders Liabilities), any Senior Notes Indenture(s) pursuant to which any Senior Notes remain outstanding (in the case of the Senior Notes liabilities), any Permitted Senior Financing Agreement pursuant to which any relevant Permitted Senior Financing Liabilities remain outstanding (in the case of the Permitted Senior Financing Liabilities), any Permitted Second Lien Financing Agreement pursuant to which any relevant Permitted Second Lien Financing Liabilities remain outstanding (in the case of the Permitted Second Lien Financing Liabilities), any Operating Facility Documents pursuant to which any relevant Operating Facility Liabilities remain outstanding (in the case of the Operating Facility Liabilities), and/or any Priority Facility Agreement pursuant to which any relevant Priority Facility Liabilities

remain outstanding (in the case of the Priority Facility Liabilities) are complied with, in each case, other than as specified in the Intercreditor Agreement;

- (iii) each of the Senior Facility Agent (on behalf of the Senior Lenders), the applicable Priority Facility Agent (on behalf of the Priority Facility Lenders), the Senior Notes Trustee (on behalf of the relevant Senior Noteholders), the applicable Senior Creditor Representative (on behalf of the relevant Permitted Senior Financing Creditors), the Operating Facility Lenders, the Second Lien Facility Agent (on behalf of the Second Lien Lenders) and the applicable Second Lien Creditor Representative (on behalf of the relevant Permitted Second Lien Financing Creditors) is paid the amounts required under the Intercreditor Agreement;
- (iv) as a result of that transfer the Senior Lenders, the Priority Facility Lenders, the Second Lien Lenders, the Senior Noteholders, the Permitted Senior Financing Creditors, the Permitted Second Lien Financing Creditors and the Operating Facility Lenders have no further actual or contingent liability to the Company, any other Debtor or a Third Party Security Provider under the relevant Secured Debt Documents;
- (v) an indemnity is provided from each Senior Parent Creditor (other than any Senior Parent Agent) (or from another third party acceptable to all the Senior Lenders, the Second Lien Lenders, the Senior Notes Creditors, the Permitted Senior Financing Creditors, the Permitted Second Lien Financing Creditors, the Operating Facility Lenders and the Priority Facility Lenders) in a form reasonably satisfactory to each Senior Lender, Second Lien Lender, Senior Notes Creditor, Permitted Senior Financing Creditor, Permitted Second Lien Financing Creditor, Operating Facility Lender and Priority Facility Lender in respect of all costs, expenses, losses and liabilities which may be sustained or incurred by any Senior Lender, Second Lien Lender, Senior Notes Creditor, Permitted Senior Financing Creditor, Permitted Second Lien Financing Creditor, Operating Facility Lender or Priority Facility Lender in consequence of any sum received or recovered by any Senior Lender, Second Lien Lender, Senior Notes Creditor, Permitted Senior Financing Creditor, Permitted Second Lien Financing Creditor, Operating Facility Lender or Priority Facility Lender from any person being required (or it being alleged that it is required) to be paid back by or clawed back from any Senior Lender, Second Lien Lender, Senior Notes Creditor, Permitted Senior Financing Creditor, Permitted Second Lien Financing Creditor, Operating Facility Lender or Priority Facility Lender for any reason; and
- (vi) the transfer is made without recourse to, or representation or warranty from, the Senior Lenders, the Second Lien Lenders, the Senior Notes Creditors, the Permitted Senior Financing Creditors, the Permitted Second Lien Financing Creditors, the Operating Facility Lenders or the Priority Facility Lenders, except that each Senior Lender, Second Lien Lender, Senior Notes Creditor, Permitted Senior Financing Creditor, Permitted Second Lien Financing Creditor, Operating Facility Lender and Priority Facility Lenders shall be deemed to have represented and warranted on the date of that transfer that it has the corporate power to effect that transfer and it has taken all necessary action to authorize the making by it of that transfer.

Subject to the Intercreditor Agreement, the Senior Parent Notes Trustee or any Senior Parent Creditor Representative (on behalf of all the Senior Parent Creditors) may only require a transfer of Senior Secured Liabilities if, at the same time, they require a transfer of hedging liabilities regulated by the Intercreditor Agreement and if, for any reason, such transfer cannot be made in accordance with the Intercreditor Agreement, no transfer of Senior Secured Liabilities may be required to be made.

At the request of the Senior Parent Notes Trustee or any Senior Parent Creditor Representative (on behalf of all the Senior Parent Creditors), the Senior Facility Agent, the relevant Priority Facility Agent, the Senior Notes Trustee, any relevant Senior Creditor Representative, the Operating Facility Lenders, the Second Lien Facility Agent and any relevant Second Lien Creditor Representative shall notify the Senior Parent Notes Trustee and any Senior Parent Creditor Representative of the foregoing payable sums in connection with such transfer.

Effect of Insolvency Event; Filing of Claims

The Intercreditor Agreement provides that, among other things, after the occurrence of an Insolvency Event in relation to any Debtor or any Third Party Security Provider, or, following an acceleration event which is continuing, any member of the Group, any party entitled to receive a distribution out of the assets of that member of the Group or (to the extent arising pursuant to the terms of any Third Party Security) that Third Party Security Provider in respect of liabilities owed to that party shall (in the case of any Creditor or Operating Facility Lender, only to the extent that such distribution would otherwise constitute a receipt or recovery of a type subject to the provisions set out below under the caption “—*Turnover*” and, in all cases, if prior to a distress event, only if required by the Security Agent acting on the instructions of an Instructing Group), subject to receiving payment instructions and any other relevant information from the Security Agent and to the extent it is able to do so (including pursuant to applicable law and regulation), direct the person responsible for the distribution of the assets of that member of the Group or that Third Party Security Provider to pay that distribution to the Security Agent until the liabilities owing to the Secured Parties have been paid in full. In this respect, the Security Agent shall apply distributions paid to it in accordance with the provisions set out under the caption “—*Application of Proceeds*” below.

Subject to certain exceptions, to the extent that any member of the Group’s or Third Party Security Provider’s liabilities are discharged by way of set-off (mandatory or otherwise) after the occurrence of an Insolvency Event in relation to that member of the Group, any Creditor and any Operating Facility Lender which benefited from that set-off shall (in the case of any Creditor or Operating Facility Lender, only to the extent that such distribution would otherwise constitute a receipt or recovery of a type subject to the provisions set out below under the caption “—*Turnover*” and, in all cases, if prior to a distress event, only if required by the Security Agent acting on the instructions of an Instructing Group), subject to receiving payment instructions and any other relevant information from the Security Agent, pay an amount equal to the amount of the liabilities owed to it which are discharged by that set-off to the Security Agent for application in accordance with the provisions set out under the caption “—*Application of Proceeds*” below and subject to certain exceptions.

Subject to the provisions set out under the caption “—*Application of Proceeds*” below, if the Security Agent or any other Secured Party receives a distribution in a form other than in cash in respect of any of the liabilities, the liabilities will not be reduced by that distribution until and except to the extent that the realization proceeds are actually applied towards the liabilities.

After the occurrence of an Insolvency Event in relation to any Debtor or any Third Party Security Provider (or, following an acceleration event which is continuing, any member of the Group), each Creditor and each Operating Facility Lender irrevocably authorizes the Security Agent, on its behalf, to:

- (i) take any Enforcement Action (in accordance with the terms of the Intercreditor Agreement) against that member of the Group or that Third Party Security Provider’s liabilities;
- (ii) demand, sue, prove and give receipt for any or all of that member of the Group’s liabilities or that Third Party Security Provider’s liabilities;
- (iii) collect and receive all distributions on, or on account of, any or all of that member of the Group’s liabilities or that Third Party Security Provider’s liabilities; and
- (iv) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover that member of the Group’s liabilities or that Third Party Security Provider’s liabilities.

Each Creditor and Operating Facility Lender will (i) do all things that the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) reasonably requests in order to give effect to the matters referred to in this “—*Effect of Insolvency Event; Filing of Claims*” section and (ii) if the Security Agent is not entitled to take any of the actions contemplated by this “—*Effect of Insolvency*

Event; Filing of Claims” section or if the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) requests that a Creditor or Operating Facility Lender take that action, undertake that action itself in accordance with the instructions of the Security Agent or grant a power of attorney to the Security Agent (on such terms as the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) may reasonably require, although neither the Senior Notes Trustee nor the Senior Parent Notes Trustee shall be under any obligation to grant such powers of attorney) to enable the Security Agent to take such action.

Turnover

Subject to certain exceptions, the Intercreditor Agreement provides that if any Creditor or Operating Facility Lender receives or recovers from any member of the Group or (in relation to any Third Party Security) any Third Party Security Provider:

- (i) any payment or distribution of, or on account of or in relation to, any of the liabilities which is prohibited under the Intercreditor Agreement or, following the occurrence of a Senior Distress Event which is continuing, any Senior Lender Liabilities, Hedging Liabilities, Senior Notes liabilities, Permitted Senior Financing liabilities, Priority Facility liabilities or Operating Facility liabilities;
- (ii) other than as referred to in the second paragraph of the caption “—*Effect of Insolvency Event; Filing of Claims*” any amount by way of set-off in respect of any of the liabilities owed to it which does not give effect to a payment permitted under the Intercreditor Agreement;
- (iii) notwithstanding paragraphs (i) and (ii) above, other than as referred to in the second paragraph of the caption “—*Effect of Insolvency Event; Filing of Claims*” any amount:
 - (A) on account of, or in relation to, any of the liabilities after the occurrence of a distress event (including as a result of any litigation or proceedings against a member of the Group or a Third Party Security Provider other than after the occurrence of an Insolvency Event in respect of that member of the Group or that Third Party Security Provider); or
 - (B) by way of set-off in respect of any of the liabilities owed to it after the occurrence of a distress event,other than, in each case, any amount received or recovered in accordance with the provisions set out below the caption “—*Application of Proceeds*;”
- (iv) the proceeds of any enforcement of any security except in accordance with the provisions set out below under the caption “—*Application of Proceeds*;” or
- (v) subject to certain exceptions, any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any member of Group or any Third Party Security Provider which is not in accordance with the provisions set out under the caption “—*Application of Proceeds*” and which is made as a result of, or after, the occurrence of an Insolvency Event in respect of that member of Group or that Third Party Security Provider,

that Creditor or Operating Facility Lender will, subject to certain exceptions: (i) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the Security Agent and subject to receiving payment instructions and any other relevant information from the Security Agent, promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement and (y) subject to receiving payment instructions and any other relevant information the Security Agent, promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) in relation to receipts and recoveries

received or recovered by way of set-off, subject to receiving payment instructions and any other relevant information from the Security Agent, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Enforcement of Security

Enforcement Instructions

The Security Agent may refrain from enforcing the security unless instructed otherwise by (i) an Instructing Group; (ii) if required as set out in the third paragraph of this section, the Majority Second Lien Creditors or (iii) if required as set out under the fourth paragraph of this section, the “*Majority Senior Parent Creditors*.”

Subject to the security having become enforceable in accordance with its terms (i) an Instructing Group; (ii) to the extent permitted to enforce or to require the enforcement of the security prior to the Senior Discharge Date as described under the caption “—*Restrictions Relating to Second Lien Secured Creditors and Second Lien Liabilities*” above, the Majority Second Lien Creditors or (iii) to the extent permitted to enforce or to require the enforcement of the security prior to the First/Second Lien Discharge Date as described under the provisions under the caption “—*Restrictions Relating to Senior Parent Creditors and Senior Parent Liabilities*” above, the Majority Senior Parent Creditors, may give or refrain from giving, instructions to the Security Agent to enforce, or refrain from enforcing, the security as they see fit.

Prior to the Senior Discharge Date, (i) if an Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the security or (ii) in the absence of instructions from an Instructing Group, and, in each case, an Instructing Group has not required any Debtor or Third Party Security Provider to make a distressed disposal, the Security Agent shall give effect to any instructions to enforce the security which the Majority Second Lien Creditors are then entitled to give to the Security Agent as described under the provisions under the caption “—*Permitted Second Lien Enforcement*” above.

Prior to the First/Second Lien Discharge Date, (i) if an Instructing Group or the Majority Second Lien Creditors (as applicable) has instructed the Security Agent not to enforce or to cease enforcing the security or (ii) in the absence of instructions from an Instructing Group or the Majority Second Lien Creditors (as applicable), and, in each case, an Instructing Group or the Majority Second Lien Creditors (as applicable) has not required any Debtor Third Party Security Provider to make a distressed disposal, the Security Agent shall give effect to any instructions to enforce the security which the Majority Senior Parent Creditors are then entitled to give to the Security Agent as described under the provisions under the caption “—*Permitted Senior Parent Enforcement*” above. Any obligations of any Debtor and intra-group lender incorporated in Italy are subject to any applicable Italian insolvency law provisions and any other mandatory provisions of Italian law.

Subject to certain provisions of the Intercreditor Agreement, no secured party shall have any independent power to enforce, or to have recourse to enforce, any security or to exercise any rights or powers arising under the security documents except through the Security Agent in the manner contemplated by the Intercreditor Agreement.

Manner of Enforcement

If the security is being enforced as set forth above under the caption “—*Enforcement of Security—Enforcement Instructions*,” the Security Agent shall enforce the security in such manner (including, without limitation, the selection of any administrator, examiner or equivalent officer of any Debtor or Third Party Security Provider to be appointed by the Security Agent) as:

- (a) an Instructing Group;
- (b) prior to the Senior Discharge Date, if (i) the Security Agent has, pursuant to the third paragraph under the caption “—*Enforcement of Security*” above, given effect to instructions given by the

Majority Second Lien Creditors to enforce the security; and (ii) an Instructing Group or the Majority Second Lien Creditors (as applicable) has not given instructions as to the manner of enforcement of the security, the Majority Second Lien Creditors;

- (c) prior to the First/Second Lien Discharge Date, if (i) the Security Agent has, pursuant to the fourth paragraph under the caption “—*Enforcement of Security*” above, given effect to instructions given by the Majority Senior Parent Creditors to enforce the security; and (ii) an Instructing Group has not given instructions as to the manner of enforcement of the security, the Majority Senior Parent Creditors,

shall instruct or, in the absence of any such instructions, as the Security Agent sees fit (it being understood that, absent such instructions, the Security Agent may elect to take no action).

Exercise of Voting Rights

To the fullest extent permitted under applicable law, each Creditor (other than the Senior Notes Trustee and the Senior Parent Notes Trustee) and each Operating Facility Lender shall agree with the Security Agent that it will cast its vote in any proposal put to the vote by, or under the supervision of, any judicial or supervisory authority in respect of any insolvency, pre-insolvency or rehabilitation or similar proceedings relating to any member of the Group or any Third Party Security Provider as instructed by the Security Agent. The Security Agent shall give instructions for the purposes of this paragraph as directed by an Instructing Group. Notwithstanding the foregoing, no party can exercise or require any other Creditor or Operating Facility Lender under the Intercreditor Agreement to exercise its power of voting or representation to waive, reduce, discharge, extend the due date for payment or otherwise reschedule any of the liabilities owed to that Creditor or Operating Facility Lender.

Waiver of Rights

To the extent permitted under applicable law and subject to certain provisions of the Intercreditor Agreement, each of the Secured Parties, each Third Party Security Provider and each Debtor waives all rights it may otherwise have to require that the security be enforced in any particular order or manner or at any particular time, or that any sum received or recovered from any person, or by virtue of the enforcement of any of the security or of any other security interest, which is capable of being applied in or towards discharge of any of the secured obligations, is so applied.

Security Held by Other Creditors

If any security is held by a Creditor or Operating Facility Lender other than the Security Agent, then that Creditor or Operating Facility Lender may only enforce that security in accordance with instructions given by an Instructing Group pursuant to the terms of the Intercreditor Agreement (and for this purpose references to the Security Agent shall be construed as references to that Creditor or Operating Facility Lender).

Consultation Period

- (a) Subject to paragraph (d) below, before giving any instructions to the Security Agent to enforce the security or refrain or cease from enforcing the security or to take any other Enforcement Action, the creditor representative(s) of the creditors of the Group represented in the Instructing Group concerned (and, if applicable, any relevant Hedge Counterparties) shall consult with each other creditor representative, each other Hedge Counterparty, each Operating Facility Lender and the Security Agent in good faith about the instructions to be given by the Instructing Group for a period of not less than 10 business days (or, in the case of any consultation involving a Senior Notes Trustee, a Senior Parent Notes Trustee or a Creditor Representative in respect of any high-yield notes, debt securities or other similar instruments, 30 days) from the date on which details of the proposed instructions are received by such creditor representative(s), Hedge Counterparties, Operating Facility Lenders and the Security Agent (or such shorter period as each creditor representative, Hedge Counterparty, Operating Facility Lender and the Security

Agent shall agree) (the “Consultation Period”), and only following the expiry of a Consultation Period shall the Instructing Group be entitled to give any instructions to the Security Agent to enforce the security or refrain or cease from enforcing the security or take any other Enforcement Action.

- (b) Subject to paragraph (c) below, in the event conflicting instructions are received from any other Instructing Group, the Security Agent shall enforce the security, refrain or cease from enforcing the security or, as the case may be, take the relevant other Enforcement Action in accordance with the instructions given by an Instructing Group referred to in paragraph (a)(i)(A) of the definition of Instructing Group (in each case *provided* that such instructions are consistent with any applicable requirements of the Intercreditor Agreement and the security documents) and the terms of all instructions given by any other Instructing Group shall be deemed revoked.
- (c) If paragraph (a)(i)(B) of the definition of Instructing Group applies, then prior to the Priority Facility Discharge Date, if: (i) the (i) the Priority Creditors have not been fully repaid within six months of the end of the first Consultation Period; (ii) the Security Agent has not commenced any enforcement of the security (or a transaction in lieu thereof) or other Enforcement Action within three months of the end of the first Consultation Period; or (iii) an insolvency event has occurred and the Security Agent has not commenced any enforcement of the security (or a transaction in lieu thereof) or other Enforcement Action at that time, then the Security Agent shall follow the instructions given by the Majority Priority Creditors (in each case *provided* that such instructions are consistent with the Intercreditor Agreement and the security documents).
- (d) No Agent or Hedge Counterparty shall be obliged to consult in accordance with paragraph (a) above and an Instructing Group shall be entitled to give any instructions to the Security Agent to enforce the security or take any other Enforcement Action prior to the end of a Consultation Period (in each case *provided* that such instructions are consistent with any applicable requirements of the Intercreditor Agreement and the security documents) if:
 - (i) the security has become enforceable as a result of an Insolvency Event; or
 - (ii) the Instructing Group or any creditor representative of the Creditors represented in the Instructing Group determines in good faith (and notifies each other creditor representative, the Hedge Counterparties and the Security Agent) that to enter into such consultations and thereby delay the commencement of enforcement of the security would reasonably be expected to have a material adverse effect on:
 - (A) the Security Agent’s ability to enforce any of the security; or
 - (B) the realization proceeds of any enforcement of the security and, where this paragraph (b) applies any instructions shall be limited to those necessary to protect or preserve the interests of the Senior Secured Creditors on behalf of which the relevant Instructing Group is acting in relation to the matters referred to in sub-paragraphs (A) and (B) above; and the Security Agent shall act in accordance with the instructions first received.
- (e) As soon as reasonably practicable following receipt of any instructions from an Instructing Group to enforce the security, refrain or cease from enforcing the security or, as the case may be, take any other Enforcement Action, the Security Agent shall provide a copy of such instructions to each Agent, Hedge Counterparty and Operating Facility Lender (unless it received those instructions from that person).

Duties Owed

Pursuant to the Intercreditor Agreement, each of the Secured Parties, the Debtors and the Third Party Security Providers acknowledges that, in the event that the Security Agent enforces, or is instructed to

enforce, the security prior to the First/Second Lien Discharge Date, the duties of the Security Agent and of any receiver or delegate owed to the Senior Parent Creditors in respect of the method, type and timing of that enforcement or of the exploitation, management or realization of any of that security shall, subject to the section entitled Distressed Disposals below, be no different to or greater than the duty that is owed by the Security Agent, receiver or delegate to the Third Party Security Providers and the Debtors under general law.

Proceeds of Disposals

Non-Distressed Disposals

The Security Agent is irrevocably authorized and instructed (at the request and cost of the relevant Debtor, Third Party Security Provider or the Company) to promptly release (or procure that any other relevant person releases):

- (i) any security (and/or any other claim relating to a debt document) over any asset which is the subject of:
 - (A) a disposal not prohibited by the terms of the Senior Facilities Agreement, any Senior Notes Indenture, any Permitted Senior Financing Agreement, the Second Lien Facility Agreement, any Permitted Second Lien Financing Agreement, any Senior Parent Notes Indenture and any Permitted Parent Financing Agreement (each a “**Debt Financing Agreement**”) or a Third Party Security (including a disposal to a member of the Group, but without prejudice to any obligation of any member of the Group or any Third Party Security Provider in a Debt Financing Agreement to provide replacement security); or
 - (B) any other transaction not prohibited by the terms of any Debt Financing Agreement or any Third Party Security pursuant to which that asset will cease to be held or owned by a member of the Group or, as applicable, a Third Party Security Provider;
- (ii) any security (and/or any other claim relating to a debt document) over any document or other agreement requested in order for any member of the Group or any Third Party Security Provider, as applicable, to effect any amendment or waiver in respect of that document or agreement or otherwise exercise any rights, comply with any obligations or take any action in relation to that document or agreement (in each case to the extent not prohibited by the terms of any Debt Financing Agreement);
- (iii) any security (and/or any other claim relating to a debt document) over any asset of any member of the Group or any Third Party Security Provider, as applicable, which has ceased to be a Debtor or a Third Party Security Provider, as applicable (or will cease to be a Debtor or a Third Party Security Provider, as applicable simultaneously with such release);
- (iv) any security which is relevant to any merger, consolidation, reorganization or transaction not prohibited by the terms of any Debt Financing Agreement or any Third Party Security whereby a release of an asset is required to effect such merger, consolidation, reorganization or transaction (subject to any obligation under the Debt Documents to re-take such security); and
- (v) any security (and/or any other claim relating to a debt document) over any other asset to the extent that such release is in accordance with the terms of the Debt Financing Agreements.

In the case of a disposal of shares or other ownership interests in a Debtor (or any holding company of any Debtor), or any other transaction pursuant to which a Debtor (or any holding company of any Debtor) will cease to be a member of the Group or a Debtor (including in connection with the resignation of that Debtor or the Debtor being designated as an Unrestricted Subsidiary), the Security Agent (on behalf of itself and the Secured Parties) shall (at the request and cost of the relevant Debtor or the Company) promptly release (or procure the release of) that Debtor and its subsidiaries (and its and their assets) from all present and future liabilities under the Secured Debt Documents.

When making any request for a release pursuant to this “—*Non-Distressed Disposals*” section, the Company shall confirm in writing to the Security Agent that:

- (i) in the case of any release requested pursuant to paragraph (i) or (ii) above, the relevant disposal or other action is not prohibited by the terms of any Debt Financing Agreement; or
- (ii) in the case of any release requested pursuant to paragraph (iv) above, the relevant release is in accordance with the terms of the Debt Financing Agreements,

and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

The Security Agent shall (at the cost and expense of the relevant Debtor or Third Party Security Provider or the Company but without the need for any further consent, sanction, authority or further confirmation from any Creditor, Operating Facility Lender, other Secured Party, Debtor or Third Party Security Provider) promptly enter into and deliver such documentation and/or take such other action as the Company (acting reasonably) shall require to give effect to any release or other matter described above.

Without prejudice to the foregoing and for the avoidance of doubt, if requested by the Company in accordance with the terms of any of the Debt Financing Agreements (and *provided* that the requested action is not expressly prohibited by any of the other Debt Financing Agreements), the Security Agent and the other Creditors and Operating Facility Lenders shall (at the cost of the relevant Debtor, the relevant Additional Security Provider and/or the Company) promptly execute any guarantee, security or other release and/or any amendment, supplement or other documentation relating to the security documents as contemplated by the terms of any of the Debt Financing Agreements (and the Security Agent is authorized to execute, and will promptly execute if requested by the Company, without the need for any further consent, sanction, authority or further confirmation from any Creditor or Operating Facility Lender, any such release or document on behalf of the Creditors and the Operating Facility Lenders). When making any request pursuant to this paragraph (d) the Company shall confirm in writing to the Security Agent that such request is in accordance with the terms of a Debt Financing Agreement (and the requested action is not expressly prohibited by way of any of the other Debt Financing Agreements) and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

In the case of any release of security requested by the Company as part of a transaction permitted by the Senior Facilities Agreement and/or the Bridge Facility Agreement or pursuant to the equivalent provision of any Second Lien Facility Agreement as part of a Permitted Transaction (as that term is defined in the Second Lien Facility Agreement) (each a “Permitted Transaction Request”), when making that request the Company shall confirm to the Security Agent that: (i) such request is a Permitted Transaction Request (absent which statement the Security Agent shall be entitled to assume that the request is not a Permitted Transaction Request); and (ii) it has determined in good faith that it is either not possible or not desirable to implement the relevant transaction on terms satisfactory to the Company by instead granting additional security and/or amending the terms of the existing security.

Notwithstanding anything to the contrary in any Debt Document, nothing in any security document shall operate or be construed so as to prevent any transaction, matter or other step not prohibited by the terms of the Intercreditor Agreement or the Debt Financing Agreements (a “Permitted Action”). The Security Agent (on behalf of itself and the Secured Parties) hereby agrees (and is irrevocably authorized and instructed to do so without any consent, sanction, authority or further confirmation from any Party) that it shall (at the request and cost of the relevant Debtor or the Company) promptly execute any release or other document and/or take such other action under or in relation to any Debt Document (or any asset subject or expressed to be subject to any security document) as is requested by the Company in order to complete, implement or facilitate a Permitted Action. In the event that the Company makes any request pursuant to and in reliance on the preceding sentence, the Security Agent shall be permitted to request a confirmation from the Company that the relevant transaction, matter or other step is a

Permitted Action and the Security Agent shall be entitled to rely on that confirmation for all purposes under the Secured Debt Documents.

If any member of the Group is required or permitted under the Senior Debt Documents to apply the proceeds of any disposal or other transaction in prepayment, redemption or any other discharge or reduction of the Senior Liabilities then no such application of those proceeds shall require the consent of any other party or result in any breach of any Senior Parent Finance Documents and such application shall discharge in full any obligation to apply those proceeds in prepayment, redemption or other discharge or reduction of any Senior Parent Liabilities. This paragraph is without prejudice to any right of any member of the Group to apply any proceeds of any disposal or other transaction in prepayment, redemption or any other discharge or reduction of any Senior Parent Liabilities to the extent permitted or contemplated by the Intercreditor Agreement or any other Senior Debt Document.

The Security Agent is irrevocably authorized by each Secured Party to (and will on the request and at the cost of the Company):

- (i) release the security; and
- (ii) release each Third Party Security Provider, each investor, each Debtor and each other member of the Group from all liabilities, undertakings and other obligations under the Secured Debt Documents, on the Final Discharge Date (or at any time following such date on the request of the Company).

Distressed Disposals

Generally, a “Distressed Disposal” is a disposal of an asset of a member of the Group which is (a) being effected at the request of an Instructing Group in circumstances where a security interest has become enforceable in accordance with the terms of the relevant security document(s), (b) being effected by enforcement of a security interest in accordance with the terms of the relevant security document(s) or (c) being disposed of to a third party subsequent to a distress event.

If a Distressed Disposal of any asset of a member of the Group is being effected, the Security Agent is irrevocably authorized (at the cost of the relevant Debtor, the relevant Third Party Security Provider or the Company and without any consent, sanction, authority or further confirmation from any Creditor, Operating Facility Lender, other Secured Party, Debtor or Third Party Security Provider):

- (i) to release the security interest or any other claim over that asset and execute and deliver or enter into any release of that security interest or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;
- (ii) if the asset which is disposed of consists of shares in the capital of a Debtor to release:
 - (A) that Debtor and any subsidiary of that Debtor from all or any part of its borrowing liabilities, its guarantee liabilities and its other liabilities;
 - (B) any security granted by that Debtor or any subsidiary of that Debtor over any of its assets; and
 - (C) any other claim of an investor, an intra-group lender, or another Debtor over that Debtor’s assets or over the assets of any subsidiary of that Debtor,on behalf of the relevant Creditors, Operating Facility Lenders, Debtors, Third Party Security Providers and certain creditor representatives;
- (iii) if the asset which is disposed of consists of shares in the capital of any holding company of a Debtor, to release:

- (A) that holding company and any subsidiary of that holding company from all or any part of its borrowing liabilities, its guarantees liabilities and its other liabilities;
- (B) any security interest granted by that holding company or any subsidiary of that holding company over any of its assets; and
- (C) any other claim of any investor, any intra-group lender or another Debtor over that holding company's assets or the assets of any subsidiary of that holding company,

on behalf of the relevant Creditors, Operating Facility Lenders, Debtors, Third Party Security Providers and certain creditor representatives;

- (iv) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to dispose of all or any part of the liabilities or the Debtor liabilities owed by that Debtor or holding company or any subsidiary of that Debtor or holding company:
 - (A) (if the Security Agent (acting in accordance with the Intercreditor Agreement) does not intend that any transferee of those liabilities or Debtor liabilities (the "**Transferee**") will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of all or part of those liabilities or Debtor liabilities, *provided* that, notwithstanding any other provision of any debt document, the Transferee shall not be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement; and
 - (B) (if the Security Agent (acting in accordance with the Intercreditor Agreement) does intend that any Transferee will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of: all (and not part only) of the liabilities owed to the Primary Creditors and Operating Facility Lenders and all or part of any other liabilities and the Debtor liabilities,

On behalf of, in each case, the relevant Creditors, Operating Facility Lenders, Debtors and Third Party Security Providers;

- (v) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor (the "*Disposed Entity*") and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to transfer to another Debtor (the "*Receiving Entity*") all or any part of the Disposed Entity's obligations or any obligations of any subsidiary of that Disposed Entity in respect of the intra-group liabilities or the Debtor liabilities, to execute and deliver or enter into any agreement to:
 - (A) agree to the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the relevant intra-group lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and
 - (B) (if the Receiving Entity is a holding company of the Disposed Entity which is also a guarantor of Senior Liabilities) to accept the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-group liabilities or Debtor liabilities are to be transferred.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities or Debtor liabilities) shall be paid to the Security Agent for application in accordance with the provisions set out under the caption "*—Application of Proceeds*" (to the extent that the asset disposed of constituted charged property), as if those proceeds were the proceeds of an enforcement of the relevant security

interest and, to the extent that any disposal of liabilities or Debtor liabilities has occurred, as if that disposal of liabilities or Debtor liabilities had not occurred.

In the case of a Distressed Disposal (or a disposal of liabilities) effected by, or at the request of, the Security Agent (acting in accordance with the Intercreditor Agreement), the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of liabilities in order to achieve a higher price).

Where Borrowing Liabilities, Guarantee Liabilities and/or Other Liabilities would otherwise be released pursuant to the Intercreditor Agreement, the Creditor or Operating Facility Lender concerned may elect to have those Borrowing Liabilities, Guarantee Liabilities and/or Other Liabilities transferred to the Company in which case the Security Agent is irrevocably authorized (to the extent legally possible and at the cost of the relevant Debtor, the relevant Third Party Security Provider or the Company and without any consent, sanction, authority or further confirmation from any Creditor, Operating Facility Lender, other Secured Party, Debtor or Third Party Security Provider) to execute such documents as are required to so transfer those Borrowing Liabilities, Guarantee Liabilities and/or Other Liabilities.

Subject to the immediately following two paragraphs, in the case of a Distressed Disposal effected by or at the request of the Security Agent (acting in accordance with the Intercreditor Agreement), unless the consent of each Senior Agent is otherwise obtained, it is a further condition to any release, transfer or disposal that the proceeds of such disposal are in cash (or substantially all in cash) and such sale or disposal is made pursuant to a public auction in respect of which the Primary Creditors are entitled to participate or where a financial adviser selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view taking into account all relevant circumstances, including the method of enforcement, *provided* that the liability of such financial adviser may be limited to the amount of its fees in respect of such engagement (it being acknowledged that the Security Agent shall have no obligation to select or engage any financial adviser unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction).

If prior to the Second Lien Discharge Date a Distressed Disposal is being effected such that any Second Lien Liabilities will be released or disposed of, or any security securing the Second Lien Liabilities will be released, it is a further condition to the release that either:

- (a) each Second Lien Agent has approved the release; or
- (b) where shares or assets of a Second Lien Borrower or a Second Lien Guarantor are sold:
 - (i) the proceeds of such sale or disposal are in cash (or substantially in cash); and
 - (ii) all claims of the Senior Creditors, the Senior Notes Creditors, the Permitted Senior Financing Creditors and the Operating Facility Lenders (other than in relation to performance bonds or guarantees or similar instruments) against a member of the Group (if any) all of whose shares (other than any minority interest not owned by members of the Group) are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and are not assumed by the purchaser or one of its affiliates) and all security under the security documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, *provided* that if each of the Senior Facility Agent, any Senior Notes Trustee, any Senior Creditor Representative and any Priority Facility Agent (acting reasonably and in good faith):
 - (A) determines that the Senior Secured Creditors will recover a greater amount if any such claim is sold or otherwise transferred to the purchaser or one of its Affiliates and not released and discharged; and

- (B) serves a written notice on the Security Agent confirming the same, the Security Agent shall be entitled to sell or otherwise transfer such claim to the purchaser or one of its affiliates; and
- (iii) such sale or disposal is made:
 - (A) pursuant to a public auction in respect of which the Primary Creditors are entitled to participate; or
 - (B) where a financial adviser selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view, taking into account all relevant circumstances, including the method of enforcement, *provided* that the liability of such financial adviser may be limited to the amount of its fees in respect of such engagement (it being acknowledged that the Security Agent shall have no obligation to select or engage any financial adviser unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction).

If prior to the first date on which the discharge date for the Senior Parent Notes and any Permitted Parent Financing Debt has occurred, a Distressed Disposal is being effected such that, generally, the guarantees of the Senior Parent Notes and the guarantees of any Permitted Parent Financing Debt or any security over the assets of a Senior Parent Debt Issuer or any Senior Parent Guarantor will be released and/or the Senior Parent Notes liabilities and any Permitted Parent Financing Liabilities will be released, it is a further condition to the release that either:

- each Senior Parent Agent has approved the release; or
- where shares or assets of a Senior Parent Guarantor or assets of the Senior Parent Debt Issuer are sold:
 - (A) the proceeds of such sale or disposal are in cash (or substantially in cash);
 - (B) all claims of the Senior Secured Creditors and the Operating Facility Lenders (other than in relation to performance bonds or guarantees or similar instruments) against a member of the Group (if any), all of whose shares (other than any minority interest not owned by members of the Group) or its assets are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all security interests under the security documents in respect of such shares or such assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, *provided* that, if each Senior Agent (acting reasonably and in good faith):
 - (I) determines that the Senior Secured Creditors will recover a greater amount if such claim is sold or otherwise transferred to the purchaser or one of its affiliates and not released or discharged; and
 - (II) serves a written notice on the Security Agent confirming the same,

the Security Agent shall be entitled to sell or otherwise transfer such claim to the purchaser or one of its affiliates; and
 - (C) such sale or disposal is made:
 - (I) pursuant to a public auction in respect of which the Primary Creditors are entitled to participate; or

- (II) where a financial adviser selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view, taking into account all relevant circumstances, including the method of enforcement, *provided* that the liability of such financial adviser may be limited to the amount of its fees in respect of such engagement (it being acknowledged that the Security Agent shall have no obligation to select or engage any financial adviser unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction).

Application of Proceeds

The Intercreditor Agreement provides that the rights of Secured Parties shall be subject to the priorities set out in this section.

Order of Application

The Intercreditor Agreement provides that all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any debt document or in connection with the realization or enforcement of all or any part of the relevant security interests (for the purposes of this “—*Application of Proceeds*” section and the “—*Equalization of the Senior Secured Creditors*” section, the “Recoveries”) shall be applied by the Security Agent at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this “—*Application of Proceeds*” section), in the following order of priority:

- (i) in discharging any sums owing to the Senior Facility Agent (in respect of the amounts due to the Senior Agent), any Senior Creditor Representative (in respect of amounts due to the Senior Creditor Representative), any Senior Parent Creditor Representative (in respect of amounts due to the Senior Parent Creditor Representative), any Priority Facility Agent (in respect of amounts due to the Priority Facility Agent) any Second Lien Agent (in respect of amounts due to Second Lien Agent), any Second Lien Creditor Representative (in respect of amounts due to Second Lien Creditor Representative) or certain amounts due to the Senior Notes Trustee or amounts due to the Senior Parent Notes Trustee, or any sums owing to the Security Agent, any receiver or any delegate on a *pro rata* and *pari passu* basis;
- (ii) in payment of all costs and expenses incurred by any agent, Primary Creditor or Operating Facility Lender in connection with any realization or enforcement of the security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;
- (iii) in respect of recoveries resulting from the realization or enforcement of all or any part of the transaction security or a transaction in lieu thereof, in payment to:
 - (A) the Priority Facility Agent on its own behalf and on behalf of the Priority Facility Arrangers and Priority Facility Lenders; and
 - (B) the Hedge Counterparties;

for application towards the discharge of:

- (I) the Priority Facility Arranger liabilities and the Priority Facility liabilities (in accordance with the terms of the Priority Facility Finance Documents); and
- (II) the Priority Hedging liabilities (on a *pro rata* basis between the Priority Hedging Liabilities of each Hedge Counterparty);

On a *pro rata* basis and *pari passu* between paragraphs (1) and (2) above;

- (iv) in payment to:

- (A) the Priority Facility Agent on its own behalf and on behalf of the Priority Facility Arrangers and Priority Facility Lenders;
- (B) the Senior Facility Agent on its own behalf and on behalf of the arrangers under the Senior Facilities Agreement and the Senior Lenders;
- (C) the Hedge Counterparties; and
- (D) the Operating Facility Lenders;
- (E) the Senior Notes Trustee on its own behalf and on behalf of the holders of the Senior Notes; and
- (F) each Senior Creditor Representative on its own behalf and on behalf of the arrangers with respect to the Permitted Senior Financing Debt and the Permitted Senior Financing Creditors; and for application towards the discharge of:
 - (I) the Priority facility Arranger Liabilities and the Priority Facility Liabilities (in accordance with the terms of the Priority facility finance Documents);
 - (II) the liabilities of the Debtors owed to the arrangers under or in connection with the Senior Facilities and the Senior Lender Liabilities (in accordance with the terms of the finance documents in relation to the Senior Facilities);
 - (III) the Hedging Liabilities (on a *pro rata* basis between the Hedging Liabilities of each Hedge Counterparty); and
 - (IV) the Operating Facility Liabilities (on a *pro rata* basis between the Operating Facility Liabilities of each Operating Facility Lender);
 - (V) the Senior Notes liabilities (other than sums owing to the Security Agent) (in accordance with the terms of the Indenture and other finance documents for the Senior Notes);
 - (VI) the liabilities of the Debtors owing to the arrangers of the Permitted Senior Financing Debt and the Permitted Senior Financing Liabilities (other than the liabilities owing to a Senior Creditor Representative) (in accordance with the terms of the Permitted Senior Financing Documents and, if there is more than one Permitted Senior Financing Agreement, on a *pro rata* basis between the Permitted Senior Financing Debt in respect of each Permitted Senior Financing Agreement);

on a *pro rata* basis and *pari passu* between the immediately preceding paragraphs (I) to (VI) above;

- (v) in payment to:
 - (A) the Second Lien Facility Agent on its own behalf and on behalf of the Second Lien Arrangers and the Second Lien Lenders; and
 - (B) each Second Lien Creditor Representative on its own behalf and on behalf of the Permitted Second Lien Financing Arrangers and the Permitted Second Lien Financing Creditors, for application towards the discharge of:
 - (I) the Second Lien Arranger Liabilities and the Second Lien Lender Liabilities (in accordance with the terms of the Second Lien Finance Documents); and

- (II) the Permitted Second Lien Financing Arranger Liabilities and the Permitted Second Lien Financing Liabilities (other than the Permitted Second Lien Financing Agent Liabilities) (in accordance with the terms of the Permitted Second Lien Financing Documents and, if there is more than one Permitted Second Lien Financing Agreement, on a *pro rata* basis between the Permitted Second Lien Financing Debt in respect of each Permitted Second Lien Financing Agreement),

on a *pro rata* basis and *pari passu* between the immediately preceding paragraphs (I) and (II) above;

(vi) in payment to:

- (A) each Senior Parent Notes Trustee on its own behalf and on behalf of the Senior Parent Noteholders; and
- (B) each Senior Parent Creditor Representative on its own behalf and on behalf of the arrangers under the Permitted Parent Financing Debt and the Permitted Parent Financing Creditors, for application towards the discharge of:
 - (I) the Senior Parent Notes liabilities (other than any sums owing to the Security Agent) (in accordance with the terms of the Senior Parent Notes Finance Documents); and
 - (II) the liabilities of the Debtors owed to the arrangers of the Permitted Parent Financing Debt and the Permitted Parent Financing Liabilities (other than the liabilities owing to a Senior Parent Creditor Representative) (in accordance with the terms of the Permitted Parent Financing Documents and, if there is more than one Permitted Parent Financing Agreement, on a *pro rata* basis between the Permitted Parent Financing Debt in respect of each Permitted Parent Financing Agreement),

on a *pro rata* basis and *pari passu* between the immediately preceding paragraphs (I) and (II) above;

- (vii) if none of the Debtors or (to the extent relating to a Third Party Security Provider) Third Party Security Providers is under any further actual or contingent liability under any Secured Debt Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor or any Third Party Security Provider; and
- (viii) the balance, if any, in payment to the relevant Debtor or Third Party Security Provider.

The Security Agent is authorized under the Intercreditor Agreement to hold any non-cash consideration received or recovered in connection with the realization or enforcement of all or any part of the security until cash is received for any such non-cash consideration, *provided* that the Security Agent may distribute any such non-cash consideration to a Secured Party which has agreed, on terms satisfactory to the Security Agent, to receive such non-cash consideration and the liabilities owed to that Secured Party shall be reduced by an amount equal to the value of that non-cash consideration upon receipt by that Secured Party of that non-cash consideration.

Liabilities of the Senior Parent Debt Issuer

Generally, all amounts from time to time received or recovered by the Security Agent from or in respect of the Senior Parent Debt Issuer pursuant to the terms of any debt document (other than in connection with the realization or enforcement of all or any part of the relevant security interests) shall be held by

the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law in the following order of priority:

- (i) in accordance with paragraph (i) of the section captioned “—*Order of Application*;”
- (ii) in accordance with paragraph (ii) of the section captioned “—*Order of Application*;”
- (iii) in accordance with paragraphs (iv) to (vi) of the section captioned “—*Order of Application*,” *provided* that payments will be made on a *pro rata* basis and *pari passu* between each of the payments referred to in paragraphs (iv) and (to the extent relating to Liabilities in respect of Senior Parent Notes and/or Permitted Parent Financing Debt where the relevant Senior Parent Debt Issuer is the issuer or, as the case may be, the borrower) (vi);
- (iv) if none of the Debtors is under any further actual or contingent liability under any Secured Debt Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor or any Third Party Security Provider; and
- (v) the balance, if any, in payment to the relevant Debtor or Third Party Security Provider.

Equalization of the Senior Secured Creditors

If, for any reason, any Senior Creditor Liabilities, Senior Notes Liabilities, Permitted Senior Financing Liabilities or Operating Facility Liabilities remain unpaid after the relevant enforcement date and the resulting losses are not borne by the relevant Senior Secured Creditors and the Operating Facility Lenders in the proportions which their respective exposures at the relevant enforcement date bore to the aggregate exposures of all the relevant Senior Secured Creditors and the Operating Facility Lenders at the enforcement date, the relevant Senior Secured Creditors and the Operating Facility Lenders will make such payments among themselves as the Security Agent shall require to put the relevant Senior Secured Creditors and the Operating Facility Lenders in such a position that (after taking into account such payments) those losses are borne in those proportions (or, as the case may be, to otherwise reflect the order of priority contemplated under the section “—*Application of Proceeds—Order of Application*”).

Turnover of Enforcement Proceeds

If:

- (a) the Security Agent or the relevant Agent is not entitled, for reasons of applicable law, to pay amounts received pursuant to the making of a demand under any guarantee, indemnity or other assurance against loss or the enforcement of the security to the Senior Secured Creditors and the Operating Facility Lenders but is entitled to distribute those amounts to Creditors (such Creditors, the “Receiving Creditors”) who, in accordance with the terms of the Intercreditor Agreement, are subordinated in right and priority of payment to the Senior Secured Creditors and the Operating Facility Lenders; and
- (b) the First/Second Lien Discharge Date has not yet occurred (nor would occur after taking into account such payments), then the Receiving Creditors shall make such payments to the Senior Secured Creditors and the Operating Facility Lenders as the Security Agent shall require to place the Senior Secured Creditors and the Operating Facility Lenders in the position they would have been in had such amounts been available for application against the Senior Liabilities and the Operating Facility Liabilities, provided this shall not apply to any receipt or recovery that has been distributed by:
 - (i) a Senior Notes Trustee to the Senior Noteholders in accordance with the Senior Notes finance documents;

- (ii) a Senior Parent Notes Trustee to the Senior Parent Noteholders in accordance with the Senior Parent Notes Finance Documents;
- (iii) a Senior Creditor Representative to the Permitted Senior Financing Creditors in accordance with the Permitted Senior Financing Documents;
- (iv) a Second Lien Creditor Representative to the Permitted Second Lien Financing Creditors in accordance with the Permitted Second Lien Financing Documents; or
- (v) a Senior Parent Creditor Representative to the Permitted Parent Financing Creditors in accordance with the Permitted Parent Financing Documents,

unless the Senior Notes Trustee, the Senior Parent Notes Trustee, the Senior Creditor Representative, the Second Lien Creditor Representative or the Senior Parent Creditor Representative (as applicable) had received at least two Business Days' prior written notice (in accordance with the Intercreditor Agreement) that an acceleration event or an insolvency event in relation to a Debtor or a Third Party Security Provider had occurred or that the receipt or recovery falls within the provisions set out under the caption "*—Turnover*" prior to distribution of the relevant amount.

Group Pushdown

The Intercreditor Agreement, generally, provides that on, in contemplation of, or after, a listing of all or part of the share capital of the Company or any of its subsidiaries on any recognised investment exchange or any other sale or issue by way of flotation or public offering in relation to the Company or any such subsidiary in any jurisdiction (a "*Listing*," and the relevant member of the Group who will issue shares, or whose shares are sold pursuant to the listing, the "*IPO Entity*"), at the Company's option:

- (i) the Group shall comprise only the IPO Entity and its subsidiaries from time to time;
- (ii) the IPO Entity shall take on the Company's role under the Intercreditor Agreement;
- (iii) none of the representations, warranties, undertakings or other provisions of the Intercreditor Agreement shall apply to any holding company of the IPO Entity (whether in its capacity as a Debtor or otherwise);
- (iv) no event, matter or circumstance relating to any holding company of the IPO Entity (whether in its capacity as a Debtor or otherwise) shall, or shall be deemed to, directly or indirectly constitute or result in a breach of any representation, warranty, undertaking or other term of the Intercreditor Agreement or a default or an event of default;
- (v) each holding company of the IPO Entity shall be irrevocably and unconditionally released from all obligations under the Intercreditor Agreement and the security documents (including any security granted by any such holding company); and
- (vi) unless otherwise notified by the Company:
 - (A) each person which is party to the Intercreditor Agreement as an investor shall be irrevocably and unconditionally released from the Intercreditor Agreement and all obligations and restrictions under the Intercreditor Agreement (and from the date specified by the Company that person shall cease to be party to the Intercreditor Agreement as an investor and shall have no further rights or obligations under the Intercreditor Agreement as an investor); and
 - (B) there shall be no obligation or requirement for any person to become party to the Intercreditor Agreement as an investor, such amendments being a "*Group Pushdown*."

In the event that any person is released from or does not become party to the Intercreditor Agreement as an investor as a consequence of the above paragraph, any term of any debt document which requires or assumes that any person be an investor or that any liabilities or obligations to such person be subject to the Intercreditor Agreement or otherwise subordinated shall cease to apply.

The Company must provide written notice to the Security Agent in order to implement a Group Pushdown. Such a notice may be revoked prior to the Listing to which it relates *provided* that (where requested by an Instructing Group) any security which was released is reinstated and any investor which was released from its obligations under the Intercreditor Agreement accedes again.

The parties to the Intercreditor Agreement shall be required to enter into any amendment to or replacement of it and/or take such other action as is required by the Company to facilitate or reflect any of the matters contemplated by the preceding paragraph and the Security Agent is irrevocably authorized to promptly execute any release or other document and/or take such other action under or in relation to any Debt Document (or any asset subject or expressed to be subject to any security document) as is requested in order to complete, implement or facilitate such matters.

Required Consents

The Intercreditor Agreement provides that, subject to certain exceptions, it and/or a security document may be amended or waived only with the written consent of:

- (i) if the relevant amendment or waiver (the “*Proposed Amendment*”) is prohibited by the Senior Facilities Agreement, the Senior Facility Agent (acting on the instructions of the requisite Senior Lenders in accordance with the applicable provisions of the Senior Facilities Agreement);
- (ii) if any Priority Facility has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Priority Facility Agreement, the Priority Facility Agent in respect of that Priority Facility (if applicable, acting on the instructions of the Majority Priority Facility Lenders);
- (iii) if any Senior Notes have been issued and the Proposed Amendment is prohibited by the terms of the relevant Senior Notes Indenture, the Senior Notes Trustee;
- (iv) if any Second Lien Debt has been incurred and the Proposed Amendment is prohibited by the terms of the Second Lien Facility Agreement, the Second Lien Facility Agent (acting on the instructions of the requisite Second Lien Lenders in accordance with the terms of the Second Lien Facility Agreement);
- (v) if any Permitted Senior Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Senior Financing Agreement, the Senior Creditor Representative in respect of that Permitted Senior Financing Debt (if applicable, acting on the instructions of the Majority Permitted Senior Financing Creditors);
- (vi) if any Permitted Second Lien Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Second Lien Financing Agreement, the Second Lien Creditor Representative in respect of that Permitted Second Lien Financing Debt (if applicable, acting on the instructions of the Majority Permitted Second Lien Financing Creditors);
- (vii) if any Senior Parent Notes have been issued and the Proposed Amendment is prohibited by the terms of the relevant Senior Parent Notes Indenture, the Senior Parent Notes Trustee;
- (viii) if any Permitted Parent Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Parent Financing Agreement, the Senior Parent

Creditor Representative in respect of that Permitted Parent Financing Debt (if applicable, acting on the instructions of the Majority Permitted Parent Financing Creditors);

- (ix) if a Hedge Counterparty is providing hedging to a Debtor under a hedging agreement, that Hedge Counterparty (in each case only to the extent that the relevant amendment or waiver adversely affects the continuing rights and/or obligations of that Hedge Counterparty);
- (x) if an Operating Facility Lender is providing one or more facility to a Debtor under an Operating Facility Document, that Operating Facility Lender (in each case only to the extent that the relevant amendment or waiver adversely affects the continuing rights and/or obligations of that Operating Facility Lender and is an amendment or waiver which is expressed to require the consent of that Operating Facility Lender under the applicable Operating Facility Document, as notified by the Company to the Security Agent at the time of the relevant amendment or waiver);
- (xi) certain investors (as permitted under the Intercreditor Agreement); and
- (xii) the Company.

Notwithstanding the foregoing, any amendment or waiver of any Secured Debt Document that is made or effected in connection with any Debt Refinancing (see “—*Debt Refinancing*”), any incurrence of additional and/or refinancing debt (as referred to in “—*Ranking and Priority—Additional and/or Refinancing Debt*”) or Non-Distressed Disposal (see “—*Proceeds of Disposals—Non-Distressed Disposals*”) or in connection with any other provision of any Secured Debt Document (*provided* that such amendment or waiver is not expressly prohibited by the terms of any other Secured Debt Document) shall be binding on all parties to the Intercreditor Agreement.

The Intercreditor Agreement or a security document may be amended by the Company and the Security Agent without the consent of any other party, to cure defects, resolve ambiguities or reflect changes in each case of a minor technical or administrative nature or as otherwise for the benefit of all or any of the Secured Parties. Any amendment, waiver or consent which relates only to the rights or obligations applicable to creditors under a particular Debt Financing Agreement (and which does not materially and adversely affect the rights or interests of creditors under other Debt Financing Agreements) may be approved with only the consent of the creditor representative in respect of that Debt Financing Agreement and the Company.

Amendments and Waivers: Security Documents

Subject to the paragraph below and to certain exceptions under the Intercreditor Agreement and unless the provisions of any debt document expressly provide otherwise, the Security Agent may, if authorized by an Instructing Group, and if the Company and (in the case of any security document to which a Third Party Security Provider is a party) the relevant Third Party Security Provider consents, amend the terms of, waive any of the requirements of or grant consents under, any of the security documents which shall be binding on each party.

Subject to the second and third paragraphs of the section captioned “—*Exceptions*” below, any amendment or waiver of, or consent under, any security document which would adversely affect the nature or scope of the charged property or the manner in which the proceeds of enforcement of the security are distributed requires approval as set out under the section captioned “—*Required Consents*.”

Exceptions

Subject to the following paragraph of this “—*Exceptions*” section, an amendment, waiver or consent which adversely relates to the express rights or obligations of an agent, an arranger or the Security Agent (in each case in such capacity) may not be effected without the consent of that agent, that arranger or the Security Agent (as the case may be) at such time.

The foregoing shall not apply:

- to any release of security, claim or liabilities; or
- to any consent,

which, in each case, the Security Agent gives in accordance with the provisions set out under the caption “—*Proceeds of Disposals*” above.

The first paragraph of this “—*Exceptions*” section shall apply to an arranger only to the extent that the arranger liabilities are then owed to that arranger.

Agreement to Override

The Intercreditor Agreement provides that, unless otherwise expressly stated therein, the Intercreditor Agreement overrides anything in the debt documents to the contrary.

Securitization and Factoring Arrangements

In the ordinary course of business, we may from time to time enter into securitizations and reverse factoring financing arrangements. Such financing arrangements may be unsecured or secured, including on the Collateral.

Existing Notes

Existing Euro Notes

- On 1 July 2024, FiberCop issued €375,000,000 aggregate principal amount of 2.875% Senior Secured Notes due 2026 (the “*January 2026 Euro Notes*”). The January 2026 Euro Notes mature on 28 January 2026. Interest on the January 2026 Euro Notes is payable annually in arrears on January 28, commencing 24 January 2025. The January 2026 Euro Notes are listed on the Luxembourg Stock Exchange.
- On 1 July 2024, FiberCop issued €322,003,000 aggregate principal amount of 3.625% Senior Secured Notes due 2026 (the “*May 2026 Euro Notes*”). The May 2026 Euro Notes mature on 25 May 2026. Interest on the May 2026 Euro Notes is payable annually in arrears on 25 May, commencing 25 May 2025. The May 2026 Euro Notes are listed on the Luxembourg Stock Exchange.
- On 1 July 2024, FiberCop issued €507,715,000 aggregate principal amount of 2.375% Senior Secured Notes due 2027 (the “*October 2027 Euro Notes*”). The October 2027 Euro Notes mature on 12 October 2027. Interest on the October 2027 Euro Notes is payable annually in arrears on 12 October, commencing 12 October 2025. The October 2027 Euro Notes are listed on the Luxembourg Stock Exchange.
- On 1 July 2024, FiberCop issued €625,000,000 aggregate principal amount of 6.875% Senior Secured Notes due 2028 (the “*February 2028 Euro Notes*”). The February 2028 Euro Notes mature on 15 February 2025. Interest on the February 2028 Euro Notes is payable semi-annually in arrears on 15 February and 15 August, commencing 15 August 2025. The February 2028 Euro Notes are listed on the Luxembourg Stock Exchange.
- On 1 July 2024, FiberCop issued €750,000,000 aggregate principal amount of 7.875% Senior Secured Notes due 2028 (the “*July 2028 Euro Notes*”). The July 2028 Euro Notes mature on 31 July 2025. Interest on the July 2028 Euro Notes is payable semi-annually in arrears on 31 July and 31 January, commencing 31 July 2025. The February 2028 Euro Notes are listed on the Luxembourg Stock Exchange.

- On 1 July 2024, FiberCop issued €500,820,000 aggregate principal amount of 1.625% Senior Secured Notes due 2029 (the “*January 2029 Euro Notes*”). The January 2029 Euro Notes mature on 18 January 2029. Interest on the January 2029 Euro Notes is payable annually in arrears on 18 January, commencing 18 January 2025. The January 2029 Euro Notes are listed on the Luxembourg Stock Exchange.
- On 1 July 2024, FiberCop issued €359,142,000 aggregate principal amount of 7.750% Senior Secured Notes due 2033 (the “*January 2033 Euro Notes*”). The January 2033 Euro Notes mature on 24 January 2033. Interest on the January 2033 Euro Notes is payable annually in arrears on 24 January, commencing 24 January 2025. The January 2033 Euro Notes are listed on the Luxembourg Stock Exchange.
- On 1 July 2024, FiberCop issued €230,000,000 aggregate principal amount of 5.250% Senior Secured Notes due 2055 (the “*March 2055 Euro Notes*,” and together with the January 2026 Euro Notes, May 2026 Euro Notes, October 2027 Euro Notes, February 2028 Euro Notes, July 2028 Euro Notes, January 2029 Euro Notes and January 2033 Euro Notes, the “*Existing Euro Notes*”). The March 2055 Euro Notes mature on 17 March 2055. Interest on the March 2055 Euro Notes is payable annually in arrears on 17 March, commencing 17 March 2025. The March 2055 Euro Notes are listed on the Luxembourg Stock Exchange.

The trust deed governing the Existing Euro Notes contains certain covenants, agreements and events of default, including limitations on the ability of the Issuer to (i) create liens; and (ii) engage in mergers or consolidations, in each case subject to certain exceptions.

Existing USD Notes

- On 1 July 2024, FiberCop issued \$500,006,000 aggregate principal amount of 6.375% Senior Secured Notes due 2033 (the “*2033 USD Notes*”). The 2033 USD Notes mature on 15 November 2033. Interest on the 2033 USD Notes is payable semi-annually in arrears on 15 May and 15 November, commencing 15 November 2024. The 2033 USD Notes are listed on the Luxembourg Stock Exchange.
- On 1 July 2024, FiberCop issued \$500,001,000 aggregate principal amount of 6.000% Senior Secured Notes due 2034 (the “*2034 USD Notes*”). The 2034 USD Notes mature on 30 September 2033. Interest on the 2034 USD Notes is payable semi-annually in arrears on 30 March and 30 September, commencing 30 September 2024. The 2034 USD Notes are listed on the Luxembourg Stock Exchange.
- On 1 July 2024, FiberCop issued \$500,000,000 aggregate principal amount of 7.200% Senior Secured Notes due 2036 (the “*2036 USD Notes*”). The 2036 USD Notes mature on 18 July 2036. Interest on the 2036 USD Notes is payable semi-annually in arrears on 18 January and 18 July, commencing 18 July 2024. The 2036 USD Notes are listed on the Luxembourg Stock Exchange.
- On 1 July 2024, FiberCop issued \$500,004,000 aggregate principal amount of 7.721% Senior Secured Notes due 2038 (the “*2038 USD Notes*,” and together with the 2033 USD Notes, 2034 USD Notes and 2036 USD Notes, the “*Existing USD Notes*”). The 2038 USD Notes mature on 4 June 2038. Interest on the 2038 USD Notes is payable semi-annually in arrears on 4 June and 4 December, commencing 4 December 2024. The 2038 USD Notes are listed on the Luxembourg Stock Exchange.

The Existing Notes: (a) are senior secured obligations of the Issuer; (b) rank senior in right of payment to any indebtedness that is subordinated in right of payment to the Existing Notes; (c) rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Existing Notes, including indebtedness incurred under the Senior Facilities Agreement and the Notes; (d) are effectively subordinated to any existing and future indebtedness of

the Issuer that is secured by property or assets that do not secure the Existing Note, to the extent of the value of the property and assets securing such indebtedness. The covenants of the Existing Notes are substantially consistent with the covenants applicable to the Notes, as further described in “*Terms and Conditions of the 2030 Fixed Rate Notes*,” “*Terms and Conditions of the 2032 Fixed Rate Notes*” and “*Terms and Conditions of the Floating Rate Notes*” included elsewhere in this Offering Memorandum.

TERMS AND CONDITIONS OF THE 2030 FIXED RATE NOTES

The following is the text of the Conditions of the 2030 Fixed Rate Notes which (subject to modification) will be endorsed on each 2030 Fixed Rate Note in definitive form (if issued):

The €1,200,000 4.750% Senior Secured Notes due 2030 are issued by FiberCop S.p.A., with sole shareholder Optics Holdco Group – Direction and coordination of Optics Holdco S.r.l. (the “**Issuer**”), a joint stock company organised under the laws of Italy, pursuant to articles 2410 and following of the Italian Civil Code are referred to as the “**Notes**.”

The Notes are constituted by a trust deed (the “**Trust Deed**”) entered into on 27 June 2025, being the date of the issuance of the Notes (the “**Issue Date**”), among, *inter alios*, the Issuer, Citibank, N.A., London Branch, as trustee (the “**Trustee**”) and UniCredit S.p.A., as security agent and *mandatario con rappresentanza* of the Trustee and of the Noteholders from time to time pursuant to articles 1703, 1704 et seq. of the Italian Civil Code and representative (*rappresentante*) of the Noteholders from time to time pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code, in connection with the creation, enforcement, and administration of the Collateral (the “**Security Agent**”). The Trustee has, on the Issue Date, acceded to the intercreditor agreement (the “**Intercreditor Agreement**”) dated 19 December 2023 among, *inter alios*, the Issuer and the Security Agent. Terms defined in the Trust Deed have the same meanings in these Conditions. The issuance of the Notes was authorised by a resolution of the Board of Directors’ meeting of the Issuer passed on 10 June 2025, *inter alia*.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed, the Intercreditor Agreement, any Additional Intercreditor Agreement(s) (as defined below) and the Agency Agreement dated on or around the Issue Date (the “**Agency Agreement**”) made between the Issuer, Citibank, N.A., London Branch, as principal paying agent (the “**Principal Paying Agent**”) and as a paying agent (a “**Paying Agent**”), Citibank Europe plc, as registrar (the “**Registrar**”) and as transfer agent (a “**Transfer Agent**,” and together with the Principal Paying Agent, any Paying Agent and the Registrar, the “**Agents**” and each an “**Agent**”) and the Trustee: (a) are available for inspection or collection at all reasonable times during normal business hours by the Noteholders at the principal office for the time being of the Trustee, being at the date of issue of the Notes at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom, and at the specified office of any Agents; or (b) may be provided by email to a Noteholder; in each case, following prior written request by the Noteholder to the Trustee, any Agents or the Issuer therefor and provision of proof of holding and identity (in a form satisfactory to the Trustee, the relevant Agent or the Issuer, as the case may be). The Trust Deed is subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement(s). The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Intercreditor Agreement and all the provisions of the Agency Agreement applicable to them.

The term “**Transaction Documents**” means each of the Notes, the Trust Deed, these Conditions, the Agency Agreement, the Intercreditor Agreement, the Security Documents, in each case, as amended, novated, supplemented (including pursuant to any Supplemental Trust Deed), extended, restated and/or replaced from time to time, and any other document designated as a “**Transaction Document**” by the Trustee acting in accordance with an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

1. **Form, Specified Denomination, Title and Transfers**

1.1 **Form and Denomination**

The Notes are issued in the specified denomination of €100,000 and integral multiples of €1,000 in excess thereof.

The Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 1.4, each Certificate shall represent the entire holding of Notes by the same holder.

1.2 **Title**

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept at the registered office of the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).

1.3 **Holder Absolute Owner**

Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” and “**holder**” means the person in whose name a Note is registered.

1.4 **Transfer**

A holding of Notes may, subject to Condition 1.8, be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Notes to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Notes to a person who is already a holder of Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Notes and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available at all reasonable times during normal business hours by the Registrar to any Noteholder upon request or may be provided by email to a Noteholder following their prior written request to the Registrar and provision of proof of holding and identity (in form satisfactory to the Registrar).

1.5 **Exercise of Options or Partial Redemption in Respect of Notes**

In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent.

1.6 **Delivery of New Certificates**

Each new Certificate to be issued pursuant to Condition 1.4 or 1.5 shall be available for delivery within three business days (as defined in Condition 5.5) of receipt of a duly completed form of transfer or Put Notice and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Put Notice or

Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or Put Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Issuer or the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/ or such insurance as any of them may specify.

1.7 Transfer or Exercise Free of Charge

Certificates, on transfer, exercise of an option or partial redemption, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Issuer, the Registrar or the relevant Transfer Agent may require).

1.8 Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Note, (ii) during the period of 15 days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to these Conditions, (iii) after any such Note has been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date.

2. Status of Notes, Guarantee and Security

2.1 Status of Notes

The Notes are unconditional, unsubordinated and secured obligations of the Issuer (or its successor) and rank *pari passu* among themselves and (save as aforesaid and for certain obligations required to be preferred by law) at least equally with all other unsubordinated obligations of the Issuer from time to time outstanding, including the liabilities under the Senior Facilities Agreement (as defined below) and the Existing Notes (as defined below).

2.2 Guarantees

On the Issue Date, the Notes will not be guaranteed.

The Issuer will not cause or permit any of its Subsidiaries that are not Guarantors to Guarantee any indebtedness under the Senior Facilities Agreement or the Existing Notes, in whole or in part, unless, such Subsidiary becomes a Guarantor on the date on which such other Guarantee is incurred and, if applicable, executes and delivers a deed supplemental to the Trust Deed to the Trustee, such supplemental trust deed being substantially in the form attached to the Trust Deed, pursuant to which such Subsidiary will provide a Notes Guarantee, which Notes Guarantee will be *pari passu* with such Subsidiary's Guarantee of the Senior Facilities Agreement or the Existing Notes, as the case may be.

Notwithstanding the foregoing and any other provision of these Conditions, including for the avoidance of doubt Conditions 2.3 (*Security*) and 3.1 (*Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements*), the Issuer shall not be obligated to cause any Subsidiary to Guarantee the Notes or provide security to the extent and for so long as the incurrence of such Guarantee could reasonably be expected to give rise to or result in: (1) any violation of applicable law or regulation; (2) any liability for the officers, directors or (except in the case of a Subsidiary that is a partnership) shareholders of such Subsidiary (or, in the case of a Subsidiary that is a partnership, directors or shareholders of the partners of such

partnership); (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (1) of this paragraph undertaken in connection with, such Guarantee, which in any case under any of clauses (1), (2) and (3) of this paragraph cannot be avoided through measures reasonably available to the Issuer or a Subsidiary; or (4) an inconsistency with the Intercreditor Agreement or the Agreed Security Principles.

The Trust Deed shall provide that any Guarantor will unconditionally and irrevocably guarantee on a joint and several basis (i) the due and punctual payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Notes and (ii) the performance by the Issuer of all of its obligations under the Trust Deed and the Notes, in each case subject to the Agreed Security Principles (as defined below) and any relevant enforceability exceptions, and to limitations on the amount of such Notes Guarantee imposed by the laws of the relevant jurisdiction. Each Guarantor's obligations in respect of this Condition 2.2 (*Guarantees*) (each, a "**Notes Guarantee**" and together the "**Notes Guarantees**") shall be contained in the Trust Deed. The Trust Deed shall also provide that the Trustee shall, subject to such amendment of, or supplement to, the Trust Deed as the Trustee may require and subject to the fulfilment of the conditions set out in the Trust Deed, but without the consent of the Noteholders, consent to any such Notes Guarantee being provided by any Guarantor.

Each Notes Guarantee will constitute a direct and unconditional obligation of the relevant Guarantor and will rank at least *pari passu* with all other outstanding unsubordinated obligations of the relevant Guarantor, present and future, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The agreed security principles included in the Trust Deed, as applied in good faith by the Issuer (the "**Agreed Security Principles**") apply to the granting of guarantees and security in respect of obligations under the Senior Facilities Agreement, the Existing Notes and the Notes.

In these Conditions:

"**Guarantor**" means any Person providing a Notes Guarantee; and

"**Person**" means any individual, corporation, partnership, joint venture, limited liability company, trust, unincorporated organisation or government or agency or political subdivision thereof.

A Notes Guarantee of a Guarantor will be automatically and unconditionally released (and thereupon will terminate and be discharged and be of no further force and effect):

- (a) so long as no Event of Default has occurred and is continuing, to the extent that such Guarantor is unconditionally released and discharged from its liability with respect to the Senior Facilities Agreement;
- (b) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement (defined below), including in connection with a Group Pushdown (as defined below);
- (c) with respect to any Guarantor which is not the continuing or surviving Person in the relevant consolidation or merger, as a result of a transaction permitted by Condition 3.2 (*Mergers and Similar Events*) and the Trust Deed;
- (d) upon full payment of all obligations of the Issuer and the Guarantors under the Trust Deed and the Notes;

- (e) in connection with a solvent liquidation of such Guarantor pursuant to which substantially all of the assets of such Guarantor remain owned by the Issuer or a Guarantor; or
- (f) in connection with a Release Condition (as defined below).

2.3 Security

The obligations of the Issuer under the Notes and the Trust Deed and the obligations of the Guarantors under the Notes Guarantees are secured in favour of (A) the Trustee for the benefit of itself (B) the Security Agent as *rappresentante* of the Noteholders pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code and (C) the Noteholders as a class, (together the “**Secured Creditors**”) as follows:

- (a) as of the Issue Date, by Italian law-governed first-ranking security interests granted by Optics HoldCo S.r.l. (“**Optics HoldCo**”) over: (i) the issued share capital of the Issuer held by Optics HoldCo; and (ii) receivables arising from material intercompany loans granted by Optics HoldCo to the Issuer (if any) (the “**Issue Date Collateral**”); and
- (b) subsequent to the Issue Date, subject to the Agreed Security Principles, if any Subsidiary of the Issuer grants security in connection with providing a Guarantee under the Senior Facilities Agreement or the Existing Notes (any such security, an “**Existing Financing Security**”), then the Issuer shall promptly notify the Trustee in writing and procure that as of the date that such Existing Financing Security is granted the obligations of the Issuer under the Notes and the Trust Deed and the obligations of each of the Guarantors under the relevant Notes Guarantee shall be further secured in favour of the Secured Creditors (or such of the Secured Creditors as may be necessary under applicable legislation in order to create such security in respect of the Notes) by the same security interest as such Existing Financing Security (each such security interest “**Additional Collateral**” and, together with the Issue Date Collateral, the “**Collateral**”).

“**Existing EUR Notes**” means, collectively, the euro-denominated senior secured notes issued by the Issuer on the Existing Notes Issue Date constituted by a trust deed between, among, *inter alios*, the Issuer, as issuer, Citibank, N.A., London Branch, as trustee and Unicredit S.p.A., as security agent and *mandatario con rappresentanza* pursuant to articles 1703, 1704 et seq. of the Italian Civil Code and representative (*rappresentante*) of the Trustee and of the holders of the Existing EUR Notes from time to time pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code.

“**Existing Notes**” means, collectively, the Existing EUR Notes and the Existing USD Notes.

“**Existing Notes Issue Date**” means 1 July 2024.

“**Existing USD Notes**” means, collectively, the dollar-denominated senior secured notes issued by the Issuer on the Existing Notes Issue Date pursuant to an indenture among, *inter alios*, the Issuer, as issuer, Citibank, N.A., London Branch, as trustee and Unicredit S.p.A., as security agent and *mandatario con rappresentanza* pursuant to articles 1703, 1704 et seq. of the Italian Civil Code and representative (*rappresentante*) of the holders from time to time pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code.

“**Security Documents**” means the security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the Trust Deed or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time, creating the security interests in the Collateral as contemplated by the Trust Deed.

All Collateral shall be subject to the operation of the Agreed Security Principles, certain significant limitations pursuant to applicable laws (including but not limited to applicable laws relating to financial assistance and rules and principles on corporate benefit), and any Permitted Encumbrances.

In addition to securing the Notes as aforesaid, the Collateral will secure the Existing Notes and liabilities under the Senior Facilities Agreement. Furthermore, subject to certain conditions, including compliance with Condition 3.3 (*Impairment of Security Interest*) and, subject to the Agreed Security Principles, the Collateral may also secure other indebtedness, including on a basis junior to and *pari passu* with the Notes, and the Issuer is permitted to grant security over the Collateral in connection with future issuances of its indebtedness, including any additional Notes, as permitted under the Trust Deed and the Intercreditor Agreement. Any proceeds received upon the enforcement over any Collateral will be applied pro rata in payment of all liabilities in respect of obligations under the Intercreditor Agreement, the Trust Deed and any other indebtedness secured by the Collateral on a *pari passu* basis.

“Senior Facilities Agreement” means the senior facilities agreement dated 19 December 2023 (as amended and restated on 8 April 2024 and as may be further amended, supplemented or otherwise modified from time to time) between, among others, the Issuer, UniCredit S.p.A., as facility agent and security agent, and the lenders named therein.

By reason of accepting or acquiring a Note, each Noteholder, also in case of transfer of any of the Notes, shall be deemed to:

- (i) have irrevocably agreed to appoint and accepted the appointment of the Security Agent to act as its agent under the Intercreditor Agreement and the other relevant documents to which it is a party (including, without limitation, the Security Documents);
- (ii) have irrevocably agreed to appoint, accepted and recognised the appointment of the Security Agent as *mandatario con rappresentanza* of the Trustee and the Noteholders pursuant to articles 1703, 1704 et seq. of the Italian Civil Code;
- (iii) have irrevocably agreed to appoint, accepted the appointment of and recognised the Security Agent as its representative (*rappresentante*) pursuant to and for the purposes of article 2414-bis, paragraph 3, of the Italian Civil Code, acting in its name and on its behalf under, in connection with, or in respect of the Collateral and the Notes Guarantees (in accordance with, and with the benefit of the full protection set out in, the Trust Deed and the Intercreditor Agreement), with express authorisation to self-dealing under any applicable law and also pursuant to article 1394 and article 1395 of the Italian Civil Code;
- (iv) have agreed to and accepted the terms and conditions of the Intercreditor Agreement, and to have authorized the Trustee and the Security Agent to enter into any one or more amendments to any Intercreditor Agreement, as contemplated herein;
- (v) have agreed to be bound by the terms of any document to which the Security Agent or the Trustee is or will be a party as if such Noteholder was itself a signatory thereto;
- (vi) have irrevocably authorised and instructed the Trustee to accede to the Intercreditor Agreement as Senior Notes Trustee (as such term is defined therein) on behalf of the Trustee and the Noteholders by delivering a completed

and signed Creditor/Agent Accession Undertaking pursuant to and as defined in the Intercreditor Agreement;

- (vii) have irrevocably authorised each of the Security Agent and the Trustee to: (a) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement, the Trust Deed or other documents to which it is a party (including, without limitation, the Security Documents), together with any other incidental rights, power and discretions; and (b) execute each document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Trustee or the Security Agent on its behalf and, in the case of the Security Agent also for the purposes of articles 1703, 1704 et seq. of the Italian Civil Code, as *mandatario con rappresentanza* on behalf of the Trustee and the Noteholders and representative (*rappresentante*) of the Noteholders pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code;
- (viii) have agreed and acknowledged that the Security Agent and the Trustee will administer the Collateral and the Notes Guarantees in accordance with the Intercreditor Agreement, the Trust Deed and the Security Documents;
- (ix) have granted to the Security Agent the power to negotiate and approve the terms and conditions of such Security Document and the Notes Guarantees, execute any such Security Documents, execute any other agreement or instrument (including without limitation those mentioned in the Security Documents and those necessary or appropriate to confirm, extend and/or amend the security interest created under the Security Documents), give or receive any notice or declaration, identify and specify to third parties the names of the Secured Creditors at any given date, and take any other action in relation to the creation, perfection, maintenance, enforcement and release of the security created thereunder, in each case in the name and on behalf of the Secured Creditors;
- (x) have authorised the Trustee and the Security Agent (including in its capacity as representative (*rappresentante*) of the Noteholders pursuant to and for the purposes of article 2414-bis, paragraph 3, of the Italian Civil Code), as appropriate, to enter into any such Security Document, Intercreditor Agreement or Additional Intercreditor Agreement, as applicable, and to be bound thereby;
- (xi) have accepted the terms and conditions of the Security Documents (including, without limitation, the provisions providing for foreclosure and release of Collateral and authorising the Security Agent to enter into any Security Document on its behalf), Intercreditor Agreement and any Additional Intercreditor Agreement (as defined below);
- (xii) have granted to the Security Agent the power to take any action, whether substantial and/or procedural, claim or proceeding, including any interim actions, injunctions (*procedimenti cautelari or ingiuntivi*) or enforcement actions brought in connection with the Security Documents, the security interest created thereunder or the assets over which the security interest have been created (*legittimazione attiva and passiva*) as well as the Notes Guarantees in the name and on behalf of the Secured Creditors;
- (xiii) have confirmed that in the event that any security created under the Security Documents governed by Italian law remains registered in the name of a

Secured Creditor after it has ceased to be a Secured Creditor then the Security Agent shall remain empowered to execute a release of such security in its name and on its behalf;

- (xiv) have undertaken to ratify and approve any such action taken in compliance with the Intercreditor Agreement, these Conditions and the Trust Deed and in the name and on behalf of the Secured Creditors by the Security Agent acting in its appointed capacity;
- (xv) without prejudice to the foregoing, have granted all the widest powers so that the Security Agent, through any of its legal representatives, executives, middle managers and/or attorneys, may, acting in the name and on behalf of each Secured Creditor:
 - (A) exercise all rights, powers and discretion, execute all documents and take all actions, which are expressed to be exercised, executed or taken by the Security Agent under or in connection with each Security Document or the Collateral created thereunder;
 - (B) execute:
 - 1. any amendment or supplement to each Security Document;
 - 2. all deeds and documents pursuant to any Security Document and any other deed or document contemplated by each of the Security Documents;
 - 3. any document for, or in connection with the release of the Collateral; and
 - 4. take any enforcement action in respect of the Collateral; and
- (xvi) have agreed that the Security Agent will be exempt from any reporting duty (*obbligo di rendiconto*) pursuant to article 1713 of the Italian Civil Code, save as in the case of its gross negligence (*colpa grave*) and wilful misconduct (*dolo*).

The appointment of the Security Agent as *mandatario con rappresentanza* of the Trustee and the Noteholders pursuant to articles 1703, 1704 et seq. of the Italian Civil Code and as *rappresentante* of the Noteholders pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code in order to create and grant in its favour security interests and guarantees securing and guaranteeing the Notes and entitle it to exercise in the name and on behalf of the Noteholders all their rights (including any rights before any court and judicial proceedings) relating to such security interests and guarantees and as security agent generally shall remain in full force until the Notes are redeemed in full, unless such appointment is previously revoked or the Security Agent resigns, in accordance with the provisions of the Intercreditor Agreement and the Trust Deed.

The Noteholders shall not have any independent power to enforce, or have recourse to, the Collateral or the Notes Guarantees or to exercise any right, power, authority or discretion arising under the Security Documents except through the Security Agent in the manner contemplated by the Intercreditor Agreement and the Trust Deed.

The Issuer and/or the Guarantors will be entitled to require the release of the Collateral (in whole or in part) in accordance with and subject to the terms of the Intercreditor Agreement under any one or more of the following circumstances:

- (a) upon payment in full of principal, interest and all other obligations on the Notes and under the Trust Deed or discharge or defeasance thereof;
- (b) upon release of a Notes Guarantee of the Notes (with respect to the Encumbrances securing such Notes Guarantee granted by such Guarantor);
- (c) in connection with any disposition of Collateral to any Person, except in the case of Collateral granted by Optics HoldCo;
- (d) in connection with certain enforcement actions taken by the creditors under certain of the Issuer's secured indebtedness as provided under the Intercreditor Agreement, or otherwise any release in compliance with the Intercreditor Agreement;
- (e) as may be permitted by Condition 3.3 (*Impairment of Security Interest*);
- (f) in order to effectuate a merger, consolidation, conveyance or transfer conducted in compliance with Condition 3.2 (*Mergers and Similar Events*);
- (g) upon the release of any Existing Financing Security or Encumbrance securing Capital Markets Indebtedness (as defined below) that triggered the obligation to grant security interests on such Collateral in favour of the Secured Creditors pursuant to sub-paragraph (b) of the first paragraph of this Condition 2.3 (*Security*) or Condition 3.1 (*Restrictions on Security Interests*), as applicable; *provided* that no other Existing Financing Security or Encumbrance with respect to Capital Market Indebtedness at that time would result in the requirement to grant security interests on such Collateral in favour of the Secured Creditors pursuant to sub-paragraph (b) of the first paragraph of this Condition 2.3 (*Security*) or Condition 3.1 (*Restrictions on Security Interests*), as applicable;
- (h) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement, including in connection with a Group Pushdown; and
- (i) in connection with a Release Condition.

"Release Condition" means the long-term corporate credit rating of the Issuer is equal to or better than BBB- (or its equivalent) from at least two rating agencies; *provided* that at least one of such ratings agencies is either Standard & Poor's or Moody's.

Each of these releases shall be effected by the Security Agent (upon direction of the Trustee, acting in accordance with the Trust Deed and Intercreditor Agreement), *provided* that, in the event that the Trustee is required by the Issuer or any Guarantor or the Security Agent to consent to (or to instruct the Security Agent to effect) the release of Collateral in the circumstances set out above, the Trustee (and the Security Agent when instructed) shall only be obliged to do so if (i) the Issuer delivers to the Trustee and the Security Agent a certificate signed by an Authorised Signatory (as defined in the Trust Deed) of the Issuer and a written opinion from legal counsel reasonably satisfactory to the Trustee and the Security Agent that the relevant condition(s) under paragraphs (a)-(i) above has been satisfied in relation to any such release, and (ii) each of the Trustee and Security Agent is indemnified to its satisfaction. The Trustee and the Security Agent shall not be liable to any person for (i) relying and acting upon such certificate and opinion of counsel and/or (ii) effecting or giving effect to any such release.

Any release of the Collateral other than as set forth in paragraphs (a)-(i) above shall only be permitted in accordance with the Trust Deed and the Intercreditor Agreement.

Subject to the provisions of the Intercreditor Agreement, the Security Agent may only release the Collateral constituted by the Security Documents and the Trust Deed prior to the relevant

discharge date provided under the Security Documents in accordance with, and in order to comply with, the Trust Deed, the Intercreditor Agreement, the Security Documents and these Conditions. Neither the Security Agent nor the Trustee shall be required to monitor, check or satisfy itself if the pre-conditions to any such release have been fulfilled and shall have no responsibility or liability whatsoever to the Issuer, the Noteholders, the other Secured Creditors or any other person in respect thereof.

Under and pursuant to the Intercreditor Agreement, the Trustee is entitled to seek instructions from the Noteholders (whether by way of Extraordinary Resolution or as otherwise provided under the Trust Deed) and, where it acts on the instructions of the Noteholders, the Trustee shall not incur any liability to any person for so acting. The Trustee is not liable to any person for any loss suffered as a result of any delay caused as a result of its seeking instructions from the Noteholders.

The Trust Deed shall provide that upon the release of the Collateral in accordance with the Trust Deed and provided that the Collateral does not secure any other Capital Market Indebtedness, the Issuer may, at its discretion, by notice in writing signed by an Authorised Signatory of the Issuer to the Trustee and the Security Agent, require the Trustee and the Security Agent confirming release of the Collateral in accordance therewith and that the Collateral does not secure any other Capital Markets Indebtedness (which notice shall be conclusive and binding) to (i) resign from the Intercreditor Agreement or (ii) provide their consent to the termination of the Intercreditor Agreement. In this event, the Trustee and the Security Agent shall, following receipt of such notice from the Issuer and at the expense and cost of the Issuer, resign from the Intercreditor Agreement and provide their consent to the termination of the Intercreditor Agreement. The Trustee and the Security Agent shall not be liable to any person for relying and acting upon such notice, resigning from the Intercreditor Agreement and/or consenting to the termination of the Intercreditor Agreement.

2.4 **Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements**

In connection with the incurrence of any indebtedness by the Issuer or any of its Subsidiaries that is permitted to share in the Collateral (and which the Issuer elects shall share in the Collateral), the Trustee and the Security Agent shall, at the request of the Issuer and without the consent of Noteholders, enter into with the Issuer, the relevant Subsidiaries and the holders of such indebtedness (or their duly authorised representatives) one or more intercreditor agreements or deeds (including a restatement, replacement, amendment or other modification of the Intercreditor Agreement) (an “**Additional Intercreditor Agreement**”), on substantially the same terms as the Intercreditor Agreement (or terms that are not materially less favourable to the Noteholders) and substantially similar as applies to sharing of the proceeds of security and enforcement of security, priority and release of security; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or, in the opinion of the Trustee or the Security Agent, as applicable, or adversely affect the rights, duties, liabilities, disclaimers, indemnifications or immunities of the Trustee or the Security Agent under the Trust Deed or the Intercreditor Agreement. In connection with the foregoing, the Issuer shall furnish to the Trustee such documentation in relation thereto as it may reasonably require. As used in these Conditions, a reference to the Intercreditor Agreement will also include any Additional Intercreditor Agreement.

The Trust Deed will also provide that (subject to the terms of the Intercreditor Agreement), at the written direction of the Issuer and without the consent of Noteholders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (a) cure any ambiguity, omission, defect or inconsistency of any such agreement; (b) increase the amount or types of indebtedness covered by any such Intercreditor Agreement that may be incurred by the Issuer or its Subsidiaries that is subject to any such Intercreditor Agreement; (c) add guarantors to the Intercreditor Agreement; (d) further secure the Notes

(including additional Notes); (e) make provision to implement any Permitted Encumbrances in accordance with the terms of the Trust Deed; or (f) make any other change to any such agreement that is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders.

The Issuer shall not otherwise direct the Trustee or Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the holders of a majority in aggregate principal amount of the Notes then outstanding, except as permitted by the terms of the Trust Deed or such Intercreditor Agreement, and the Issuer may only direct the Trustee or Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities, disclaimers, indemnifications or immunities under the Trust Deed or any Intercreditor Agreement.

Each Noteholder, by reason of accepting or acquiring a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have authorised the Trustee and the Security Agent to enter into the Intercreditor Agreement, any amendments referenced in the foregoing paragraphs of this covenant and any Additional Intercreditor Agreement on each Noteholder's behalf.

2.5 Debt Pushdown

On, in contemplation of, or following a Listing (as defined in the Intercreditor Agreement), the terms of the Intercreditor Agreement provide (and the Trust Deed and the Notes shall be subject to such provisions) that the Issuer or its successor shall be entitled (without the consent of the Noteholders) to require (by written notice to the Trustee and the Security Agent) that the terms of the Trust Deed, the Intercreditor Agreement (and any Additional Intercreditor Agreement) and the Security Documents shall operate (with effect from the date specified in such notice) as provided in Clause 19.15 (*Group Pushdown*) of the Intercreditor Agreement (a “**Group Pushdown**”). Pursuant to the Trust Deed and the Intercreditor Agreement, the Trustee and the Security Agent have agreed to enter into any amendment to the Trust Deed, the Intercreditor Agreement (and any Additional Intercreditor Agreement) or the Security Documents required by the Issuer and/or take such other action as is required by the Issuer in order to facilitate or reflect or complete or implement any of the matters contemplated by Clause 19.15 (*Group Pushdown*) of the Intercreditor Agreement and this Condition 2.5. The Issuer has irrevocably authorised and instructed in accordance with the Trust Deed, and each Noteholder – by reason of accepting or acquiring a Note – shall be deemed to irrevocably authorise and instruct, the Trustee and the Security Agent to do so without any consent, sanction, authority or further confirmation from any Noteholder. Neither the Trustee nor the Security Agent shall be liable to any person for relying and acting upon such authorisations and instructions.

3. Covenants

3.1 Restrictions on Security Interests

Neither the Issuer nor Optics HoldCo shall create or permit to subsist any Encumbrance (other than a Permitted Encumbrance) to secure Capital Markets Indebtedness over all or any of the present or future revenues or assets of: (a) the Issuer; or (b) any Subsidiary, except if the Notes are, subject to the Agreed Security Principles, secured equally and rateably with (in the case of Encumbrances with respect to Capital Markets Indebtedness that is *pari passu* with the Notes), or prior to (in the case of Encumbrances with respect to Capital Markets Indebtedness that is subordinated to the Notes) such Capital Markets Indebtedness for so long as such Capital Markets Indebtedness is so secured; *provided* that sub-paragraph (b) shall apply only to Capital Markets Indebtedness of any Subsidiary where such Capital Markets Indebtedness is secured

by, or benefits from, any such Encumbrance and is also guaranteed by the Issuer under a Guarantee.

For the avoidance of doubt in respect of asset-backed financing (either by way of a securitization or otherwise) whereby the relevant assets are originated by the Issuer, the expression assets does not include assets which, pursuant to IFRS, currently need not be, and are not, reflected in the balance sheet of the Issuer.

“Capital Markets Indebtedness” means any obligation for the payment of borrowed money which is in the form of, or represented or evidenced by, any certificate of indebtedness, bond, note or other security which is listed or traded on a stock exchange or other recognised securities market issued by the Issuer. For the avoidance of doubt: (a) Capital Markets Indebtedness shall not include any Non-recourse Securitization Debt; and (b) in respect of asset-backed financings originated by the Issuer, the expressions **“assets”** and **“obligations for the payment of borrowed money”** as used in this definition do not include assets and obligations of the Issuer which, pursuant to the requirements of law and accounting principles generally accepted in Italy, currently need not, and are not, reflected in the balance sheet of the Issuer, as the case may be.

“Encumbrance” means: (a) any mortgage, charge, pledge, lien or other encumbrance (excluding any Guarantee) securing any obligation of any Person; and (b) any arrangement providing a creditor with a prior right to an asset, or its proceeds of sale, over other creditors in a liquidation.

“Group” means the Issuer and its Subsidiaries from time to time.

“Guarantee” means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any Person or to make an investment in or loan to any Person or to purchase assets of any Person where, in each case, such obligation is assumed in order to maintain or assist the ability of such Person to meet its indebtedness.

“IFRS” means International Financial Reporting Standards (formerly International Accounting Standards) endorsed from time to time by the European Union or any variation thereof with which the Issuer or its Subsidiaries are, or may be, required to comply.

“Non-recourse Securitization Debt” means any indebtedness incurred in respect of or in connection with any securitization or similar financing arrangement relating to assets owned by the Issuer or its Subsidiaries and where the recourse of the holders of such indebtedness against the Issuer is limited solely to such assets or any income generated therefrom (other than representations, repurchase obligations or other obligations customary in securitization transactions).

“Permitted Encumbrance” means:

- (a) any Encumbrance in existence on the Issue Date;
- (b) any Encumbrance over or affecting any asset acquired by the Issuer or its Subsidiaries after the Issue Date, if:
 - (i) such Encumbrance was not created in contemplation of the acquisition of such asset by the Issuer or its Subsidiaries;
 - (ii) the amount thereby secured has not been increased in contemplation of, or since the date of, the acquisition of such asset by the Issuer or its Subsidiaries;

- (c) any netting or set-off arrangement entered into by any member of the Group in the normal course of its banking arrangements (including any cash pooling, net balance, balance transfer or similar arrangements entered into by the Group) for the purpose of netting debit and credit balances or the provision of general banking and overdraft facilities;
- (d) any Encumbrance over or affecting any asset of any company which becomes a Guarantor after the Issue Date, where such Encumbrance is created prior to the date on which such company becomes a Guarantor, if:
 - (i) such Encumbrance was not created in contemplation of that company becoming a Guarantor; and
 - (ii) the amount thereby secured has not been increased in contemplation of, or since the date of, that company becoming a Guarantor;
- (e) any Encumbrance by way of set-off, title transfer, retention of title arrangement, conditional sale agreements or trust relationships or other liens entered into by any member of the Group in the ordinary course of business;
- (f) Encumbrances created in substitution for any Encumbrance permitted under sub-paragraphs (a) and (b) over the same or substituted assets if:
 - (i) the principal amount secured by the substitute Encumbrance does not exceed the principal amount outstanding and secured by the initial Encumbrance; and
 - (ii) in the case of substituted assets, if the market value of the substituted assets at the time of the substitution does not exceed the market value of the assets replaced;
- (g) Encumbrances created to secure: (i) loans provided, supported or subsidized by a governmental agency, export credit agency, national or multinational investment guarantee agency or a lending organisation established by the United Nations, the European Union or other international treaty organisation, including, without limitation, the European Investment Bank, the European Bank for Reconstruction and Development and the International Finance Corporation; or (ii) Project Finance Indebtedness; *provided* that, in each case, the Encumbrance is created on an asset of the project being financed by such loans (and/or on the shares in, and/or shareholder loans made to, the company conducting such project), or as the case may be, such Project Finance Indebtedness and remains confined to that asset (and/or shares and/or shareholder loans);
- (h) Encumbrances arising out of the refinancing of any Capital Markets Indebtedness secured by any Encumbrance permitted by sub-paragraphs (a) through (g) above; *provided* that the amount of such Capital Markets Indebtedness is not increased (other than in connection with additional Capital Markets Indebtedness incurred in an amount equal to the premiums (including tender premiums), accrued and unpaid interest, expenses, defeasance costs and fees in connection with refinancing of any such Capital Markets Indebtedness) and such Capital Markets Indebtedness is not secured by an Encumbrance over any additional assets;
- (i) any Encumbrance arising by operation of law or regulation;
- (j) any Encumbrance created in connection with convertible bonds or notes where the Encumbrance is created over the assets into which the convertible bonds or notes may

be converted and secures only the obligation of the Issuer to effect the conversion of the bonds or notes into such assets;

- (k) any Encumbrance created in the ordinary course of business to secure any Capital Markets Indebtedness under hedging transactions (other than hedging transactions for speculative purposes (as determined in good faith by the Issuer));
- (l) any Encumbrance arising under finance leases, hire purchase, conditional sale agreements or other agreements for the acquisition of assets on deferred payment terms as permitted under the Trust Deed or otherwise in connection with any leasing (including sale and leaseback transactions), rent securitization (including ground rent), vendor financing or similar arrangements permitted by the Trust Deed;
- (m) any Encumbrance created on short-term receivables used in any asset backed financing;
- (n) any Encumbrance on real estate assets of the Issuer, any Subsidiary or any Person to which such real estate assets may be contributed by the Issuer or any Subsidiary in connection with the issuance of any indebtedness, whether such indebtedness is secured or unsecured by such real estate assets or any other assets of such Person to which real estate assets have been contributed by the Issuer or any Subsidiary;
- (o) any Encumbrance arising by operation of law in respect of taxes being contested in good faith or required to be created in favour of any tax or other government authority or organisation in order to appeal against or otherwise challenge tax assessments and/or claims in good faith;
- (p) any Encumbrance created in connection with pension liabilities or partial retirement liabilities;
- (q) any Encumbrance arising under or pursuant to the Senior Facilities Agreement or any refinancing thereof; and
- (r) any other Encumbrance securing Capital Markets Indebtedness; *provided* that the aggregate outstanding principal amount of indebtedness secured thereunder does not exceed the greater of €1,000,000,000 or, if higher, 100% of Relevant EBITDA.

“Project Finance Indebtedness” means any indebtedness incurred by a debtor to finance the ownership, acquisition, construction, development and/or operation of an asset in respect of which the Person or Persons to whom such indebtedness is, or may be, owed have no recourse whatsoever for the repayment of or payment of any sum relating to such indebtedness other than:

- (a) recourse to such debtor for amounts limited to the cash flow from such asset; and/or
- (b) recourse to such debtor generally, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for breach of an obligation, representation or warranty (not being a payment obligation, representation or warranty or an obligation, representation or warranty to procure payment by another or an obligation, representation or warranty to comply or to procure compliance by another with any financial ratios or other test of financial condition) by the Person against whom such recourse is available; and/or
- (c) if such debtor has been established specifically for the purpose of constructing, developing, owning and/or operating the relevant asset and such debtor owns no other significant assets and carries on no other business, recourse to all of the assets and

undertaking of such debtor and the shares in the capital of such debtor and shareholder loans made to such debtor.

“**Subsidiary**” means a corporation in respect of which more than 50% of the outstanding voting shares or equity interest having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by the Issuer or by one or more of its Subsidiaries, or by the Issuer and one or more Subsidiaries.

3.2 Mergers and Similar Events

So long as any Note remains outstanding, the Issuer may consolidate or merge with another company or firm, sell or lease all or substantially all of its assets to another company or buy or lease all or substantially all of the assets of another company, *provided* that the Issuer shall not take any of these actions unless:

- (a) where the Issuer merges out of existence or sells or leases all or substantially all of its assets, the acquiring or resulting company assumes, either by law or contractual arrangements, all obligations of the Issuer under the Trust Deed, the Notes, the Intercreditor Agreement, the Agency Agreement and the Security Documents;
- (b) if the other company is organized under the laws of a country other than the Republic of Italy, it indemnifies the Noteholders against: (i) any tax, assessment or governmental charge imposed on any such Noteholder or required to be withheld or deducted from any payment to such Noteholder as a consequence of such merger, conveyance, transfer or lease; and (ii) any costs or expenses incurred by such Noteholder as a consequence of the act of such merger, conveyance, transfer or lease; *provided however* that, if such company is incorporated in the Republic of Italy, such other company shall only be liable under such indemnity to pay any Additional Amounts (as defined below) on the same terms and subject to the same limitations already provided by Condition 7.1 below; and
- (c) no Event of Default or other event which, with the giving of notice or lapse of time or other condition (including, without limitation, certification from the Trustee), would be an Event of Default, has occurred and is outstanding,

in each case, *provided* that the Issuer delivers to the Trustee a certificate signed by a director of the Issuer and a written opinion from legal counsel reasonably satisfactory to the Trustee as to compliance with the merger or assumption provisions set out in this Condition.

Notwithstanding the foregoing, (A) this Condition does not apply to any transaction or arrangement pursuant to a Permitted Change of Control Transaction (as defined below) or a Group Pushdown and (B) sub-paragraphs (b) and (c) of this Condition do not apply to the following transactions:

- (i) any Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Issuer or another Subsidiary; and
- (ii) the Issuer may merge with or into an affiliate solely for the purpose of reincorporating such entity in another jurisdiction, changing the legal domicile of the Issuer or changing the legal form (but not the tax residency) of the Issuer.

3.3 Impairment of Security Interest

Neither Optics HoldCo nor the Issuer shall take or omit to take any action that would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the incurrence of Permitted Encumbrances, or the confirmation or affirmation of security interests in respect of the Collateral, shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Secured Creditors, and neither Optics HoldCo nor the Issuer shall grant to any Person other than the Security Agent, for the benefit of the Secured Creditors and the other beneficiaries described in the Security Documents, any Encumbrance over any of the Collateral that is prohibited by Condition 3.1 (*Restrictions on Security Interests*); *provided*, that Optics HoldCo and the Issuer may incur any Encumbrance over any of the Collateral that is not prohibited by Condition 3.1 (*Restrictions on Security Interests*), including Permitted Encumbrances, and the Collateral may be discharged, transferred, depleted, consumed or released in any circumstances not prohibited by the Trust Deed, the Intercreditor Agreement or the applicable Security Documents.

Notwithstanding the above, nothing in this covenant shall restrict the discharge and release of any Encumbrance in accordance with the Conditions and the Intercreditor Agreement. Subject to the foregoing, the Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of an Encumbrance of at least equivalent ranking over the same assets): (a) to cure any ambiguity, omission, defect or inconsistency therein; (b) to provide for Permitted Encumbrances; (c) to add to the Collateral; (d) to make any other change thereto that does not, in the opinion of the Trustee, materially prejudice the interests of the Noteholders; or (e) for the purposes of undertaking a Permitted Change of Control Transaction or a transaction not prohibited by Condition 3.2 (*Merger and Consolidation*) (including, for the avoidance of doubt, a Group Pushdown); *provided, however*, that, (except where permitted by the Conditions or the Intercreditor Agreement or to effect or facilitate the creation of Permitted Encumbrances for the benefit of the Security Agent and holders of other indebtedness incurred in accordance with the Trust Deed), no Security Document may be amended, extended, renewed, restated or otherwise modified or released (followed by an immediate retaking of an Encumbrance of at least equivalent ranking over the same assets) pursuant to sub-paragraph (d) above, unless contemporaneously with such amendment, extension, renewal, restatement or modification or release (followed by an immediate retaking of an Encumbrance of at least equivalent ranking over the same assets), the Issuer delivers to the Security Agent and the Trustee, either: (i) a solvency opinion, in form and substance reasonably satisfactory to the Security Agent and the Trustee, from an Independent Financial Advisor or appraiser or investment bank which confirms the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or release (followed by an immediate retaking of an Encumbrance of at least equivalent ranking over the same assets); (ii) a certificate from the chief financial officer or the Board of Directors of the relevant Person which confirms the solvency of the Person granting any such Encumbrance after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or replacement; or (iii) an opinion of counsel (subject to any qualifications customary for this type of opinion of counsel), in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), the Encumbrance created under the Security Document, so amended, extended, renewed, restated, modified or released and replaced are valid and perfected Encumbrances not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Encumbrance or Encumbrances were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement and to which the new indebtedness secured by the Permitted Encumbrance is not subject.

In the event that the Issuer comply with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications and in accordance with and subject to the terms of the Trust Deed) consent to such actions without requiring instructions from the Noteholders.

“Independent Financial Advisor” means an investment banking or accounting firm or any third party appraiser; provided, however, that such firm or appraiser is not an affiliate of the Issuer.

3.4 Calculation of Ratios

- (a) In respect of any Measurement Period, the exchange rate used to calculate Total Net Debt shall be the same weighted average exchange rate for the same period used to calculate Consolidated EBITDA (*provided* that any amount of Financial Indebtedness will be stated so as to take into account the hedging effect of any currency hedging entered into in respect thereof).
- (b) In respect of any period, the exchange rate used to calculate Borrowings shall be stated so as to take into account the hedging effect of any currency hedging entered into in respect thereof.
- (c) (i) When determining Consolidated EBITDA for any period (including the portion thereof occurring prior to the relevant acquisition) the Issuer shall be permitted to:
 - (A) include the earnings before interest, tax, depreciation, amortisation and impairment charges (calculated on the same basis as Consolidated EBITDA, *mutatis mutandis*) for that period of any person, business or material real property acquired by the Group during such period (each such person or business acquired an **“Acquired Entity or Business”**) (provided further that the Issuer shall include such earnings to the extent that to do so would result in a decrease in Consolidated EBITDA for that period);
 - (B) include an adjustment in respect of each Acquired Entity or Business acquired during such period equal to or less than the amount of the Pro Forma Adjustment for such period consequent on the acquisition of such Acquired Entity or Business; and/or
 - (C) exclude any non-recurring costs and other expenses arising directly or indirectly as a consequence of the acquisition of such Acquired Entity or Business;
- (ii) When determining Consolidated EBITDA for any period (including the portion thereof occurring prior to such sale, transfer or disposition) the Issuer shall be permitted to:
 - (A) exclude the earnings before interest, tax, depreciation, amortisation and impairment charges (calculated on the same basis as Consolidated EBITDA, *mutatis mutandis*) for that period of any person, business or material real property sold, transferred or otherwise disposed of by any member of the Group during such period (each such person, business or property so sold, transferred or disposed of, a **“Sold Entity or Business”**) (provided further that the Issuer shall exclude such

earnings to the extent that to do so would result in a decrease in Consolidated EBITDA for that period); and/or

- (B) include an adjustment in respect of each Sold Entity or Business sold, transferred or otherwise disposed of during such period equal to or less the amount of the Pro Forma Adjustment for such period consequent on the sale, transfer or other disposal of such Sold Entity or Business; and/or
 - (C) exclude any non-recurring costs and other expenses arising directly or indirectly as a consequence of the sale or disposal of such Sold Entity or Business; and
- (iii) When determining Consolidated EBITDA for any period (including the portion thereof occurring prior to such implementation) the Issuer shall be permitted to:
 - (A) include an adjustment in respect of each restructuring, cost saving or other similar initiative (each a “**Group Initiative**”) implemented by any member of the Group during such period equal to or less than the amount of the Pro Forma Adjustment for such period consequent on the implementation of such Group Initiative; and/or
 - (B) exclude any non-recurring costs and other expenses arising directly or indirectly as a consequence of the implementation of such Group Initiative; and
- (iv) When determining Consolidated EBITDA for any period (including the portion thereof occurring prior to such capital expenditure) the Issuer shall be permitted to include an adjustment in respect of any capital expenditure made during such period equal to or less the amount of the Pro Forma Adjustment for such period consequent on that capital expenditure.

For the purpose of this paragraph (c):

“**Accounting Date**” shall mean 30 June and 31st December in each year, save as any such date may be adjusted by the Issuer to avoid an Accounting Date falling on a day which is not a business day and/or to ensure that Accounting Dates fall on the same day of the week.

“**Accounting Period**” means the period commencing on the day after one Accounting Date and ending on the next Accounting Date.

“**Pro Forma Adjustment**” shall mean, for any period that includes any of the two Accounting Periods first following the acquisition of or investment in an Acquired Entity or Business, the sale, transfer or other disposal of a Sold Entity or Business, the implementation of a Group Initiative or the making of capital expenditure (the first of such two Accounting Periods starting in the Accounting Period in which such acquisition, investment, sale, transfer, disposal, implementation or expenditure occurred), with respect to Consolidated EBITDA, the pro forma increase in such Consolidated EBITDA projected by the Issuer after taking into account (for the full period) the full run rate effect of (as the case may be):

- (A) all savings and other synergies which the Issuer (acting reasonably and as confirmed in writing by the chief financial officer of the Group, or such other officer as is performing the functions of the chief financial

officer) believes can be obtained in the twelve-month period following such acquisition, investment, sale, transfer, disposal or implementation by combining the operations of such Acquired Entity or Business with the operations of the Group, as a consequence of the sale, transfer or other disposal of such Sold Entity or Business or as a result of implementing such Group Initiative; and

- (B) all revenues which the Issuer (acting reasonably and as confirmed in writing by an officer of the Group) believes can be obtained in the twelve-month period following such capital expenditure as a consequence of that capital expenditure,

provided that any such pro forma increase to Consolidated EBITDA shall be without duplication for savings, synergies or revenues actually realised during such period and already included in such Consolidated EBITDA.

4. Interest

4.1 Interest Rate and Interest Payment Dates

The Notes bear interest on their outstanding principal amount from and including the Issue Date at the rate of 4.750 per cent. per annum, payable semi-annually in arrear in equal instalments of €23.75 per €1,000 principal amount of Notes on 15 January and 15 July of each year (each an “**Interest Payment Date**”) up to (and including) the Maturity Date, except that the first payment of interest, to be made on 15 January 2026, will be in respect of the period from and including the Issue Date to but excluding the first Interest Payment Date, being 15 January 2026.

In these Conditions, “**Interest Period**” means the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

4.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon surrender of the Certificate representing such Note, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event interest will continue to accrue as provided in the Trust Deed.

4.3 Calculation of Broken Interest

- (a) If the Accrual Period is shorter than an Interest Period, the amount of interest payable per €1,000 in principal amount of the Notes (the “**Calculation Amount**”) for such period shall be equal to the product of the applicable percentage of interest, the Calculation Amount and the Day-Count Fraction,

where:

“**Day-Count Fraction**” means the number of days in the Accrual Period divided by 365; and

“**Accrual Period**” means the relevant period for which interest is to be calculated (from and including the first such day to but excluding the last); and

- (b) The resultant figure shall be rounded to the nearest cent, half a cent being rounded upwards. The interest payable in respect of the Notes shall be the product of such rounded figure and the amount by which the Calculation Amount is multiplied to reach the denomination of the Notes, without any further rounding.

5. Payments

5.1 Method of Payment

- (a) Payments of principal shall be made by the Paying Agent (subject to surrender of the relevant Certificates at the specified office of any Paying Agent or of the Registrar if no further payment falls to be made in respect of the Notes represented by such Certificates) in the manner provided in paragraph (b) below.
- (b) Interest on each Note shall be paid to the person shown on the Register at the close of business on the fifteenth business day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Note shall be made by credit or transfer to a euro account specified by the payee and maintained with a bank in a city in which banks have access to T2. For the purposes of these Conditions, “**T2**” means the real time gross settlement system operated by the Eurosystem, or any successor system.
- (c) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.

5.2 Payment subject to Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Noteholders in respect of such payments.

5.3 Appointment of Agents

The Principal Paying Agent, the Registrar and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Registrar and the Transfer Agents act solely as agents of the Issuer and do not have any fiduciary duties or assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, the Registrar or any Transfer Agent and to appoint additional or other Transfer Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, and (iv) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case, as approved by the Trustee.

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Noteholders in accordance with Condition 12 (*Notices*).

5.4 Delay in Payment

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a business day or if the Noteholder is late in surrendering or cannot surrender its Certificate (if required to do so).

5.5 Non-Business Days

If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment.

In these Conditions, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Paying Agent, the Transfer Agent or the Registrar (as the case may be) is located and which is a TARGET Business Day.

“**TARGET Business Day**” means any day on which T2 is open for the settlement of payments in euro.

6. Redemption and Purchase

6.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Notes on 30 June 2030 (the “**Maturity Date**”) in an amount equal to the principal amount.

6.2 Redemption for Taxation Reasons

The Issuer may redeem the Notes, in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days’ prior notice to the Trustee, the Principal Paying Agent and the Noteholders, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to, but excluding, the date fixed by the Issuer for redemption (the “**Tax Redemption Date**”) and all Additional Amounts (as defined below) (if any) then due and that will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of Noteholders of record on the relevant record date to receive interest due on an Interest Payment Date that is prior to the Tax Redemption Date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Notes, a Payor (as defined below) is or would be required to pay Additional Amounts, and the Payor cannot avoid any such payment obligation by taking reasonable measures available to it, including the appointment of a different Paying Agent (provided that changing the jurisdiction of the Payor is not a reasonable measure for purposes of this section), as a result of:

- (a) any change in, or amendment to, the laws or treaties (or any regulations, protocols or rulings promulgated thereunder) of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) affecting taxation, which change or amendment is publicly announced or becomes effective on or after the Issue Date (or, if the relevant Tax Jurisdiction was not a Tax Jurisdiction on such date, the date on which such Tax Jurisdiction became a Tax Jurisdiction under the Trust Deed);
- (b) any change in, or amendment to, the existing official position or the introduction of an official position regarding the application, administration or interpretation of such laws, treaties, regulations, protocols or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice), which change or amendment regarding the application, administration or interpretation is publicly announced or becomes effective on or after the Issue Date (or, if the relevant Tax Jurisdiction was not a Tax Jurisdiction on such date, the date on which such Tax Jurisdiction became a Tax Jurisdiction under the Trust Deed) (each of the foregoing sub-paragraphs (a) and (b), a “**Change in Tax Law**”); or

- (c) the merger of the Payor into another Person or the conveyance, transfer or lease of all or substantially all of the Payor's assets, unless the sole purpose of such a merger would be to permit the Issuer to redeem the Notes.

The Issuer will not give any such notice of redemption earlier than 90 days prior to the earliest date on which the Payor would be obligated to pay Additional Amounts if a payment in respect of the Notes were then due, and unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect.

Prior to the publication or, where relevant, sending of any notice of redemption of the Notes pursuant to this Condition, the Issuer will deliver to the Trustee an opinion of counsel in form and substance reasonably satisfactory to the Trustee stating that there has been such a Change in Tax Law which would cause the Payor to be or become obligated to pay Additional Amounts. In addition, before the Issuer publishes or sends notice of redemption of the Notes as described above, it will deliver to the Trustee a certificate signed by a director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and, where relevant, that the obligation to pay Additional Amounts cannot be avoided by the Issuer taking reasonable measures available to it.

The Trustee shall be entitled to accept such director's certificate and opinion of counsel as sufficient evidence, without further inquiry, of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the Noteholders.

6.3 **Redemption at the Option of the Issuer (Make-Whole Call)**

The Issuer may, having given:

- (a) not less than 10 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (*Notices*); and
- (b) notice to the Trustee and the Principal Paying Agent not less than 1 business day before the giving of the notice referred to in (a);

(which notices shall specify the date fixed for redemption (the "**Optional Redemption Date**")), redeem all or some of the Notes at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

For the purposes of this Condition 6.3, the "**Optional Redemption Amount**" will be an amount, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate (which for the avoidance of doubt shall not include the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent), which is the higher of:

- (a) 101 per cent. of the principal amount of the Notes to be redeemed; and
- (b) as determined by the Issuer, the sum of the then current values of the remaining scheduled payments of principal and interest to the First Call Date (as defined below) (not including any interest accrued on the Notes to be redeemed to, but excluding, the Optional Redemption Date) discounted to the First Call Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at (i) the Reference Bond Rate (as defined below) plus (ii) the Redemption Margin,

plus, in each case, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

As used in this Condition 6.3:

“**Redemption Margin**” shall be 0.50 per cent. per annum; and

“**Reference Bond Rate**” means, as selected by the Issuer, the rate per annum equal to the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (*Bunds* or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that has become publicly available at least two business days (but not more than five business days) prior to the Optional Redemption Date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected in good faith by the Issuer)) most nearly equal to the period from the Optional Redemption Date to the First Call Date; *provided, however*, that if the period from the Optional Redemption Date to the First Call Date is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Reference Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such Optional Redemption Date to the First Call Date is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used; *provided* that the “Reference Bond Rate” shall be at least 0.00%.

All Notes in respect of which any such notice is given under this Condition 6.3 shall be redeemed on the date specified in such notice in accordance with this Condition 6.3.

6.4 **Redemption at the Option of the Issuer (Issuer Par Call)**

The Issuer may, having given:

- (a) not less than 10 nor more than 60 days’ notice to the Noteholders in accordance with Condition 12 (*Notices*); and
- (b) notice to the Trustee and the Principal Paying Agent not less than 1 business days before the giving of the notice referred to in (a),

(which notices shall specify the date fixed for redemption), redeem the Notes then outstanding in whole or in part, at any time during the period commencing on (and including) the day that is six months prior to the maturity date of such Notes (the “**First Call Date**”) to (but excluding) the applicable maturity date of such Notes, at a redemption price equal to 100% of the principal amount of the Notes redeemed, together with any interest accrued but unpaid to (but excluding) the date fixed for redemption.

6.5 **Redemption at the Option of the Issuer (Clean-Up Call)**

The Issuer may, having given: (a) not less than 10 nor more than 60 days’ notice to the Noteholders in accordance with Condition 12 (*Notices*); and (b) notice to the Trustee and the Principal Paying Agent not less than 1 business days before the giving of the notice referred to in (a), in the event that 20 per cent. or less of the initial aggregate principal amount of the Notes (including any additional Notes issued pursuant to Condition 16) remains outstanding, at its option, redeem all, but not some only, of the outstanding Notes at their principal amount together with any interest accrued but unpaid to (but excluding) the date set for redemption.

6.6 **Redemption at the option of the Noteholders (Change of Control Put)**

If a Put Event (as defined below) has occurred, upon any Noteholder giving notice to the Issuer during the period ending on the 60th day following the public announcement that the relevant

Change of Control has occurred (the “**CoC Notice Period**”), the Issuer will redeem the Notes on the Business Day which is 7 days after the expiration of the CoC Notice Period, at an amount equal to 100% of the principal amount of the Notes to be redeemed, together, if appropriate, with interest accrued to (but excluding) such redemption date, subject to the fifth paragraph of this Condition 6.6.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice to the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 12 (*Notices*) specifying: (i) all information material to Noteholders in relation to the Change of Control (as defined herein); and (ii) that either (A) Noteholders are entitled to exercise their put option during the CoC Notice Period (a “**Change of Control Offer**”); or (B) a third party has made or will make an offer (a “**Third Party Tender Offer**”) to all Noteholders in the manner, at the times and otherwise in compliance with the requirements set forth in these Conditions applicable to a Change of Control Offer made by the Issuer, and purchases all Notes validly tendered and not withdrawn under such Third Party Tender Offer during the CoC Notice Period.

To exercise the right to require redemption of the Notes the Noteholder must deliver, at the specified office of any Paying Agent or the Registrar at any time during normal business hours of such Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a “**Put Notice**”) and in which the Noteholder must specify a bank account to which payment is to be made under this Condition 6.6 and the Put Notice must be accompanied by the Certificate representing such Notes or evidence satisfactory to the Registrar or any Paying Agent concerned that the Notes will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice given by a holder of any Note pursuant to this Condition 6.6 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.6 and instead to declare such Note forthwith due and payable pursuant to Condition 9 (*Events of Default*).

The Issuer will not be required to make a Change of Control Offer following a Put Event if (i) it announces that a Third Party Tender Offer has or will be made and such Third Party Tender Offer is completed in the CoC Notice Period or (ii) a notice of redemption for the redemption of the Notes in whole but not in part has previously been given pursuant to Conditions 6.3, 6.4 or 6.5, unless there has been a default in payment of the applicable redemption price.

For the purposes of this Condition 6.6:

- (a) a “**Change of Control**” shall be deemed to occur if more than 50 per cent. of the share capital of the Issuer and (i) more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, or (ii) the power to appoint a majority of the board of directors of the Issuer or of any other equivalent governing body whether through the ownership of voting capital, by contract or otherwise, is acquired, directly or indirectly, by any Person (other than Reference Shareholders and any of their respective Subsidiaries and Management).

For the purposes of this definition:

“**Affiliate**” of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “**control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract

or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing;

“**Management**” means current and former management and employees of the Issuer or any of its Subsidiaries and any other person directly or indirectly holding any interest pursuant to an MEP, incentive scheme or similar arrangement;

“**Reference Shareholders**” means Kohlberg, Kravis, Roberts & Co. L.P. (“**KKR**”), Ministero dell’Economia e delle Finanze (“**MEF**”), Fastweb S.p.A. (“**Fastweb**”), Fondi Italiani per le Infrastrutture SGR S.p.A (“**F2i**”), Azure Vista C 2020 S.a r.l. (“**ADIA**”) and 13545369 Canada Inc. (“**CPPIB**,” and together with KKR, MEF, Fastweb, F2i and ADIA, the “**Initial Investors**”) or any of their successors and any funds or partnerships and/or other entities or accounts represented, managed, advised, owned or controlled, directly or indirectly, by the Initial Investors or any Affiliate thereof, and any limited partner of or co-investor with any such partnership or fund or an Affiliate or successor thereof;

- (b) a “**Negative Event**” will be deemed to have occurred if:
- (i) there are two or more Investment Grade Ratings with respect to the Issuer and (a) such Ratings are reduced to below Investment Grade Ratings by two or more Rating Agencies during the period ending on the 30th day after the date of the public announcement of the occurrence of the Change of Control and (b) the Relevant Leverage Ratio would have been greater than 6.0 to 1.0 after giving pro forma effect to such Change of Control; or
 - (ii) only one Investment Grade Rating with respect to the Issuer is outstanding and (a) such Rating is reduced to below an Investment Grade Rating by the relevant Rating Agency during the period ending on the 30th day after the date of the public announcement of the occurrence of the Change of Control and (b) the Relevant Leverage Ratio would have been greater than 6.0 to 1.0 after giving pro forma effect to such Change of Control; or
 - (iii) in the case where on the 30th day after the date of the public announcement of the occurrence of the Change of Control, there is no Investment Grade Rating with respect to the Issuer as of such date and the Relevant Leverage Ratio would have been greater than 6.0 to 1.0 after giving pro forma effect to such Change of Control;

For purposes of this definition:

“**Accounting Principles**” means generally accepted accounting principles in Italy or IFRS, in each case to the extent applicable to the relevant financial statements and as applied by the Issuer from time to time;

“**Adjusted Reported EBITDA**” means, for any Measurement Period, the Consolidated EBITDA for such period, adjusted to deduct the cash portion of any recurring payments (excluding any principal amount repayment) attributable to any lease that would not have been considered as a finance lease in accordance with IFRS as applied immediately prior to the adoption of IFRS 16 (*Leases*);

“**Borrowings**” means, at any time, Financial Indebtedness excluding, for the avoidance of doubt:

- (a) any liabilities due under any derivative agreement; *provided* that any amount of Financial Indebtedness will be stated so as to take into account the hedging

effect of currency hedging entered into in respect thereof and; *provided further* that where such agreement provides for netting to occur only the net amount of the payment obligation outstanding from the relevant member of the Group thereunder after such netting-off has occurred shall be included; and

- (b) any liabilities of the type referred to in paragraph (k) or (l) of the definition of Financial Indebtedness to the extent relating to indebtedness already included within this definition or to any of the items referred to in paragraph (a) above;

“Consolidated EBITDA” means, for any period, Net Income for such period with the following adjustments (without double counting and without deducting or adding back amounts not otherwise included or, as the case may be, deducted in the calculation of Net Income or in this definition):

- (a) **before deducting** Interest Payable, any other interest and any payment-in-kind interest for which any member of the Group is liable (for the avoidance of doubt, including any costs relating to factoring or discounting arrangements and any cost relating to the issue or maintenance of any bond, letter of credit, guarantee or other assurance against financial loss) and any deemed finance charge in respect of any pension liabilities and/or other provisions (and any other debt or equity finance related fee or cost or post-retirement benefit scheme costs charged to finance costs in accordance with the Accounting Principles);
- (b) **after deducting** Interest Income and/or any other Interest accruing in favour of any member of the Group;
- (c) **before deducting** any amount of Tax (including deferred tax) on profits, gains or income payable by or deducted for any member of the Group;
- (d) **after adding back** any amount attributable to any amortisation or impairment whatsoever, any depreciation whatsoever (including any write down of fixed assets) and any costs or provisions relating to any MEP or any share option or incentive scheme of any member of the Group;
- (e) **after adding or deducting** (as the case may be), the effect (positive or negative) of any one-off, non-recurring, extraordinary, unusual or exceptional item or amount (including, for the avoidance of doubt, gain, loss, charge or expense);
- (f) **after deducting** any gain over book value arising in favour of a member of the Group on the disposal of any asset (not including any disposal made in the ordinary course of trading) during such period and any gain arising on any revaluation of any asset during such period;
- (g) **after adding back** any loss against book value incurred by a member of the Group on the disposal of any asset (not including any disposal made in the ordinary course of trading) during such period and any loss arising on any revaluation of any asset during such period;
- (h) **after adding back** Transaction Costs;
- (i) **after adding back** an amount equal to the amount of any reduction, and after deducting an amount equal to the amount of any increase, in Net Income of the Group as a result of a revaluation of assets and liabilities of members of the Group which would not have occurred but for the occurrence of the Acquisition

Transactions (as defined in the Offering Memorandum with respect to the Notes);

- (j) **after adding back** the amount of any management, consulting, investor, monitoring, advisory and director fees, expenses and compensation (together with any other amounts paid under the Service Agreements) paid by any member of the Group to the Investors (directly or indirectly);
- (k) **after adding back** any fees, costs or charges of a non-recurring nature related to any equity offering, compensation payments to departing management, investments (including any investment in a joint venture), acquisitions or indebtedness (in each case, whether or not successful);
- (l) **after adding back** any restructuring costs recognised during such period;
- (m) **excluding** any unrealised foreign exchange gains and losses, including any arising on translation of currency debt, and before taking account of any hedging gains and losses relating to finance costs and taking no account of any unrealised gains or losses on any financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis or similar);
- (n) **excluding** any gain or loss arising directly or indirectly on the acquisition by any member of the Group of all or part of any debt instrument (in each case to the extent otherwise included);
- (o) **excluding** the impact of any other unrealised gains or losses arising from the application of IAS 32/39 and any debits to profits relating to the write-off of Transaction Costs;
- (p) **before deducting** any dividends paid or declared but unpaid;
- (q) **including** the consolidated earnings from operating activities of any unconsolidated entities received as a dividend or distribution by any member of the Group during such period;
- (r) **including** the amount of any Net Income (or excluding any loss) of any member of the Group which is attributable to any third party which is a shareholder in such member of the Group;
- (s) **increased by** the “run rate” adjustment required to give effect to synergies, cost savings, operating expense reductions, restructuring charges and expenses, contracted pricing, operating cost improvements, operating improvements, new sites, capacity or capacity utilization increases, operating expense reductions, revenue increases, revenue enhancements or other adjustments, similar initiatives or effects of synergies (together, being “Synergies”) that have been, or will be, realized (in full or in part) for some, but not all, of such period and that are related to the Acquisition Transactions and any acquisition, disposition, divestiture, restructuring, new or revised contract, information and technology systems establishment, modernisation or modification or the implementation of any operating cost improvements, operating improvements, efficiency or cost savings initiative or any other adjustments or similar initiatives or effects of Synergies, as applicable, as if such Synergies had been realized from the first day of such period and during the entirety of such period; *provided* that the Issuer (in good faith) expects that

all steps for realising such Synergies have been or will be taken within 24 months following the date of determination; and

- (t) **increased by**, to the extent not already otherwise included herein, adjustments and add-backs or costs or expenses (or, in each case, similar items) corresponding to those made in calculating “*Pro Forma Organic EBITDA-AL*” (including structuring adjustments made in calculating Structuring EBITDA-AL) for the year ended 31 December 2024 included in the Offering Memorandum, and other adjustments of a similar nature to the foregoing.

“Equity Contribution” means:

- (a) any subscription for shares issued by, and any capital contributions to, the Issuer in each case; and/or
- (b) any loans, notes, bonds or like instruments issued by or made to the Issuer which are subordinated to the Notes pursuant to the Intercreditor Agreement;

“Financial Indebtedness” means (without double counting) any indebtedness (including any fixed or minimum premium payable on maturity) in respect of or arising under:

- (a) moneys borrowed (including overdrafts); or
- (b) moneys raised including moneys raised under or pursuant to any debenture, bond (other than a performance or advance payment bond or other similar instrument issued in the ordinary course of trading), note or loan stock or other similar instrument; or
- (c) any acceptance credit (or dematerialised equivalent); or
- (d) receivables sold or discounted (otherwise than on a non-recourse basis and only to the extent of any recourse); or
- (e) the acquisition cost of any asset to the extent payable more than 180 days after the time of acquisition or possession by the person liable as principal obligor for the payment thereof (or, if the relevant supplier customarily allows a period for payment, if later, the date 180 days after the expiry of that period, but only to the extent payment on such later date would not be in breach of the terms of any relevant contract with that supplier) or where the deferred payment is arranged primarily as a method of raising finance or financing the acquisition of the asset acquired (for the avoidance of doubt excluding where the payment deferral results from the delayed or non-satisfaction of contract terms by the supplier or from contract terms establishing payment schedules tied to total or partial contract completion and/or to the results of operational testing procedures and excluding, for the avoidance of doubt, earn outs and other contingent consideration arrangements); or
- (f) the sale price of any asset to the extent paid by the person liable more than 180 days before the time of sale or delivery or where the advance payment is arranged primarily as a method of raising finance (except any such arrangement entered into in the ordinary course of trading); or
- (g) finance leases, capital leases, credit sale or conditional sale agreements (whether in respect of land, buildings, plant, machinery, equipment or otherwise) which are treated as finance leases or capital leases in accordance with the Accounting Principles (but only to the extent of such treatment); or

- (h) [reserved]; or
- (i) the amount payable by any member of the Group to any person which is not a member of the Group in respect of the redemption of any share capital or other securities convertible into share capital issued by it or any other member of the Group (other than in connection with any MEP, incentive scheme or similar arrangement); or
- (j) amounts raised under any other transaction not of a type or nature contemplated by the other paragraphs of this definition having the commercial effect of a borrowing and required to be accounted for as such under the Accounting Principles; or
- (k) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby letter of credit or other instrument issued by a bank or financial institution, in each case in respect of an underlying liability of an entity which is not a member of the Group which would fall within one of the other paragraphs of this definition; or
- (l) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any indebtedness falling within paragraphs (a) to (k) inclusive of this definition,

and so that, where the amount of Financial Indebtedness falls to be calculated or where the existence (or otherwise) of any Financial Indebtedness is to be established:

- (A) Financial Indebtedness owed by one member of the Group to another member of the Group shall not be taken into account;
- (B) in relation to any bank accounts subject to netting, cash pooling, net balance, balance transfer or similar arrangements, only the net balance shall be used;
- (C) no amount due or outstanding in respect of any Equity Contribution shall be taken into account; and
- (D) no pension scheme or other post-employment benefit scheme liabilities shall be taken into account;

“Holding Company” means, in relation to any person, any other person in respect of which it is a subsidiary;

“Interest” means interest and amounts in the nature of interest paid or payable in cash in respect of any Borrowings including, without limitation:

- (a) the interest element of any lease, hire purchase or similar agreement but excluding only those leases that are accounted for as investment property under IAS 40;
- (b) discount and acceptance fees payable (or deducted) in respect of any Borrowings;
- (c) fees payable in connection with the issue or maintenance of any bond, letter of credit, guarantee or other assurance against financial loss, in each case which constitutes Borrowings and is issued by a third party on behalf of the relevant person;

- (d) repayment and prepayment premiums payable or incurred in repaying or prepaying any Borrowings; and
- (e) commitment, utilisation and non-utilisation fees payable or incurred in respect of Borrowings, but excluding:
 - (i) any agency, arrangement, underwriting, amendment, consent or other front-end fee in respect of any Borrowings or any letter of credit and any commitment fee to the extent included in the Transaction Costs (but for the avoidance of doubt, not excluding any commitment fees applicable to the revolving facility);
 - (ii) any pay-in-kind interest and any interest accrued on any shareholder loan or other subordinated loan;
 - (iii) any fees, costs and expenses incurred in connection with the raising of any indebtedness and any amortisation thereof;
 - (iv) any original issue discount applied in connection with any indebtedness and any amortisation thereof;
 - (v) any non-cash gains or losses arising in respect of any financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);
 - (vi) any realised gains or losses arising in respect of any derivative which is operational in nature (and not related to Borrowings);
 - (vii) unrealised foreign exchange gains or losses in relation to retranslation of currency debt; and
 - (viii) any notional interest accrued on any pension scheme liabilities.

“Interest Income” means, for any period, the amount of Interest accrued (whether or not received) due to members of the Group during such period (including in each case, without limitation, interest on cash deposits and cash equivalents);

“Interest Payable” means, for any period, the aggregate of Interest accrued (whether or not paid) in respect of any Borrowings of any member of the Group, but excluding in each case any capitalised interest, any dividends on preference shares, any interest element on postemployment benefit schemes under IAS19, any interest cost or expected return on plan assets in relation to any post-employment benefit scheme, (unless the payment of such interest is guaranteed by one or more other members of the Group which are not Subsidiaries of the entity primarily liable for such interest) the pro rata share of any Interest payable by a member of the Group which is attributable to any third party (not being a member of the Group) which is a shareholder (or holds an equivalent ownership interest) in a member of the Group, Transaction Costs (and any amortisation thereof) and any other fees, costs and expenses incurred in connection with the raising of any Borrowings (and any amortisation thereof) and provided further that the amount of accrued Interest shall be stated so as to take into account the effect of any hedging agreements in respect of Interest (including, in so far as they relate to Interest, currency hedging arrangements and any interest payable under any investment hedging arrangements) entered into by the Group;

“Investment Grade Rating” means a Rating at least equal to BBB-/Baa3 or better;

“Investors” means the Sponsors and the Sponsor Affiliates.

“Measurement Period” means, at the option of the Issuer, either the period of (i) the most recent six month period ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available multiplied by 2.0 or (ii) the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available.

“MEP” means any management incentive or employee benefit scheme (or other similar arrangement) implemented or to be implemented with respect to shares in the Issuer or any of its Holding Companies or any member of the Group;

“Net Income” means, for any period, consolidated net income of the Group for such period;

“Rating” means any long-term credit rating assigned to the Issuer by any Rating Agency;

“Rating Agency” means Moody’s Investors Service Ltd. or any of its subsidiaries or their successors (Moody’s), Fitch Ratings Limited or any of its subsidiaries or their successors (Fitch) and S&P Global Ratings Europe Limited or any of its subsidiaries or their successors (S&P), or any rating agency with equivalent international standing substituted for any of them (or any permitted substitute of them) specified from time to time by the Issuer from time to time;

“Relevant EBITDA” means Adjusted Reported EBITDA as determined by the Issuer for the most recently ended Measurement Period for which the Issuer has sufficient available information so as to be able to determine Adjusted Reported EBITDA and as may be adjusted in accordance with Condition 3.4 (*Calculation of Ratios*);

“Relevant Leverage Ratio” means the ratio of Total Net Debt on the last day of the most recently completed Measurement Period to Adjusted Reported EBITDA (calculated on a pro forma basis) for that Measurement Period;

“Service Agreements” means each recharge, advisory services, transaction services or other similar agreement entered into or to be entered into between the Reference Shareholders (and/or their Affiliates or direct or indirect shareholders in the Issuer) and one or more members of the Group;

“Sponsors” means the Initial Investors.

“Sponsor Affiliate” means, in relation to any Sponsor, any of its Holding Companies or Subsidiaries or any other Subsidiary of any of its Holding Companies and any fund, partnership and/or other entities represented, managed, advised, owned or controlled by any Sponsor or any of its Sponsor Affiliates and any Sponsor Affiliate of any such fund, partnership or entity but does not include any portfolio company of any Sponsor or of any Affiliate of any Sponsor and, in the context of a person or persons achieving or having control over another person, “control” for the purposes of this definition means the person or persons acting in concert controlling, or being able to control, the composition of the board of directors or equivalent management board of that other person or the person or persons acting in concert in accordance with whose directions a majority of the board of directors or equivalent management board of that other person are or become accustomed to act.

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay

or any delay in paying any of the same) and “**Taxes**” and “**Taxation**” shall be construed accordingly;

“**Total Net Debt**” means, at any time, the aggregate principal amount of all Borrowings of the Group, but:

- (i) excluding all leases (regardless of the accounting treatment thereof);
- (ii) deducting the pro rata share of which is attributable to any third party (not being a member of the Group) which is a shareholder (or holds an equivalent ownership interest) in any member of the Group, unless such Financial Indebtedness is guaranteed by one or more other members of the Group which are not Subsidiaries of the borrower of such Financial Indebtedness; and
- (iii) deducting the aggregate amount of cash and cash equivalents held by each member of the Group,

and so that no amount shall be included or excluded more than once; and

“**Transaction Costs**” means all fees, costs and expenses and stamp, transfer, registration, notarial and other Taxes incurred by a member of the Group directly or indirectly in connection with the Acquisition Transactions, any reorganisation and/or any amounts in connection with the refinancing of indebtedness or other obligations of the Group;

- (c) a “**Put Event**” will be deemed to have occurred if, during the period from and including the Issue Date to but excluding the Maturity Date, there occurs a Change of Control and, during the period ending on the 30th day after the date of the public announcement of the occurrence of the Change of Control, a Negative Event occurs; and
- (d) a “**Permitted Change of Control Transaction**” means a Change of Control that is not a Put Event.

6.7 Provisions Relating to Partial Redemption

In the case of a partial redemption of Notes, Notes to be redeemed will be selected, in such place as the Trustee, the Registrar or the Principal Paying Agent may approve and in such manner as the Trustee, the Registrar or the Principal Paying Agent may deem appropriate and fair, not more than 60 days before the date fixed for redemption. Notice of any such selection will be given not less than 10 days before the date fixed for redemption. Each notice will specify the date fixed for redemption and the aggregate principal amount of the Notes to be redeemed, the certificate numbers of the Notes called for redemption, the certificate numbers of Notes previously called for redemption and not presented for payment and the aggregate principal amount of the Notes which will be outstanding after the partial redemption.

6.8 Purchases

The Issuer and any of its Subsidiaries (as defined above) may at any time purchase Notes in the open market, by tender offer or otherwise, at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

6.9 Cancellations

Certificates representing Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation by surrendering each such Certificate to the Registrar and if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith.

Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged. Any Notes not so surrendered for cancellation may be reissued or resold.

6.10 Conditional Notices

Upon the expiry of any notice as is referred to in, and subject to, Condition 6.2 (*Redemption for Taxation Reasons*), Condition 6.3 (*Redemption at the Option of the Issuer (Make-Whole Call)*), Condition 6.4 (*Redemption at the Option of the Issuer (Issuer Par Call)*) and Condition 6.5 (*Redemption at the Option of the Issuer (Clean-Up Call)*) above, the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph; *provided* that any redemption and notice of redemption may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent. If such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, at the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been complied with or satisfied by the redemption date, or by the redemption date so delayed; *provided* that in no case shall the notice have been delivered less than 10 days or more than 60 days prior to the date on which such redemption (if any) occurs.

7. Taxation

7.1 Additional Amounts

All payments made by or on behalf of the Issuer or any other Guarantor (including, in each case, any successor entity thereof) (each, a “**Payor**”) under or with respect to the Notes will be made without withholding or deduction for, or on account of, any present or future Taxes unless such withholding or deduction of such Taxes is required by law (including any taxing authority's interpretation or administration thereof). If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of any Tax Jurisdiction (as defined below) will at any time be required to be made from any payments made by or on behalf of a Payor under or with respect to the Notes, including payments of principal, redemption premium or interest, the Payor will pay such additional amounts (the “**Additional Amounts**”) as may be necessary in order that the net amounts received, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no Additional Amounts shall be payable:

- (a) to or for a Noteholder (or a fiduciary, settlor, beneficiary, member, partner or shareholder of, or possessor of power over the relevant Noteholder, if the relevant Noteholder is an estate, nominee, trust, partnership, limited liability company or corporation or any collective vehicle where tax is imposed or allocated to its owners) who is liable for such Taxes in respect of such Note by reason of having or having had some present or former connection with the relevant Tax Jurisdiction (including, without limitation, being resident for tax purposes, or being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Tax Jurisdiction) in which such Taxes are imposed other than the mere acquisition, holding or enforcement (following an Event of Default) of such Note or the receipt of any payment in respect thereof; or
- (b) to or for a Noteholder in respect of any Tax that is imposed or withheld by reason of the failure by the Noteholder, to comply with a reasonable written request of the applicable withholding agent addressed to the Noteholder, after reasonable notice (at least 30 days before any such withholding or deduction is payable): (i) to provide

certification, information, documents or other evidence concerning the nationality, residence or identity of the Noteholder; or (ii) to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which, in the case of (i) or (ii) (or both), is required by a statute, treaty, regulation or administrative practice of the relevant Tax Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction or withholding of, all or part of such Tax but only to the extent the Noteholder is legally entitled to provide such certification or documentation; or

- (c) in respect of any Note in respect of which the certificate representing it is presented for payment (where presentation is required) more than 30 days after the Relevant Date except to the extent that a Noteholder would have been entitled to an Additional Amount on surrendering the Certificate representing the same for payment on such thirtieth day; or
- (d) in respect of any Note in respect of which the certificate representing it is presented for payment (where presentation is required) by or on behalf of a Noteholder not resident for tax purposes in a State included in the list of countries which allow for a satisfactory exchange of information with Italy, currently provided for by Italian Ministerial Decree dated 4 September 1996, as amended and supplemented (the “**White List**”); or
- (e) in respect of any Taxes that are payable otherwise than by deduction or withholding from a payment with respect to the Notes; or
- (f) in respect of any estate, inheritance, gift, sales, transfer, personal property or similar Tax or excise Taxes imposed on transfer of the Notes; or
- (g) in respect of any Taxes to the extent such Taxes are for or on account of *imposta sostitutiva* pursuant to Decree No. 239 and any related implementing regulations, and pursuant to Decree No. 461 and any related implementing regulations, except where the procedures required under Decree 239/1996, in order to benefit from an exemption, have not been complied with due only to the actions or omissions of the Issuer or its agents.

For the avoidance of doubt, no Additional Amounts shall be payable with respect to Taxes to the extent such Taxes are on account of *imposta sostitutiva* if the Noteholder becomes subject to *imposta sostitutiva* after the Issue Date by reason of amendments to the White List whereby such Noteholder’s country of residence does not appear on the aforesaid amended or new list; or

- (h) to a Noteholder that is a fiduciary, partnership or Person other than the sole beneficial owner to the extent that a payment would be required to be included in the income under the tax laws of a relevant Tax Jurisdiction of a beneficiary or settlor with respect to the fiduciary, or a partner of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Noteholder thereof; or
- (i) any combination of the items (a) through (h) above.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or any official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or

regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other Person will be required to pay Additional Amounts on account of any FATCA Withholding.

In addition to the foregoing, the Issuer will also bear and pay any present or future stamp, issue, registration, court or documentary Taxes, or any other excise, property or similar Taxes, which are levied on the execution, delivery, issuance, registration or enforcement (following an Event of Default) of the Notes, the Trust Deed or any other document or instrument referred to therein (other than in each case: (a) in connection with a transfer of the Notes after this issuance of the Notes other than the initial resale; or (b) to the extent that such stamp, issue, registration court or documentary Taxes, or any other excise, property or similar Taxes become payable upon a voluntary registration made by the Noteholder if such registration is not required by any applicable law or not necessary to enforce the rights or obligations of any Noteholder in relation to the Notes, the Trust Deed or any other document or instrument referred to therein).

If the Issuer becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes, the Issuer will deliver to the Trustee (with a copy to the Principal Paying Agent) on a date at least 30 days prior to the date of payment (unless the obligation to pay Additional Amounts arises after the 30th day prior to that payment date, in which case the Issuer shall notify the Trustee promptly thereafter) an officer’s certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Trustee shall be entitled to rely solely on such officer’s certificate as conclusive proof that such payments are necessary.

The above obligations will survive any termination, defeasance or discharge of the Trust Deed and will apply, mutatis mutandis, to any successor Person to the Issuer.

Any references in these Conditions or in the Trust Deed to any amounts in respect of the Notes shall be deemed also to refer to any Additional Amounts which may be payable in respect thereof. As used herein:

- (a) “**Relevant Date**” means, in respect of any payment, the date on which such payment first becomes due, but if the full amount of the monies payable has not been received by the Trustee or, as the case may be, the Principal Paying Agent, on or prior to such due date, it means the first date on which, the full amount of such monies having been so received, notice to that effect has been duly given to the Noteholders;
- (b) “**Tax**” or “**Taxes**” means any present or future taxes or duties, assessments or governmental charges of whatever nature (including any penalties, interest and other additions thereto); and
- (c) “**Tax Jurisdiction**” means the Republic of Italy and any other taxing jurisdiction in which a Payor is organized or tax resident, or any political subdivision or any authority thereof or therein having power to tax, and any jurisdiction from or through which payment with respect to the Notes is made by or on behalf of a Payor.

8. **Prescription**

Claims in respect of the Notes will become void unless presented for payment within periods of ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the applicable due date for payment thereof subject to the provisions of Condition 5 (*Payments*).

9. **Events of Default**

The Trustee at its discretion may, and if so requested in writing by the holders of at least 30% in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) (but only if, except in relation to sub-paragraph 9(a) below, the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that the Notes are, and the Notes shall thereupon immediately become, due and repayable at their redemption amount together with accrued interest as provided in the Trust Deed if any of the following events (each an “**Event of Default**”) shall have occurred and be continuing:

- (a) *Non-payment*: default is made in the payment of any principal, premium or interest due in respect of the Notes or any of them and the default continues for a period of 10 days in the case of principal and premium and 30 days in the case of interest; or
- (b) *Breach of other obligations*: the Issuer or any Guarantor fails to perform or observe any of its other obligations under these Conditions or the Trust Deed (including in relation to a Guarantor, any of its obligations under its Notes Guarantee) and the failure continues for the period of 60 days next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) *Cross-default of the Issuer*:
 - (i) any Capital Markets Indebtedness of the Issuer or any Guarantor in excess of the greater of €100,000,000 (or the equivalent thereof in other currencies) or, if higher, 5% of Relevant EBITDA has to be repaid prematurely due to a default under its terms; or
 - (ii) the Issuer or any Guarantor fails to fulfil any payment obligation exceeding the greater of €100,000,000 (or the equivalent thereof in other currencies) or, if higher, 5% of Relevant EBITDA, under any Capital Markets Indebtedness, or under any guarantee provided for any such Capital Markets Indebtedness of others in excess of the greater of €100,000,000 (or the equivalent thereof in other currencies) or, if higher, 5% of Relevant EBITDA, and such failure continues for a period of 30 days; or
 - (iii) any security or guarantee relating to Capital Markets Indebtedness in excess of the greater of €100,000,000 (or the equivalent thereof in other currencies) or, if higher, 5% of Relevant EBITDA, provided by the Issuer or any Guarantor is enforced by the lenders and such enforcement is not contested in good faith by the Issuer or any Guarantor or the Issuer or any Guarantor publicly announces its inability to meet its financial obligations; or
- (d) *Insolvency*:
 - (i) a court opens insolvency or equivalent proceedings against the Issuer or any Guarantor which are not resolved within six months, unless such proceedings are frivolous or vexatious and contested in good faith and appropriately and do not result in court orders or the Issuer or any Guarantor applies for such insolvency or equivalent proceedings; or
 - (ii) the Issuer or any Guarantor approves a resolution pursuant to which it goes into liquidation unless this is done in connection with a merger, or other form of combination with another company and such company assumes all obligations contracted by the Issuer, in connection with the Notes and the Trust Deed; or

- (e) *Guarantee*: any of the Guarantees is not (or is claimed by the relevant Guarantor not to be) in full force and effect; or
- (f) *Security interest*: any security interest under the Security Documents on any material Collateral having a fair market value in excess of the greater of €50,000,000 or, if higher, 2.5% of Relevant EBITDA, shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Trust Deed) for any reason other than the satisfaction in full of all obligations under the Notes or the release or amendment of any such security interest in accordance with the Conditions, the Intercreditor Agreement, any Additional Intercreditor Agreement or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable in a final non-appealable decision of a court of competent jurisdiction or the Issuer shall assert in writing that any such security interest is invalid or unenforceable and any such default continues for 10 days.

10. **Enforcement**

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed and the Notes, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed or the Notes unless: (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least 30% in aggregate principal amount of the Notes then outstanding; and (b) it shall have been indemnified and/or pre-funded and/or secured to its satisfaction. No Noteholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed fails or is unable so to do within 60 days, and the failure or inability shall be continuing.

11. **Replacement of Certificates**

Should any Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purposes and notice of whose designation is given to the Noteholders, in each case upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. **Notices**

Notices required to be given to the holders of Notes pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. So long as the Notes are listed on the Luxembourg Stock Exchange and the listing rules of such exchange so require, all notices to Noteholders shall be deemed to be duly given if they are published in one daily newspaper in Luxembourg or on the website of the Luxembourg Stock Exchange: www.luxse.com. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange or other relevant authority on which the Notes are for the time being listed.

13. **Substitution**

The Trust Deed contains provisions:

- (a) requiring the Trustee, pursuant to and subject as provided in Condition 3.2 (*Mergers and Similar Events*), without the consent of the Noteholders, to agree with the Issuer to

the substitution in place of the Issuer (or of any previous substitute under this Condition 13) as the principal debtor under the Notes and the Trust Deed, of any entity into which the Issuer may be consolidated or merged, or in relation to which the Issuer may sell or lease all or substantially all of its assets or from which it may buy or lease all or substantially all of such entity's assets, subject to certain conditions set out in the Trust Deed being complied with; or

- (b) notwithstanding and without prejudice to Condition 3.2 (*Mergers and Similar Events*), permitting the Trustee, without the consent of the Noteholders, to agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition 13) as the principal debtor under the Notes and the Trust Deed of another company, being any entity that may succeed to, or to which the Issuer (or any previous substitute under this Condition 13) may transfer, all or substantially all of the assets and business of the Issuer (or any previous substitute under this Condition 13) by operation of law, contract or otherwise, subject to: (i) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and (ii) certain other conditions set out in the Trust Deed being complied with.

14. **Meetings of Noteholders, Modification, Waiver, Authorisation and Determination**

14.1 **Meetings of Noteholders**

The Trust Deed contains provisions for convening meetings of the Noteholders (which may be at a physical location or by way of conference call or videoconference) to consider any matter affecting their interests, including, *inter alia*, any modifications or abrogation of these Conditions or of any provisions of the Trust Deed by Extraordinary Resolution. The above provisions are subject to compliance with mandatory laws, rules and regulations of the Republic of Italy in force from time to time and, where applicable Italian law so requires, the Issuer's by-laws.

The quorum and the majorities for passing resolutions at any such meetings shall be subject to the applicable provisions of applicable Italian laws (including the Italian Civil Code) and the Issuer's by-laws.

An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all Noteholders, whether or not they are present at the meeting.

Pursuant to and for the purposes of Article 2419 of the Italian Civil Code, the individual rights of the Noteholders are not precluded, unless they are inconsistent with the resolutions of the meeting of the Noteholders pursuant to Article 2415 of the Italian Civil Code.

In accordance with the Italian Civil Code, a *rappresentante comune* (the “**Noteholders' Representative**”), being a joint representative of Noteholders, may be appointed in accordance with article 2417 of the Italian Civil Code in order to, *inter alia*, represent the Noteholders' common interest and to give execution to the resolutions of the meeting of the Noteholders. The appointment of the Noteholders' Representative has a maximum term of three financial years from the appointment, and may be subsequently reappointed thereafter.

14.2 **Waiver, Authorisation, Determination and Exercise by the Trustee of Discretions Etc.**

The Trustee may agree, without the consent of the Noteholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid,

to any modification which is of a formal, minor or technical nature or to correct an error which is manifest. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Trustee otherwise agrees, any such modification shall be notified by the Issuer to the Noteholders in accordance with Condition 14.3 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other Person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders except to the extent already provided for in Condition 7 (*Taxation*) or Condition 3.2 (*Mergers and Similar Events*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 (*Taxation*) or Condition 3.2 (*Mergers and Similar Events*) pursuant to the Trust Deed.

A modification or waiver which relates to specific rights or obligations of the Trustee may not be effected without the consent of the Trustee.

14.3 Notification to the Noteholders

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Noteholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 12 (*Notices*).

15. Indemnification of the Trustee and Trustee Contracting with the Issuer

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, inter alia: (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries; (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders; and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

Subject to the terms of the Trust Deed, the Trustee may rely without liability to Noteholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

16. **Further Issues**

The Issuer may from time to time without the consent of the Noteholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes. Any further notes which are to form a single series with the Notes shall be constituted by a deed supplemental to the Trust Deed.

17. **Governing Law and Submission to Jurisdiction**

17.1 **Governing Law**

The Trust Deed and the Notes and any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes are governed by, and construed in accordance with, English law save that provisions in these Conditions and in the Trust Deed relating to Noteholders' meetings, the *mandatario con rappresentanza* pursuant to articles 1703, 1704 et seq. of the Italian Civil Code, the *rappresentante* pursuant to article 2414-bis, paragraph 3 of the Italian Civil Code and the *rappresentante comune* pursuant to articles 2417 and 2418 of the Italian Civil Code are subject to compliance with mandatory provisions of Italian law.

17.2 **Submission to Jurisdiction**

English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed or the Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes (a “**Dispute**”) and each of the Issuer, the Trustee and any Noteholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

For the purposes of this Condition, each of the Issuer, the Trustee and any Noteholders waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

17.3 **Appointment of Process Agent**

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

17.4 **Other Documents**

The Issuer has in the Agency Agreement and the Trust Deed submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

18. **Rights of Third Parties**

No rights are conferred on any Person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any Person which exists or is available apart from that Act.

TERMS AND CONDITIONS OF THE 2032 FIXED RATE NOTES

The following is the text of the Conditions of the 2032 Fixed Rate Notes which (subject to modification) will be endorsed on each 2032 Fixed Rate Note in definitive form (if issued):

The €900,000,000 5.125% Senior Secured Notes due 2032 are issued by FiberCop S.p.A., with sole shareholder Optics Holdco Group – Direction and coordination of Optics Holdco S.r.l. (the “**Issuer**”), a joint stock company organised under the laws of Italy, pursuant to articles 2410 and following of the Italian Civil Code are referred to as the “**Notes**.”

The Notes are constituted by a trust deed (the “**Trust Deed**”) entered into on 27 June 2025, being the date of the issuance of the Notes (the “**Issue Date**”), among, *inter alios*, the Issuer, Citibank, N.A., London Branch, as trustee (the “**Trustee**”) and UniCredit S.p.A., as security agent and *mandatario con rappresentanza* of the Trustee and of the Noteholders from time to time pursuant to articles 1703, 1704 et seq. of the Italian Civil Code and representative (*rappresentante*) of the Noteholders from time to time pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code, in connection with the creation, enforcement, and administration of the Collateral (the “**Security Agent**”). The Trustee has, on the Issue Date, acceded to the intercreditor agreement (the “**Intercreditor Agreement**”) dated 19 December 2023 among, *inter alios*, the Issuer and the Security Agent. Terms defined in the Trust Deed have the same meanings in these Conditions. The issuance of the Notes was authorised by a resolution of the Board of Directors’ meeting of the Issuer passed on 10 June 2025, *inter alia*.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed, the Intercreditor Agreement, any Additional Intercreditor Agreement(s) (as defined below) and the Agency Agreement dated on or around the Issue Date (the “**Agency Agreement**”) made between the Issuer, Citibank, N.A., London Branch, as principal paying agent (the “**Principal Paying Agent**”) and as a paying agent (a “**Paying Agent**”), Citibank Europe plc, as registrar (the “**Registrar**”) and as transfer agent (a “**Transfer Agent**,” and together with the Principal Paying Agent, any Paying Agent and the Registrar, the “**Agents**” and each an “**Agent**”) and the Trustee: (a) are available for inspection or collection at all reasonable times during normal business hours by the Noteholders at the principal office for the time being of the Trustee, being at the date of issue of the Notes at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom, and at the specified office of any Agents; or (b) may be provided by email to a Noteholder; in each case, following prior written request by the Noteholder to the Trustee, any Agents or the Issuer therefor and provision of proof of holding and identity (in a form satisfactory to the Trustee, the relevant Agent or the Issuer, as the case may be). The Trust Deed is subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement(s). The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Intercreditor Agreement and all the provisions of the Agency Agreement applicable to them.

The term “**Transaction Documents**” means each of the Notes, the Trust Deed, these Conditions, the Agency Agreement, the Intercreditor Agreement, the Security Documents, in each case, as amended, novated, supplemented (including pursuant to any Supplemental Trust Deed), extended, restated and/or replaced from time to time, and any other document designated as a “**Transaction Document**” by the Trustee acting in accordance with an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

1. **Form, Specified Denomination, Title and Transfers**

1.1 **Form and Denomination**

The Notes are issued in the specified denomination of €100,000 and integral multiples of €1,000 in excess thereof.

The Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 1.4, each Certificate shall represent the entire holding of Notes by the same holder.

1.2 **Title**

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept at the registered office of the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).

1.3 **Holder Absolute Owner**

Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” and “**holder**” means the person in whose name a Note is registered.

1.4 **Transfer**

A holding of Notes may, subject to Condition 1.8, be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Notes to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Notes to a person who is already a holder of Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Notes and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available at all reasonable times during normal business hours by the Registrar to any Noteholder upon request or may be provided by email to a Noteholder following their prior written request to the Registrar and provision of proof of holding and identity (in form satisfactory to the Registrar).

1.5 **Exercise of Options or Partial Redemption in Respect of Notes**

In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent.

1.6 **Delivery of New Certificates**

Each new Certificate to be issued pursuant to Condition 1.4 or 1.5 shall be available for delivery within three business days (as defined in Condition 5.5) of receipt of a duly completed form of transfer or Put Notice and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Put Notice or

Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or Put Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Issuer or the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/ or such insurance as any of them may specify.

1.7 Transfer or Exercise Free of Charge

Certificates, on transfer, exercise of an option or partial redemption, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Issuer, the Registrar or the relevant Transfer Agent may require).

1.8 Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Note, (ii) during the period of 15 days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to these Conditions, (iii) after any such Note has been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date.

2. Status of Notes, Guarantee and Security

2.1 Status of Notes

The Notes are unconditional, unsubordinated and secured obligations of the Issuer (or its successor) and rank *pari passu* among themselves and (save as aforesaid and for certain obligations required to be preferred by law) at least equally with all other unsubordinated obligations of the Issuer from time to time outstanding, including the liabilities under the Senior Facilities Agreement (as defined below) and the Existing Notes (as defined below).

2.2 Guarantees

On the Issue Date, the Notes will not be guaranteed.

The Issuer will not cause or permit any of its Subsidiaries that are not Guarantors to Guarantee any indebtedness under the Senior Facilities Agreement or the Existing Notes, in whole or in part, unless, such Subsidiary becomes a Guarantor on the date on which such other Guarantee is incurred and, if applicable, executes and delivers a deed supplemental to the Trust Deed to the Trustee, such supplemental trust deed being substantially in the form attached to the Trust Deed, pursuant to which such Subsidiary will provide a Notes Guarantee, which Notes Guarantee will be *pari passu* with such Subsidiary's Guarantee of the Senior Facilities Agreement or the Existing Notes, as the case may be.

Notwithstanding the foregoing and any other provision of these Conditions, including for the avoidance of doubt Conditions 2.3 (*Security*) and 3.1 (*Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements*), the Issuer shall not be obligated to cause any Subsidiary to Guarantee the Notes or provide security to the extent and for so long as the incurrence of such Guarantee could reasonably be expected to give rise to or result in: (1) any violation of applicable law or regulation; (2) any liability for the officers, directors or (except in the case of a Subsidiary that is a partnership) shareholders of such Subsidiary (or, in the case of a Subsidiary that is a partnership, directors or shareholders of the partners of such

partnership); (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (1) of this paragraph undertaken in connection with, such Guarantee, which in any case under any of clauses (1), (2) and (3) of this paragraph cannot be avoided through measures reasonably available to the Issuer or a Subsidiary; or (4) an inconsistency with the Intercreditor Agreement or the Agreed Security Principles.

The Trust Deed shall provide that any Guarantor will unconditionally and irrevocably guarantee on a joint and several basis (i) the due and punctual payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Notes and (ii) the performance by the Issuer of all of its obligations under the Trust Deed and the Notes, in each case subject to the Agreed Security Principles (as defined below) and any relevant enforceability exceptions, and to limitations on the amount of such Notes Guarantee imposed by the laws of the relevant jurisdiction. Each Guarantor's obligations in respect of this Condition 2.2 (*Guarantees*) (each, a "**Notes Guarantee**" and together the "**Notes Guarantees**") shall be contained in the Trust Deed. The Trust Deed shall also provide that the Trustee shall, subject to such amendment of, or supplement to, the Trust Deed as the Trustee may require and subject to the fulfilment of the conditions set out in the Trust Deed, but without the consent of the Noteholders, consent to any such Notes Guarantee being provided by any Guarantor.

Each Notes Guarantee will constitute a direct and unconditional obligation of the relevant Guarantor and will rank at least *pari passu* with all other outstanding unsubordinated obligations of the relevant Guarantor, present and future, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The agreed security principles included in the Trust Deed, as applied in good faith by the Issuer (the "**Agreed Security Principles**") apply to the granting of guarantees and security in respect of obligations under the Senior Facilities Agreement, the Existing Notes and the Notes.

In these Conditions:

"**Guarantor**" means any Person providing a Notes Guarantee; and

"**Person**" means any individual, corporation, partnership, joint venture, limited liability company, trust, unincorporated organisation or government or agency or political subdivision thereof.

A Notes Guarantee of a Guarantor will be automatically and unconditionally released (and thereupon will terminate and be discharged and be of no further force and effect):

- (a) so long as no Event of Default has occurred and is continuing, to the extent that such Guarantor is unconditionally released and discharged from its liability with respect to the Senior Facilities Agreement;
- (b) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement (defined below), including in connection with a Group Pushdown (as defined below);
- (c) with respect to any Guarantor which is not the continuing or surviving Person in the relevant consolidation or merger, as a result of a transaction permitted by Condition 3.2 (*Mergers and Similar Events*) and the Trust Deed;
- (d) upon full payment of all obligations of the Issuer and the Guarantors under the Trust Deed and the Notes;

- (e) in connection with a solvent liquidation of such Guarantor pursuant to which substantially all of the assets of such Guarantor remain owned by the Issuer or a Guarantor; or
- (f) in connection with a Release Condition (as defined below).

2.3 Security

The obligations of the Issuer under the Notes and the Trust Deed and the obligations of the Guarantors under the Notes Guarantees are secured in favour of (A) the Trustee for the benefit of itself (B) the Security Agent as *rappresentante* of the Noteholders pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code and (C) the Noteholders as a class, (together the “**Secured Creditors**”) as follows:

- (a) as of the Issue Date, by Italian law-governed first-ranking security interests granted by Optics Holdco S.r.l. (“**Optics HoldCo**”) over: (i) the issued share capital of the Issuer held by Optics HoldCo; and (ii) receivables arising from material intercompany loans granted by Optics HoldCo to the Issuer (if any) (the “**Issue Date Collateral**”); and
- (b) subsequent to the Issue Date, subject to the Agreed Security Principles, if any Subsidiary of the Issuer grants security in connection with providing a Guarantee under the Senior Facilities Agreement or the Existing Notes (any such security, an “**Existing Financing Security**”), then the Issuer shall promptly notify the Trustee in writing and procure that as of the date that such Existing Financing Security is granted the obligations of the Issuer under the Notes and the Trust Deed and the obligations of each of the Guarantors under the relevant Notes Guarantee shall be further secured in favour of the Secured Creditors (or such of the Secured Creditors as may be necessary under applicable legislation in order to create such security in respect of the Notes) by the same security interest as such Existing Financing Security (each such security interest “**Additional Collateral**” and, together with the Issue Date Collateral, the “**Collateral**”).

“**Existing EUR Notes**” means, collectively, the euro-denominated senior secured notes issued by the Issuer on the Existing Notes Issue Date constituted by a trust deed between, among, *inter alios*, the Issuer, as issuer, Citibank, N.A., London Branch, as trustee and Unicredit S.p.A., as security agent and *mandatario con rappresentanza* pursuant to articles 1703, 1704 et seq. of the Italian Civil Code and representative (*rappresentante*) of the Trustee and of the holders of the Existing EUR Notes from time to time pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code.

“**Existing Notes**” means, collectively, the Existing EUR Notes and the Existing USD Notes.

“**Existing Notes Issue Date**” means 1 July 2024.

“**Existing USD Notes**” means, collectively, the dollar-denominated senior secured notes issued by the Issuer on the Existing Notes Issue Date pursuant to an indenture among, *inter alios*, the Issuer, as issuer, Citibank, N.A., London Branch, as trustee and Unicredit S.p.A., as security agent and *mandatario con rappresentanza* pursuant to articles 1703, 1704 et seq. of the Italian Civil Code and representative (*rappresentante*) of the holders from time to time pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code.

“**Security Documents**” means the security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the Trust Deed or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time, creating the security interests in the Collateral as contemplated by the Trust Deed.

All Collateral shall be subject to the operation of the Agreed Security Principles, certain significant limitations pursuant to applicable laws (including but not limited to applicable laws relating to financial assistance and rules and principles on corporate benefit), and any Permitted Encumbrances.

In addition to securing the Notes as aforesaid, the Collateral will secure the Existing Notes and liabilities under the Senior Facilities Agreement. Furthermore, subject to certain conditions, including compliance with Condition 3.3 (*Impairment of Security Interest*) and, subject to the Agreed Security Principles, the Collateral may also secure other indebtedness, including on a basis junior to and *pari passu* with the Notes, and the Issuer is permitted to grant security over the Collateral in connection with future issuances of its indebtedness, including any additional Notes, as permitted under the Trust Deed and the Intercreditor Agreement. Any proceeds received upon the enforcement over any Collateral will be applied pro rata in payment of all liabilities in respect of obligations under the Intercreditor Agreement, the Trust Deed and any other indebtedness secured by the Collateral on a *pari passu* basis.

“Senior Facilities Agreement” means the senior facilities agreement dated 19 December 2023 (as amended and restated on 8 April 2024 and as may be further amended, supplemented or otherwise modified from time to time) between, among others, the Issuer, UniCredit S.p.A., as facility agent and security agent, and the lenders named therein.

By reason of accepting or acquiring a Note, each Noteholder, also in case of transfer of any of the Notes, shall be deemed to:

- (i) have irrevocably agreed to appoint and accepted the appointment of the Security Agent to act as its agent under the Intercreditor Agreement and the other relevant documents to which it is a party (including, without limitation, the Security Documents);
- (ii) have irrevocably agreed to appoint, accepted and recognised the appointment of the Security Agent as *mandatario con rappresentanza* of the Trustee and the Noteholders pursuant to articles 1703, 1704 et seq. of the Italian Civil Code;
- (iii) have irrevocably agreed to appoint, accepted the appointment of and recognised the Security Agent as its representative (*rappresentante*) pursuant to and for the purposes of article 2414-bis, paragraph 3, of the Italian Civil Code, acting in its name and on its behalf under, in connection with, or in respect of the Collateral and the Notes Guarantees (in accordance with, and with the benefit of the full protection set out in, the Trust Deed and the Intercreditor Agreement), with express authorisation to self-dealing under any applicable law and also pursuant to article 1394 and article 1395 of the Italian Civil Code;
- (iv) have agreed to and accepted the terms and conditions of the Intercreditor Agreement, and to have authorized the Trustee and the Security Agent to enter into any one or more amendments to any Intercreditor Agreement, as contemplated herein;
- (v) have agreed to be bound by the terms of any document to which the Security Agent or the Trustee is or will be a party as if such Noteholder was itself a signatory thereto;
- (vi) have irrevocably authorised and instructed the Trustee to accede to the Intercreditor Agreement as Senior Notes Trustee (as such term is defined therein) on behalf of the Trustee and the Noteholders by delivering a completed

and signed Creditor/Agent Accession Undertaking pursuant to and as defined in the Intercreditor Agreement;

- (vii) have irrevocably authorised each of the Security Agent and the Trustee to: (a) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement, the Trust Deed or other documents to which it is a party (including, without limitation, the Security Documents), together with any other incidental rights, power and discretions; and (b) execute each document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Trustee or the Security Agent on its behalf and, in the case of the Security Agent also for the purposes of articles 1703, 1704 et seq. of the Italian Civil Code, as *mandatario con rappresentanza* on behalf of the Trustee and the Noteholders and representative (*rappresentante*) of the Noteholders pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code;
- (viii) have agreed and acknowledged that the Security Agent and the Trustee will administer the Collateral and the Notes Guarantees in accordance with the Intercreditor Agreement, the Trust Deed and the Security Documents;
- (ix) have granted to the Security Agent the power to negotiate and approve the terms and conditions of such Security Document and the Notes Guarantees, execute any such Security Documents, execute any other agreement or instrument (including without limitation those mentioned in the Security Documents and those necessary or appropriate to confirm, extend and/or amend the security interest created under the Security Documents), give or receive any notice or declaration, identify and specify to third parties the names of the Secured Creditors at any given date, and take any other action in relation to the creation, perfection, maintenance, enforcement and release of the security created thereunder, in each case in the name and on behalf of the Secured Creditors;
- (x) have authorised the Trustee and the Security Agent (including in its capacity as representative (*rappresentante*) of the Noteholders pursuant to and for the purposes of article 2414-bis, paragraph 3, of the Italian Civil Code), as appropriate, to enter into any such Security Document, Intercreditor Agreement or Additional Intercreditor Agreement, as applicable, and to be bound thereby;
- (xi) have accepted the terms and conditions of the Security Documents (including, without limitation, the provisions providing for foreclosure and release of Collateral and authorising the Security Agent to enter into any Security Document on its behalf), Intercreditor Agreement and any Additional Intercreditor Agreement (as defined below);
- (xii) have granted to the Security Agent the power to take any action, whether substantial and/or procedural, claim or proceeding, including any interim actions, injunctions (*procedimenti cautelari or ingiuntivi*) or enforcement actions brought in connection with the Security Documents, the security interest created thereunder or the assets over which the security interest have been created (*legittimazione attiva and passiva*) as well as the Notes Guarantees in the name and on behalf of the Secured Creditors;
- (xiii) have confirmed that in the event that any security created under the Security Documents governed by Italian law remains registered in the name of a

Secured Creditor after it has ceased to be a Secured Creditor then the Security Agent shall remain empowered to execute a release of such security in its name and on its behalf;

- (xiv) have undertaken to ratify and approve any such action taken in compliance with the Intercreditor Agreement, these Conditions and the Trust Deed and in the name and on behalf of the Secured Creditors by the Security Agent acting in its appointed capacity;
- (xv) without prejudice to the foregoing, have granted all the widest powers so that the Security Agent, through any of its legal representatives, executives, middle managers and/or attorneys, may, acting in the name and on behalf of each Secured Creditor:
 - (A) exercise all rights, powers and discretion, execute all documents and take all actions, which are expressed to be exercised, executed or taken by the Security Agent under or in connection with each Security Document or the Collateral created thereunder;
 - (B) execute:
 - 1. any amendment or supplement to each Security Document;
 - 2. all deeds and documents pursuant to any Security Document and any other deed or document contemplated by each of the Security Documents;
 - 3. any document for, or in connection with the release of the Collateral; and
 - 4. take any enforcement action in respect of the Collateral; and
- (xvi) have agreed that the Security Agent will be exempt from any reporting duty (*obbligo di rendiconto*) pursuant to article 1713 of the Italian Civil Code, save as in the case of its gross negligence (*colpa grave*) and wilful misconduct (*dolo*).

The appointment of the Security Agent as *mandatario con rappresentanza* of the Trustee and the Noteholders pursuant to articles 1703, 1704 et seq. of the Italian Civil Code and as *rappresentante* of the Noteholders pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code in order to create and grant in its favour security interests and guarantees securing and guaranteeing the Notes and entitle it to exercise in the name and on behalf of the Noteholders all their rights (including any rights before any court and judicial proceedings) relating to such security interests and guarantees and as security agent generally shall remain in full force until the Notes are redeemed in full, unless such appointment is previously revoked or the Security Agent resigns, in accordance with the provisions of the Intercreditor Agreement and the Trust Deed.

The Noteholders shall not have any independent power to enforce, or have recourse to, the Collateral or the Notes Guarantees or to exercise any right, power, authority or discretion arising under the Security Documents except through the Security Agent in the manner contemplated by the Intercreditor Agreement and the Trust Deed.

The Issuer and/or the Guarantors will be entitled to require the release of the Collateral (in whole or in part) in accordance with and subject to the terms of the Intercreditor Agreement under any one or more of the following circumstances:

- (a) upon payment in full of principal, interest and all other obligations on the Notes and under the Trust Deed or discharge or defeasance thereof;
- (b) upon release of a Notes Guarantee of the Notes (with respect to the Encumbrances securing such Notes Guarantee granted by such Guarantor);
- (c) in connection with any disposition of Collateral to any Person, except in the case of Collateral granted by Optics HoldCo;
- (d) in connection with certain enforcement actions taken by the creditors under certain of the Issuer's secured indebtedness as provided under the Intercreditor Agreement, or otherwise any release in compliance with the Intercreditor Agreement;
- (e) as may be permitted by Condition 3.3 (*Impairment of Security Interest*);
- (f) in order to effectuate a merger, consolidation, conveyance or transfer conducted in compliance with Condition 3.2 (*Mergers and Similar Events*);
- (g) upon the release of any Existing Financing Security or Encumbrance securing Capital Markets Indebtedness (as defined below) that triggered the obligation to grant security interests on such Collateral in favour of the Secured Creditors pursuant to sub-paragraph (b) of the first paragraph of this Condition 2.3 (*Security*) or Condition 3.1 (*Restrictions on Security Interests*), as applicable; *provided* that no other Existing Financing Security or Encumbrance with respect to Capital Market Indebtedness at that time would result in the requirement to grant security interests on such Collateral in favour of the Secured Creditors pursuant to sub-paragraph (b) of the first paragraph of this Condition 2.3 (*Security*) or Condition 3.1 (*Restrictions on Security Interests*), as applicable;
- (h) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement, including in connection with a Group Pushdown; and
- (i) in connection with a Release Condition.

"Release Condition" means the long-term corporate credit rating of the Issuer is equal to or better than BBB- (or its equivalent) from at least two rating agencies; *provided* that at least one of such ratings agencies is either Standard & Poor's or Moody's.

Each of these releases shall be effected by the Security Agent (upon direction of the Trustee, acting in accordance with the Trust Deed and Intercreditor Agreement), *provided* that, in the event that the Trustee is required by the Issuer or any Guarantor or the Security Agent to consent to (or to instruct the Security Agent to effect) the release of Collateral in the circumstances set out above, the Trustee (and the Security Agent when instructed) shall only be obliged to do so if (i) the Issuer delivers to the Trustee and the Security Agent a certificate signed by an Authorised Signatory (as defined in the Trust Deed) of the Issuer and a written opinion from legal counsel reasonably satisfactory to the Trustee and the Security Agent that the relevant condition(s) under paragraphs (a)-(i) above has been satisfied in relation to any such release, and (ii) each of the Trustee and Security Agent is indemnified to its satisfaction. The Trustee and the Security Agent shall not be liable to any person for (i) relying and acting upon such certificate and opinion of counsel and/or (ii) effecting or giving effect to any such release.

Any release of the Collateral other than as set forth in paragraphs (a)-(i) above shall only be permitted in accordance with the Trust Deed and the Intercreditor Agreement.

Subject to the provisions of the Intercreditor Agreement, the Security Agent may only release the Collateral constituted by the Security Documents and the Trust Deed prior to the relevant

discharge date provided under the Security Documents in accordance with, and in order to comply with, the Trust Deed, the Intercreditor Agreement, the Security Documents and these Conditions. Neither the Security Agent nor the Trustee shall be required to monitor, check or satisfy itself if the pre-conditions to any such release have been fulfilled and shall have no responsibility or liability whatsoever to the Issuer, the Noteholders, the other Secured Creditors or any other person in respect thereof.

Under and pursuant to the Intercreditor Agreement, the Trustee is entitled to seek instructions from the Noteholders (whether by way of Extraordinary Resolution or as otherwise provided under the Trust Deed) and, where it acts on the instructions of the Noteholders, the Trustee shall not incur any liability to any person for so acting. The Trustee is not liable to any person for any loss suffered as a result of any delay caused as a result of its seeking instructions from the Noteholders.

The Trust Deed shall provide that upon the release of the Collateral in accordance with the Trust Deed and provided that the Collateral does not secure any other Capital Market Indebtedness, the Issuer may, at its discretion, by notice in writing signed by an Authorised Signatory of the Issuer to the Trustee and the Security Agent, require the Trustee and the Security Agent confirming release of the Collateral in accordance therewith and that the Collateral does not secure any other Capital Markets Indebtedness (which notice shall be conclusive and binding) to (i) resign from the Intercreditor Agreement or (ii) provide their consent to the termination of the Intercreditor Agreement. In this event, the Trustee and the Security Agent shall, following receipt of such notice from the Issuer and at the expense and cost of the Issuer, resign from the Intercreditor Agreement and provide their consent to the termination of the Intercreditor Agreement. The Trustee and the Security Agent shall not be liable to any person for relying and acting upon such notice, resigning from the Intercreditor Agreement and/or consenting to the termination of the Intercreditor Agreement.

2.4 **Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements**

In connection with the incurrence of any indebtedness by the Issuer or any of its Subsidiaries that is permitted to share in the Collateral (and which the Issuer elects shall share in the Collateral), the Trustee and the Security Agent shall, at the request of the Issuer and without the consent of Noteholders, enter into with the Issuer, the relevant Subsidiaries and the holders of such indebtedness (or their duly authorised representatives) one or more intercreditor agreements or deeds (including a restatement, replacement, amendment or other modification of the Intercreditor Agreement) (an “**Additional Intercreditor Agreement**”), on substantially the same terms as the Intercreditor Agreement (or terms that are not materially less favourable to the Noteholders) and substantially similar as applies to sharing of the proceeds of security and enforcement of security, priority and release of security; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or, in the opinion of the Trustee or the Security Agent, as applicable, or adversely affect the rights, duties, liabilities, disclaimers, indemnifications or immunities of the Trustee or the Security Agent under the Trust Deed or the Intercreditor Agreement. In connection with the foregoing, the Issuer shall furnish to the Trustee such documentation in relation thereto as it may reasonably require. As used in these Conditions, a reference to the Intercreditor Agreement will also include any Additional Intercreditor Agreement.

The Trust Deed will also provide that (subject to the terms of the Intercreditor Agreement), at the written direction of the Issuer and without the consent of Noteholders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (a) cure any ambiguity, omission, defect or inconsistency of any such agreement; (b) increase the amount or types of indebtedness covered by any such Intercreditor Agreement that may be incurred by the Issuer or its Subsidiaries that is subject to any such Intercreditor Agreement; (c) add guarantors to the Intercreditor Agreement; (d) further secure the Notes

(including additional Notes); (e) make provision to implement any Permitted Encumbrances in accordance with the terms of the Trust Deed; or (f) make any other change to any such agreement that is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders.

The Issuer shall not otherwise direct the Trustee or Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the holders of a majority in aggregate principal amount of the Notes then outstanding, except as permitted by the terms of the Trust Deed or such Intercreditor Agreement, and the Issuer may only direct the Trustee or Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities, disclaimers, indemnifications or immunities under the Trust Deed or any Intercreditor Agreement.

Each Noteholder, by reason of accepting or acquiring a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have authorised the Trustee and the Security Agent to enter into the Intercreditor Agreement, any amendments referenced in the foregoing paragraphs of this covenant and any Additional Intercreditor Agreement on each Noteholder's behalf.

2.5 Debt Pushdown

On, in contemplation of, or following a Listing (as defined in the Intercreditor Agreement), the terms of the Intercreditor Agreement provide (and the Trust Deed and the Notes shall be subject to such provisions) that the Issuer or its successor shall be entitled (without the consent of the Noteholders) to require (by written notice to the Trustee and the Security Agent) that the terms of the Trust Deed, the Intercreditor Agreement (and any Additional Intercreditor Agreement) and the Security Documents shall operate (with effect from the date specified in such notice) as provided in Clause 19.15 (*Group Pushdown*) of the Intercreditor Agreement (a “**Group Pushdown**”). Pursuant to the Trust Deed and the Intercreditor Agreement, the Trustee and the Security Agent have agreed to enter into any amendment to the Trust Deed, the Intercreditor Agreement (and any Additional Intercreditor Agreement) or the Security Documents required by the Issuer and/or take such other action as is required by the Issuer in order to facilitate or reflect or complete or implement any of the matters contemplated by Clause 19.15 (*Group Pushdown*) of the Intercreditor Agreement and this Condition 2.5. The Issuer has irrevocably authorised and instructed in accordance with the Trust Deed, and each Noteholder – by reason of accepting or acquiring a Note – shall be deemed to irrevocably authorise and instruct, the Trustee and the Security Agent to do so without any consent, sanction, authority or further confirmation from any Noteholder. Neither the Trustee nor the Security Agent shall be liable to any person for relying and acting upon such authorisations and instructions.

3. Covenants

3.1 Restrictions on Security Interests

Neither the Issuer nor Optics HoldCo shall create or permit to subsist any Encumbrance (other than a Permitted Encumbrance) to secure Capital Markets Indebtedness over all or any of the present or future revenues or assets of: (a) the Issuer; or (b) any Subsidiary, except if the Notes are, subject to the Agreed Security Principles, secured equally and rateably with (in the case of Encumbrances with respect to Capital Markets Indebtedness that is *pari passu* with the Notes), or prior to (in the case of Encumbrances with respect to Capital Markets Indebtedness that is subordinated to the Notes) such Capital Markets Indebtedness for so long as such Capital Markets Indebtedness is so secured; *provided* that sub-paragraph (b) shall apply only to Capital Markets Indebtedness of any Subsidiary where such Capital Markets Indebtedness is secured

by, or benefits from, any such Encumbrance and is also guaranteed by the Issuer under a Guarantee.

For the avoidance of doubt in respect of asset-backed financing (either by way of a securitization or otherwise) whereby the relevant assets are originated by the Issuer, the expression assets does not include assets which, pursuant to IFRS, currently need not be, and are not, reflected in the balance sheet of the Issuer.

“Capital Markets Indebtedness” means any obligation for the payment of borrowed money which is in the form of, or represented or evidenced by, any certificate of indebtedness, bond, note or other security which is listed or traded on a stock exchange or other recognised securities market issued by the Issuer. For the avoidance of doubt: (a) Capital Markets Indebtedness shall not include any Non-recourse Securitization Debt; and (b) in respect of asset-backed financings originated by the Issuer, the expressions **“assets”** and **“obligations for the payment of borrowed money”** as used in this definition do not include assets and obligations of the Issuer which, pursuant to the requirements of law and accounting principles generally accepted in Italy, currently need not, and are not, reflected in the balance sheet of the Issuer, as the case may be.

“Encumbrance” means: (a) any mortgage, charge, pledge, lien or other encumbrance (excluding any Guarantee) securing any obligation of any Person; and (b) any arrangement providing a creditor with a prior right to an asset, or its proceeds of sale, over other creditors in a liquidation.

“Group” means the Issuer and its Subsidiaries from time to time.

“Guarantee” means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any Person or to make an investment in or loan to any Person or to purchase assets of any Person where, in each case, such obligation is assumed in order to maintain or assist the ability of such Person to meet its indebtedness.

“IFRS” means International Financial Reporting Standards (formerly International Accounting Standards) endorsed from time to time by the European Union or any variation thereof with which the Issuer or its Subsidiaries are, or may be, required to comply.

“Non-recourse Securitization Debt” means any indebtedness incurred in respect of or in connection with any securitization or similar financing arrangement relating to assets owned by the Issuer or its Subsidiaries and where the recourse of the holders of such indebtedness against the Issuer is limited solely to such assets or any income generated therefrom (other than representations, repurchase obligations or other obligations customary in securitization transactions).

“Permitted Encumbrance” means:

- (a) any Encumbrance in existence on the Issue Date;
- (b) any Encumbrance over or affecting any asset acquired by the Issuer or its Subsidiaries after the Issue Date, if:
 - (i) such Encumbrance was not created in contemplation of the acquisition of such asset by the Issuer or its Subsidiaries;
 - (ii) the amount thereby secured has not been increased in contemplation of, or since the date of, the acquisition of such asset by the Issuer or its Subsidiaries;

- (c) any netting or set-off arrangement entered into by any member of the Group in the normal course of its banking arrangements (including any cash pooling, net balance, balance transfer or similar arrangements entered into by the Group) for the purpose of netting debit and credit balances or the provision of general banking and overdraft facilities;
- (d) any Encumbrance over or affecting any asset of any company which becomes a Guarantor after the Issue Date, where such Encumbrance is created prior to the date on which such company becomes a Guarantor, if:
 - (i) such Encumbrance was not created in contemplation of that company becoming a Guarantor; and
 - (ii) the amount thereby secured has not been increased in contemplation of, or since the date of, that company becoming a Guarantor;
- (e) any Encumbrance by way of set-off, title transfer, retention of title arrangement, conditional sale agreements or trust relationships or other liens entered into by any member of the Group in the ordinary course of business;
- (f) Encumbrances created in substitution for any Encumbrance permitted under sub-paragraphs (a) and (b) over the same or substituted assets if:
 - (i) the principal amount secured by the substitute Encumbrance does not exceed the principal amount outstanding and secured by the initial Encumbrance; and
 - (ii) in the case of substituted assets, if the market value of the substituted assets at the time of the substitution does not exceed the market value of the assets replaced;
- (g) Encumbrances created to secure: (i) loans provided, supported or subsidized by a governmental agency, export credit agency, national or multinational investment guarantee agency or a lending organisation established by the United Nations, the European Union or other international treaty organisation, including, without limitation, the European Investment Bank, the European Bank for Reconstruction and Development and the International Finance Corporation; or (ii) Project Finance Indebtedness; *provided* that, in each case, the Encumbrance is created on an asset of the project being financed by such loans (and/or on the shares in, and/or shareholder loans made to, the company conducting such project), or as the case may be, such Project Finance Indebtedness and remains confined to that asset (and/or shares and/or shareholder loans);
- (h) Encumbrances arising out of the refinancing of any Capital Markets Indebtedness secured by any Encumbrance permitted by sub-paragraphs (a) through (g) above; *provided* that the amount of such Capital Markets Indebtedness is not increased (other than in connection with additional Capital Markets Indebtedness incurred in an amount equal to the premiums (including tender premiums), accrued and unpaid interest, expenses, defeasance costs and fees in connection with refinancing of any such Capital Markets Indebtedness) and such Capital Markets Indebtedness is not secured by an Encumbrance over any additional assets;
- (i) any Encumbrance arising by operation of law or regulation;
- (j) any Encumbrance created in connection with convertible bonds or notes where the Encumbrance is created over the assets into which the convertible bonds or notes may

be converted and secures only the obligation of the Issuer to effect the conversion of the bonds or notes into such assets;

- (k) any Encumbrance created in the ordinary course of business to secure any Capital Markets Indebtedness under hedging transactions (other than hedging transactions for speculative purposes (as determined in good faith by the Issuer));
- (l) any Encumbrance arising under finance leases, hire purchase, conditional sale agreements or other agreements for the acquisition of assets on deferred payment terms as permitted under the Trust Deed or otherwise in connection with any leasing (including sale and leaseback transactions), rent securitization (including ground rent), vendor financing or similar arrangements permitted by the Trust Deed;
- (m) any Encumbrance created on short-term receivables used in any asset backed financing;
- (n) any Encumbrance on real estate assets of the Issuer, any Subsidiary or any Person to which such real estate assets may be contributed by the Issuer or any Subsidiary in connection with the issuance of any indebtedness, whether such indebtedness is secured or unsecured by such real estate assets or any other assets of such Person to which real estate assets have been contributed by the Issuer or any Subsidiary;
- (o) any Encumbrance arising by operation of law in respect of taxes being contested in good faith or required to be created in favour of any tax or other government authority or organisation in order to appeal against or otherwise challenge tax assessments and/or claims in good faith;
- (p) any Encumbrance created in connection with pension liabilities or partial retirement liabilities;
- (q) any Encumbrance arising under or pursuant to the Senior Facilities Agreement or any refinancing thereof; and
- (r) any other Encumbrance securing Capital Markets Indebtedness; *provided* that the aggregate outstanding principal amount of indebtedness secured thereunder does not exceed the greater of €1,000,000,000 or, if higher, 100% of Relevant EBITDA.

“Project Finance Indebtedness” means any indebtedness incurred by a debtor to finance the ownership, acquisition, construction, development and/or operation of an asset in respect of which the Person or Persons to whom such indebtedness is, or may be, owed have no recourse whatsoever for the repayment of or payment of any sum relating to such indebtedness other than:

- (s) recourse to such debtor for amounts limited to the cash flow from such asset; and/or
- (t) recourse to such debtor generally, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for breach of an obligation, representation or warranty (not being a payment obligation, representation or warranty or an obligation, representation or warranty to procure payment by another or an obligation, representation or warranty to comply or to procure compliance by another with any financial ratios or other test of financial condition) by the Person against whom such recourse is available; and/or
- (u) if such debtor has been established specifically for the purpose of constructing, developing, owning and/or operating the relevant asset and such debtor owns no other significant assets and carries on no other business, recourse to all of the assets and

undertaking of such debtor and the shares in the capital of such debtor and shareholder loans made to such debtor.

“**Subsidiary**” means a corporation in respect of which more than 50% of the outstanding voting shares or equity interest having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by the Issuer or by one or more of its Subsidiaries, or by the Issuer and one or more Subsidiaries.

3.2 **Mergers and Similar Events**

So long as any Note remains outstanding, the Issuer may consolidate or merge with another company or firm, sell or lease all or substantially all of its assets to another company or buy or lease all or substantially all of the assets of another company, *provided* that the Issuer shall not take any of these actions unless:

- (a) where the Issuer merges out of existence or sells or leases all or substantially all of its assets, the acquiring or resulting company assumes, either by law or contractual arrangements, all obligations of the Issuer under the Trust Deed, the Notes, the Intercreditor Agreement, the Agency Agreement and the Security Documents;
- (b) if the other company is organized under the laws of a country other than the Republic of Italy, it indemnifies the Noteholders against: (i) any tax, assessment or governmental charge imposed on any such Noteholder or required to be withheld or deducted from any payment to such Noteholder as a consequence of such merger, conveyance, transfer or lease; and (ii) any costs or expenses incurred by such Noteholder as a consequence of the act of such merger, conveyance, transfer or lease; *provided however* that, if such company is incorporated in the Republic of Italy, such other company shall only be liable under such indemnity to pay any Additional Amounts (as defined below) on the same terms and subject to the same limitations already provided by Condition 7.1 below; and
- (c) no Event of Default or other event which, with the giving of notice or lapse of time or other condition (including, without limitation, certification from the Trustee), would be an Event of Default, has occurred and is outstanding,

in each case, *provided* that the Issuer delivers to the Trustee a certificate signed by a director of the Issuer and a written opinion from legal counsel reasonably satisfactory to the Trustee as to compliance with the merger or assumption provisions set out in this Condition.

Notwithstanding the foregoing, (A) this Condition does not apply to any transaction or arrangement pursuant to a Permitted Change of Control Transaction (as defined below) or a Group Pushdown and (B) sub-paragraphs (b) and (c) of this Condition do not apply to the following transactions:

- (i) any Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Issuer or another Subsidiary; and
- (ii) the Issuer may merge with or into an affiliate solely for the purpose of reincorporating such entity in another jurisdiction, changing the legal domicile of the Issuer or changing the legal form (but not the tax residency) of the Issuer.

3.3 **Impairment of Security Interest**

Neither Optics HoldCo nor the Issuer shall take or omit to take any action that would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the incurrence of Permitted Encumbrances, or the confirmation or affirmation of security interests in respect of the Collateral, shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Secured Creditors, and neither Optics HoldCo nor the Issuer shall grant to any Person other than the Security Agent, for the benefit of the Secured Creditors and the other beneficiaries described in the Security Documents, any Encumbrance over any of the Collateral that is prohibited by Condition 3.1 (*Restrictions on Security Interests*); *provided*, that Optics HoldCo and the Issuer may incur any Encumbrance over any of the Collateral that is not prohibited by Condition 3.1 (*Restrictions on Security Interests*), including Permitted Encumbrances, and the Collateral may be discharged, transferred, depleted, consumed or released in any circumstances not prohibited by the Trust Deed, the Intercreditor Agreement or the applicable Security Documents.

Notwithstanding the above, nothing in this covenant shall restrict the discharge and release of any Encumbrance in accordance with the Conditions and the Intercreditor Agreement. Subject to the foregoing, the Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of an Encumbrance of at least equivalent ranking over the same assets): (a) to cure any ambiguity, omission, defect or inconsistency therein; (b) to provide for Permitted Encumbrances; (c) to add to the Collateral; (d) to make any other change thereto that does not, in the opinion of the Trustee, materially prejudice the interests of the Noteholders; or (e) for the purposes of undertaking a Permitted Change of Control Transaction or a transaction not prohibited by Condition 3.2 (*Merger and Consolidation*) (including, for the avoidance of doubt, a Group Pushdown); *provided, however*, that, (except where permitted by the Conditions or the Intercreditor Agreement or to effect or facilitate the creation of Permitted Encumbrances for the benefit of the Security Agent and holders of other indebtedness incurred in accordance with the Trust Deed), no Security Document may be amended, extended, renewed, restated or otherwise modified or released (followed by an immediate retaking of an Encumbrance of at least equivalent ranking over the same assets) pursuant to sub-paragraph (d) above, unless contemporaneously with such amendment, extension, renewal, restatement or modification or release (followed by an immediate retaking of an Encumbrance of at least equivalent ranking over the same assets), the Issuer delivers to the Security Agent and the Trustee, either: (i) a solvency opinion, in form and substance reasonably satisfactory to the Security Agent and the Trustee, from an Independent Financial Advisor or appraiser or investment bank which confirms the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or release (followed by an immediate retaking of an Encumbrance of at least equivalent ranking over the same assets); (ii) a certificate from the chief financial officer or the Board of Directors of the relevant Person which confirms the solvency of the Person granting any such Encumbrance after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or replacement; or (iii) an opinion of counsel (subject to any qualifications customary for this type of opinion of counsel), in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), the Encumbrance created under the Security Document, so amended, extended, renewed, restated, modified or released and replaced are valid and perfected Encumbrances not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Encumbrance or Encumbrances were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement and to which the new indebtedness secured by the Permitted Encumbrance is not subject.

In the event that the Issuer comply with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications and in accordance with and subject to the terms of the Trust Deed) consent to such actions without requiring instructions from the Noteholders.

“Independent Financial Advisor” means an investment banking or accounting firm or any third party appraiser; provided, however, that such firm or appraiser is not an affiliate of the Issuer.

3.4 Calculation of Ratios

- (a) In respect of any Measurement Period, the exchange rate used to calculate Total Net Debt shall be the same weighted average exchange rate for the same period used to calculate Consolidated EBITDA (*provided* that any amount of Financial Indebtedness will be stated so as to take into account the hedging effect of any currency hedging entered into in respect thereof).
- (b) In respect of any period, the exchange rate used to calculate Borrowings shall be stated so as to take into account the hedging effect of any currency hedging entered into in respect thereof.
- (c) (i) When determining Consolidated EBITDA for any period (including the portion thereof occurring prior to the relevant acquisition) the Issuer shall be permitted to:
 - (A) include the earnings before interest, tax, depreciation, amortisation and impairment charges (calculated on the same basis as Consolidated EBITDA, *mutatis mutandis*) for that period of any person, business or material real property acquired by the Group during such period (each such person or business acquired an **“Acquired Entity or Business”**) (provided further that the Issuer shall include such earnings to the extent that to do so would result in a decrease in Consolidated EBITDA for that period);
 - (B) include an adjustment in respect of each Acquired Entity or Business acquired during such period equal to or less than the amount of the Pro Forma Adjustment for such period consequent on the acquisition of such Acquired Entity or Business; and/or
 - (C) exclude any non-recurring costs and other expenses arising directly or indirectly as a consequence of the acquisition of such Acquired Entity or Business;
- (ii) When determining Consolidated EBITDA for any period (including the portion thereof occurring prior to such sale, transfer or disposition) the Issuer shall be permitted to:
 - (A) exclude the earnings before interest, tax, depreciation, amortisation and impairment charges (calculated on the same basis as Consolidated EBITDA, *mutatis mutandis*) for that period of any person, business or material real property sold, transferred or otherwise disposed of by any member of the Group during such period (each such person, business or property so sold, transferred or disposed of, a **“Sold Entity or Business”**) (provided further that the Issuer shall exclude such

earnings to the extent that to do so would result in a decrease in Consolidated EBITDA for that period); and/or

- (B) include an adjustment in respect of each Sold Entity or Business sold, transferred or otherwise disposed of during such period equal to or less the amount of the Pro Forma Adjustment for such period consequent on the sale, transfer or other disposal of such Sold Entity or Business; and/or
 - (C) exclude any non-recurring costs and other expenses arising directly or indirectly as a consequence of the sale or disposal of such Sold Entity or Business; and
- (iii) When determining Consolidated EBITDA for any period (including the portion thereof occurring prior to such implementation) the Issuer shall be permitted to:
- (A) include an adjustment in respect of each restructuring, cost saving or other similar initiative (each a “**Group Initiative**”) implemented by any member of the Group during such period equal to or less than the amount of the Pro Forma Adjustment for such period consequent on the implementation of such Group Initiative; and/or
 - (B) exclude any non-recurring costs and other expenses arising directly or indirectly as a consequence of the implementation of such Group Initiative; and
- (iv) When determining Consolidated EBITDA for any period (including the portion thereof occurring prior to such capital expenditure) the Issuer shall be permitted to include an adjustment in respect of any capital expenditure made during such period equal to or less the amount of the Pro Forma Adjustment for such period consequent on that capital expenditure.

For the purpose of this paragraph (c):

“**Accounting Date**” shall mean 30 June and 31st December in each year, save as any such date may be adjusted by the Issuer to avoid an Accounting Date falling on a day which is not a business day and/or to ensure that Accounting Dates fall on the same day of the week.

“**Accounting Period**” means the period commencing on the day after one Accounting Date and ending on the next Accounting Date.

“**Pro Forma Adjustment**” shall mean, for any period that includes any of the two Accounting Periods first following the acquisition of or investment in an Acquired Entity or Business, the sale, transfer or other disposal of a Sold Entity or Business, the implementation of a Group Initiative or the making of capital expenditure (the first of such two Accounting Periods starting in the Accounting Period in which such acquisition, investment, sale, transfer, disposal, implementation or expenditure occurred), with respect to Consolidated EBITDA, the pro forma increase in such Consolidated EBITDA projected by the Issuer after taking into account (for the full period) the full run rate effect of (as the case may be):

- (C) all savings and other synergies which the Issuer (acting reasonably and as confirmed in writing by the chief financial officer of the Group, or such other officer as is performing the functions of the chief financial

officer) believes can be obtained in the twelve-month period following such acquisition, investment, sale, transfer, disposal or implementation by combining the operations of such Acquired Entity or Business with the operations of the Group, as a consequence of the sale, transfer or other disposal of such Sold Entity or Business or as a result of implementing such Group Initiative; and

- (D) all revenues which the Issuer (acting reasonably and as confirmed in writing by an officer of the Group) believes can be obtained in the twelve-month period following such capital expenditure as a consequence of that capital expenditure,

provided that any such pro forma increase to Consolidated EBITDA shall be without duplication for savings, synergies or revenues actually realised during such period and already included in such Consolidated EBITDA.

4. Interest

4.1 Interest Rate and Interest Payment Dates

The Notes bear interest on their outstanding principal amount from and including the Issue Date at the rate of 5.125 per cent. per annum, payable semi-annually in arrear in equal instalments of €25.625 per €1,000 principal amount of Notes on 15 January and 15 July of each year (each an “**Interest Payment Date**”) up to (and including) the Maturity Date, except that the first payment of interest, to be made on 15 January 2026, will be in respect of the period from and including the Issue Date to but excluding the first Interest Payment Date, being 15 January 2026.

In these Conditions, “**Interest Period**” means the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

4.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon surrender of the Certificate representing such Note, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event interest will continue to accrue as provided in the Trust Deed.

4.3 Calculation of Broken Interest

- (a) If the Accrual Period is shorter than an Interest Period, the amount of interest payable per €1,000 in principal amount of the Notes (the “**Calculation Amount**”) for such period shall be equal to the product of the applicable percentage of interest, the Calculation Amount and the Day-Count Fraction,

where:

“**Day-Count Fraction**” means the number of days in the Accrual Period divided by 365; and

“**Accrual Period**” means the relevant period for which interest is to be calculated (from and including the first such day to but excluding the last); and

- (b) The resultant figure shall be rounded to the nearest cent, half a cent being rounded upwards. The interest payable in respect of the Notes shall be the product of such rounded figure and the amount by which the Calculation Amount is multiplied to reach the denomination of the Notes, without any further rounding.

5. Payments

5.1 Method of Payment

- (a) Payments of principal shall be made by the Paying Agent (subject to surrender of the relevant Certificates at the specified office of any Paying Agent or of the Registrar if no further payment falls to be made in respect of the Notes represented by such Certificates) in the manner provided in paragraph (b) below.
- (b) Interest on each Note shall be paid to the person shown on the Register at the close of business on the fifteenth business day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Note shall be made by credit or transfer to a euro account specified by the payee and maintained with a bank in a city in which banks have access to T2. For the purposes of these Conditions, “**T2**” means the real time gross settlement system operated by the Eurosystem, or any successor system.
- (c) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.

5.2 Payment subject to Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Noteholders in respect of such payments.

5.3 Appointment of Agents

The Principal Paying Agent, the Registrar and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Registrar and the Transfer Agents act solely as agents of the Issuer and do not have any fiduciary duties or assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, the Registrar or any Transfer Agent and to appoint additional or other Transfer Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, and (iv) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case, as approved by the Trustee.

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Noteholders in accordance with Condition 12 (*Notices*).

5.4 Delay in Payment

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a business day or if the Noteholder is late in surrendering or cannot surrender its Certificate (if required to do so).

5.5 Non-Business Days

If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment.

In these Conditions, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Paying Agent, the Transfer Agent or the Registrar (as the case may be) is located and which is a TARGET Business Day.

“**TARGET Business Day**” means any day on which T2 is open for the settlement of payments in euro.

6. Redemption and Purchase

6.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Notes on 30 June 2032 (the “**Maturity Date**”) in an amount equal to the principal amount.

6.2 Redemption for Taxation Reasons

The Issuer may redeem the Notes, in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days’ prior notice to the Trustee, the Principal Paying Agent and the Noteholders, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to, but excluding, the date fixed by the Issuer for redemption (the “**Tax Redemption Date**”) and all Additional Amounts (as defined below) (if any) then due and that will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of Noteholders of record on the relevant record date to receive interest due on an Interest Payment Date that is prior to the Tax Redemption Date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Notes, a Payor (as defined below) is or would be required to pay Additional Amounts, and the Payor cannot avoid any such payment obligation by taking reasonable measures available to it, including the appointment of a different Paying Agent (provided that changing the jurisdiction of the Payor is not a reasonable measure for purposes of this section), as a result of:

- (a) any change in, or amendment to, the laws or treaties (or any regulations, protocols or rulings promulgated thereunder) of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) affecting taxation, which change or amendment is publicly announced or becomes effective on or after the Issue Date (or, if the relevant Tax Jurisdiction was not a Tax Jurisdiction on such date, the date on which such Tax Jurisdiction became a Tax Jurisdiction under the Trust Deed);
- (b) any change in, or amendment to, the existing official position or the introduction of an official position regarding the application, administration or interpretation of such laws, treaties, regulations, protocols or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice), which change or amendment regarding the application, administration or interpretation is publicly announced or becomes effective on or after the Issue Date (or, if the relevant Tax Jurisdiction was not a Tax Jurisdiction on such date, the date on which such Tax Jurisdiction became a Tax Jurisdiction under the Trust Deed) (each of the foregoing sub-paragraphs (a) and (b), a “**Change in Tax Law**”); or

- (c) the merger of the Payor into another Person or the conveyance, transfer or lease of all or substantially all of the Payor's assets, unless the sole purpose of such a merger would be to permit the Issuer to redeem the Notes.

The Issuer will not give any such notice of redemption earlier than 90 days prior to the earliest date on which the Payor would be obligated to pay Additional Amounts if a payment in respect of the Notes were then due, and unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect.

Prior to the publication or, where relevant, sending of any notice of redemption of the Notes pursuant to this Condition, the Issuer will deliver to the Trustee an opinion of counsel in form and substance reasonably satisfactory to the Trustee stating that there has been such a Change in Tax Law which would cause the Payor to be or become obligated to pay Additional Amounts. In addition, before the Issuer publishes or sends notice of redemption of the Notes as described above, it will deliver to the Trustee a certificate signed by a director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and, where relevant, that the obligation to pay Additional Amounts cannot be avoided by the Issuer taking reasonable measures available to it.

The Trustee shall be entitled to accept such director's certificate and opinion of counsel as sufficient evidence, without further inquiry, of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the Noteholders.

6.3 **Redemption at the Option of the Issuer (Make-Whole Call)**

The Issuer may, having given:

- (a) not less than 10 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (*Notices*); and
- (b) notice to the Trustee and the Principal Paying Agent not less than 1 business day before the giving of the notice referred to in (a);

(which notices shall specify the date fixed for redemption (the "**Optional Redemption Date**")), redeem all or some of the Notes at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

For the purposes of this Condition 6.3, the "**Optional Redemption Amount**" will be an amount, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate (which for the avoidance of doubt shall not include the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent), which is the higher of:

- (a) 101 per cent. of the principal amount of the Notes to be redeemed; and
- (b) as determined by the Issuer, the sum of the then current values of the remaining scheduled payments of principal and interest to the First Call Date (as defined below) (not including any interest accrued on the Notes to be redeemed to, but excluding, the Optional Redemption Date) discounted to the First Call Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at (i) the Reference Bond Rate (as defined below) plus (ii) the Redemption Margin,

plus, in each case, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

As used in this Condition 6.3:

“Redemption Margin” shall be 0.50 per cent. per annum; and

“Reference Bond Rate” means, as selected by the Issuer, the rate per annum equal to the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (*Bunds* or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that has become publicly available at least two business days (but not more than five business days) prior to the Optional Redemption Date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected in good faith by the Issuer)) most nearly equal to the period from the Optional Redemption Date to the First Call Date; *provided, however*, that if the period from the Optional Redemption Date to the First Call Date is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Reference Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such Optional Redemption Date to the First Call Date is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used; *provided* that the “Reference Bond Rate” shall be at least 0.00%.

All Notes in respect of which any such notice is given under this Condition 6.3 shall be redeemed on the date specified in such notice in accordance with this Condition 6.3.

6.4 **Redemption at the Option of the Issuer (Issuer Par Call)**

The Issuer may, having given:

- (a) not less than 10 nor more than 60 days’ notice to the Noteholders in accordance with Condition 12 (*Notices*); and
- (b) notice to the Trustee and the Principal Paying Agent not less than 1 business days before the giving of the notice referred to in (a),

(which notices shall specify the date fixed for redemption), redeem the Notes then outstanding in whole or in part, at any time during the period commencing on (and including) the day that is six months prior to the maturity date of such Notes (the **“First Call Date”**) to (but excluding) the applicable maturity date of such Notes, at a redemption price equal to 100% of the principal amount of the Notes redeemed, together with any interest accrued but unpaid to (but excluding) the date fixed for redemption.

6.5 **Redemption at the Option of the Issuer (Clean-Up Call)**

The Issuer may, having given: (a) not less than 10 nor more than 60 days’ notice to the Noteholders in accordance with Condition 12 (*Notices*); and (b) notice to the Trustee and the Principal Paying Agent not less than 1 business days before the giving of the notice referred to in (a), in the event that 20 per cent. or less of the initial aggregate principal amount of the Notes (including any additional Notes issued pursuant to Condition 16) remains outstanding, at its option, redeem all, but not some only, of the outstanding Notes at their principal amount together with any interest accrued but unpaid to (but excluding) the date set for redemption.

6.6 **Redemption at the option of the Noteholders (Change of Control Put)**

If a Put Event (as defined below) has occurred, upon any Noteholder giving notice to the Issuer during the period ending on the 60th day following the public announcement that the relevant

Change of Control has occurred (the “**CoC Notice Period**”), the Issuer will redeem the Notes on the Business Day which is 7 days after the expiration of the CoC Notice Period, at an amount equal to 100% of the principal amount of the Notes to be redeemed, together, if appropriate, with interest accrued to (but excluding) such redemption date, subject to the fifth paragraph of this Condition 6.6.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice to the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 12 (*Notices*) specifying: (i) all information material to Noteholders in relation to the Change of Control (as defined herein); and (ii) that either (A) Noteholders are entitled to exercise their put option during the CoC Notice Period (a “**Change of Control Offer**”); or (B) a third party has made or will make an offer (a “**Third Party Tender Offer**”) to all Noteholders in the manner, at the times and otherwise in compliance with the requirements set forth in these Conditions applicable to a Change of Control Offer made by the Issuer, and purchases all Notes validly tendered and not withdrawn under such Third Party Tender Offer during the CoC Notice Period.

To exercise the right to require redemption of the Notes the Noteholder must deliver, at the specified office of any Paying Agent or the Registrar at any time during normal business hours of such Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a “**Put Notice**”) and in which the Noteholder must specify a bank account to which payment is to be made under this Condition 6.6 and the Put Notice must be accompanied by the Certificate representing such Notes or evidence satisfactory to the Registrar or any Paying Agent concerned that the Notes will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice given by a holder of any Note pursuant to this Condition 6.6 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.6 and instead to declare such Note forthwith due and payable pursuant to Condition 9 (*Events of Default*).

The Issuer will not be required to make a Change of Control Offer following a Put Event if (i) it announces that a Third Party Tender Offer has or will be made and such Third Party Tender Offer is completed in the CoC Notice Period or (ii) a notice of redemption for the redemption of the Notes in whole but not in part has previously been given pursuant to Conditions 6.3, 6.4 or 6.5, unless there has been a default in payment of the applicable redemption price.

For the purposes of this Condition 6.6:

- (a) a “**Change of Control**” shall be deemed to occur if more than 50 per cent. of the share capital of the Issuer and (i) more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, or (ii) the power to appoint a majority of the board of directors of the Issuer or of any other equivalent governing body whether through the ownership of voting capital, by contract or otherwise, is acquired, directly or indirectly, by any Person (other than Reference Shareholders and any of their respective Subsidiaries and Management).

For the purposes of this definition:

“**Affiliate**” of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “**control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract

or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing;

“**Management**” means current and former management and employees of the Issuer or any of its Subsidiaries and any other person directly or indirectly holding any interest pursuant to an MEP, incentive scheme or similar arrangement; and

“**Reference Shareholders**” means Kohlberg, Kravis, Roberts & Co. L.P. (“**KKR**”), Ministero dell’Economia e delle Finanze (“**MEF**”), Fastweb S.p.A. (“**Fastweb**”), Fondi Italiani per le Infrastrutture SGR S.p.A (“**F2i**”), Azure Vista C 2020 S.a r.l. (“**ADIA**”) and 13545369 Canada Inc. (“**CPPIB**,” and together with KKR, MEF, Fastweb, F2i and ADIA, the “**Initial Investors**”) or any of their successors and any funds or partnerships and/or other entities or accounts represented, managed, advised, owned or controlled, directly or indirectly, by the Initial Investors or any Affiliate thereof, and any limited partner of or co-investor with any such partnership or fund or an Affiliate or successor thereof;

- (b) a “**Negative Event**” will be deemed to have occurred if:
- (i) there are two or more Investment Grade Ratings with respect to the Issuer and (a) such Ratings are reduced to below Investment Grade Ratings by two or more Rating Agencies during the period ending on the 30th day after the date of the public announcement of the occurrence of the Change of Control and (b) the Relevant Leverage Ratio would have been greater than 6.0 to 1.0 after giving pro forma effect to such Change of Control; or
 - (ii) only one Investment Grade Rating with respect to the Issuer is outstanding and (a) such Rating is reduced to below an Investment Grade Rating by the relevant Rating Agency during the period ending on the 30th day after the date of the public announcement of the occurrence of the Change of Control and (b) the Relevant Leverage Ratio would have been greater than 6.0 to 1.0 after giving pro forma effect to such Change of Control; or
 - (iii) in the case where on the 30th day after the date of the public announcement of the occurrence of the Change of Control, there is no Investment Grade Rating with respect to the Issuer as of such date and the Relevant Leverage Ratio would have been greater than 6.0 to 1.0 after giving pro forma effect to such Change of Control;

For purposes of this definition:

“**Accounting Principles**” means generally accepted accounting principles in Italy or IFRS, in each case to the extent applicable to the relevant financial statements and as applied by the Issuer from time to time;

“**Adjusted Reported EBITDA**” means, for any Measurement Period, the Consolidated EBITDA for such period, adjusted to deduct the cash portion of any recurring payments (excluding any principal amount repayment) attributable to any lease that would not have been considered as a finance lease in accordance with IFRS as applied immediately prior to the adoption of IFRS 16 (*Leases*);

“**Borrowings**” means, at any time, Financial Indebtedness excluding, for the avoidance of doubt:

- (a) any liabilities due under any derivative agreement; *provided* that any amount of Financial Indebtedness will be stated so as to take into account the hedging

effect of currency hedging entered into in respect thereof and; *provided further* that where such agreement provides for netting to occur only the net amount of the payment obligation outstanding from the relevant member of the Group thereunder after such netting-off has occurred shall be included; and

- (b) any liabilities of the type referred to in paragraph (k) or (l) of the definition of Financial Indebtedness to the extent relating to indebtedness already included within this definition or to any of the items referred to in paragraph (a) above;

“Consolidated EBITDA” means, for any period, Net Income for such period with the following adjustments (without double counting and without deducting or adding back amounts not otherwise included or, as the case may be, deducted in the calculation of Net Income or in this definition):

- (a) **before deducting** Interest Payable, any other interest and any payment-in-kind interest for which any member of the Group is liable (for the avoidance of doubt, including any costs relating to factoring or discounting arrangements and any cost relating to the issue or maintenance of any bond, letter of credit, guarantee or other assurance against financial loss) and any deemed finance charge in respect of any pension liabilities and/or other provisions (and any other debt or equity finance related fee or cost or post-retirement benefit scheme costs charged to finance costs in accordance with the Accounting Principles);
- (b) **after deducting** Interest Income and/or any other Interest accruing in favour of any member of the Group;
- (c) **before deducting** any amount of Tax (including deferred tax) on profits, gains or income payable by or deducted for any member of the Group;
- (d) **after adding back** any amount attributable to any amortisation or impairment whatsoever, any depreciation whatsoever (including any write down of fixed assets) and any costs or provisions relating to any MEP or any share option or incentive scheme of any member of the Group;
- (e) **after adding or deducting** (as the case may be), the effect (positive or negative) of any one-off, non-recurring, extraordinary, unusual or exceptional item or amount (including, for the avoidance of doubt, gain, loss, charge or expense);
- (f) **after deducting** any gain over book value arising in favour of a member of the Group on the disposal of any asset (not including any disposal made in the ordinary course of trading) during such period and any gain arising on any revaluation of any asset during such period;
- (g) **after adding back** any loss against book value incurred by a member of the Group on the disposal of any asset (not including any disposal made in the ordinary course of trading) during such period and any loss arising on any revaluation of any asset during such period;
- (h) **after adding back** Transaction Costs;
- (i) **after adding back** an amount equal to the amount of any reduction, and after deducting an amount equal to the amount of any increase, in Net Income of the Group as a result of a revaluation of assets and liabilities of members of the Group which would not have occurred but for the occurrence of the Acquisition

Transactions (as defined in the Offering Memorandum with respect to the Notes);

- (j) **after adding back** the amount of any management, consulting, investor, monitoring, advisory and director fees, expenses and compensation (together with any other amounts paid under the Service Agreements) paid by any member of the Group to the Investors (directly or indirectly);
- (k) **after adding back** any fees, costs or charges of a non-recurring nature related to any equity offering, compensation payments to departing management, investments (including any investment in a joint venture), acquisitions or indebtedness (in each case, whether or not successful);
- (l) **after adding back** any restructuring costs recognised during such period;
- (m) **excluding** any unrealised foreign exchange gains and losses, including any arising on translation of currency debt, and before taking account of any hedging gains and losses relating to finance costs and taking no account of any unrealised gains or losses on any financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis or similar);
- (n) **excluding** any gain or loss arising directly or indirectly on the acquisition by any member of the Group of all or part of any debt instrument (in each case to the extent otherwise included);
- (o) **excluding** the impact of any other unrealised gains or losses arising from the application of IAS 32/39 and any debits to profits relating to the write-off of Transaction Costs;
- (p) **before deducting** any dividends paid or declared but unpaid;
- (q) **including** the consolidated earnings from operating activities of any unconsolidated entities received as a dividend or distribution by any member of the Group during such period;
- (r) **including** the amount of any Net Income (or excluding any loss) of any member of the Group which is attributable to any third party which is a shareholder in such member of the Group;
- (s) **increased by** the “run rate” adjustment required to give effect to synergies, cost savings, operating expense reductions, restructuring charges and expenses, contracted pricing, operating cost improvements, operating improvements, new sites, capacity or capacity utilization increases, operating expense reductions, revenue increases, revenue enhancements or other adjustments, similar initiatives or effects of synergies (together, being “Synergies”) that have been, or will be, realized (in full or in part) for some, but not all, of such period and that are related to the Acquisition Transactions and any acquisition, disposition, divestiture, restructuring, new or revised contract, information and technology systems establishment, modernisation or modification or the implementation of any operating cost improvements, operating improvements, efficiency or cost savings initiative or any other adjustments or similar initiatives or effects of Synergies, as applicable, as if such Synergies had been realized from the first day of such period and during the entirety of such period; *provided* that the Issuer (in good faith) expects that

all steps for realising such Synergies have been or will be taken within 24 months following the date of determination; and

- (t) **increased by**, to the extent not already otherwise included herein, adjustments and add-backs or costs or expenses (or, in each case, similar items) corresponding to those made in calculating “*Pro Forma Organic EBITDA-AL*” (including structuring adjustments made in calculating Structuring EBITDA-AL) for the year ended 31 December 2024 included in the Offering Memorandum, and other adjustments of a similar nature to the foregoing.

“Equity Contribution” means:

- (a) any subscription for shares issued by, and any capital contributions to, the Issuer in each case; and/or
- (b) any loans, notes, bonds or like instruments issued by or made to the Issuer which are subordinated to the Notes pursuant to the Intercreditor Agreement;

“Financial Indebtedness” means (without double counting) any indebtedness (including any fixed or minimum premium payable on maturity) in respect of or arising under:

- (a) moneys borrowed (including overdrafts); or
- (b) moneys raised including moneys raised under or pursuant to any debenture, bond (other than a performance or advance payment bond or other similar instrument issued in the ordinary course of trading), note or loan stock or other similar instrument; or
- (c) any acceptance credit (or dematerialised equivalent); or
- (d) receivables sold or discounted (otherwise than on a non-recourse basis and only to the extent of any recourse); or
- (e) the acquisition cost of any asset to the extent payable more than 180 days after the time of acquisition or possession by the person liable as principal obligor for the payment thereof (or, if the relevant supplier customarily allows a period for payment, if later, the date 180 days after the expiry of that period, but only to the extent payment on such later date would not be in breach of the terms of any relevant contract with that supplier) or where the deferred payment is arranged primarily as a method of raising finance or financing the acquisition of the asset acquired (for the avoidance of doubt excluding where the payment deferral results from the delayed or non-satisfaction of contract terms by the supplier or from contract terms establishing payment schedules tied to total or partial contract completion and/or to the results of operational testing procedures and excluding, for the avoidance of doubt, earn outs and other contingent consideration arrangements); or
- (f) the sale price of any asset to the extent paid by the person liable more than 180 days before the time of sale or delivery or where the advance payment is arranged primarily as a method of raising finance (except any such arrangement entered into in the ordinary course of trading); or
- (g) finance leases, capital leases, credit sale or conditional sale agreements (whether in respect of land, buildings, plant, machinery, equipment or otherwise) which are treated as finance leases or capital leases in accordance with the Accounting Principles (but only to the extent of such treatment); or

- (h) [reserved]; or
- (i) the amount payable by any member of the Group to any person which is not a member of the Group in respect of the redemption of any share capital or other securities convertible into share capital issued by it or any other member of the Group (other than in connection with any MEP, incentive scheme or similar arrangement); or
- (j) amounts raised under any other transaction not of a type or nature contemplated by the other paragraphs of this definition having the commercial effect of a borrowing and required to be accounted for as such under the Accounting Principles; or
- (k) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby letter of credit or other instrument issued by a bank or financial institution, in each case in respect of an underlying liability of an entity which is not a member of the Group which would fall within one of the other paragraphs of this definition; or
- (l) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any indebtedness falling within paragraphs (a) to (k) inclusive of this definition,

and so that, where the amount of Financial Indebtedness falls to be calculated or where the existence (or otherwise) of any Financial Indebtedness is to be established:

- (A) Financial Indebtedness owed by one member of the Group to another member of the Group shall not be taken into account;
- (B) in relation to any bank accounts subject to netting, cash pooling, net balance, balance transfer or similar arrangements, only the net balance shall be used;
- (C) no amount due or outstanding in respect of any Equity Contribution shall be taken into account; and
- (D) no pension scheme or other post-employment benefit scheme liabilities shall be taken into account;

“Holding Company” means, in relation to any person, any other person in respect of which it is a subsidiary;

“Interest” means interest and amounts in the nature of interest paid or payable in cash in respect of any Borrowings including, without limitation:

- (a) the interest element of any lease, hire purchase or similar agreement but excluding only those leases that are accounted for as investment property under IAS 40;
- (b) discount and acceptance fees payable (or deducted) in respect of any Borrowings;
- (c) fees payable in connection with the issue or maintenance of any bond, letter of credit, guarantee or other assurance against financial loss, in each case which constitutes Borrowings and is issued by a third party on behalf of the relevant person;

- (d) repayment and prepayment premiums payable or incurred in repaying or prepaying any Borrowings; and
- (e) commitment, utilisation and non-utilisation fees payable or incurred in respect of Borrowings, but excluding:
 - (i) any agency, arrangement, underwriting, amendment, consent or other front-end fee in respect of any Borrowings or any letter of credit and any commitment fee to the extent included in the Transaction Costs (but for the avoidance of doubt, not excluding any commitment fees applicable to the revolving facility);
 - (ii) any pay-in-kind interest and any interest accrued on any shareholder loan or other subordinated loan;
 - (iii) any fees, costs and expenses incurred in connection with the raising of any indebtedness and any amortisation thereof;
 - (iv) any original issue discount applied in connection with any indebtedness and any amortisation thereof;
 - (v) any non-cash gains or losses arising in respect of any financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);
 - (vi) any realised gains or losses arising in respect of any derivative which is operational in nature (and not related to Borrowings);
 - (vii) unrealised foreign exchange gains or losses in relation to retranslation of currency debt; and
 - (viii) any notional interest accrued on any pension scheme liabilities.

“Interest Income” means, for any period, the amount of Interest accrued (whether or not received) due to members of the Group during such period (including in each case, without limitation, interest on cash deposits and cash equivalents);

“Interest Payable” means, for any period, the aggregate of Interest accrued (whether or not paid) in respect of any Borrowings of any member of the Group, but excluding in each case any capitalised interest, any dividends on preference shares, any interest element on postemployment benefit schemes under IAS19, any interest cost or expected return on plan assets in relation to any post-employment benefit scheme, (unless the payment of such interest is guaranteed by one or more other members of the Group which are not Subsidiaries of the entity primarily liable for such interest) the pro rata share of any Interest payable by a member of the Group which is attributable to any third party (not being a member of the Group) which is a shareholder (or holds an equivalent ownership interest) in a member of the Group, Transaction Costs (and any amortisation thereof) and any other fees, costs and expenses incurred in connection with the raising of any Borrowings (and any amortisation thereof) and provided further that the amount of accrued Interest shall be stated so as to take into account the effect of any hedging agreements in respect of Interest (including, in so far as they relate to Interest, currency hedging arrangements and any interest payable under any investment hedging arrangements) entered into by the Group;

“Investment Grade Rating” means a Rating at least equal to BBB-/Baa3 or better;

“Investors” means the Sponsors and the Sponsor Affiliates.

“Measurement Period” means, at the option of the Issuer, either the period of (i) the most recent six month period ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available multiplied by 2.0 or (ii) the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available.

“MEP” means any management incentive or employee benefit scheme (or other similar arrangement) implemented or to be implemented with respect to shares in the Issuer or any of its Holding Companies or any member of the Group;

“Net Income” means, for any period, consolidated net income of the Group for such period;

“Rating” means any long-term credit rating assigned to the Issuer by any Rating Agency;

“Rating Agency” means Moody’s Investors Service Ltd. or any of its subsidiaries or their successors (Moody’s), Fitch Ratings Limited or any of its subsidiaries or their successors (Fitch) and S&P Global Ratings Europe Limited or any of its subsidiaries or their successors (S&P), or any rating agency with equivalent international standing substituted for any of them (or any permitted substitute of them) specified from time to time by the Issuer from time to time;

“Relevant EBITDA” means Adjusted Reported EBITDA as determined by the Issuer for the most recently ended Measurement Period for which the Issuer has sufficient available information so as to be able to determine Adjusted Reported EBITDA and as may be adjusted in accordance with Condition 3.4 (*Calculation of Ratios*);

“Relevant Leverage Ratio” means the ratio of Total Net Debt on the last day of the most recently completed Measurement Period to Adjusted Reported EBITDA (calculated on a pro forma basis) for that Measurement Period;

“Service Agreements” means each recharge, advisory services, transaction services or other similar agreement entered into or to be entered into between the Reference Shareholders (and/or their Affiliates or direct or indirect shareholders in the Issuer) and one or more members of the Group;

“Sponsors” means the Initial Investors;

“Sponsor Affiliate” means, in relation to any Sponsor, any of its Holding Companies or Subsidiaries or any other Subsidiary of any of its Holding Companies and any fund, partnership and/or other entities represented, managed, advised, owned or controlled by any Sponsor or any of its Sponsor Affiliates and any Sponsor Affiliate of any such fund, partnership or entity but does not include any portfolio company of any Sponsor or of any Affiliate of any Sponsor and, in the context of a person or persons achieving or having control over another person, “control” for the purposes of this definition means the person or persons acting in concert controlling, or being able to control, the composition of the board of directors or equivalent management board of that other person or the person or persons acting in concert in accordance with whose directions a majority of the board of directors or equivalent management board of that other person are or become accustomed to act.

“Tax” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay

or any delay in paying any of the same) and “**Taxes**” and “**Taxation**” shall be construed accordingly;

“**Total Net Debt**” means, at any time, the aggregate principal amount of all Borrowings of the Group, but:

- (iv) excluding all leases (regardless of the accounting treatment thereof);
- (v) deducting the pro rata share of which is attributable to any third party (not being a member of the Group) which is a shareholder (or holds an equivalent ownership interest) in any member of the Group, unless such Financial Indebtedness is guaranteed by one or more other members of the Group which are not Subsidiaries of the borrower of such Financial Indebtedness; and
- (vi) deducting the aggregate amount of cash and cash equivalents held by each member of the Group,

and so that no amount shall be included or excluded more than once; and

“**Transaction Costs**” means all fees, costs and expenses and stamp, transfer, registration, notarial and other Taxes incurred by a member of the Group directly or indirectly in connection with the Acquisition Transactions, any reorganisation and/or any amounts in connection with the refinancing of indebtedness or other obligations of the Group;

- (c) a “**Put Event**” will be deemed to have occurred if, during the period from and including the Issue Date to but excluding the Maturity Date, there occurs a Change of Control and, during the period ending on the 30th day after the date of the public announcement of the occurrence of the Change of Control, a Negative Event occurs; and
- (d) a “**Permitted Change of Control Transaction**” means a Change of Control that is not a Put Event.

6.7 Provisions Relating to Partial Redemption

In the case of a partial redemption of Notes, Notes to be redeemed will be selected, in such place as the Trustee, the Registrar or the Principal Paying Agent may approve and in such manner as the Trustee, the Registrar or the Principal Paying Agent may deem appropriate and fair, not more than 60 days before the date fixed for redemption. Notice of any such selection will be given not less than 10 days before the date fixed for redemption. Each notice will specify the date fixed for redemption and the aggregate principal amount of the Notes to be redeemed, the certificate numbers of the Notes called for redemption, the certificate numbers of Notes previously called for redemption and not presented for payment and the aggregate principal amount of the Notes which will be outstanding after the partial redemption.

6.8 Purchases

The Issuer and any of its Subsidiaries (as defined above) may at any time purchase Notes in the open market, by tender offer or otherwise, at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

6.9 Cancellations

Certificates representing Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation by surrendering each such Certificate to the Registrar and if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith.

Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged. Any Notes not so surrendered for cancellation may be reissued or resold.

6.10 Conditional Notices

Upon the expiry of any notice as is referred to in, and subject to, Condition 6.2 (*Redemption for Taxation Reasons*), Condition 6.3 (*Redemption at the Option of the Issuer (Make-Whole Call)*), Condition 6.4 (*Redemption at the Option of the Issuer (Issuer Par Call)*) and Condition 6.5 (*Redemption at the Option of the Issuer (Clean-Up Call)*) above, the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph; *provided* that any redemption and notice of redemption may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent. If such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, at the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been complied with or satisfied by the redemption date, or by the redemption date so delayed; *provided* that in no case shall the notice have been delivered less than 10 days or more than 60 days prior to the date on which such redemption (if any) occurs.

7. Taxation

7.1 Additional Amounts

All payments made by or on behalf of the Issuer or any other Guarantor (including, in each case, any successor entity thereof) (each, a “**Payor**”) under or with respect to the Notes will be made without withholding or deduction for, or on account of, any present or future Taxes unless such withholding or deduction of such Taxes is required by law (including any taxing authority's interpretation or administration thereof). If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of any Tax Jurisdiction (as defined below) will at any time be required to be made from any payments made by or on behalf of a Payor under or with respect to the Notes, including payments of principal, redemption premium or interest, the Payor will pay such additional amounts (the “**Additional Amounts**”) as may be necessary in order that the net amounts received, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no Additional Amounts shall be payable:

- (a) to or for a Noteholder (or a fiduciary, settlor, beneficiary, member, partner or shareholder of, or possessor of power over the relevant Noteholder, if the relevant Noteholder is an estate, nominee, trust, partnership, limited liability company or corporation or any collective vehicle where tax is imposed or allocated to its owners) who is liable for such Taxes in respect of such Note by reason of having or having had some present or former connection with the relevant Tax Jurisdiction (including, without limitation, being resident for tax purposes, or being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Tax Jurisdiction) in which such Taxes are imposed other than the mere acquisition, holding or enforcement (following an Event of Default) of such Note or the receipt of any payment in respect thereof; or
- (b) to or for a Noteholder in respect of any Tax that is imposed or withheld by reason of the failure by the Noteholder, to comply with a reasonable written request of the applicable withholding agent addressed to the Noteholder, after reasonable notice (at least 30 days before any such withholding or deduction is payable): (i) to provide

certification, information, documents or other evidence concerning the nationality, residence or identity of the Noteholder; or (ii) to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which, in the case of (i) or (ii) (or both), is required by a statute, treaty, regulation or administrative practice of the relevant Tax Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction or withholding of, all or part of such Tax but only to the extent the Noteholder is legally entitled to provide such certification or documentation; or

- (c) in respect of any Note in respect of which the certificate representing it is presented for payment (where presentation is required) more than 30 days after the Relevant Date except to the extent that a Noteholder would have been entitled to an Additional Amount on surrendering the Certificate representing the same for payment on such thirtieth day; or
- (d) in respect of any Note in respect of which the certificate representing it is presented for payment (where presentation is required) by or on behalf of a Noteholder not resident for tax purposes in a State included in the list of countries which allow for a satisfactory exchange of information with Italy, currently provided for by Italian Ministerial Decree dated 4 September 1996, as amended and supplemented (the “**White List**”); or
- (e) in respect of any Taxes that are payable otherwise than by deduction or withholding from a payment with respect to the Notes; or
- (f) in respect of any estate, inheritance, gift, sales, transfer, personal property or similar Tax or excise Taxes imposed on transfer of the Notes; or
- (g) in respect of any Taxes to the extent such Taxes are for or on account of *imposta sostitutiva* pursuant to Decree No. 239 and any related implementing regulations, and pursuant to Decree No. 461 and any related implementing regulations, except where the procedures required under Decree 239/1996, in order to benefit from an exemption, have not been complied with due only to the actions or omissions of the Issuer or its agents.

For the avoidance of doubt, no Additional Amounts shall be payable with respect to Taxes to the extent such Taxes are on account of *imposta sostitutiva* if the Noteholder becomes subject to *imposta sostitutiva* after the Issue Date by reason of amendments to the White List whereby such Noteholder’s country of residence does not appear on the aforesaid amended or new list; or

- (h) to a Noteholder that is a fiduciary, partnership or Person other than the sole beneficial owner to the extent that a payment would be required to be included in the income under the tax laws of a relevant Tax Jurisdiction of a beneficiary or settlor with respect to the fiduciary, or a partner of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Noteholder thereof; or
- (i) any combination of the items (a) through (h) above.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or any official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or

regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other Person will be required to pay Additional Amounts on account of any FATCA Withholding.

In addition to the foregoing, the Issuer will also bear and pay any present or future stamp, issue, registration, court or documentary Taxes, or any other excise, property or similar Taxes, which are levied on the execution, delivery, issuance, registration or enforcement (following an Event of Default) of the Notes, the Trust Deed or any other document or instrument referred to therein (other than in each case: (a) in connection with a transfer of the Notes after this issuance of the Notes other than the initial resale; or (b) to the extent that such stamp, issue, registration court or documentary Taxes, or any other excise, property or similar Taxes become payable upon a voluntary registration made by the Noteholder if such registration is not required by any applicable law or not necessary to enforce the rights or obligations of any Noteholder in relation to the Notes, the Trust Deed or any other document or instrument referred to therein).

If the Issuer becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes, the Issuer will deliver to the Trustee (with a copy to the Principal Paying Agent) on a date at least 30 days prior to the date of payment (unless the obligation to pay Additional Amounts arises after the 30th day prior to that payment date, in which case the Issuer shall notify the Trustee promptly thereafter) an officer’s certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Trustee shall be entitled to rely solely on such officer’s certificate as conclusive proof that such payments are necessary.

The above obligations will survive any termination, defeasance or discharge of the Trust Deed and will apply, mutatis mutandis, to any successor Person to the Issuer.

Any references in these Conditions or in the Trust Deed to any amounts in respect of the Notes shall be deemed also to refer to any Additional Amounts which may be payable in respect thereof. As used herein:

- (j) “**Relevant Date**” means, in respect of any payment, the date on which such payment first becomes due, but if the full amount of the monies payable has not been received by the Trustee or, as the case may be, the Principal Paying Agent, on or prior to such due date, it means the first date on which, the full amount of such monies having been so received, notice to that effect has been duly given to the Noteholders;
- (k) “**Tax**” or “**Taxes**” means any present or future taxes or duties, assessments or governmental charges of whatever nature (including any penalties, interest and other additions thereto); and
- (l) “**Tax Jurisdiction**” means the Republic of Italy and any other taxing jurisdiction in which a Payor is organized or tax resident, or any political subdivision or any authority thereof or therein having power to tax, and any jurisdiction from or through which payment with respect to the Notes is made by or on behalf of a Payor.

8. **Prescription**

Claims in respect of the Notes will become void unless presented for payment within periods of ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the applicable due date for payment thereof subject to the provisions of Condition 5 (*Payments*).

9. **Events of Default**

The Trustee at its discretion may, and if so requested in writing by the holders of at least 30% in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) (but only if, except in relation to sub-paragraph 9(a) below, the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that the Notes are, and the Notes shall thereupon immediately become, due and repayable at their redemption amount together with accrued interest as provided in the Trust Deed if any of the following events (each an “**Event of Default**”) shall have occurred and be continuing:

- (a) *Non-payment*: default is made in the payment of any principal, premium or interest due in respect of the Notes or any of them and the default continues for a period of 10 days in the case of principal and premium and 30 days in the case of interest; or
- (b) *Breach of other obligations*: the Issuer or any Guarantor fails to perform or observe any of its other obligations under these Conditions or the Trust Deed (including in relation to a Guarantor, any of its obligations under its Notes Guarantee) and the failure continues for the period of 60 days next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) *Cross-default of the Issuer*:
 - (i) any Capital Markets Indebtedness of the Issuer or any Guarantor in excess of the greater of €100,000,000 (or the equivalent thereof in other currencies) or, if higher, 5% of Relevant EBITDA has to be repaid prematurely due to a default under its terms; or
 - (ii) the Issuer or any Guarantor fails to fulfil any payment obligation exceeding the greater of €100,000,000 (or the equivalent thereof in other currencies) or, if higher, 5% of Relevant EBITDA, under any Capital Markets Indebtedness, or under any guarantee provided for any such Capital Markets Indebtedness of others in excess of the greater of €100,000,000 (or the equivalent thereof in other currencies) or, if higher, 5% of Relevant EBITDA, and such failure continues for a period of 30 days; or
 - (iii) any security or guarantee relating to Capital Markets Indebtedness in excess of the greater of €100,000,000 (or the equivalent thereof in other currencies) or, if higher, 5% of Relevant EBITDA, provided by the Issuer or any Guarantor is enforced by the lenders and such enforcement is not contested in good faith by the Issuer or any Guarantor or the Issuer or any Guarantor publicly announces its inability to meet its financial obligations; or
- (d) *Insolvency*:
 - (i) a court opens insolvency or equivalent proceedings against the Issuer or any Guarantor which are not resolved within six months, unless such proceedings are frivolous or vexatious and contested in good faith and appropriately and do not result in court orders or the Issuer or any Guarantor applies for such insolvency or equivalent proceedings; or
 - (ii) the Issuer or any Guarantor approves a resolution pursuant to which it goes into liquidation unless this is done in connection with a merger, or other form of combination with another company and such company assumes all obligations contracted by the Issuer, in connection with the Notes and the Trust Deed; or

- (e) *Guarantee*: any of the Guarantees is not (or is claimed by the relevant Guarantor not to be) in full force and effect; or
- (f) *Security interest*: any security interest under the Security Documents on any material Collateral having a fair market value in excess of the greater of €50,000,000 or, if higher, 2.5% of Relevant EBITDA, shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Trust Deed) for any reason other than the satisfaction in full of all obligations under the Notes or the release or amendment of any such security interest in accordance with the Conditions, the Intercreditor Agreement, any Additional Intercreditor Agreement or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable in a final non-appealable decision of a court of competent jurisdiction or the Issuer shall assert in writing that any such security interest is invalid or unenforceable and any such default continues for 10 days.

10. **Enforcement**

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed and the Notes, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed or the Notes unless: (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least 30% in aggregate principal amount of the Notes then outstanding; and (b) it shall have been indemnified and/or pre-funded and/or secured to its satisfaction. No Noteholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed fails or is unable so to do within 60 days, and the failure or inability shall be continuing.

11. **Replacement of Certificates**

Should any Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purposes and notice of whose designation is given to the Noteholders, in each case upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. **Notices**

Notices required to be given to the holders of Notes pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. So long as the Notes are listed on the Luxembourg Stock Exchange and the listing rules of such exchange so require, all notices to Noteholders shall be deemed to be duly given if they are published in one daily newspaper in Luxembourg or on the website of the Luxembourg Stock Exchange: www.luxse.com. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange or other relevant authority on which the Notes are for the time being listed.

13. **Substitution**

The Trust Deed contains provisions:

- (a) requiring the Trustee, pursuant to and subject as provided in Condition 3.2 (*Mergers and Similar Events*), without the consent of the Noteholders, to agree with the Issuer to

the substitution in place of the Issuer (or of any previous substitute under this Condition 13) as the principal debtor under the Notes and the Trust Deed, of any entity into which the Issuer may be consolidated or merged, or in relation to which the Issuer may sell or lease all or substantially all of its assets or from which it may buy or lease all or substantially all of such entity's assets, subject to certain conditions set out in the Trust Deed being complied with; or

- (b) notwithstanding and without prejudice to Condition 3.2 (*Mergers and Similar Events*), permitting the Trustee without the consent of the Noteholders, to agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition 13) as the principal debtor under the Notes and the Trust Deed of another company, being any entity that may succeed to, or to which the Issuer (or any previous substitute under this Condition 13) may transfer, all or substantially all of the assets and business of the Issuer (or any previous substitute under this Condition 13) by operation of law, contract or otherwise, subject to: (i) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and (ii) certain other conditions set out in the Trust Deed being complied with.

14. **Meetings of Noteholders, Modification, Waiver, Authorisation and Determination**

14.1 **Meetings of Noteholders**

The Trust Deed contains provisions for convening meetings of the Noteholders (which may be at a physical location or by way of conference call or videoconference) to consider any matter affecting their interests, including, *inter alia*, any modifications or abrogation of these Conditions or of any provisions of the Trust Deed by Extraordinary Resolution. The above provisions are subject to compliance with mandatory laws, rules and regulations of the Republic of Italy in force from time to time and, where applicable Italian law so requires, the Issuer's by-laws.

The quorum and the majorities for passing resolutions at any such meetings shall be subject to the applicable provisions of applicable Italian laws (including the Italian Civil Code) and the Issuer's by-laws.

An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all Noteholders, whether or not they are present at the meeting.

Pursuant to and for the purposes of Article 2419 of the Italian Civil Code, the individual rights of the Noteholders are not precluded, unless they are inconsistent with the resolutions of the meeting of the Noteholders pursuant to Article 2415 of the Italian Civil Code.

In accordance with the Italian Civil Code, a *rappresentante comune* (the “**Noteholders' Representative**”), being a joint representative of Noteholders, may be appointed in accordance with article 2417 of the Italian Civil Code in order to, *inter alia*, represent the Noteholders' common interest and to give execution to the resolutions of the meeting of the Noteholders. The appointment of the Noteholders' Representative has a maximum term of three financial years from the appointment, and may be subsequently reappointed thereafter.

14.2 **Waiver, Authorisation, Determination and Exercise by the Trustee of Discretions Etc.**

The Trustee may agree, without the consent of the Noteholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid,

to any modification which is of a formal, minor or technical nature or to correct an error which is manifest. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Trustee otherwise agrees, any such modification shall be notified by the Issuer to the Noteholders in accordance with Condition 14.3 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other Person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders except to the extent already provided for in Condition 7 (*Taxation*) or Condition 3.2 (*Mergers and Similar Events*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 (*Taxation*) or Condition 3.2 (*Mergers and Similar Events*) pursuant to the Trust Deed.

A modification or waiver which relates to specific rights or obligations of the Trustee may not be effected without the consent of the Trustee.

14.3 Notification to the Noteholders

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Noteholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 12 (*Notices*).

15. Indemnification of the Trustee and Trustee Contracting with the Issuer

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, inter alia: (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries; (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders; and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

Subject to the terms of the Trust Deed, the Trustee may rely without liability to Noteholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

16. Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes. Any further notes which are to form a single series with the Notes shall be constituted by a deed supplemental to the Trust Deed.

17. Governing Law and Submission to Jurisdiction

17.1 Governing Law

The Trust Deed and the Notes and any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes are governed by, and construed in accordance with, English law save that provisions in these Conditions and in the Trust Deed relating to Noteholders' meetings, the *mandatario con rappresentanza* pursuant to articles 1703, 1704 et seq. of the Italian Civil Code, the *rappresentante* pursuant to article 2414-bis, paragraph 3 of the Italian Civil Code and the *rappresentante comune* pursuant to articles 2417 and 2418 of the Italian Civil Code are subject to compliance with mandatory provisions of Italian law.

17.2 Submission to Jurisdiction

English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed or the Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes (a “**Dispute**”) and each of the Issuer, the Trustee and any Noteholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

For the purposes of this Condition, each of the Issuer, the Trustee and any Noteholders waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

17.3 Appointment of Process Agent

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

17.4 Other Documents

The Issuer has in the Agency Agreement and the Trust Deed submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

18. Rights of Third Parties

No rights are conferred on any Person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any Person which exists or is available apart from that Act.

TERMS AND CONDITIONS OF THE FLOATING RATE NOTES

The following is the text of the Conditions of the Floating Rate Notes which (subject to modification) will be endorsed on each Floating Rate Note (as defined below) in definitive form (if issued):

The €700,000,000 Senior Secured Floating Rate Notes due 2031 are issued by FiberCop S.p.A., with sole shareholder Optics Holdco Group – Direction and coordination of Optics Holdco S.r.l. (the “**Issuer**”), a joint stock company organised under the laws of Italy, pursuant to articles 2410 and following of the Italian Civil Code are referred to as the “**Notes**.”

The Notes are constituted by a trust deed (the “**Trust Deed**”) entered into on 27 June 2025, being the date of the issuance of the Notes (the “**Issue Date**”), among, *inter alios*, the Issuer, Citibank, N.A., London Branch, as trustee (the “**Trustee**”) and UniCredit S.p.A., as security agent and *mandatario con rappresentanza* of the Trustee and of the Noteholders from time to time pursuant to articles 1703, 1704 et seq. of the Italian Civil Code and representative (*rappresentante*) of the Noteholders from time to time pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code, in connection with the creation, enforcement, and administration of the Collateral (the “**Security Agent**”). The Trustee has, on the Issue Date, acceded to the intercreditor agreement (the “**Intercreditor Agreement**”) dated 19 December 2023 among, *inter alios*, the Issuer and the Security Agent. Terms defined in the Trust Deed have the same meanings in these Conditions. The issuance of the Notes was authorised by a resolution of the Board of Directors’ meeting of the Issuer passed on 10 June 2025, *inter alia*.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed, the Intercreditor Agreement, any Additional Intercreditor Agreement(s) (as defined below) and the Agency Agreement dated on or around the Issue Date (the “**Agency Agreement**”) made between the Issuer, Citibank, N.A., London Branch, as principal paying agent (the “**Principal Paying Agent**”), as a paying agent (a “**Paying Agent**”) and as a calculation agent (the “**Calculation Agent**”), Citibank Europe plc, as registrar (the “**Registrar**”) and as transfer agent (a “**Transfer Agent**” and together with the Principal Paying Agent, any Paying Agent, the Calculation Agent and the Registrar, the “**Agents**” and each an “**Agent**”) and the Trustee: (a) are available for inspection or collection at all reasonable times during normal business hours by the Noteholders at the principal office for the time being of the Trustee, being at the date of issue of the Notes at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom, and at the specified office of any Agents; or (b) may be provided by email to a Noteholder; in each case, following prior written request by the Noteholder to the Trustee, any Agents or the Issuer therefor and provision of proof of holding and identity (in a form satisfactory to the Trustee, the relevant Agent or the Issuer, as the case may be). The Trust Deed is subject to the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement(s). The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Intercreditor Agreement and all the provisions of the Agency Agreement applicable to them.

The term “**Transaction Documents**” means each of the Notes, the Trust Deed, these Conditions, the Agency Agreement, the Intercreditor Agreement, the Security Documents, in each case, as amended, novated, supplemented (including pursuant to any Supplemental Trust Deed), extended, restated and/or replaced from time to time, and any other document designated as a “**Transaction Document**” by the Trustee acting in accordance with an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

1. **Form, Specified Denomination, Title and Transfers**

1.1 **Form and Denomination**

The Notes are issued in the specified denomination of €100,000 and integral multiples of €1,000 in excess thereof.

The Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 1.4, each Certificate shall represent the entire holding of Notes by the same holder.

1.2 **Title**

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept at the registered office of the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).

1.3 **Holder Absolute Owner**

Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” and “**holder**” means the person in whose name a Note is registered.

1.4 **Transfer**

A holding of Notes may, subject to Condition 1.8, be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Notes to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Notes to a person who is already a holder of Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Notes and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available at all reasonable times during normal business hours by the Registrar to any Noteholder upon request or may be provided by email to a Noteholder following their prior written request to the Registrar and provision of proof of holding and identity (in form satisfactory to the Registrar).

1.5 **Exercise of Options or Partial Redemption in Respect of Notes**

In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent.

1.6 **Delivery of New Certificates**

Each new Certificate to be issued pursuant to Condition 1.4 or 1.5 shall be available for delivery within three business days (as defined in Condition 5.5) of receipt of a duly completed form of

transfer or Put Notice and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Put Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or Put Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Issuer or the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/ or such insurance as any of them may specify.

1.7 Transfer or Exercise Free of Charge

Certificates, on transfer, exercise of an option or partial redemption, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Issuer, the Registrar or the relevant Transfer Agent may require).

1.8 Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Note, (ii) during the period of 15 days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to these Conditions, (iii) after any such Note has been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date.

2. Status of Notes, Guarantee and Security

2.1 Status of Notes

The Notes are unconditional, unsubordinated and secured obligations of the Issuer (or its successor) and rank *pari passu* among themselves and (save as aforesaid and for certain obligations required to be preferred by law) at least equally with all other unsubordinated obligations of the Issuer from time to time outstanding, including the liabilities under the Senior Facilities Agreement (as defined below) and the Existing Notes (as defined below).

2.2 Guarantees

On the Issue Date, the Notes will not be guaranteed.

The Issuer will not cause or permit any of its Subsidiaries that are not Guarantors to Guarantee any indebtedness under the Senior Facilities Agreement or the Existing Notes, in whole or in part, unless, such Subsidiary becomes a Guarantor on the date on which such other Guarantee is incurred and, if applicable, executes and delivers a deed supplemental to the Trust Deed to the Trustee, such supplemental trust deed being substantially in the form attached to the Trust Deed, pursuant to which such Subsidiary will provide a Notes Guarantee, which Notes Guarantee will be *pari passu* with such Subsidiary's Guarantee of the Senior Facilities Agreement or the Existing Notes, as the case may be.

Notwithstanding the foregoing and any other provision of these Conditions, including for the avoidance of doubt Conditions 2.3 (*Security*) and 3.1 (*Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements*), the Issuer shall not be obligated to cause any Subsidiary to Guarantee the Notes or provide security to the extent and for so long as the inurrence of such Guarantee could reasonably be expected to give rise to or result in: (1) any

violation of applicable law or regulation; (2) any liability for the officers, directors or (except in the case of a Subsidiary that is a partnership) shareholders of such Subsidiary (or, in the case of a Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (1) of this paragraph undertaken in connection with, such Guarantee, which in any case under any of clauses (1), (2) and (3) of this paragraph cannot be avoided through measures reasonably available to the Issuer or a Subsidiary; or (4) an inconsistency with the Intercreditor Agreement or the Agreed Security Principles.

The Trust Deed shall provide that any Guarantor will unconditionally and irrevocably guarantee on a joint and several basis (i) the due and punctual payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Notes and (ii) the performance by the Issuer of all of its obligations under the Trust Deed and the Notes, in each case subject to the Agreed Security Principles (as defined below) and any relevant enforceability exceptions, and to limitations on the amount of such Notes Guarantee imposed by the laws of the relevant jurisdiction. Each Guarantor's obligations in respect of this Condition 2.2 (*Guarantees*) (each, a "**Notes Guarantee**" and together the "**Notes Guarantees**") shall be contained in the Trust Deed. The Trust Deed shall also provide that the Trustee shall, subject to such amendment of, or supplement to, the Trust Deed as the Trustee may require and subject to the fulfilment of the conditions set out in the Trust Deed, but without the consent of the Noteholders, consent to any such Notes Guarantee being provided by any Guarantor.

Each Notes Guarantee will constitute a direct and unconditional obligation of the relevant Guarantor and will rank at least *pari passu* with all other outstanding unsubordinated obligations of the relevant Guarantor, present and future, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The agreed security principles included in the Trust Deed, as applied in good faith by the Issuer (the "**Agreed Security Principles**") apply to the granting of guarantees and security in respect of obligations under the Senior Facilities Agreement, the Existing Notes and the Notes.

In these Conditions:

"Guarantor" means any Person providing a Notes Guarantee; and

"Person" means any individual, corporation, partnership, joint venture, limited liability company, trust, unincorporated organisation or government or agency or political subdivision thereof.

A Notes Guarantee of a Guarantor will be automatically and unconditionally released (and thereupon will terminate and be discharged and be of no further force and effect):

- (a) so long as no Event of Default has occurred and is continuing, to the extent that such Guarantor is unconditionally released and discharged from its liability with respect to the Senior Facilities Agreement;
- (b) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement (defined below), including in connection with a Group Pushdown (as defined below);
- (c) with respect to any Guarantor which is not the continuing or surviving Person in the relevant consolidation or merger, as a result of a transaction permitted by Condition 3.2 (*Mergers and Similar Events*) and the Trust Deed;

- (d) upon full payment of all obligations of the Issuer and the Guarantors under the Trust Deed and the Notes;
- (e) in connection with a solvent liquidation of such Guarantor pursuant to which substantially all of the assets of such Guarantor remain owned by the Issuer or a Guarantor; or
- (f) in connection with a Release Condition (as defined below).

2.3 Security

The obligations of the Issuer under the Notes and the Trust Deed and the obligations of the Guarantors under the Notes Guarantees are secured in favour of (A) the Trustee for the benefit of itself (B) the Security Agent as *rappresentante* of the Noteholders pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code and (C) the Noteholders as a class, (together the “**Secured Creditors**”) as follows:

- (a) as of the Issue Date, by Italian law-governed first-ranking security interests granted by Optics HoldCo S.r.l. (“**Optics HoldCo**”) over: (i) the issued share capital of the Issuer held by Optics HoldCo; and (ii) receivables arising from material intercompany loans granted by Optics HoldCo to the Issuer (if any) (the “**Issue Date Collateral**”); and
- (b) subsequent to the Issue Date, subject to the Agreed Security Principles, if any Subsidiary of the Issuer grants security in connection with providing a Guarantee under the Senior Facilities Agreement or the Existing Notes (any such security, an “**Existing Financing Security**”), then the Issuer shall promptly notify the Trustee in writing and procure that as of the date that such Existing Financing Security is granted the obligations of the Issuer under the Notes and the Trust Deed and the obligations of each of the Guarantors under the relevant Notes Guarantee shall be further secured in favour of the Secured Creditors (or such of the Secured Creditors as may be necessary under applicable legislation in order to create such security in respect of the Notes) by the same security interest as such Existing Financing Security (each such security interest “**Additional Collateral**” and, together with the Issue Date Collateral, the “**Collateral**”).

“**Existing EUR Notes**” means, collectively, the euro-denominated senior secured notes issued by the Issuer on the Existing Notes Issue Date constituted by a trust deed between, among, *inter alios*, the Issuer, as issuer, Citibank, N.A., London Branch, as trustee and Unicredit S.p.A., as security agent and *mandatario con rappresentanza* pursuant to articles 1703, 1704 et seq. of the Italian Civil Code and representative (*rappresentante*) of the Trustee and of the holders of the Existing EUR Notes from time to time pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code.

“**Existing Notes**” means, collectively, the Existing EUR Notes and the Existing USD Notes.

“**Existing Notes Issue Date**” means 1 July 2024.

“**Existing USD Notes**” means, collectively, the dollar-denominated senior secured notes issued by the Issuer on the Existing Notes Issue Date pursuant to an indenture among, *inter alios*, the Issuer, as issuer, Citibank, N.A., London Branch, as trustee and Unicredit S.p.A., as security agent and *mandatario con rappresentanza* pursuant to articles 1703, 1704 et seq. of the Italian Civil Code and representative (*rappresentante*) of the holders from time to time pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code.

“**Security Documents**” means the security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the

Trust Deed or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time, creating the security interests in the Collateral as contemplated by the Trust Deed.

All Collateral shall be subject to the operation of the Agreed Security Principles, certain significant limitations pursuant to applicable laws (including but not limited to applicable laws relating to financial assistance and rules and principles on corporate benefit), and any Permitted Encumbrances.

In addition to securing the Notes as aforesaid, the Collateral will secure the Existing Notes and liabilities under the Senior Facilities Agreement. Furthermore, subject to certain conditions, including compliance with Condition 3.3 (*Impairment of Security Interest*) and, subject to the Agreed Security Principles, the Collateral may also secure other indebtedness, including on a basis junior to and *pari passu* with the Notes, and the Issuer is permitted to grant security over the Collateral in connection with future issuances of its indebtedness, including any additional Notes, as permitted under the Trust Deed and the Intercreditor Agreement. Any proceeds received upon the enforcement over any Collateral will be applied pro rata in payment of all liabilities in respect of obligations under the Intercreditor Agreement, the Trust Deed and any other indebtedness secured by the Collateral on a *pari passu* basis.

“Senior Facilities Agreement” means the senior facilities agreement dated 19 December 2023 (as amended and restated on 8 April 2024 and as may be further amended, supplemented or otherwise modified from time to time) between, among others, the Issuer, UniCredit S.p.A., as facility agent and security agent, and the lenders named therein.

By reason of accepting or acquiring a Note, each Noteholder, also in case of transfer of any of the Notes, shall be deemed to:

- (i) have irrevocably agreed to appoint and accepted the appointment of the Security Agent to act as its agent under the Intercreditor Agreement and the other relevant documents to which it is a party (including, without limitation, the Security Documents);
- (ii) have irrevocably agreed to appoint, accepted and recognised the appointment of the Security Agent as *mandatario con rappresentanza* of the Trustee and the Noteholders pursuant to articles 1703, 1704 et seq. of the Italian Civil Code;
- (iii) have irrevocably agreed to appoint, accepted the appointment of and recognised the Security Agent as its representative (*rappresentante*) pursuant to and for the purposes of article 2414-bis, paragraph 3, of the Italian Civil Code, acting in its name and on its behalf under, in connection with, or in respect of the Collateral and the Notes Guarantees (in accordance with, and with the benefit of the full protection set out in, the Trust Deed and the Intercreditor Agreement), with express authorisation to self-dealing under any applicable law and also pursuant to article 1394 and article 1395 of the Italian Civil Code;
- (iv) have agreed to and accepted the terms and conditions of the Intercreditor Agreement, and to have authorized the Trustee and the Security Agent to enter into any one or more amendments to any Intercreditor Agreement, as contemplated herein;
- (v) have agreed to be bound by the terms of any document to which the Security Agent or the Trustee is or will be a party as if such Noteholder was itself a signatory thereto;

- (vi) have irrevocably authorised and instructed the Trustee to accede to the Intercreditor Agreement as Senior Notes Trustee (as such term is defined therein) on behalf of the Trustee and the Noteholders by delivering a completed and signed Creditor/Agent Accession Undertaking pursuant to and as defined in the Intercreditor Agreement;
- (vii) have irrevocably authorised each of the Security Agent and the Trustee to: (a) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement, the Trust Deed or other documents to which it is a party (including, without limitation, the Security Documents), together with any other incidental rights, power and discretions; and (b) execute each document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Trustee or the Security Agent on its behalf and, in the case of the Security Agent also for the purposes of articles 1703, 1704 et seq. of the Italian Civil Code, as *mandatario con rappresentanza* on behalf of the Trustee and the Noteholders and representative (*rappresentante*) of the Noteholders pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code;
- (viii) have agreed and acknowledged that the Security Agent and the Trustee will administer the Collateral and the Notes Guarantees in accordance with the Intercreditor Agreement, the Trust Deed and the Security Documents;
- (ix) have granted to the Security Agent the power to negotiate and approve the terms and conditions of such Security Document and the Notes Guarantees, execute any such Security Documents, execute any other agreement or instrument (including without limitation those mentioned in the Security Documents and those necessary or appropriate to confirm, extend and/or amend the security interest created under the Security Documents), give or receive any notice or declaration, identify and specify to third parties the names of the Secured Creditors at any given date, and take any other action in relation to the creation, perfection, maintenance, enforcement and release of the security created thereunder, in each case in the name and on behalf of the Secured Creditors;
- (x) have authorised the Trustee and the Security Agent (including in its capacity as representative (*rappresentante*) of the Noteholders pursuant to and for the purposes of article 2414-bis, paragraph 3, of the Italian Civil Code), as appropriate, to enter into any such Security Document, Intercreditor Agreement or Additional Intercreditor Agreement, as applicable, and to be bound thereby;
- (xi) have accepted the terms and conditions of the Security Documents (including, without limitation, the provisions providing for foreclosure and release of Collateral and authorising the Security Agent to enter into any Security Document on its behalf), Intercreditor Agreement and any Additional Intercreditor Agreement (as defined below);
- (xii) have granted to the Security Agent the power to take any action, whether substantial and/or procedural, claim or proceeding, including any interim actions, injunctions (*procedimenti cautelari or ingiuntivi*) or enforcement actions brought in connection with the Security Documents, the security interest created thereunder or the assets over which the security interest have been created (*legittimazione attiva and passiva*) as well as the Notes Guarantees in the name and on behalf of the Secured Creditors;

- (xiii) have confirmed that in the event that any security created under the Security Documents governed by Italian law remains registered in the name of a Secured Creditor after it has ceased to be a Secured Creditor then the Security Agent shall remain empowered to execute a release of such security in its name and on its behalf;
- (xiv) have undertaken to ratify and approve any such action taken in compliance with the Intercreditor Agreement, these Conditions and the Trust Deed and in the name and on behalf of the Secured Creditors by the Security Agent acting in its appointed capacity;
- (xv) without prejudice to the foregoing, have granted all the widest powers so that the Security Agent, through any of its legal representatives, executives, middle managers and/or attorneys, may, acting in the name and on behalf of each Secured Creditor:
 - (A) exercise all rights, powers and discretion, execute all documents and take all actions, which are expressed to be exercised, executed or taken by the Security Agent under or in connection with each Security Document or the Collateral created thereunder;
 - (B) execute:
 - 1. any amendment or supplement to each Security Document;
 - 2. all deeds and documents pursuant to any Security Document and any other deed or document contemplated by each of the Security Documents;
 - 3. any document for, or in connection with the release of the Collateral; and
 - 4. take any enforcement action in respect of the Collateral; and
- (xvi) have agreed that the Security Agent will be exempt from any reporting duty (*obbligo di rendiconto*) pursuant to article 1713 of the Italian Civil Code, save as in the case of its gross negligence (*colpa grave*) and wilful misconduct (*dolo*).

The appointment of the Security Agent as *mandatario con rappresentanza* of the Trustee and the Noteholders pursuant to articles 1703, 1704 et seq. of the Italian Civil Code and as *rappresentante* of the Noteholders pursuant to article 2414-bis, paragraph 3, of the Italian Civil Code in order to create and grant in its favour security interests and guarantees securing and guaranteeing the Notes and entitle it to exercise in the name and on behalf of the Noteholders all their rights (including any rights before any court and judicial proceedings) relating to such security interests and guarantees and as security agent generally shall remain in full force until the Notes are redeemed in full, unless such appointment is previously revoked or the Security Agent resigns, in accordance with the provisions of the Intercreditor Agreement and the Trust Deed.

The Noteholders shall not have any independent power to enforce, or have recourse to, the Collateral or the Notes Guarantees or to exercise any right, power, authority or discretion arising under the Security Documents except through the Security Agent in the manner contemplated by the Intercreditor Agreement and the Trust Deed.

The Issuer and/or the Guarantors will be entitled to require the release of the Collateral (in whole or in part) in accordance with and subject to the terms of the Intercreditor Agreement under any one or more of the following circumstances:

- (a) upon payment in full of principal, interest and all other obligations on the Notes and under the Trust Deed or discharge or defeasance thereof;
- (b) upon release of a Notes Guarantee of the Notes (with respect to the Encumbrances securing such Notes Guarantee granted by such Guarantor);
- (c) in connection with any disposition of Collateral to any Person, except in the case of Collateral granted by Optics HoldCo;
- (d) in connection with certain enforcement actions taken by the creditors under certain of the Issuer's secured indebtedness as provided under the Intercreditor Agreement, or otherwise any release in compliance with the Intercreditor Agreement;
- (e) as may be permitted by Condition 3.3 (*Impairment of Security Interest*);
- (f) in order to effectuate a merger, consolidation, conveyance or transfer conducted in compliance with Condition 3.2 (*Mergers and Similar Events*);
- (g) upon the release of any Existing Financing Security or Encumbrance securing Capital Markets Indebtedness (as defined below) that triggered the obligation to grant security interests on such Collateral in favour of the Secured Creditors pursuant to sub-paragraph (b) of the first paragraph of this Condition 2.3 (*Security*) or Condition 3.1 (*Restrictions on Security Interests*), as applicable; *provided* that no other Existing Financing Security or Encumbrance with respect to Capital Market Indebtedness at that time would result in the requirement to grant security interests on such Collateral in favour of the Secured Creditors pursuant to sub-paragraph (b) of the first paragraph of this Condition 2.3 (*Security*) or Condition 3.1 (*Restrictions on Security Interests*), as applicable;
- (h) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement, including in connection with a Group Pushdown; and
- (i) in connection with a Release Condition.

"Release Condition" means the long-term corporate credit rating of the Issuer is equal to or better than BBB- (or its equivalent) from at least two rating agencies; *provided* that at least one of such ratings agencies is either Standard & Poor's or Moody's.

Each of these releases shall be effected by the Security Agent (upon direction of the Trustee, acting in accordance with the Trust Deed and Intercreditor Agreement), *provided* that, in the event that the Trustee is required by the Issuer or any Guarantor or the Security Agent to consent to (or to instruct the Security Agent to effect) the release of Collateral in the circumstances set out above, the Trustee (and the Security Agent when instructed) shall only be obliged to do so if (i) the Issuer delivers to the Trustee and the Security Agent a certificate signed by an Authorised Signatory (as defined in the Trust Deed) of the Issuer and a written opinion from legal counsel reasonably satisfactory to the Trustee and the Security Agent that the relevant condition(s) under paragraphs (a)-(i) above has been satisfied in relation to any such release, and (ii) each of the Trustee and Security Agent is indemnified to its satisfaction. The Trustee and the Security Agent shall not be liable to any person for (i) relying and acting upon such certificate and opinion of counsel and/or (ii) effecting or giving effect to any such release.

Any release of the Collateral other than as set forth in paragraphs (a)-(i) above shall only be permitted in accordance with the Trust Deed and the Intercreditor Agreement.

Subject to the provisions of the Intercreditor Agreement, the Security Agent may only release the Collateral constituted by the Security Documents and the Trust Deed prior to the relevant discharge date provided under the Security Documents in accordance with, and in order to comply with, the Trust Deed, the Intercreditor Agreement, the Security Documents and these Conditions. Neither the Security Agent nor the Trustee shall be required to monitor, check or satisfy itself if the pre-conditions to any such release have been fulfilled and shall have no responsibility or liability whatsoever to the Issuer, the Noteholders, the other Secured Creditors or any other person in respect thereof.

Under and pursuant to the Intercreditor Agreement, the Trustee is entitled to seek instructions from the Noteholders (whether by way of Extraordinary Resolution or as otherwise provided under the Trust Deed) and, where it acts on the instructions of the Noteholders, the Trustee shall not incur any liability to any person for so acting. The Trustee is not liable to any person for any loss suffered as a result of any delay caused as a result of its seeking instructions from the Noteholders.

The Trust Deed shall provide that upon the release of the Collateral in accordance with the Trust Deed and provided that the Collateral does not secure any other Capital Market Indebtedness, the Issuer may, at its discretion, by notice in writing signed by an Authorised Signatory of the Issuer to the Trustee and the Security Agent, require the Trustee and the Security Agent confirming release of the Collateral in accordance therewith and that the Collateral does not secure any other Capital Markets Indebtedness (which notice shall be conclusive and binding) to (i) resign from the Intercreditor Agreement or (ii) provide their consent to the termination of the Intercreditor Agreement. In this event, the Trustee and the Security Agent shall, following receipt of such notice from the Issuer and at the expense and cost of the Issuer, resign from the Intercreditor Agreement and provide their consent to the termination of the Intercreditor Agreement. The Trustee and the Security Agent shall not be liable to any person for relying and acting upon such notice, resigning from the Intercreditor Agreement and/or consenting to the termination of the Intercreditor Agreement.

2.4 Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements

In connection with the incurrence of any indebtedness by the Issuer or any of its Subsidiaries that is permitted to share in the Collateral (and which the Issuer elects shall share in the Collateral), the Trustee and the Security Agent shall, at the request of the Issuer and without the consent of Noteholders, enter into with the Issuer, the relevant Subsidiaries and the holders of such indebtedness (or their duly authorised representatives) one or more intercreditor agreements or deeds (including a restatement, replacement, amendment or other modification of the Intercreditor Agreement) (an “**Additional Intercreditor Agreement**”), on substantially the same terms as the Intercreditor Agreement (or terms that are not materially less favourable to the Noteholders) and substantially similar as applies to sharing of the proceeds of security and enforcement of security, priority and release of security; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or the Security Agent or, in the opinion of the Trustee or the Security Agent, as applicable, or adversely affect the rights, duties, liabilities, disclaimers, indemnifications or immunities of the Trustee or the Security Agent under the Trust Deed or the Intercreditor Agreement. In connection with the foregoing, the Issuer shall furnish to the Trustee such documentation in relation thereto as it may reasonably require. As used in these Conditions, a reference to the Intercreditor Agreement will also include any Additional Intercreditor Agreement.

The Trust Deed will also provide that (subject to the terms of the Intercreditor Agreement), at the written direction of the Issuer and without the consent of Noteholders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor

Agreement to: (a) cure any ambiguity, omission, defect or inconsistency of any such agreement; (b) increase the amount or types of indebtedness covered by any such Intercreditor Agreement that may be incurred by the Issuer or its Subsidiaries that is subject to any such Intercreditor Agreement; (c) add guarantors to the Intercreditor Agreement; (d) further secure the Notes (including additional Notes); (e) make provision to implement any Permitted Encumbrances in accordance with the terms of the Trust Deed; or (f) make any other change to any such agreement that is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders.

The Issuer shall not otherwise direct the Trustee or Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the holders of a majority in aggregate principal amount of the Notes then outstanding, except as permitted by the terms of the Trust Deed or such Intercreditor Agreement, and the Issuer may only direct the Trustee or Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities, disclaimers, indemnifications or immunities under the Trust Deed or any Intercreditor Agreement.

Each Noteholder, by reason of accepting or acquiring a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have authorised the Trustee and the Security Agent to enter into the Intercreditor Agreement, any amendments referenced in the foregoing paragraphs of this covenant and any Additional Intercreditor Agreement on each Noteholder's behalf.

2.5 Debt Pushdown

On, in contemplation of, or following a Listing (as defined in the Intercreditor Agreement), the terms of the Intercreditor Agreement provide (and the Trust Deed and the Notes shall be subject to such provisions) that the Issuer or its successor shall be entitled (without the consent of the Noteholders) to require (by written notice to the Trustee and the Security Agent) that the terms of the Trust Deed, the Intercreditor Agreement (and any Additional Intercreditor Agreement) and the Security Documents shall operate (with effect from the date specified in such notice) as provided in Clause 19.15 (*Group Pushdown*) of the Intercreditor Agreement (a “**Group Pushdown**”). Pursuant to the Trust Deed and the Intercreditor Agreement, the Trustee and the Security Agent have agreed to enter into any amendment to the Trust Deed, the Intercreditor Agreement (and any Additional Intercreditor Agreement) or the Security Documents required by the Issuer and/or take such other action as is required by the Issuer in order to facilitate or reflect or complete or implement any of the matters contemplated by Clause 19.15 (*Group Pushdown*) of the Intercreditor Agreement and this Condition 2.5. The Issuer has irrevocably authorised and instructed in accordance with the Trust Deed, and each Noteholder – by reason of accepting or acquiring a Note – shall be deemed to irrevocably authorise and instruct, the Trustee and the Security Agent to do so without any consent, sanction, authority or further confirmation from any Noteholder. Neither the Trustee nor the Security Agent shall be liable to any person for relying and acting upon such authorisations and instructions.

3. Covenants

3.1 Restrictions on Security Interests

Neither the Issuer nor Optics HoldCo shall create or permit to subsist any Encumbrance (other than a Permitted Encumbrance) to secure Capital Markets Indebtedness over all or any of the present or future revenues or assets of: (a) the Issuer; or (b) any Subsidiary, except if the Notes are, subject to the Agreed Security Principles, secured equally and rateably with (in the case of Encumbrances with respect to Capital Markets Indebtedness that is *pari passu* with the Notes), or prior to (in the case of Encumbrances with respect to Capital Markets Indebtedness that is

subordinated to the Notes) such Capital Markets Indebtedness for so long as such Capital Markets Indebtedness is so secured; *provided* that sub-paragraph (b) shall apply only to Capital Markets Indebtedness of any Subsidiary where such Capital Markets Indebtedness is secured by, or benefits from, any such Encumbrance and is also guaranteed by the Issuer under a Guarantee.

For the avoidance of doubt in respect of asset-backed financing (either by way of a securitization or otherwise) whereby the relevant assets are originated by the Issuer, the expression assets does not include assets which, pursuant to IFRS, currently need not be, and are not, reflected in the balance sheet of the Issuer.

“Capital Markets Indebtedness” means any obligation for the payment of borrowed money which is in the form of, or represented or evidenced by, any certificate of indebtedness, bond, note or other security which is listed or traded on a stock exchange or other recognised securities market issued by the Issuer. For the avoidance of doubt: (a) Capital Markets Indebtedness shall not include any Non-recourse Securitization Debt; and (b) in respect of asset-backed financings originated by the Issuer, the expressions **“assets”** and **“obligations for the payment of borrowed money”** as used in this definition do not include assets and obligations of the Issuer which, pursuant to the requirements of law and accounting principles generally accepted in Italy, currently need not, and are not, reflected in the balance sheet of the Issuer, as the case may be.

“Encumbrance” means: (a) any mortgage, charge, pledge, lien or other encumbrance (excluding any Guarantee) securing any obligation of any Person; and (b) any arrangement providing a creditor with a prior right to an asset, or its proceeds of sale, over other creditors in a liquidation.

“Group” means the Issuer and its Subsidiaries from time to time.

“Guarantee” means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any Person or to make an investment in or loan to any Person or to purchase assets of any Person where, in each case, such obligation is assumed in order to maintain or assist the ability of such Person to meet its indebtedness.

“IFRS” means International Financial Reporting Standards (formerly International Accounting Standards) endorsed from time to time by the European Union or any variation thereof with which the Issuer or its Subsidiaries are, or may be, required to comply.

“Non-recourse Securitization Debt” means any indebtedness incurred in respect of or in connection with any securitization or similar financing arrangement relating to assets owned by the Issuer or its Subsidiaries and where the recourse of the holders of such indebtedness against the Issuer is limited solely to such assets or any income generated therefrom (other than representations, repurchase obligations or other obligations customary in securitization transactions).

“Permitted Encumbrance” means:

- (a) any Encumbrance in existence on the Issue Date;
- (b) any Encumbrance over or affecting any asset acquired by the Issuer or its Subsidiaries after the Issue Date, if:
 - (i) such Encumbrance was not created in contemplation of the acquisition of such asset by the Issuer or its Subsidiaries;

- (ii) the amount thereby secured has not been increased in contemplation of, or since the date of, the acquisition of such asset by the Issuer or its Subsidiaries;
- (c) any netting or set-off arrangement entered into by any member of the Group in the normal course of its banking arrangements (including any cash pooling, net balance, balance transfer or similar arrangements entered into by the Group) for the purpose of netting debit and credit balances or the provision of general banking and overdraft facilities;
- (d) any Encumbrance over or affecting any asset of any company which becomes a Guarantor after the Issue Date, where such Encumbrance is created prior to the date on which such company becomes a Guarantor, if:
 - (i) such Encumbrance was not created in contemplation of that company becoming a Guarantor; and
 - (ii) the amount thereby secured has not been increased in contemplation of, or since the date of, that company becoming a Guarantor;
- (e) any Encumbrance by way of set-off, title transfer, retention of title arrangement, conditional sale agreements or trust relationships or other liens entered into by any member of the Group in the ordinary course of business;
- (f) Encumbrances created in substitution for any Encumbrance permitted under sub-paragraphs (a) and (b) over the same or substituted assets if:
 - (i) the principal amount secured by the substitute Encumbrance does not exceed the principal amount outstanding and secured by the initial Encumbrance; and
 - (ii) in the case of substituted assets, if the market value of the substituted assets at the time of the substitution does not exceed the market value of the assets replaced;
- (g) Encumbrances created to secure: (i) loans provided, supported or subsidized by a governmental agency, export credit agency, national or multinational investment guarantee agency or a lending organisation established by the United Nations, the European Union or other international treaty organisation, including, without limitation, the European Investment Bank, the European Bank for Reconstruction and Development and the International Finance Corporation; or (ii) Project Finance Indebtedness; *provided* that, in each case, the Encumbrance is created on an asset of the project being financed by such loans (and/or on the shares in, and/or shareholder loans made to, the company conducting such project), or as the case may be, such Project Finance Indebtedness and remains confined to that asset (and/or shares and/or shareholder loans);
- (h) Encumbrances arising out of the refinancing of any Capital Markets Indebtedness secured by any Encumbrance permitted by sub-paragraphs (a) through (g) above; *provided* that the amount of such Capital Markets Indebtedness is not increased (other than in connection with additional Capital Markets Indebtedness incurred in an amount equal to the premiums (including tender premiums), accrued and unpaid interest, expenses, defeasance costs and fees in connection with refinancing of any such Capital Markets Indebtedness) and such Capital Markets Indebtedness is not secured by an Encumbrance over any additional assets;
- (i) any Encumbrance arising by operation of law or regulation;

- (j) any Encumbrance created in connection with convertible bonds or notes where the Encumbrance is created over the assets into which the convertible bonds or notes may be converted and secures only the obligation of the Issuer to effect the conversion of the bonds or notes into such assets;
- (k) any Encumbrance created in the ordinary course of business to secure any Capital Markets Indebtedness under hedging transactions (other than hedging transactions for speculative purposes (as determined in good faith by the Issuer));
- (l) any Encumbrance arising under finance leases, hire purchase, conditional sale agreements or other agreements for the acquisition of assets on deferred payment terms as permitted under the Trust Deed or otherwise in connection with any leasing (including sale and leaseback transactions), rent securitization (including ground rent), vendor financing or similar arrangements permitted by the Trust Deed;
- (m) any Encumbrance created on short-term receivables used in any asset backed financing;
- (n) any Encumbrance on real estate assets of the Issuer, any Subsidiary or any Person to which such real estate assets may be contributed by the Issuer or any Subsidiary in connection with the issuance of any indebtedness, whether such indebtedness is secured or unsecured by such real estate assets or any other assets of such Person to which real estate assets have been contributed by the Issuer or any Subsidiary;
- (o) any Encumbrance arising by operation of law in respect of taxes being contested in good faith or required to be created in favour of any tax or other government authority or organisation in order to appeal against or otherwise challenge tax assessments and/or claims in good faith;
- (p) any Encumbrance created in connection with pension liabilities or partial retirement liabilities;
- (q) any Encumbrance arising under or pursuant to the Senior Facilities Agreement or any refinancing thereof; and
- (r) any other Encumbrance securing Capital Markets Indebtedness; *provided* that the aggregate outstanding principal amount of indebtedness secured thereunder does not exceed the greater of €1,000,000,000 or, if higher, 100% of Relevant EBITDA.

“Project Finance Indebtedness” means any indebtedness incurred by a debtor to finance the ownership, acquisition, construction, development and/or operation of an asset in respect of which the Person or Persons to whom such indebtedness is, or may be, owed have no recourse whatsoever for the repayment of or payment of any sum relating to such indebtedness other than:

- (a) recourse to such debtor for amounts limited to the cash flow from such asset; and/or
- (b) recourse to such debtor generally, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for breach of an obligation, representation or warranty (not being a payment obligation, representation or warranty or an obligation, representation or warranty to procure payment by another or an obligation, representation or warranty to comply or to procure compliance by another with any financial ratios or other test of financial condition) by the Person against whom such recourse is available; and/or

- (c) if such debtor has been established specifically for the purpose of constructing, developing, owning and/or operating the relevant asset and such debtor owns no other significant assets and carries on no other business, recourse to all of the assets and undertaking of such debtor and the shares in the capital of such debtor and shareholder loans made to such debtor.

“**Subsidiary**” means a corporation in respect of which more than 50% of the outstanding voting shares or equity interest having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by the Issuer or by one or more of its Subsidiaries, or by the Issuer and one or more Subsidiaries.

3.2 **Mergers and Similar Events**

So long as any Note remains outstanding, the Issuer may consolidate or merge with another company or firm, sell or lease all or substantially all of its assets to another company or buy or lease all or substantially all of the assets of another company, *provided* that the Issuer shall not take any of these actions unless:

- (a) where the Issuer merges out of existence or sells or leases all or substantially all of its assets, the acquiring or resulting company assumes, either by law or contractual arrangements, all obligations of the Issuer under the Trust Deed, the Notes, the Intercreditor Agreement, the Agency Agreement and the Security Documents;
- (b) if the other company is organized under the laws of a country other than the Republic of Italy, it indemnifies the Noteholders against: (i) any tax, assessment or governmental charge imposed on any such Noteholder or required to be withheld or deducted from any payment to such Noteholder as a consequence of such merger, conveyance, transfer or lease; and (ii) any costs or expenses incurred by such Noteholder as a consequence of the act of such merger, conveyance, transfer or lease; *provided however* that, if such company is incorporated in the Republic of Italy, such other company shall only be liable under such indemnity to pay any Additional Amounts (as defined below) on the same terms and subject to the same limitations already provided by Condition 7.1 below; and
- (c) no Event of Default or other event which, with the giving of notice or lapse of time or other condition (including, without limitation, certification from the Trustee), would be an Event of Default, has occurred and is outstanding,

in each case, *provided* that the Issuer delivers to the Trustee a certificate signed by a director of the Issuer and a written opinion from legal counsel reasonably satisfactory to the Trustee as to compliance with the merger or assumption provisions set out in this Condition.

Notwithstanding the foregoing, (A) this Condition does not apply to any transaction or arrangement pursuant to a Permitted Change of Control Transaction (as defined below) or a Group Pushdown and (B) sub-paragraphs (b) and (c) of this Condition do not apply to the following transactions:

- (i) any Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Issuer or another Subsidiary; and
- (ii) the Issuer may merge with or into an affiliate solely for the purpose of reincorporating such entity in another jurisdiction, changing the legal domicile of the Issuer or changing the legal form (but not the tax residency) of the Issuer.

3.3 Impairment of Security Interest

Neither Optics HoldCo nor the Issuer shall take or omit to take any action that would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the incurrence of Permitted Encumbrances, or the confirmation or affirmation of security interests in respect of the Collateral, shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Secured Creditors, and neither Optics HoldCo nor the Issuer shall grant to any Person other than the Security Agent, for the benefit of the Secured Creditors and the other beneficiaries described in the Security Documents, any Encumbrance over any of the Collateral that is prohibited by Condition 3.1 (*Restrictions on Security Interests*); *provided*, that Optics HoldCo and the Issuer may incur any Encumbrance over any of the Collateral that is not prohibited by Condition 3.1 (*Restrictions on Security Interests*), including Permitted Encumbrances, and the Collateral may be discharged, transferred, depleted, consumed or released in any circumstances not prohibited by the Trust Deed, the Intercreditor Agreement or the applicable Security Documents.

Notwithstanding the above, nothing in this covenant shall restrict the discharge and release of any Encumbrance in accordance with the Conditions and the Intercreditor Agreement. Subject to the foregoing, the Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified or released (followed by an immediate retaking of an Encumbrance of at least equivalent ranking over the same assets): (a) to cure any ambiguity, omission, defect or inconsistency therein; (b) to provide for Permitted Encumbrances; (c) to add to the Collateral; (d) to make any other change thereto that does not, in the opinion of the Trustee, materially prejudice the interests of the Noteholders; or (e) for the purposes of undertaking a Permitted Change of Control Transaction or a transaction not prohibited by Condition 3.2 (*Merger and Consolidation*) (including, for the avoidance of doubt, a Group Pushdown); *provided, however*, that, (except where permitted by the Conditions or the Intercreditor Agreement or to effect or facilitate the creation of Permitted Encumbrances for the benefit of the Security Agent and holders of other indebtedness incurred in accordance with the Trust Deed), no Security Document may be amended, extended, renewed, restated or otherwise modified or released (followed by an immediate retaking of an Encumbrance of at least equivalent ranking over the same assets) pursuant to sub-paragraph (d) above, unless contemporaneously with such amendment, extension, renewal, restatement or modification or release (followed by an immediate retaking of an Encumbrance of at least equivalent ranking over the same assets), the Issuer delivers to the Security Agent and the Trustee, either: (i) a solvency opinion, in form and substance reasonably satisfactory to the Security Agent and the Trustee, from an Independent Financial Advisor or appraiser or investment bank which confirms the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or release (followed by an immediate retaking of an Encumbrance of at least equivalent ranking over the same assets); (ii) a certificate from the chief financial officer or the Board of Directors of the relevant Person which confirms the solvency of the Person granting any such Encumbrance after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or replacement; or (iii) an opinion of counsel (subject to any qualifications customary for this type of opinion of counsel), in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), the Encumbrance created under the Security Document, so amended, extended, renewed, restated, modified or released and replaced are valid and perfected Encumbrances not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Encumbrance or Encumbrances were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, modification or replacement and to which the new indebtedness secured by the Permitted Encumbrance is not subject.

In the event that the Issuer comply with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications and in accordance with and subject to the terms of the Trust Deed) consent to such actions without requiring instructions from the Noteholders.

“Independent Financial Advisor” means an investment banking or accounting firm or any third party appraiser; provided, however, that such firm or appraiser is not an affiliate of the Issuer.

3.4 Calculation of Ratios

- (a) In respect of any Measurement Period, the exchange rate used to calculate Total Net Debt shall be the same weighted average exchange rate for the same period used to calculate Consolidated EBITDA (*provided* that any amount of Financial Indebtedness will be stated so as to take into account the hedging effect of any currency hedging entered into in respect thereof).
- (b) In respect of any period, the exchange rate used to calculate Borrowings shall be stated so as to take into account the hedging effect of any currency hedging entered into in respect thereof.
- (c) (i) When determining Consolidated EBITDA for any period (including the portion thereof occurring prior to the relevant acquisition) the Issuer shall be permitted to:
 - (A) include the earnings before interest, tax, depreciation, amortisation and impairment charges (calculated on the same basis as Consolidated EBITDA, *mutatis mutandis*) for that period of any person, business or material real property acquired by the Group during such period (each such person or business acquired an **“Acquired Entity or Business”**) (provided further that the Issuer shall include such earnings to the extent that to do so would result in a decrease in Consolidated EBITDA for that period);
 - (B) include an adjustment in respect of each Acquired Entity or Business acquired during such period equal to or less than the amount of the Pro Forma Adjustment for such period consequent on the acquisition of such Acquired Entity or Business; and/or
 - (C) exclude any non-recurring costs and other expenses arising directly or indirectly as a consequence of the acquisition of such Acquired Entity or Business;
- (ii) When determining Consolidated EBITDA for any period (including the portion thereof occurring prior to such sale, transfer or disposition) the Issuer shall be permitted to:
 - (A) exclude the earnings before interest, tax, depreciation, amortisation and impairment charges (calculated on the same basis as Consolidated EBITDA, *mutatis mutandis*) for that period of any person, business or material real property sold, transferred or otherwise disposed of by any member of the Group during such period (each such person, business or property so sold, transferred or disposed of, a **“Sold Entity or Business”**) (provided further that the Issuer shall exclude such

earnings to the extent that to do so would result in a decrease in Consolidated EBITDA for that period); and/or

- (B) include an adjustment in respect of each Sold Entity or Business sold, transferred or otherwise disposed of during such period equal to or less the amount of the Pro Forma Adjustment for such period consequent on the sale, transfer or other disposal of such Sold Entity or Business; and/or
 - (C) exclude any non-recurring costs and other expenses arising directly or indirectly as a consequence of the sale or disposal of such Sold Entity or Business; and
- (iii) When determining Consolidated EBITDA for any period (including the portion thereof occurring prior to such implementation) the Issuer shall be permitted to:
- (A) include an adjustment in respect of each restructuring, cost saving or other similar initiative (each a “**Group Initiative**”) implemented by any member of the Group during such period equal to or less than the amount of the Pro Forma Adjustment for such period consequent on the implementation of such Group Initiative; and/or
 - (B) exclude any non-recurring costs and other expenses arising directly or indirectly as a consequence of the implementation of such Group Initiative; and
- (iv) When determining Consolidated EBITDA for any period (including the portion thereof occurring prior to such capital expenditure) the Issuer shall be permitted to include an adjustment in respect of any capital expenditure made during such period equal to or less the amount of the Pro Forma Adjustment for such period consequent on that capital expenditure.

For the purpose of this paragraph (c):

“**Accounting Date**” shall mean 30 June and 31st December in each year, save as any such date may be adjusted by the Issuer to avoid an Accounting Date falling on a day which is not a business day and/or to ensure that Accounting Dates fall on the same day of the week.

“**Accounting Period**” means the period commencing on the day after one Accounting Date and ending on the next Accounting Date.

“**Pro Forma Adjustment**” shall mean, for any period that includes any of the two Accounting Periods first following the acquisition of or investment in an Acquired Entity or Business, the sale, transfer or other disposal of a Sold Entity or Business, the implementation of a Group Initiative or the making of capital expenditure (the first of such two Accounting Periods starting in the Accounting Period in which such acquisition, investment, sale, transfer, disposal, implementation or expenditure occurred), with respect to Consolidated EBITDA, the pro forma increase in such Consolidated EBITDA projected by the Issuer after taking into account (for the full period) the full run rate effect of (as the case may be):

- (E) all savings and other synergies which the Issuer (acting reasonably and as confirmed in writing by the chief financial officer of the Group, or such other officer as is performing the functions of the chief financial

officer) believes can be obtained in the twelve-month period following such acquisition, investment, sale, transfer, disposal or implementation by combining the operations of such Acquired Entity or Business with the operations of the Group, as a consequence of the sale, transfer or other disposal of such Sold Entity or Business or as a result of implementing such Group Initiative; and

- (F) all revenues which the Issuer (acting reasonably and as confirmed in writing by an officer of the Group) believes can be obtained in the twelve-month period following such capital expenditure as a consequence of that capital expenditure,

provided that any such pro forma increase to Consolidated EBITDA shall be without duplication for savings, synergies or revenues actually realised during such period and already included in such Consolidated EBITDA.

4. **Interest**

4.1 **Interest Payment Dates**

The Notes bear interest on their outstanding principal amount from and including the Issue Date and such interest will be payable in cash quarterly in arrear on each 15 January, 15 April, 15 July and 15 October (each an “**Interest Payment Date**”), commencing on 15 October 2025. Interest on the Notes will accrue from the Issue Date or, if interest has already been paid, the most recent date to which interest has been paid or duly provided for. If any Interest Payment Date would otherwise fall on a day which is not a business day (as defined below), it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding business day.

In these Conditions, “**Interest Period**” means the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

4.2 **Interest Payments**

Each Note will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Note, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, and (ii) the day seven days after the Trustee or the Principal Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

4.3 **Rate of Interest**

- (a) The rate of interest will accrue at a rate per annum (the “**Rate of Interest**”), reset quarterly, equal to the sum of (i) EURIBOR, plus (ii) 3.000%, as determined by the Calculation Agent on the following basis:
- (i) The Calculation Agent will on each Determination Date, determine the Rate of Interest, and calculate the aggregate amount of interest payable on the Notes in respect of the following Interest Period (the “**Interest Amount**”).

- (ii) The Interest Amount will be calculated by applying the Rate of Interest to the principal amount of the Notes outstanding on the Determination Date, multiplying each such amount by the actual number of days in the Interest Period concerned divided by 360; provided that interest shall only be paid in respect of Notes outstanding on the applicable interest payment dates.

For purposes of this Condition 4.3:

“Determination Date” means, with respect to the Notes, the day that is two TARGET Business Days preceding the first day of such Interest Period in respect of the relevant Interest Period, except (x) in respect of the first Interest Period, for which the Determination Date will be the Issue Date and (y) in the event that EURIBOR is not available for any Interest Period (or portion thereof) as may be required to calculate the interest payable in order to redeem any or all Notes in respect of any notice of redemption delivered in accordance with the provisions of the Trust Deed, the Issuer may, in its sole discretion, elect to use the Determination Date for the prior Interest Period (as notified by the Issuer to the Trustee, Principal Paying Agent, Calculation Agent and the Noteholders in such redemption notice); *provided* that if the Optional Redemption Date is delayed requiring the Issuer to update the notice of redemption, the Issuer will also reset the Determination Date in accordance with this definition;

“EURIBOR,” with respect to an Interest Period, will be the rate (expressed as a percentage per annum) for deposits in euros for a three-month period beginning on the day that is two TARGET Business Days after the Determination Date that appears on Reuters Page EURIBOR1 as of 11:00 a.m. Brussels time, on the Determination Date; *provided, however*, that EURIBOR shall never be less than 0.00%. If Reuters Page EURIBOR1 does not include such a rate or is unavailable on a Determination Date, the Issuer will request the principal London office of each of four major banks in the Eurozone inter-bank market, as selected by the Issuer, to provide such bank’s offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m., Brussels time, on such Determination Date, to prime banks in the Eurozone inter-bank market for deposits in a Representative Amount in euros for a three-month period beginning on the day that is two TARGET Business Days after the Determination Date. If at least two such offered quotations are so provided, the rate for the Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, the Issuer will request each of three major banks in London, as selected by the Issuer, to provide such bank’s rate (expressed as a percentage per annum), as of approximately 11:00 a.m., London time, on such Determination Date, for loans in a Representative Amount in euros to leading European banks for a three-month period beginning on the day that is two TARGET Business Days after the Determination Date. If at least two such rates are so provided, the rate for the Interest Period will be the arithmetic mean of such rates. If fewer than two such rates are so provided, then the rate for the Interest Period will be the rate in effect with respect to the immediately preceding Interest Period.

In the event that EURIBOR is no longer being calculated or administered or is otherwise no longer generally accepted in the euro-zone for the purposes of determining floating rates of interest in respect of euro-denominated securities, the alternative basis for determining the rate of interest on the Notes will be any successor rate generally accepted in the euro-zone for the purposes of determining floating rates of interest in respect of euro-denominated securities, as identified by the Issuer in good faith; provided that in the event that there is no generally accepted successor rate to EURIBOR in the good faith judgment of the Issuer, the Issuer shall determine a reasonably appropriate alternative basis for determining the rate of interest on the Notes; *provided, further*, that any such alternative basis adopted pursuant to this paragraph shall in all cases never be less than 0%. The Issuer shall promptly notify the holders of the Notes of the adoption of such alternative basis. Following the adoption of an alternative basis pursuant to this paragraph, all references to “EURIBOR” in these Conditions and in the Trust Deed will be deemed to refer to such alternative basis;

“euro-zone” means the region comprised of member states of the European Union that adopt the euro;

“Representative Amount” means the greater of (i) €1,000,000 and (ii) an amount that is representative for a single transaction in the relevant market at the relevant time;

“Reuters Page EURIBOR1” means the display page so designated by Reuters (or such other page as may replace that page on that service, or if no such page is available, Bloomberg page “EBF” or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor); and

“TARGET Business Day” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open for the settlement of payments in euro.

4.4 Determination of Rate and amount of interest

The Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each Determination Date, determine the Rate of Interest and calculate the Interest Amount for the relevant Interest Period. The determination of the Rate of Interest and the Interest Amount payable per €1,000 in principal amount of the Notes (the **“Calculation Amount”**) by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

4.5 Publication of Rate of Interest and amount of interest payable per Calculation Amount

The Calculation Agent will cause the Rate of Interest, the amount of interest payable per Calculation Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee, the Registrar and each of the Transfer Agents and any Stock Exchange (or listing agent, as the case may be) on which the Notes are for the time being listed and to be notified to Noteholders as soon as possible after their determination but in no event later than the second business day thereafter. The amount of interest payable per Calculation Amount and Interest Payment Date so published may subsequently be amended without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest per Calculation Amount and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 4 but no publication of the Rate of Interest or the amount of interest payable per Calculation Amount so calculated need be made.

4.6 Calculation Agent

The Issuer will procure that, so long as any Note is outstanding, there shall at all times be a Calculation Agent for the purposes of the Notes. If the Calculation Agent is unable or unwilling to continue to act as Calculation Agent, or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the amount of interest payable per Calculation Amount, the Issuer shall (with the prior approval of the Trustee) appoint some other leading bank engaged in the Euro interbank market (acting through its principal office) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

4.7 Calculation of Interest

Interest in respect of any Note shall be calculated per Calculation Amount.

All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g., 4.876545% (or 0.04876545) being rounded to 4.87655% (or 0.0487655)). All euro amounts used in or resulting from such calculations will be rounded to the nearest euro cent (with one-half euro cent being rounded upwards).

The Rate of Interest will in no event be higher than the maximum rate permitted by applicable law; *provided, however*, that the Calculation Agent shall not be responsible for verifying that the rate of interest on the Notes is permitted under any applicable law.

5. Payments

5.1 Method of Payment

- (a) Payments of principal shall be made by the Paying Agent (subject to surrender of the relevant Certificates at the specified office of any Paying Agent or of the Registrar if no further payment falls to be made in respect of the Notes represented by such Certificates) in the manner provided in paragraph (b) below.
- (b) Interest on each Note shall be paid to the person shown on the Register at the close of business on the fifteenth business day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Note shall be made by credit or transfer to a euro account specified by the payee and maintained with a bank in a city in which banks have access to T2. For the purposes of these Conditions, “**T2**” means the real time gross settlement system operated by the Eurosystem, or any successor system.
- (c) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.

5.2 Payment subject to Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Noteholders in respect of such payments.

5.3 Appointment of Agents

The Principal Paying Agent, the Calculation Agent, the Registrar and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Calculation Agent, the Registrar and the Transfer Agents act solely as agents of the Issuer and do not have any fiduciary duties or assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, the Calculation Agent, the Registrar or any Transfer Agent and to appoint additional or other Transfer Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Calculation Agent, (iii) Registrar, (iv) a Transfer Agent, and (v) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case, as approved by the Trustee.

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Noteholders in accordance with Condition 12 (*Notices*).

5.4 **Delay in Payment**

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a business day or if the Noteholder is late in surrendering or cannot surrender its Certificate (if required to do so).

5.5 **Non-Business Days**

If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment.

In these Conditions, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Paying Agent, the Transfer Agent or the Registrar (as the case may be) is located and which is a TARGET Business Day.

“**TARGET Business Day**” means any day on which T2 is open for the settlement of payments in euro.

6. **Redemption and Purchase**

6.1 **Redemption at Maturity**

Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Notes on 30 June 2031 (the “**Maturity Date**”) in an amount equal to the principal amount.

6.2 **Redemption for Taxation Reasons**

The Issuer may redeem the Notes, in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days’ prior notice to the Trustee, the Principal Paying Agent and the Noteholders, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to, but excluding, the date fixed by the Issuer for redemption (the “**Tax Redemption Date**”) and all Additional Amounts (as defined below) (if any) then due and that will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of Noteholders of record on the relevant record date to receive interest due on an Interest Payment Date that is prior to the Tax Redemption Date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Notes, a Payor (as defined below) is or would be required to pay Additional Amounts, and the Payor cannot avoid any such payment obligation by taking reasonable measures available to it, including the appointment of a different Paying Agent (provided that changing the jurisdiction of the Payor is not a reasonable measure for purposes of this section), as a result of:

- (a) any change in, or amendment to, the laws or treaties (or any regulations, protocols or rulings promulgated thereunder) of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) affecting taxation, which change or amendment is publicly announced or becomes effective on or after the Issue Date (or, if the relevant Tax Jurisdiction was not a Tax Jurisdiction on such date, the date on which such Tax Jurisdiction became a Tax Jurisdiction under the Trust Deed);
- (b) any change in, or amendment to, the existing official position or the introduction of an official position regarding the application, administration or interpretation of such laws,

treaties, regulations, protocols or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice), which change or amendment regarding the application, administration or interpretation is publicly announced or becomes effective on or after the Issue Date (or, if the relevant Tax Jurisdiction was not a Tax Jurisdiction on such date, the date on which such Tax Jurisdiction became a Tax Jurisdiction under the Trust Deed) (each of the foregoing sub-paragraphs (a) and (b), a “**Change in Tax Law**”); or

- (c) the merger of the Payor into another Person or the conveyance, transfer or lease of all or substantially all of the Payor’s assets, unless the sole purpose of such a merger would be to permit the Issuer to redeem the Notes.

The Issuer will not give any such notice of redemption earlier than 90 days prior to the earliest date on which the Payor would be obligated to pay Additional Amounts if a payment in respect of the Notes were then due, and unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect.

Prior to the publication or, where relevant, sending of any notice of redemption of the Notes pursuant to this Condition, the Issuer will deliver to the Trustee an opinion of counsel in form and substance reasonably satisfactory to the Trustee stating that there has been such a Change in Tax Law which would cause the Payor to be or become obligated to pay Additional Amounts. In addition, before the Issuer publishes or sends notice of redemption of the Notes as described above, it will deliver to the Trustee a certificate signed by a director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and, where relevant, that the obligation to pay Additional Amounts cannot be avoided by the Issuer taking reasonable measures available to it.

The Trustee shall be entitled to accept such director’s certificate and opinion of counsel as sufficient evidence, without further inquiry, of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the Noteholders.

6.3 **Redemption at the Option of the Issuer (Make-Whole Call)**

At any time prior to 27 June 2026, the Issuer may, having given:

- (a) not less than 10 nor more than 60 days’ notice to the Noteholders in accordance with Condition 12 (*Notices*); and
- (b) notice to the Trustee and the Principal Paying Agent not less than 1 business day before the giving of the notice referred to in (a);

(which notices shall specify the date fixed for redemption (the “**Optional Redemption Date**”)), redeem all or some of the Notes at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

For the purposes of this Condition 6.3, the “**Optional Redemption Amount**” will be an amount, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate (which for the avoidance of doubt shall not include the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent), which is the higher of:

- (a) 101 per cent. of the principal amount of the Notes to be redeemed; and
- (b) as determined by the Issuer, the sum of the then current values of the remaining scheduled payments of principal and interest to 27 June 2026 (not including any interest

accrued on the Notes to be redeemed to, but excluding, the Optional Redemption Date) discounted to 27 June 2026 on an annual basis (based on the actual number of days elapsed divided by 360) at (i) the Reference Bond Rate (as defined below) plus (ii) the Redemption Margin,

plus, in each case, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

As used in this Condition 6.3:

“Redemption Margin” shall be 0.50 per cent. per annum; and

“Reference Bond Rate” means, as selected by the Issuer, the rate per annum equal to the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (*Bunds* or *Bundesanleihen*) with a constant maturity (as officially compiled and published in the most recent financial statistics that has become publicly available at least two business days (but not more than five business days) prior to the Optional Redemption Date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected in good faith by the Issuer)) most nearly equal to the period from the Optional Redemption Date to 27 June 2026; *provided, however*, that if the period from the Optional Redemption Date to 27 June 2026 is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Reference Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such Optional Redemption Date to the 27 June 2026 is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used; *provided* that the “Reference Bond Rate” shall be at least 0.00%.

All Notes in respect of which any such notice is given under this Condition 6.3 shall be redeemed on the date specified in such notice in accordance with this Condition 6.3.

6.4 **Redemption at the Option of the Issuer (Issuer Par Call)**

At any time and from time to time on and after 27 June 2026, the Issuer may, having given:

- (a) not less than 10 nor more than 60 days’ notice to the Noteholders in accordance with Condition 12 (*Notices*); and
- (b) notice to the Trustee and the Principal Paying Agent not less than 1 business days before the giving of the notice referred to in (a),

(which notices shall specify the date fixed for redemption), redeem the Notes then outstanding in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed, together with any interest accrued but unpaid to (but excluding) the date fixed for redemption.

6.5 **Redemption at the Option of the Issuer (Clean-Up Call)**

The Issuer may, having given: (a) not less than 10 nor more than 60 days’ notice to the Noteholders in accordance with Condition 12 (*Notices*); and (b) notice to the Trustee and the Principal Paying Agent not less than 1 business days before the giving of the notice referred to in (a), in the event that 20 per cent. or less of the initial aggregate principal amount of the Notes (including any additional Notes issued pursuant to Condition 16) remains outstanding, at its option, redeem all, but not some only, of the outstanding Notes at their principal amount together with any interest accrued but unpaid to (but excluding) the date set for redemption.

6.6 Redemption at the option of the Noteholders (Change of Control Put)

If a Put Event (as defined below) has occurred, upon any Noteholder giving notice to the Issuer during the period ending on the 60th day following the public announcement that the relevant Change of Control has occurred (the “**CoC Notice Period**”), the Issuer will redeem the Notes on the Business Day which is 7 days after the expiration of the CoC Notice Period, at an amount equal to 100% of the principal amount of the Notes to be redeemed, together, if appropriate, with interest accrued to (but excluding) such redemption date, subject to the fifth paragraph of this Condition 6.6.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice to the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 12 (*Notices*) specifying: (i) all information material to Noteholders in relation to the Change of Control (as defined herein); and (ii) that either (A) Noteholders are entitled to exercise their put option during the CoC Notice Period (a “**Change of Control Offer**”); or (B) a third party has made or will make an offer (a “**Third Party Tender Offer**”) to all Noteholders in the manner, at the times and otherwise in compliance with the requirements set forth in these Conditions applicable to a Change of Control Offer made by the Issuer, and purchases all Notes validly tendered and not withdrawn under such Third Party Tender Offer during the CoC Notice Period.

To exercise the right to require redemption of the Notes the Noteholder must deliver, at the specified office of any Paying Agent or the Registrar at any time during normal business hours of such Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a “**Put Notice**”) and in which the Noteholder must specify a bank account to which payment is to be made under this Condition 6.6 and the Put Notice must be accompanied by the Certificate representing such Notes or evidence satisfactory to the Registrar or any Paying Agent concerned that the Notes will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice given by a holder of any Note pursuant to this Condition 6.6 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.6 and instead to declare such Note forthwith due and payable pursuant to Condition 9 (*Events of Default*).

The Issuer will not be required to make a Change of Control Offer following a Put Event if (i) it announces that a Third Party Tender Offer has or will be made and such Third Party Tender Offer is completed in the CoC Notice Period or (ii) a notice of redemption for the redemption of the Notes in whole but not in part has previously been given pursuant to Conditions 6.3, 6.4 or 6.5, unless there has been a default in payment of the applicable redemption price.

For the purposes of this Condition 6.6:

- (a) a “**Change of Control**” shall be deemed to occur if more than 50 per cent. of the share capital of the Issuer and (i) more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, or (ii) the power to appoint a majority of the board of directors of the Issuer or of any other equivalent governing body whether through the ownership of voting capital, by contract or otherwise, is acquired, directly or indirectly, by any Person (other than Reference Shareholders and any of their respective Subsidiaries and Management).

For the purposes of this definition:

“**Affiliate**” of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “**control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing;

“**Management**” means current and former management and employees of the Issuer or any of its Subsidiaries and any other person directly or indirectly holding any interest pursuant to an MEP, incentive scheme or similar arrangement;

“**Reference Shareholders**” means Kohlberg, Kravis, Roberts & Co. L.P. (“**KKR**”), Ministero dell’Economia e delle Finanze (“**MEF**”), Fastweb S.p.A. (“**Fastweb**”), Fondi Italiani per le Infrastrutture SGR S.p.A (“**F2i**”), Azure Vista C 2020 S.a r.l. (“**ADIA**”) and 13545369 Canada Inc. (“**CPPIB**”, and together with KKR, MEF, Fastweb, F2i and ADIA, the “**Initial Investors**”) or any of their successors and any funds or partnerships and/or other entities or accounts represented, managed, advised, owned or controlled, directly or indirectly, by the Initial Investors or any Affiliate thereof, and any limited partner of or co-investor with any such partnership or fund or an Affiliate or successor thereof;

- (b) a “**Negative Event**” will be deemed to have occurred if:
- (i) there are two or more Investment Grade Ratings with respect to the Issuer and (a) such Ratings are reduced to below Investment Grade Ratings by two or more Rating Agencies during the period ending on the 30th day after the date of the public announcement of the occurrence of the Change of Control and (b) the Relevant Leverage Ratio would have been greater than 6.0 to 1.0 after giving pro forma effect to such Change of Control; or
 - (ii) only one Investment Grade Rating with respect to the Issuer is outstanding and (a) such Rating is reduced to below an Investment Grade Rating by the relevant Rating Agency during the period ending on the 30th day after the date of the public announcement of the occurrence of the Change of Control and (b) the Relevant Leverage Ratio would have been greater than 6.0 to 1.0 after giving pro forma effect to such Change of Control; or
 - (iii) in the case where on the 30th day after the date of the public announcement of the occurrence of the Change of Control, there is no Investment Grade Rating with respect to the Issuer as of such date and the Relevant Leverage Ratio would have been greater than 6.0 to 1.0 after giving pro forma effect to such Change of Control;

For purposes of this definition:

“**Accounting Principles**” means generally accepted accounting principles in Italy or IFRS, in each case to the extent applicable to the relevant financial statements and as applied by the Issuer from time to time;

“**Adjusted Reported EBITDA**” means, for any Measurement Period, the Consolidated EBITDA for such period, adjusted to deduct the cash portion of any recurring payments (excluding any principal amount repayment) attributable to any lease that would not have been considered as a finance lease in accordance with IFRS as applied immediately prior to the adoption of IFRS 16 (*Leases*);

“**Borrowings**” means, at any time, Financial Indebtedness excluding, for the avoidance of doubt:

- (a) any liabilities due under any derivative agreement; *provided* that any amount of Financial Indebtedness will be stated so as to take into account the hedging effect of currency hedging entered into in respect thereof and; *provided further* that where such agreement provides for netting to occur only the net amount of the payment obligation outstanding from the relevant member of the Group thereunder after such netting-off has occurred shall be included; and
- (b) any liabilities of the type referred to in paragraph (k) or (l) of the definition of Financial Indebtedness to the extent relating to indebtedness already included within this definition or to any of the items referred to in paragraph (a) above;

“**Consolidated EBITDA**” means, for any period, Net Income for such period with the following adjustments (without double counting and without deducting or adding back amounts not otherwise included or, as the case may be, deducted in the calculation of Net Income or in this definition):

- (a) **before deducting** Interest Payable, any other interest and any payment-in-kind interest for which any member of the Group is liable (for the avoidance of doubt, including any costs relating to factoring or discounting arrangements and any cost relating to the issue or maintenance of any bond, letter of credit, guarantee or other assurance against financial loss) and any deemed finance charge in respect of any pension liabilities and/or other provisions (and any other debt or equity finance related fee or cost or post-retirement benefit scheme costs charged to finance costs in accordance with the Accounting Principles);
- (b) **after deducting** Interest Income and/or any other Interest accruing in favour of any member of the Group;
- (c) **before deducting** any amount of Tax (including deferred tax) on profits, gains or income payable by or deducted for any member of the Group;
- (d) **after adding back** any amount attributable to any amortisation or impairment whatsoever, any depreciation whatsoever (including any write down of fixed assets) and any costs or provisions relating to any MEP or any share option or incentive scheme of any member of the Group;
- (e) **after adding or deducting** (as the case may be), the effect (positive or negative) of any one-off, non-recurring, extraordinary, unusual or exceptional item or amount (including, for the avoidance of doubt, gain, loss, charge or expense);
- (f) **after deducting** any gain over book value arising in favour of a member of the Group on the disposal of any asset (not including any disposal made in the ordinary course of trading) during such period and any gain arising on any revaluation of any asset during such period;
- (g) **after adding back** any loss against book value incurred by a member of the Group on the disposal of any asset (not including any disposal made in the ordinary course of trading) during such period and any loss arising on any revaluation of any asset during such period;
- (h) **after adding back** Transaction Costs;

- (i) **after adding back** an amount equal to the amount of any reduction, and after deducting an amount equal to the amount of any increase, in Net Income of the Group as a result of a revaluation of assets and liabilities of members of the Group which would not have occurred but for the occurrence of the Acquisition Transactions (as defined in the Offering Memorandum with respect to the Notes);
- (j) **after adding back** the amount of any management, consulting, investor, monitoring, advisory and director fees, expenses and compensation (together with any other amounts paid under the Service Agreements) paid by any member of the Group to the Investors (directly or indirectly);
- (k) **after adding back** any fees, costs or charges of a non-recurring nature related to any equity offering, compensation payments to departing management, investments (including any investment in a joint venture), acquisitions or indebtedness (in each case, whether or not successful);
- (l) **after adding back** any restructuring costs recognised during such period;
- (m) **excluding** any unrealised foreign exchange gains and losses, including any arising on translation of currency debt, and before taking account of any hedging gains and losses relating to finance costs and taking no account of any unrealised gains or losses on any financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis or similar);
- (n) **excluding** any gain or loss arising directly or indirectly on the acquisition by any member of the Group of all or part of any debt instrument (in each case to the extent otherwise included);
- (o) **excluding** the impact of any other unrealised gains or losses arising from the application of IAS 32/39 and any debits to profits relating to the write-off of Transaction Costs;
- (p) **before deducting** any dividends paid or declared but unpaid;
- (q) **including** the consolidated earnings from operating activities of any unconsolidated entities received as a dividend or distribution by any member of the Group during such period;
- (r) **including** the amount of any Net Income (or excluding any loss) of any member of the Group which is attributable to any third party which is a shareholder in such member of the Group;
- (s) **increased by** the “run rate” adjustment required to give effect to synergies, cost savings, operating expense reductions, restructuring charges and expenses, contracted pricing, operating cost improvements, operating improvements, new sites, capacity or capacity utilization increases, operating expense reductions, revenue increases, revenue enhancements or other adjustments, similar initiatives or effects of synergies (together, being “Synergies”) that have been, or will be, realized (in full or in part) for some, but not all, of such period and that are related to the Acquisition Transactions and any acquisition, disposition, divestiture, restructuring, new or revised contract, information and technology systems establishment, modernisation or modification or the implementation of any operating cost improvements, operating improvements, efficiency or cost savings initiative or any other

adjustments or similar initiatives or effects of Synergies, as applicable, as if such Synergies had been realized from the first day of such period and during the entirety of such period; *provided* that the Issuer (in good faith) expects that all steps for realising such Synergies have been or will be taken within 24 months following the date of determination; and

- (t) **increased by**, to the extent not already otherwise included herein, adjustments and add-backs or costs or expenses (or, in each case, similar items) corresponding to those made in calculating “*Pro Forma Organic EBITDA-AL*” (including structuring adjustments made in calculating Structuring EBITDA-AL) for the year ended 31 December 2024 included in the Offering Memorandum, and other adjustments of a similar nature to the foregoing.

“Equity Contribution” means:

- (a) any subscription for shares issued by, and any capital contributions to, the Issuer in each case; and/or
- (b) any loans, notes, bonds or like instruments issued by or made to the Issuer which are subordinated to the Notes pursuant to the Intercreditor Agreement;

“Financial Indebtedness” means (without double counting) any indebtedness (including any fixed or minimum premium payable on maturity) in respect of or arising under:

- (a) moneys borrowed (including overdrafts); or
- (b) moneys raised including moneys raised under or pursuant to any debenture, bond (other than a performance or advance payment bond or other similar instrument issued in the ordinary course of trading), note or loan stock or other similar instrument; or
- (c) any acceptance credit (or dematerialised equivalent); or
- (d) receivables sold or discounted (otherwise than on a non-recourse basis and only to the extent of any recourse); or
- (e) the acquisition cost of any asset to the extent payable more than 180 days after the time of acquisition or possession by the person liable as principal obligor for the payment thereof (or, if the relevant supplier customarily allows a period for payment, if later, the date 180 days after the expiry of that period, but only to the extent payment on such later date would not be in breach of the terms of any relevant contract with that supplier) or where the deferred payment is arranged primarily as a method of raising finance or financing the acquisition of the asset acquired (for the avoidance of doubt excluding where the payment deferral results from the delayed or non-satisfaction of contract terms by the supplier or from contract terms establishing payment schedules tied to total or partial contract completion and/or to the results of operational testing procedures and excluding, for the avoidance of doubt, earn outs and other contingent consideration arrangements); or
- (f) the sale price of any asset to the extent paid by the person liable more than 180 days before the time of sale or delivery or where the advance payment is arranged primarily as a method of raising finance (except any such arrangement entered into in the ordinary course of trading); or

- (g) finance leases, capital leases, credit sale or conditional sale agreements (whether in respect of land, buildings, plant, machinery, equipment or otherwise) which are treated as finance leases or capital leases in accordance with the Accounting Principles (but only to the extent of such treatment); or
- (h) [reserved]; or
- (i) the amount payable by any member of the Group to any person which is not a member of the Group in respect of the redemption of any share capital or other securities convertible into share capital issued by it or any other member of the Group (other than in connection with any MEP, incentive scheme or similar arrangement); or
- (j) amounts raised under any other transaction not of a type or nature contemplated by the other paragraphs of this definition having the commercial effect of a borrowing and required to be accounted for as such under the Accounting Principles; or
- (k) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby letter of credit or other instrument issued by a bank or financial institution, in each case in respect of an underlying liability of an entity which is not a member of the Group which would fall within one of the other paragraphs of this definition; or
- (l) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any indebtedness falling within paragraphs (a) to (k) inclusive of this definition,

and so that, where the amount of Financial Indebtedness falls to be calculated or where the existence (or otherwise) of any Financial Indebtedness is to be established:

- (A) Financial Indebtedness owed by one member of the Group to another member of the Group shall not be taken into account;
- (B) in relation to any bank accounts subject to netting, cash pooling, net balance, balance transfer or similar arrangements, only the net balance shall be used;
- (C) no amount due or outstanding in respect of any Equity Contribution shall be taken into account; and
- (D) no pension scheme or other post-employment benefit scheme liabilities shall be taken into account;

“Holding Company” means, in relation to any person, any other person in respect of which it is a subsidiary;

“Interest” means interest and amounts in the nature of interest paid or payable in cash in respect of any Borrowings including, without limitation:

- (a) the interest element of any lease, hire purchase or similar agreement but excluding only those leases that are accounted for as investment property under IAS 40;
- (b) discount and acceptance fees payable (or deducted) in respect of any Borrowings;

- (c) fees payable in connection with the issue or maintenance of any bond, letter of credit, guarantee or other assurance against financial loss, in each case which constitutes Borrowings and is issued by a third party on behalf of the relevant person;
- (d) repayment and prepayment premiums payable or incurred in repaying or prepaying any Borrowings; and
- (e) commitment, utilisation and non-utilisation fees payable or incurred in respect of Borrowings, but excluding:
 - (i) any agency, arrangement, underwriting, amendment, consent or other front-end fee in respect of any Borrowings or any letter of credit and any commitment fee to the extent included in the Transaction Costs (but for the avoidance of doubt, not excluding any commitment fees applicable to the revolving facility);
 - (ii) any pay-in-kind interest and any interest accrued on any shareholder loan or other subordinated loan;
 - (iii) any fees, costs and expenses incurred in connection with the raising of any indebtedness and any amortisation thereof;
 - (iv) any original issue discount applied in connection with any indebtedness and any amortisation thereof;
 - (v) any non-cash gains or losses arising in respect of any financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);
 - (vi) any realised gains or losses arising in respect of any derivative which is operational in nature (and not related to Borrowings);
 - (vii) unrealised foreign exchange gains or losses in relation to retranslation of currency debt; and
 - (viii) any notional interest accrued on any pension scheme liabilities.

“Interest Income” means, for any period, the amount of Interest accrued (whether or not received) due to members of the Group during such period (including in each case, without limitation, interest on cash deposits and cash equivalents);

“Interest Payable” means, for any period, the aggregate of Interest accrued (whether or not paid) in respect of any Borrowings of any member of the Group, but excluding in each case any capitalised interest, any dividends on preference shares, any interest element on postemployment benefit schemes under IAS19, any interest cost or expected return on plan assets in relation to any post-employment benefit scheme, (unless the payment of such interest is guaranteed by one or more other members of the Group which are not Subsidiaries of the entity primarily liable for such interest) the pro rata share of any Interest payable by a member of the Group which is attributable to any third party (not being a member of the Group) which is a shareholder (or holds an equivalent ownership interest) in a member of the Group, Transaction Costs (and any amortisation thereof) and any other fees, costs and expenses incurred in connection with the raising of any Borrowings (and any amortisation thereof) and provided further that the amount of accrued Interest shall be stated so as to take into account the effect of any hedging agreements in respect of Interest (including, in so far as they relate to

Interest, currency hedging arrangements and any interest payable under any investment hedging arrangements) entered into by the Group;

“Investment Grade Rating” means a Rating at least equal to BBB-/Baa3 or better;

“Investors” means the Sponsors and the Sponsor Affiliates.

“Measurement Period” means, at the option of the Issuer, either the period of (i) the most recent six month period ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available multiplied by 2.0 or (ii) the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available.

“MEP” means any management incentive or employee benefit scheme (or other similar arrangement) implemented or to be implemented with respect to shares in the Issuer or any of its Holding Companies or any member of the Group;

“Net Income” means, for any period, consolidated net income of the Group for such period;

“Rating” means any long-term credit rating assigned to the Issuer by any Rating Agency;

“Rating Agency” means Moody’s Investors Service Ltd. or any of its subsidiaries or their successors (Moody’s), Fitch Ratings Limited or any of its subsidiaries or their successors (Fitch) and S&P Global Ratings Europe Limited or any of its subsidiaries or their successors (S&P), or any rating agency with equivalent international standing substituted for any of them (or any permitted substitute of them) specified from time to time by the Issuer from time to time;

“Relevant EBITDA” means Adjusted Reported EBITDA as determined by the Issuer for the most recently ended Measurement Period for which the Issuer has sufficient available information so as to be able to determine Adjusted Reported EBITDA and as may be adjusted in accordance with Condition 3.4 (*Calculation of Ratios*);

“Relevant Leverage Ratio” means the ratio of Total Net Debt on the last day of the most recently completed Measurement Period to Adjusted Reported EBITDA (calculated on a pro forma basis) for that Measurement Period;

“Service Agreements” means each recharge, advisory services, transaction services or other similar agreement entered into or to be entered into between the Reference Shareholders (and/or their Affiliates or direct or indirect shareholders in the Issuer) and one or more members of the Group;

“Sponsors” means the Initial Investors.

“Sponsor Affiliate” means, in relation to any Sponsor, any of its Holding Companies or Subsidiaries or any other Subsidiary of any of its Holding Companies and any fund, partnership and/or other entities represented, managed, advised, owned or controlled by any Sponsor or any of its Sponsor Affiliates and any Sponsor Affiliate of any such fund, partnership or entity but does not include any portfolio company of any Sponsor or of any Affiliate of any Sponsor and, in the context of a person or persons achieving or having control over another person, “control” for the purposes of this definition means the person or persons acting in concert controlling, or being able to control, the composition of the board of directors or equivalent management board of that other person or the person or persons acting in concert in accordance with whose directions

a majority of the board of directors or equivalent management board of that other person are or become accustomed to act.

“**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) and “**Taxes**” and “**Taxation**” shall be construed accordingly;

“**Total Net Debt**” means, at any time, the aggregate principal amount of all Borrowings of the Group, but:

- (iv) excluding all leases (regardless of the accounting treatment thereof);
- (v) deducting the pro rata share of which is attributable to any third party (not being a member of the Group) which is a shareholder (or holds an equivalent ownership interest) in any member of the Group, unless such Financial Indebtedness is guaranteed by one or more other members of the Group which are not Subsidiaries of the borrower of such Financial Indebtedness; and
- (vi) deducting the aggregate amount of cash and cash equivalents held by each member of the Group,

and so that no amount shall be included or excluded more than once; and

“**Transaction Costs**” means all fees, costs and expenses and stamp, transfer, registration, notarial and other Taxes incurred by a member of the Group directly or indirectly in connection with the Acquisition Transactions, any reorganisation and/or any amounts in connection with the refinancing of indebtedness or other obligations of the Group;

- (c) a “**Put Event**” will be deemed to have occurred if, during the period from and including the Issue Date to but excluding the Maturity Date, there occurs a Change of Control and, during the period ending on the 30th day after the date of the public announcement of the occurrence of the Change of Control, a Negative Event occurs; and
- (d) a “**Permitted Change of Control Transaction**” means a Change of Control that is not a Put Event.

6.7 Provisions Relating to Partial Redemption

In the case of a partial redemption of Notes, Notes to be redeemed will be selected, in such place as the Trustee, the Registrar or the Principal Paying Agent may approve and in such manner as the Trustee, the Registrar or the Principal Paying Agent may deem appropriate and fair, not more than 60 days before the date fixed for redemption. Notice of any such selection will be given not less than 10 days before the date fixed for redemption. Each notice will specify the date fixed for redemption and the aggregate principal amount of the Notes to be redeemed, the certificate numbers of the Notes called for redemption, the certificate numbers of Notes previously called for redemption and not presented for payment and the aggregate principal amount of the Notes which will be outstanding after the partial redemption.

6.8 Purchases

The Issuer and any of its Subsidiaries (as defined above) may at any time purchase Notes in the open market, by tender offer or otherwise, at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

6.9 Cancellations

Certificates representing Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation by surrendering each such Certificate to the Registrar and if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged. Any Notes not so surrendered for cancellation may be reissued or resold.

6.10 Conditional Notices

Upon the expiry of any notice as is referred to in, and subject to, Condition 6.2 (*Redemption for Taxation Reasons*), Condition 6.3 (*Redemption at the Option of the Issuer (Make-Whole Call)*), Condition 6.4 (*Redemption at the Option of the Issuer (Issuer Par Call)*) and Condition 6.5 (*Redemption at the Option of the Issuer (Clean-Up Call)*) above, the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such paragraph; *provided* that any redemption and notice of redemption may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent. If such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, at the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been complied with or satisfied by the redemption date, or by the redemption date so delayed; *provided* that in no case shall the notice have been delivered less than 10 days or more than 60 days prior to the date on which such redemption (if any) occurs.

7. Taxation

7.1 Additional Amounts

All payments made by or on behalf of the Issuer or any other Guarantor (including, in each case, any successor entity thereof) (each, a “**Payor**”) under or with respect to the Notes will be made without withholding or deduction for, or on account of, any present or future Taxes unless such withholding or deduction of such Taxes is required by law (including any taxing authority's interpretation or administration thereof). If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of any Tax Jurisdiction (as defined below) will at any time be required to be made from any payments made by or on behalf of a Payor under or with respect to the Notes, including payments of principal, redemption premium or interest, the Payor will pay such additional amounts (the “**Additional Amounts**”) as may be necessary in order that the net amounts received, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no Additional Amounts shall be payable:

- (a) to or for a Noteholder (or a fiduciary, settlor, beneficiary, member, partner or shareholder of, or possessor of power over the relevant Noteholder, if the relevant Noteholder is an estate, nominee, trust, partnership, limited liability company or corporation or any collective vehicle where tax is imposed or allocated to its owners) who is liable for such Taxes in respect of such Note by reason of having or having had some present or former connection with the relevant Tax Jurisdiction (including, without limitation, being resident for tax purposes, or being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the Tax Jurisdiction) in which such Taxes are imposed other than the mere acquisition, holding or enforcement (following an Event of Default) of such Note or the receipt of any payment in respect thereof; or

- (b) to or for a Noteholder in respect of any Tax that is imposed or withheld by reason of the failure by the Noteholder, to comply with a reasonable written request of the applicable withholding agent addressed to the Noteholder, after reasonable notice (at least 30 days before any such withholding or deduction is payable): (i) to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the Noteholder; or (ii) to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which, in the case of (i) or (ii) (or both), is required by a statute, treaty, regulation or administrative practice of the relevant Tax Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction or withholding of, all or part of such Tax but only to the extent the Noteholder is legally entitled to provide such certification or documentation; or
- (c) in respect of any Note in respect of which the certificate representing it is presented for payment (where presentation is required) more than 30 days after the Relevant Date except to the extent that a Noteholder would have been entitled to an Additional Amount on surrendering the Certificate representing the same for payment on such thirtieth day; or
- (d) in respect of any Note in respect of which the certificate representing it is presented for payment (where presentation is required) by or on behalf of a Noteholder not resident for tax purposes in a State included in the list of countries which allow for a satisfactory exchange of information with Italy, currently provided for by Italian Ministerial Decree dated 4 September 1996, as amended and supplemented (the “**White List**”); or
- (e) in respect of any Taxes that are payable otherwise than by deduction or withholding from a payment with respect to the Notes; or
- (f) in respect of any estate, inheritance, gift, sales, transfer, personal property or similar Tax or excise Taxes imposed on transfer of the Notes; or
- (g) in respect of any Taxes to the extent such Taxes are for or on account of *imposta sostitutiva* pursuant to Decree No. 239 and any related implementing regulations, and pursuant to Decree No. 461 and any related implementing regulations, except where the procedures required under Decree 239/1996, in order to benefit from an exemption, have not been complied with due only to the actions or omissions of the Issuer or its agents.

For the avoidance of doubt, no Additional Amounts shall be payable with respect to Taxes to the extent such Taxes are on account of *imposta sostitutiva* if the Noteholder becomes subject to *imposta sostitutiva* after the Issue Date by reason of amendments to the White List whereby such Noteholder’s country of residence does not appear on the aforesaid amended or new list; or

- (h) to a Noteholder that is a fiduciary, partnership or Person other than the sole beneficial owner to the extent that a payment would be required to be included in the income under the tax laws of a relevant Tax Jurisdiction of a beneficiary or settlor with respect to the fiduciary, or a partner of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Noteholder thereof; or
- (i) any combination of the items (a) through (h) above.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or

required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or any official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other Person will be required to pay Additional Amounts on account of any FATCA Withholding.

In addition to the foregoing, the Issuer will also bear and pay any present or future stamp, issue, registration, court or documentary Taxes, or any other excise, property or similar Taxes, which are levied on the execution, delivery, issuance, registration or enforcement (following an Event of Default) of the Notes, the Trust Deed or any other document or instrument referred to therein (other than in each case: (a) in connection with a transfer of the Notes after this issuance of the Notes other than the initial resale; or (b) to the extent that such stamp, issue, registration court or documentary Taxes, or any other excise, property or similar Taxes become payable upon a voluntary registration made by the Noteholder if such registration is not required by any applicable law or not necessary to enforce the rights or obligations of any Noteholder in relation to the Notes, the Trust Deed or any other document or instrument referred to therein).

If the Issuer becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes, the Issuer will deliver to the Trustee (with a copy to the Principal Paying Agent) on a date at least 30 days prior to the date of payment (unless the obligation to pay Additional Amounts arises after the 30th day prior to that payment date, in which case the Issuer shall notify the Trustee promptly thereafter) an officer’s certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Trustee shall be entitled to rely solely on such officer’s certificate as conclusive proof that such payments are necessary.

The above obligations will survive any termination, defeasance or discharge of the Trust Deed and will apply, mutatis mutandis, to any successor Person to the Issuer.

Any references in these Conditions or in the Trust Deed to any amounts in respect of the Notes shall be deemed also to refer to any Additional Amounts which may be payable in respect thereof. As used herein:

- (a) “**Relevant Date**” means, in respect of any payment, the date on which such payment first becomes due, but if the full amount of the monies payable has not been received by the Trustee or, as the case may be, the Principal Paying Agent, on or prior to such due date, it means the first date on which, the full amount of such monies having been so received, notice to that effect has been duly given to the Noteholders;
- (b) “**Tax**” or “**Taxes**” means any present or future taxes or duties, assessments or governmental charges of whatever nature (including any penalties, interest and other additions thereto); and
- (c) “**Tax Jurisdiction**” means the Republic of Italy and any other taxing jurisdiction in which a Payor is organized or tax resident, or any political subdivision or any authority thereof or therein having power to tax, and any jurisdiction from or through which payment with respect to the Notes is made by or on behalf of a Payor.

8. **Prescription**

Claims in respect of the Notes will become void unless presented for payment within periods of ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the applicable due date for payment thereof subject to the provisions of Condition 5 (*Payments*).

9. Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least 30% in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) (but only if, except in relation to sub-paragraph 9(a) below, the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that the Notes are, and the Notes shall thereupon immediately become, due and repayable at their redemption amount together with accrued interest as provided in the Trust Deed if any of the following events (each an “**Event of Default**”) shall have occurred and be continuing:

- (a) *Non-payment*: default is made in the payment of any principal, premium or interest due in respect of the Notes or any of them and the default continues for a period of 10 days in the case of principal and premium and 30 days in the case of interest; or
- (b) *Breach of other obligations*: the Issuer or any Guarantor fails to perform or observe any of its other obligations under these Conditions or the Trust Deed (including in relation to a Guarantor, any of its obligations under its Notes Guarantee) and the failure continues for the period of 60 days next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) *Cross-default of the Issuer*:
 - (i) any Capital Markets Indebtedness of the Issuer or any Guarantor in excess of the greater of €100,000,000 (or the equivalent thereof in other currencies) or, if higher, 5% of Relevant EBITDA has to be repaid prematurely due to a default under its terms; or
 - (ii) the Issuer or any Guarantor fails to fulfil any payment obligation exceeding the greater of €100,000,000 (or the equivalent thereof in other currencies) or, if higher, 5% of Relevant EBITDA, under any Capital Markets Indebtedness, or under any guarantee provided for any such Capital Markets Indebtedness of others in excess of the greater of €100,000,000 (or the equivalent thereof in other currencies) or, if higher, 5% of Relevant EBITDA, and such failure continues for a period of 30 days; or
 - (iii) any security or guarantee relating to Capital Markets Indebtedness in excess of the greater of €100,000,000 (or the equivalent thereof in other currencies) or, if higher, 5% of Relevant EBITDA, provided by the Issuer or any Guarantor is enforced by the lenders and such enforcement is not contested in good faith by the Issuer or any Guarantor or the Issuer or any Guarantor publicly announces its inability to meet its financial obligations; or
- (d) *Insolvency*:
 - (i) a court opens insolvency or equivalent proceedings against the Issuer or any Guarantor which are not resolved within six months, unless such proceedings are frivolous or vexatious and contested in good faith and appropriately and do not result in court orders or the Issuer or any Guarantor applies for such insolvency or equivalent proceedings; or
 - (ii) the Issuer or any Guarantor approves a resolution pursuant to which it goes into liquidation unless this is done in connection with a merger, or other form of combination with another company and such company assumes all

obligations contracted by the Issuer, in connection with the Notes and the Trust Deed; or

- (e) *Guarantee*: any of the Guarantees is not (or is claimed by the relevant Guarantor not to be) in full force and effect; or
- (f) *Security interest*: any security interest under the Security Documents on any material Collateral having a fair market value in excess of the greater of €50,000,000 or, if higher, 2.5% of Relevant EBITDA, shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Trust Deed) for any reason other than the satisfaction in full of all obligations under the Notes or the release or amendment of any such security interest in accordance with the Conditions, the Intercreditor Agreement, any Additional Intercreditor Agreement or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable in a final non-appealable decision of a court of competent jurisdiction or the Issuer shall assert in writing that any such security interest is invalid or unenforceable and any such default continues for 10 days.

10. **Enforcement**

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed and the Notes, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed or the Notes unless: (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least 30% in aggregate principal amount of the Notes then outstanding; and (b) it shall have been indemnified and/or pre-funded and/or secured to its satisfaction. No Noteholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed fails or is unable so to do within 60 days, and the failure or inability shall be continuing.

11. **Replacement of Certificates**

Should any Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purposes and notice of whose designation is given to the Noteholders, in each case upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. **Notices**

Notices required to be given to the holders of Notes pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. So long as the Notes are listed on the Luxembourg Stock Exchange and the listing rules of such exchange so require, all notices to Noteholders shall be deemed to be duly given if they are published in one daily newspaper in Luxembourg or on the website of the Luxembourg Stock Exchange: www.luxse.com. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange or other relevant authority on which the Notes are for the time being listed.

13. **Substitution**

The Trust Deed contains provisions:

- (a) requiring the Trustee, pursuant to and subject as provided in Condition 3.2 (*Mergers and Similar Events*), without the consent of the Noteholders, to agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition 13) as the principal debtor under the Notes and the Trust Deed, of any entity into which the Issuer may be consolidated or merged, or in relation to which the Issuer may sell or lease all or substantially all of its assets or from which it may buy or lease all or substantially all of such entity's assets, subject to certain conditions set out in the Trust Deed being complied with; or
- (b) notwithstanding and without prejudice to Condition 3.2 (*Mergers and Similar Events*), permitting the Trustee, without the consent of the Noteholders, to agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition 13) as the principal debtor under the Notes and the Trust Deed of another company, being any entity that may succeed to, or to which the Issuer (or any previous substitute under this Condition 13) may transfer, all or substantially all of the assets and business of the Issuer (or any previous substitute under this Condition 13) by operation of law, contract or otherwise, subject to: (i) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and (ii) certain other conditions set out in the Trust Deed being complied with.

14. Meetings of Noteholders, Modification, Waiver, Authorisation and Determination

14.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of the Noteholders (which may be at a physical location or by way of conference call or videoconference) to consider any matter affecting their interests, including, *inter alia*, any modifications or abrogation of these Conditions or of any provisions of the Trust Deed by Extraordinary Resolution. The above provisions are subject to compliance with mandatory laws, rules and regulations of the Republic of Italy in force from time to time and, where applicable Italian law so requires, the Issuer's by-laws.

The quorum and the majorities for passing resolutions at any such meetings shall be subject to the applicable provisions of applicable Italian laws (including the Italian Civil Code) and the Issuer's by-laws.

An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all Noteholders, whether or not they are present at the meeting.

Pursuant to and for the purposes of Article 2419 of the Italian Civil Code, the individual rights of the Noteholders are not precluded, unless they are inconsistent with the resolutions of the meeting of the Noteholders pursuant to Article 2415 of the Italian Civil Code.

In accordance with the Italian Civil Code, a *rappresentante comune* (the “**Noteholders’ Representative**”), being a joint representative of Noteholders, may be appointed in accordance with article 2417 of the Italian Civil Code in order to, *inter alia*, represent the Noteholders’ common interest and to give execution to the resolutions of the meeting of the Noteholders. The appointment of the Noteholders’ Representative has a maximum term of three financial years from the appointment, and may be subsequently reappointed thereafter.

14.2 Waiver, Authorisation, Determination and Exercise by the Trustee of Discretions Etc.

The Trustee may agree, without the consent of the Noteholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as

such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct an error which is manifest. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Trustee otherwise agrees, any such modification shall be notified by the Issuer to the Noteholders in accordance with Condition 14.3 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other Person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders except to the extent already provided for in Condition 7 (*Taxation*) or Condition 3.2 (*Mergers and Similar Events*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 (*Taxation*) or Condition 3.2 (*Mergers and Similar Events*) pursuant to the Trust Deed.

A modification or waiver which relates to specific rights or obligations of the Trustee may not be effected without the consent of the Trustee.

14.3 Notification to the Noteholders

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Noteholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 12 (*Notices*).

15. Indemnification of the Trustee and Trustee Contracting with the Issuer

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, inter alia: (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries; (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders; and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

Subject to the terms of the Trust Deed, the Trustee may rely without liability to Noteholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation

or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

16. Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes. Any further notes which are to form a single series with the Notes shall be constituted by a deed supplemental to the Trust Deed.

17. Governing Law and Submission to Jurisdiction

17.1 Governing Law

The Trust Deed and the Notes and any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes are governed by, and construed in accordance with, English law save that provisions in these Conditions and in the Trust Deed relating to Noteholders' meetings, the *mandatario con rappresentanza* pursuant to articles 1703, 1704 et seq. of the Italian Civil Code, the *rappresentante* pursuant to article 2414-bis, paragraph 3 of the Italian Civil Code and the *rappresentante comune* pursuant to articles 2417 and 2418 of the Italian Civil Code are subject to compliance with mandatory provisions of Italian law.

17.2 Submission to Jurisdiction

English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed or the Notes, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes (a “**Dispute**”) and each of the Issuer, the Trustee and any Noteholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

For the purposes of this Condition, each of the Issuer, the Trustee and any Noteholders waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

17.3 Appointment of Process Agent

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

17.4 Other Documents

The Issuer has in the Agency Agreement and the Trust Deed submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

18. Rights of Third Parties

No rights are conferred on any Person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any Person which exists or is available apart from that Act.

BOOK-ENTRY, DELIVERY AND FORM

The following is a summary of the provisions to be contained in the Trust Deed to constitute the Notes and in the Global Certificates which will apply to, and in some cases modify, the Conditions of the Notes while the Notes are represented by the Global Certificates.

Accountholders and Payments

Each Global Certificate will be registered in the name of a nominee (the “Registered Holder”) of a common depositary for Euroclear and Clearstream, Luxembourg (the “Common Depositary”) and may be delivered on or prior to the original issue date of the Notes.

Upon the registration of each Global Certificate in the name of any nominee of a Common Depositary for Euroclear and Clearstream, Luxembourg and delivery of each Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each holder with a nominal amount of Notes equal to the nominal amount to which it is entitled.

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for its share of each payment made by the Issuer to the holder of the Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by the Global Certificate and such obligations of the Issuer will be discharged by payment to the holder of each Global Certificate in respect of each amount so paid.

Exchange

The following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by the Global Certificate pursuant to the Conditions may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) upon or following any failure to pay principal in respect of any Notes when it is due and payable; or
- (iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) or (ii) above, the Registered Holder has given the Principal Paying Agent or the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

Notices

For so long as all of the Notes are represented by a Global Certificate and such Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant Accountholders rather than by publication as required by Condition 12 (*Notices*), provided that, so long as the Notes are listed on any stock exchange, notices shall also be published in accordance with the rules of such exchange. Any such notice shall be deemed to have been given to the Noteholders on

the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any of the Notes held by a Noteholder are represented by a Global Certificate, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through the applicable clearing system's operational procedures approved for this purpose and otherwise in such manner as the Principal Paying Agent and the applicable clearing system may approve for this purpose.

Interest Calculation

For so long as Notes are represented by one or both of the Global Certificate, interest payable to the bearer of a Global Certificate will be calculated by applying the applicable rate of interest per annum to the principal amount of the Global Certificate and on the basis of: (a) the actual number of days in the period from and including the date from which interest begins to accrue (the "*Accrual Date*") to but excluding the date on which it falls due divided; by (b) the actual number of days from and including the *Accrual Date* to but excluding the next following Interest Payment Date. The resultant figure shall be rounded to the nearest cent, half a cent being rounded upwards.

Prescription

Claims against the Issuer in respect of principal and interest on the Notes represented by a Global Certificate will be prescribed after five (5) years (in the case of principal) and three (3) years (in the case of interest) from the Relevant Date (as defined in Condition 7 (*Taxation*)).

Cancellation

Cancellation of any Note represented by a Global Certificate and required by the Conditions of the Notes to be cancelled following its redemption or purchase will be effected by or on behalf of the Registrar or the Principal Paying Agent by enfacing the reduction in the principal amount on the Global Certificate and recording the relevant details of such cancellation.

Put Option

For so long as the Notes are represented by the Global Certificate and such Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, the option of the Noteholder to redeem the Notes on the occurrence of a change of control ("*Put Option*") may be exercised by an Accountholder giving notice to the Principal Paying Agent in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg (which may include notice being given on its instructions by Euroclear or Clearstream, Luxembourg for them to the Principal Paying Agent by electronic means) of the principal amount of the Notes in respect of which such option is exercised and at the same time presenting or procuring the presentation of the relevant Global Certificate to the Principal Paying Agent for notation accordingly within the time limits set forth in the Put Option condition.

Redemption at the Option of the Issuer

For so long as all of a series of the applicable Notes are represented by the Global Certificate and such Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, no selection of such series of Notes to be redeemed will be required under Condition "*Exercise of Options or Partial Redemption in Respect of Notes*" in the event of a partial redemption by the Issuer. Such partial redemption shall be performed via pool factor in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg.

Euroclear and Clearstream, Luxembourg

Notes represented by a Global Certificate are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate.

Record Date

In the case of Notes represented by a Global Certificate, the Record Date shall be the close of business on the Clearing System Business Day immediately prior to the due date for payment. “Clearing System Business Day” means Monday to Friday (inclusive) except December 25 and January 1.

TAXATION

The following overview contains a description of certain Italian and EU tax consequences in respect of the purchase, ownership and disposal of the Notes. This overview is based on the laws in force in Italy and the EU as at the date of this Offering Memorandum (as they are currently applied by the relevant tax authorities) and is subject to any changes in such laws occurring after such date, which changes could be made also on a retroactive basis.

The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Italian taxation

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws and published practices presently in force in Italy, though it is not intended to be, nor should it be constructed to be, legal or tax advice. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes, including the application to their particular situation of the tax considerations discussed below.

The statements herein regarding Italian taxation are based on the laws and published practices in force in Italy as of the date of this Offering Memorandum and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis.

Law No. 111 of 9 August 2023 (“*Law 111*”) delegates power to the Italian Government to enact, within twenty-four months from its publication, one or more legislative decrees implementing the tax reform of the tax system. According to Law 111, the tax reform may significantly change the taxation of financial income and capital gains and introduce various amendments in the Italian tax system at different levels. The precise nature, extent, and impact of these amendments cannot be assessed or predicted with certainty at this stage, as for the time being not all laws and legislative decrees needed to implement such tax reform have been enacted. The information provided in this Base Prospectus may not therefore reflect the future tax landscape accurately (see also “Risk Factors – Italian tax changes may affect the tax treatment of the Notes”). Noteholders should be aware that the amendments that may be introduced to the tax regime of financial income and capital gains could increase the taxation on interest, similar income and/or capital gains accrued or realized under the Notes and could result in a lower return of their investments.

Tax treatment of Notes

Italian Legislative Decree No. 239 of 1 April 1996 (“*Decree 239/96*”), as subsequently amended, provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as “*Interest*”) from notes falling within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by companies listed on an Italian regulated market.

For these purposes, pursuant to Article 44 of the Presidential Decree No. 917 of 22 December 1986 (the “*Italian Tax Code*” or the “*ITC*”), as amended and supplemented from time to time, securities similar

to bonds are defined as securities that: (i) incorporate an unconditional obligation to pay, at maturity or redemption, an amount not less than their nominal value; (ii) do not give any right to directly or indirectly participate in the management of the Issuer or of the business in relation to which the securities are issued nor any type of control on the management; and (iii) do not provide for a remuneration which is entirely linked to the profits of the Issuer, or other companies belonging to the same group or to the business in respect of which the securities have been issued.

Italian Resident Holder of Notes

Where an Italian resident Noteholder is *inter alia* (i) an individual not engaged in entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the “*risparmio gestito*” regime – see under “—Tax Treatment of Capital Gains on the Notes—Capital gains realized by Italian Resident Holders of the Notes” below), (ii) a non-commercial partnership, (iii) a non-commercial private or public institution or (iv) an investor exempt from Italian corporate income taxation, Interest relating to the Notes, accrued during the relevant holding period, are subject to a tax withheld at source, referred to as *imposta sostitutiva*, levied at the rate of 26%.

If the Noteholders described under *inter alia* (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional tax and it may be credited against the overall income tax due by the taxpayer in respect of the income derived from its business activity which will include Interest.

Subject to certain conditions (including a minimum holding period requirement) and limitations, Interest relating to the Notes may be exempt from any income taxation (including from the 26% *imposta sostitutiva*) if the Noteholders are Italian resident individuals not engaged in entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 and the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets all the requirements from time to time applicable set forth under Italian Law.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorized intermediary (as defined below), Interest from the Notes will not be subject to *imposta sostitutiva* but must be included in the relevant Noteholder’s annual income tax return and are therefore subject to general Italian corporate taxation (“*IRES*”), generally applying at the current ordinary rate of 24% (banks or other financial institutions will be subject to an additional to IRES levied at the rate of 3.5%), and, in certain circumstances, depending on the status of Noteholder, also to regional tax on productive activities (“*IRAP*”), generally applying at the rate of 3.9% (banks or other financial institutions will be subject to IRAP at the special rate of 4.65%). In any case, the IRAP rate may vary across regions by up to 0.92%. In addition, Law No. 207 of 30 December 2024 (the “*2025 Budget Law*”) introduced a provisional special reduction of the IRES rate to 20%, applicable exclusively for 2025 tax year. Requirements to qualify for this reduction include, among others: (i) the taxpayer temporarily retaining at least 80% of its 2024 earnings for no less than two fiscal years, (ii) investing a certain amount in qualifying assets, which must be the greater of 30% of the 2024 retained earnings or 24% of the 2023 overall earnings, and (iii) sustaining or increasing certain levels of employment as defined by the law. Recapture mechanisms apply if the conditions for the tax rate reduction are not maintained or if the qualifying assets listed sub (ii) are transferred.

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001 (“*Decree No. 351*”), Article 32 of Law Decree No. 78 of 31 May 2010, converted into law with amendments by Law No. 122 of 30 July 2010, and Legislative Decree No. 44 of 4 March 2014, all as amended, payments of Interest in respect of the Notes made to Italian resident real estate investment funds created under Article 37 of Legislative Decree No. 58, as amended and supplemented, and Article 14-*bis* of Law No. 86 of 25 January 1994 and Italian real estate investment companies with fixed capital - SICAFs (together, the “*Real Estate Investment*”

Funds”) are subject neither to *imposta sostitutiva* nor to any other income tax at the level of the Real Estate Investment Fund, provided that the Notes are timely deposited with a qualified intermediary (as defined below) but a withholding or substitute tax of 26% will apply, in certain circumstances, to income realized by unitholders or shareholders in case of distributions, redemption or sale of the units. Moreover, subject to certain conditions and depending on the status and percentage of participation held, income realized by Real Estate Investment Funds is attributed to the relevant investors and subject to tax in their hands irrespective of its actual collection and in proportion to the percentage of ownership of units/shares on a tax transparency basis.

Where an Italian resident Noteholder is an open-ended or a closed-ended investment fund, a *Società di Investimento a Capitale Fisso* (“SICAF”) (other than a Real Estate Investment Fund) or a *Società di Investimento a Capitale Variabile* (“SICAV”) established in Italy (together, the “Fund”) and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority and the Notes are deposited with an authorized intermediary (as defined below), Interest accrued during the holding period on such Notes will not be subject to *imposta sostitutiva* nor to any other income at the level of the Fund, but must be included in the management results of the Fund accrued at the end of each tax period. The Fund will not be subject to taxation on such result, but a withholding tax of 26% will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders or in case of redemption or sale of the units or shares in the Fund.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorized intermediary (as defined below), Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, which will be subject to a 20% substitute tax. Subject to certain conditions (including a minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20% substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets all the requirements from time to time applicable set forth under Italian law.

Pursuant to Decree 239/96, the *imposta sostitutiva* is applied by banks, società di intermediazione mobiliare (so-called “SIMs”), fiduciary companies, società di gestione del risparmio (“SGRs”), stockbrokers and other qualified entities, identified by a decree of the Ministry of Finance, which are resident in Italy (“Intermediaries” and each an “Intermediary”) or by permanent establishments in Italy of banks or intermediaries resident outside Italy or by organizations or companies non-resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which includes Euroclear and Clearstream) having appointed an Italian representative for the purposes of Decree 239/96.

For the purposes of applying *imposta sostitutiva*, Intermediaries or permanent establishments in Italy of foreign intermediaries are required to act in connection with the collection of Interest or, in the transfer or disposal of the Notes, including in their capacity as transferees. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change in ownership of the relevant Notes or in a change in the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary paying Interest to a Noteholder or, absent that, directly by the Issuer paying that Interest.

The *imposta sostitutiva* regime described herein does not apply in cases where the Notes are held in a discretionary investment portfolio managed by an authorised intermediary pursuant to the so-called “*regime del risparmio gestito*” regime (see—“*Tax Treatment of Capital Gains on the Notes*” below). In such a case, Interest is not subject to *imposta sostitutiva* but contributes to determine the annual net accrued result of the portfolio, which is subject to an ad-hoc substitutive tax of 26% on the results.

Non-Italian Resident Holders of Notes

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are effectively connected, an exemption from *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either: (i) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with the Republic of Italy as listed in the Italian Ministerial Decree of 4 September 1996, as amended from time to time, or in any other decree to be issued in the future under the authority of Article 11(4)(c) of Decree 239/96 (the “*White List*”); or (ii) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (iii) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) an institutional investor which is established in a country included in the White List, even if it does not possess the status of a taxpayer in its own country of establishment.

To ensure payment of Interest in respect of the Notes without the application of 26% *imposta sostitutiva*, non-Italian resident investors indicated above must:

- (a) deposit the Notes in due time together with the coupons relating to such Notes directly or indirectly with:
 - (i) an Italian or non-Italian resident bank or financial institution (there is no requirement for the bank or financial institution to be EU resident) (the “*First Level Bank*”), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below); or
 - (ii) an Italian resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, acting as depositary or sub-depositary of the Notes appointed to maintain direct relationships, via telematic link, with the Department of Revenue of the Ministry of Economy and Finance (the “*Second Level Bank*”). Organizations and companies that are not resident of Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Economy and Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or the permanent establishment in Italy of a non-resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of 24 February 1998) for the purposes of the application of Decree 239/96. If a non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank; and
- (b) file in due time with the First Level Bank or Second Level Bank (as the case may be) a declaration (*autocertificazione*) stating, *inter alia*, that he or she is a resident, for tax purposes (or established, for institutional investors not subject to tax), in a White List State. Such declaration (*autocertificazione*) which must comply with the requirements set forth by an Italian Decree of the Ministry for the Economy and Finance of 12 December 2001 (as amended and supplemented), is valid until withdrawn or revoked and need not be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depositary. The declaration (*autocertificazione*) is not required for non-Italian resident investors that are international entities and organizations established in accordance with international agreements ratified in Italy and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state.

The *Imposta sostitutiva* will be applicable at the rate of 26% to Interest paid to non-Italian Resident Noteholders who do not qualify for the foregoing exemption or do not timely and properly satisfy the relevant conditions and procedural requirements provided for the exemption to apply (including the procedures set forth under Decree 239/1996 and in the relevant implementing rules).

Noteholders who are subject to the *Imposta sostitutiva* may, nevertheless, be eligible for full or partial relief under an applicable double tax treaty entered into by Italy and the State of tax residence of the relevant noteholder, if more favourable, subject to timely filing of required documentation provided by Regulation of the Director of Italian Revenue Agency No. 2013/84404 of 10 July 2013.

Tax Treatment of Capital Gains on the Notes

Capital gains realized by Italian Resident Holders of the Notes

Any capital gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the status of the Noteholder, also as part of the net value of the production for IRAP purposes) if realized by an Italian company or a similar commercial entity, including the permanent establishment in Italy of foreign entities to which the Notes are effectively connected, or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is *inter alia* (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership or (iii) a non-commercial private or public institution, any capital gain realized by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva* provided for by Legislative Decree No. 461 of 21 November 1997 (“*Decree 461/97*”), levied at the rate of 26% (the “CGT”).

In respect of the application of the CGT, taxpayers may opt for one of the three regimes described below.

- (a) “*Regime della dichiarazione.*” Under the tax return regime, which is the default regime for Italian resident Noteholders under (i) through (iii) above, the CGT will be chargeable, on a yearly cumulative basis, on all capital gains, net of any incurred capital loss offsetable, realized by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. The relevant Noteholder must indicate the overall capital gains realized in any tax year, net of any relevant incurred capital loss offsetable, in the annual tax return and pay the CGT on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realized in any of the four succeeding tax years.
- (b) “*Regime del risparmio amministrato.*” As an alternative to the tax return regime, Italian resident Noteholders under (i) through (iii) above may elect to pay the CGT separately on capital gains realized on each sale or redemption of the Notes. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of foreign intermediaries) and (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for CGT in respect of capital gains realized on each sale or redemption of the Notes (as well as in respect of capital gains realized upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realized, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to report the capital gains in the annual tax return.
- (c) “*Regime del risparmio gestito.*” Any capital gains realized by Italian Noteholders under (i) through (iii) above who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called *risparmio gestito* regime

will be included in the computation of the annual increase in value of the managed assets accrued, even if not realized, at year end, subject to a 26% substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any decrease in value of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to report the capital gains realized in the annual tax return.

Subject to certain conditions (including a minimum holding period requirement) and limitations, capital gains realized upon sale or redemption of the Notes may be exempt from any income taxation (including from the 26% *imposta sostitutiva*) if the Noteholders are Italian resident individuals not engaged in entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 and the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets all the requirements from time to time applicable set forth under Italian law.

Any capital gains realized by a Noteholder that is a Real Estate Investment Fund will be subject neither to CGT nor to any other income tax at the level of the Real Estate Investment Fund. However, a withholding tax or a substitute tax at the rate of 26% will apply, in certain circumstances, to income realized by unitholders or shareholders in case of distributions, redemption or sale of the units or shares. Subject to certain conditions and depending on the status and percentage of participation held, income realized by a Real Estate Investment Fund is attributed to the relevant investors and subject to tax in their hands, irrespective of its actual collection and in proportion to the percentage of ownership of units on a tax transparency basis.

Any capital gains realized by an Italian Noteholder that is a Fund will not be subject to CGT, but will be included in the result of the relevant portfolio accrued at the end of the relevant tax period. Such result will not be taxed at the level of the Fund, but income realized by unitholders or shareholders in case of distributions, redemption or sale of the units or shares, may be subject to a withholding tax of 26%.

Any capital gains realized by a Noteholder that is an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20% substitute tax. Subject to certain conditions (including a minimum holding period requirement) and limitations, capital gains on the Notes may be excluded from the taxable base of the 20% substitute tax if the Notes are included in a long-term individual savings account (*piano di risparmio a lungo termine*) that meets all the requirements from time to time applicable set forth under Italian law.

Capital gains realized by Non-Italian Resident Holders of the Notes

The CGT may in certain circumstances be payable on any capital gains realized upon sale, transfer or redemption of the Notes by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Article 23, first paragraph, letter f), of ITC, any capital gains realized by non-Italian resident persons, without a permanent establishment in Italy to which the Notes are effectively connected, through the sale for consideration or redemption of the Notes are not subject to taxation in Italy to the extent that the Notes are traded on a regulated market in Italy or abroad (according to the meaning identified by the Italian tax authorities in Circular Letter No. 32/E of 23 December 2020), and in certain cases subject to timely filing of required documentation (i.e. a self-declaration stating that the person is not resident in Italy for tax purposes) with Italian qualified Intermediaries (or permanent establishments in Italy of foreign Intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

If the Notes are not traded on a regulated market in Italy or abroad (according to the meaning identified by the Italian tax authorities in Circular Letter No. 32/E of 23 December 2020) and are held in Italy, pursuant to the provisions of Decree 461/1997, non-Italian resident holders of the Notes without a permanent establishment in Italy to which the Notes are effectively connected are exempt from CGT in the Republic of Italy on any capital gains realized upon sale for consideration or redemption of the Notes if they are (i) resident, for tax purposes, in a country which recognizes the Italian fiscal authorities' right to an adequate exchange of information, included in the White List, or (ii) an international body or entity set up in accordance with international agreements which have entered into force in Italy, or (iii) an institutional investor, whether or not subject to tax, which is organized or established in a country which is included in the White List, even if it does not possess the status of a taxpayer in its own country of establishment, or (iv) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign State. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected hold Notes with an Italian authorized financial Intermediary and are subject to the *risparmio amministrato* regime or elect for the *risparmio gestito* regime, exemption from Italian taxation on capital gains will apply upon condition that they file in time with the authorized financial Intermediary an appropriate self-declaration stating that they meet the requirement indicated above.

If the above-mentioned conditions are not met, capital gains realized by non-Italian Resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected, from the disposal or redemption of Notes issued by an Italian-resident Issuer and not traded on a regulated market, may be subject to the CGT at the current rate of 26%. However, noteholders may be able to benefit from an applicable double tax treaty with Italy providing that capital gains realized upon the sale or redemption of the Notes are taxed only in the country where the recipient is tax resident, subject to satisfying certain conditions.

Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected hold Notes with an Italian authorized financial Intermediary and are subject to the *risparmio amministrato* regime or elect for *risparmio gestito* regime, exemption from Italian taxation on capital gains will apply upon condition that the non-Italian residents file in time with the authorized financial Intermediary appropriate documents which include, *inter alia*, a certificate of residence from the competent tax authorities of their country of residence.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-Italian resident persons and entities holding Notes deposited with an Italian Intermediary (or permanent establishment in Italy of foreign Intermediary), but non-resident holders of the Notes retain the right to waive this regime.

Inheritance and gift taxes

The transfers of any valuable asset (including the Notes) as a result of death or donation (or other transfers for no consideration) of Italian residents and of non-Italian residents, but in such latter case limited to assets held within the Italian territory (which, for presumption of law, includes bonds issued by Italian resident issuers), are subject to Italian inheritance and gift tax as follows:

- (i) transfers in favour of the spouse and of direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4% on the value of the inheritance or the gift exceeding €1,000,000 (per beneficiary);
- (ii) transfers in favour of the brothers or sisters are subject to an inheritance and gift tax applied at a rate of 6% on the value of the inheritance or the gift exceeding €100,000 (per beneficiary);
- (iii) transfers in favour of all other relatives up to the fourth degree or relatives-in-law up to the third degree, are subject to an inheritance and gift tax applied at a rate of 6% on the entire value of the inheritance or the gift; and

- (iv) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8% on the entire value of the inheritance or the gift.

If the beneficiary of any such transfer is a disabled individual, whose handicap is recognized pursuant to Law No. 104 of 5 February 1992, the tax is applied only on the value of the assets (including the Notes) received in excess of €1,500,000 at the rates illustrated above, depending on the type of relationship existing between the deceased or donor and the beneficiary.

With respect to Notes listed on regulated markets and multilateral trading facilities, the value for inheritance and gift tax purposes is the average trading price of the last quarter preceding the date of the succession or the gift (including any accrued interest). With respect to unlisted Notes, the value for inheritance tax and gift tax purposes is generally determined by reference to the value of listed debt securities having similar features or based on certain elements as presented in the Italian tax law.

The transfer of financial instruments as a result of death is exempt from inheritance tax when such financial instruments are included in a long-term individual saving account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth under Italian tax law.

Registration tax

Contracts relating to the transfer of securities, such as Notes, are subject to Italian registration tax as follows: (i) public deeds (*atti pubblici e scritture private autenticate*) and deeds executed in Italy with notarized signatures are subject to a fixed registration tax of €200; (ii) private deeds (*scritture private non autenticate*) are subject to a fixed registration tax of €200, which applies only in case of use, reference (*enunciazione*) in a subsequent registered deed or voluntary registration.

As of 1 January 2025, inheritance and gift tax will be subject to the new provisions of the Legislative Decree no. 139 of 18 September 2024, which are, though, not foreseen to have impacts on the above-described provisions.

Stamp Duty

Pursuant to Article 13(2-ter) of the Tariff, Annex A, Part I, attached to Presidential Decree No. 642 of 26 October 1972, as subsequently amended, a proportional stamp duty applies on a yearly basis to any periodic reporting communications which may be sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary in Italy. The stamp duty applies at the rate of 0.2% on the market value or – in the lack of a market value – on the nominal value or the redemption amount of the securities held. The stamp duty cannot exceed €14,000 for taxpayers different from individuals. Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy of 29 July 2009, as subsequently amended and restated) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory. The communication is deemed to be sent to the customers at least once a year, even for instruments for which it is not mandatory. In case of reporting periods less than 12 months, the stamp duty is payable on a pro-rata basis.

Stamp duty applies both to Italian resident Noteholders and to non-Italian resident Noteholders, to the extent that the Notes are held with an Italian based financial intermediary (and not directly held by the Noteholders outside Italy), in which case wealth tax (see “—*Wealth Tax on Financial Products Held Abroad*”) applies to Italian resident Noteholders only.

Wealth Tax on Financial Products Held Abroad (the so-called “IVAFE”)

In accordance with Article 19 of Decree No. 201 of 6 December 2011, converted with Law No. 214 of 22 December 2011, as subsequently amended, Italian resident individuals, non-commercial entities and certain partnership (*società semplici* or similar partnership in accordance with an Article 5 of the ITC)

holding financial products – including the Notes – outside of the Italian territory are required to declare in their own annual tax return and pay a wealth tax (“*Imposta sul valore delle attività finanziarie detenute all'estero*” – “*IVAFE*”). The applicable tax rate is 0.2% of the value of such assets (the tax is determined in proportion to the period of ownership). Article 1(91) of Law 30 December 2023, No. 213 provided for an increase of the rate from 0.2% to 0.4%, only in the circumstance that the Notes are held in black list countries, listed in the Ministerial Decree No. 107 of 4 May 1999.

The wealth tax cannot exceed €14,000 per year for taxpayers different from individuals.

The tax applies on the market value at the end of the relevant year or – in the lack of the market value – on the nominal value or redemption value of such financial products held outside of the Italian territory. Taxpayers can generally deduct from the tax a tax credit equal to any wealth taxes paid in the State where the financial products are held (up to the amount of the Italian wealth tax due).

Financial assets (including the Notes) held abroad are excluded from the scope of IVAFE if they are administered by Italian financial intermediaries pursuant to an administration agreement and the items of income derived from such instruments have been subject to tax by the same intermediaries. In this case, the below mentioned stamp duty provided for by Article 13(2-ter) of the Tariff, Annex A, Part I, attached to Presidential Decree No. 642 of 26 October 1972 does apply.

Italian Tax Reporting Obligations

Pursuant to Legislative Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended from time to time, Italian-resident individuals which are non-business entities and non-business partnerships (*società semplici* or similar partnerships in accordance with Article 5 of the ITC) resident in Italy for tax purposes are required, under certain conditions, to report for tax monitoring purposes in their yearly income tax return the amount of investments, including the Notes, directly or indirectly held abroad (or beneficially owned abroad under Italian anti-money laundering provisions) (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return), regardless of the value of such assets (save for deposits or bank accounts having an aggregate value not exceeding €15,000 threshold throughout the year, which per se do not require such disclosure). This also applies in the case that at the end of the tax year, securities are no longer held by the above Italian-resident individuals and entities.

However, the above reporting obligation is not required in case where (i) the financial assets (including Notes) are deposited for management with Italian banks, SIMs, fiduciary companies or other qualified Italian financial Intermediaries and with respect to contracts entered into through their intervention, provided that the same Intermediaries apply a withholding tax or *Imposta sostitutiva* on any income derived from the securities or (ii) one of such Intermediaries intervenes, also as a counterpart, in their transfer, provided that income deriving from such financial assets has been subject to the applicable withholding tax or substitute tax by the same Intermediaries.

Additional Notes

The Issuer may issue additional Notes. Any Additional Notes will be considered fungible for Italian income tax purposes with the initial Notes only if the conditions set forth in Article 11(2) of Decree 239/1996 are met, which requires in particular that (i) the issuance of Additional Notes occurs within twelve months of the original issue of the initial Notes, and (ii) the spread between (a) the issue price of the initial Notes and (b) the issue price of the Additional Notes is not higher than 1% of the principal amount of the issuance multiplied by the number of full years until the maturity date. If these requirements are not met, the Additional Notes will not be considered fungible for Italian income tax purposes with the initial Notes.

OECD Common Reporting Standards

The EU Savings Directive adopted on 3 June 2003, by the EU Council of Economic and Finance Ministers (as subsequently amended) on taxation of savings income in the form of interest payments has been repealed from 1 January 2016 to prevent overlap between the Savings Directive and the new automatic exchange of information regime implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended, initially, by Council Directive 2014/107/EU and, lastly, by Council Directive 2018/822/EU).

Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard (“CRS”) to address the issue of offshore tax evasion on a global basis. Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges began in January 2017.

Italy has enacted Italian Law No. 95/2015 (“Law 95/2015”), implementing the CRS (and the amended EU Directive on Administrative Cooperation) Italian Ministerial Decree dated 28 December 2015, which has entered into force on 1 January 2016, implemented Law 95/2015 and provides for the exchange of information in relation to the calendar year 2016 and later.

In the event that holders of the Notes hold the Notes through an Italian financial institution (as meant in the Italian Ministerial Decree of 28 December 2015 implementing Law 95/2015), they may be required to provide additional information to such financial institution to enable it to satisfy its obligations under the Italian implementation of the CRS.

CERTAIN INSOLVENCY LAW CONSIDERATIONS

The following is a summary of certain considerations in relation to bankruptcy, insolvency and certain other applicable regulations in the EU and Italy. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations.

It should be noted that bankruptcy, insolvency or similar proceedings, schemes and/or events could be conducted or could occur in any of these jurisdictions, as well as in other jurisdictions. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Notes. In particular, under the EU regulations and regulations of Member States, the insolvency (bankruptcy) proceedings may be initiated not only in the country where the entity is registered (incorporated) but also in other Member States where the bankrupt entity conducts its business activity. Irrespective of the attempts to harmonize the bankruptcy regulations in Member States, the regulations in various states differ and the insolvency (bankruptcy) proceedings conducted in more than one state may create additional legal risks and costs for you.

In the event that the Issuer experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions bankruptcy, insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

European Union

The Issuer is incorporated and organized under the laws of Italy.

Regime Applicable to Insolvency Proceedings Opened after 26 June 2017

On 5 June 2015, Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015, on insolvency proceedings (recast), as amended (the "*Recast EU Insolvency Regulation*") was published on the Official Gazette of the European Union.

The Recast EU Insolvency Regulation applies within the EU, other than Denmark, to insolvency proceedings opened on or after 26 June 2017 (subject to certain exceptions) and with respect to a company whose COMI (as defined herein) is located in a Member State.

Main insolvency proceedings

Pursuant to Article 3(1) of the Recast EU Insolvency Regulation, the court with jurisdiction to open insolvency proceedings in relation to a debtor that has its "centre of main interests" ("*COMI*") (as that term is used in Article 3(1) of the Recast EU Insolvency Regulation) in a Member State is the court of the Member State (other than Denmark) within which the centre of the debtor's main interests is situated. However, pursuant to Article 4 of the Recast EU Insolvency Regulation, a court requested to open insolvency proceedings will be required to examine whether it has jurisdiction pursuant to Article 3. Such court's decision may be challenged by the debtor or any creditor on grounds of international jurisdiction. The COMI is defined as "the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties."

COMI is not a static concept and may change from time to time, but is determined for the purposes of deciding which court has competent jurisdiction to open main insolvency proceedings at the time of the request to open insolvency proceedings: moreover, the determination of where a debtor has its COMI is a question of fact on which the courts of the different Member States may have differed and even conflicting views. Article 3(1), paragraph 2, provides, in most cases, for a rebuttable presumption that a company's COMI is in the jurisdiction where its registered office is located. In order to prevent fraudulent or abusive forum shopping, such presumption only applies if the registered office has not been moved to another Member State within the three-month period prior to the request of the opening of insolvency proceedings. Otherwise, the presumption shall not apply, and the court which shall have

jurisdiction to open insolvency proceedings in relation to a company will be the court of the Member State (other than Denmark) within which the company had its registered office before moving it.

Specifically, Recital 30 of the Recast EU Insolvency Regulation contains a number of examples of where a presumption as to the COMI may be rebutted: for instance, where the company's central administration is located in a Member State other than that of its registered office, and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the company's actual centre of management and supervision and of the management of its interests is located in that other Member State. In that respect, the factors that courts may take into consideration when determining the COMI of a debtor can include where board meetings are held, the location where the debtor conducts the majority of its business or has its head office and the location where the majority of the debtor's creditors are established and where they recognize as being the centre of the company's operations.

If the COMI of a company is, at the time of the request to open insolvency proceedings located in the same Member State as its registered office, the main insolvency proceedings with respect to the company under the Recast EU Insolvency Regulation would be commenced in such jurisdiction and, accordingly, a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the Recast EU Insolvency Regulation. As noted in Preamble 10, Annex A to the Recast EU Insolvency Regulation has been extended to include insolvency proceedings that promote the rescue of economically viable but financially distressed businesses (such as, with respect to insolvency proceedings in Italy, debt restructuring agreements with creditors (*accordi di ristrutturazione*), crisis resolution process of the consumer over indebtedness (*procedure di composizione della crisi da sovraindebitamento del consumatore*) and winding-up (*liquidazione dei beni*)).

Furthermore, pursuant to Article 6 of the Recast EU Insolvency Regulation, the courts of the Member State in which insolvency proceedings have been opened in accordance with Article 3 have jurisdiction for any action that derives directly from the insolvency proceedings and is closely linked with them, such as avoidance actions.

Secondary insolvency proceedings

Insolvency proceedings opened in one Member State under the Recast EU Insolvency Regulation must be recognized in the other Member States (other than Denmark), although secondary proceedings may be opened in other Member States. If the COMI of a debtor is in one Member State (other than Denmark), under Article 3(2) of the Recast EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open "secondary" or "territorial" insolvency proceedings only in the event that such debtor has an "establishment" in the territory of such other Member State. Secondary proceedings may be any insolvency proceeding listed in Annex A of the Recast EU Insolvency Regulation and for the avoidance of doubt, are not limited to winding-up proceedings. Territorial proceedings are, in effect, secondary proceedings which are commenced prior to the opening of main insolvency proceedings. "Establishment" is defined in Article 2(10) of the Recast EU Insolvency Regulation as any place of operations where a debtor carries out or has carried out in the three-month period prior to the request to open main insolvency proceedings a non-transitory economic activity with human means and assets. Accordingly, the opening of secondary insolvency proceedings or territorial insolvency proceedings in another Member State (other than Denmark) will also be possible if the debtor had an establishment in such Member State in the three-month period prior to the request for opening of main insolvency proceedings.

The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other Member State. Where main proceedings in the Member State (other than Denmark) in which the debtor has its COMI have not yet been commenced, territorial insolvency proceedings may only be commenced in another Member State (other than Denmark) where the debtor has an establishment where either (i) insolvency proceedings cannot be commenced in the Member

State in which the debtor's COMI is situated under the conditions laid down by that Member State's law; or (ii) the opening of territorial insolvency proceedings is requested by (a) a creditor whose claim arises from or is in connection with the operation of an establishment situated within the territory of the Member State where the opening of territorial proceedings is requested, or (b) a public authority which, under the law of the Member State within the territory of which the establishment is situated, has the right to request the opening of insolvency proceedings. When main insolvency proceedings are opened, territorial insolvency proceedings become secondary insolvency proceedings. Irrespective of whether the insolvency proceedings are main or secondary or territorial insolvency proceedings, such proceedings will, subject to certain exceptions, be governed by the *lex fori concursus*, (i.e., the local insolvency law of the court that has assumed jurisdiction over the insolvency proceedings of the debtor).

The courts of all Member States (other than Denmark) must recognize the judgment opening insolvency proceedings of the court commencing proceedings (subject to any public policy exception). The judgment of the court commencing main proceedings will produce the same effects in the other Member States (other than Denmark) as under the law of the Member State (other than Denmark) commencing main proceedings, so long as no secondary insolvency proceedings or territorial insolvency proceedings have been commenced in that other Member State and subject to certain other exceptions (e.g., rights in rem situated in another Member State remain subject to the original law governing that right). The insolvency practitioner appointed or confirmed by a court in the Member State, which has jurisdiction to commence main proceedings, may exercise the powers conferred on it by the laws of that Member State in another Member State (other than Denmark) (such as to remove assets of the debtor from that other Member State). These powers are subject to certain limitations (e.g., the powers are available provided that no insolvency proceedings have been commenced in that other Member State nor any preservation measure to the contrary has been taken there further to a request to commence secondary proceedings in that other Member State where the debtor has assets).

However, under Article 36 of the Recast EU Insolvency Regulation, the insolvency receiver in the main insolvency proceedings may prevent the opening of secondary insolvency proceedings in another Member State by giving a unilateral undertaking in respect of the assets located in the Member State in which secondary insolvency proceedings could be opened. For this purpose, the insolvency receiver must undertake to comply with the distribution and priority rights under the relevant national law and from which the local creditors would benefit if the insolvency proceeding was opened in the Member State where the assets are located. Such undertaking must be made in writing and is subject to approval by a majority of local creditors, determined in accordance with applicable local laws. If approved, the undertaking is binding on the insolvent estate and if a court is requested to open secondary insolvency proceedings, it should refuse to open such proceeding if it is satisfied that the undertaking adequately protects the general interests of local creditors.

Insolvency proceedings involving members of a group of companies

The Recast EU Insolvency Regulation provides for a cooperation and communication mechanism with the concept of "group coordination proceedings" in the event that insolvency proceedings concerning two or more members of a group of companies are opened in Member States (other than Denmark). Under Article 61 of the Recast EU Insolvency Regulation, group coordination proceedings may be requested before any court having jurisdiction over the insolvency proceedings of a member of the group, by an insolvency receiver appointed in insolvency proceedings opened in relation to a member of the group. Insolvency receivers appointed in proceedings concerning a member of the group will cooperate with any insolvency receiver appointed in proceedings concerning another member of the group to the extent that such cooperation is appropriate. Similarly, the court which has opened proceedings shall also cooperate with any other court before which a request is made to open proceedings concerning another member of the group, to the extent that cooperation is appropriate to facilitate the effective administration of the proceedings, is not incompatible with the rules applicable to them and does not entail any conflict of interest.

Further, an insolvency receiver appointed in insolvency proceedings concerning a member of a group of companies will cooperate and communicate with any court with jurisdiction over the insolvency proceedings of another group member. The Recast EU Insolvency Regulation also contains provisions for the proposal and implementation of a group coordination plan and group coordination proceedings, which are designed and implemented by a group coordinator. Participation in the group coordination plan is not compulsory for group members, and there are safeguards to preserve the sovereignty of the applicable law and courts of each group members' insolvency proceedings.

Applicability

In the event that the Issuer experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations of the Issuer.

Certain Italian Insolvency Law Considerations

The insolvency laws of Italy may not be as favourable to investors' interests as those of other jurisdictions with which investors may be familiar. In Italy, courts play a central role in the insolvency process. Moreover, in court procedures may be materially more complex and the enforcement of security interests by creditors in Italy can be more time-consuming than in equivalent situations in jurisdictions with which holders of the Notes may be familiar.

The following is a brief description of certain aspects of insolvency law in Italy, which does not include special provisions applying to banks, insurance and other companies authorized to carry out certain reserved activities nor it provides a comprehensive description of insolvency laws application where publicly-owned companies are involved.

Insolvency laws and regulations have recently undergone a major reform with the Code of Business Crisis and Insolvency, implementing the guidelines contained in Law No. 155 dated 19 October 2017 contending the scheme of a comprehensive legal framework in order to regulate, among others, insolvency matters, which was published in the Gazzetta Ufficiale on 14 February 2019 no. 38— *Suppl. Ordinario* no. 6 and came into force on 15 July 2022.

The main innovations introduced by the Insolvency Code include: (i) the elimination of the term “bankrupt” (*fallito*) due to its negative connotation and the replacement of bankruptcy proceedings (*fallimento*) with a judicial liquidation (*liquidazione giudiziale*); (ii) a new definition of “state of crisis;” (iii) the adoption of the same procedural framework in order to ascertain such state of crisis and to access the different pre-judicial liquidation restructuring frameworks (*strumenti di regolazione della crisi e dell’insolvenza*) provided for by the same Insolvency Code; (iv) a new set of rules concerning group restructurings; (v) restrictions to the use of the pre-bankruptcy composition with creditors (*concordato preventivo*) in order to favour going concern proceedings; (vi) a new crisis settlement procedure (*composizione negoziata della crisi*); (vii) jurisdiction of specialized courts over proceedings involving large debtors; (viii) the adoption of definition of debtor’s “centre of main interest” as provided in the new set of rules concerning group restructurings, (ix) the introduction of the new restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*) among the pre-judicial liquidation restructuring frameworks (*strumenti di regolazione della crisi e dell’insolvenza*); (x) the regulation of adequate measures and plans to early detect a crisis with specific criteria to be adopted by companies and (xi) amendments to certain provisions of the Italian Civil Code aimed at ensuring the general effectiveness of the reform.

The Insolvency Code as originally provided under the Italian Legislative Decree No. 14 of 12 January 2019 has been amended and supplemented by, among others, (i) the Italian Legislative Decree No. 147 of 26 October 2020, (ii) the Italian Legislative Decree No. 83 of 17 June 2022; and (iii) the Italian

Legislative Decree No. 136 of 13 September 2024 (the “*Correttivo-ter Decree*”), providing the corrective interventions to the Insolvency Code.

The Correttivo-ter Decree was published in the Italian Official Gazette on 27 September 2024 and, as provided thereunder, entered into force on 28 September 2024. Starting from 28 September 2024, the provisions of the Correttivo-ter Decree (which supplements and amends the Insolvency Code) shall generally apply (unless otherwise provided) to all insolvency/restructuring proceedings (including negotiated crisis composition procedures) pending as of 28 September 2024, as well as to those which will be started or opened after 28 September 2024. As an exception to such general rule, the Correttivo-ter Decree provides, *inter alia*, that: (i) the provisions under article 5, para. 9, lett. b), no. 3 of the Correttivo-ter Decree shall apply only to negotiated crisis composition procedure for which filing is made after 28 September 2024; and (ii) the provisions under article 16, para. 6, article 17 para. 1 lett. a) and article 21, para. 4 of the Correttivo-ter Decree shall apply only to tax-arrangement proposals (*proposte di transazione*) filed after 28 September 2024.

Except for minor changes in some provisions of the Italian Civil Code, which already entered into force on 16 March 2019, in response to the COVID-19 pandemic, the entry into force of the Insolvency Code has been initially postponed to 1 September 2021 by the “*Decreto Liquidità*” (i.e., Law Decree 8 April 2020, no. 23, published in the Gazzetta Ufficiale on 8 April 2020 and converted in law by the Italian Parliament by the Law 5 June 2020, no. 40, published in the Gazzetta Ufficiale on 6 June 2020 the “*Liquidity Decree*”), then, pursuant to the Law Decree No. 118 dated 24 August 2021, published in the Gazzetta Ufficiale No. 2021 of 24 August 2021, as converted into law pursuant to L. n. 147 of 21 October 2021, published in the Gazzetta Ufficiale N. 253 of 23 October 2021 (the “*Law Decree 118/2021*”) to 16 May 2022 and is now effective starting from 15 July 2022.

Furthermore, please note that the Law Decree 118/2021, *inter alia*, introduced: (a) a new negotiated crisis composition procedure (*composizione negoziata per la crisi di impresa*); and (b) the simplified composition with creditors proceeding (*concordato semplificato per la liquidazione del patrimonio*) for the liquidation of the assets, currently regulated under the Insolvency Code.

Provisions under the Bankruptcy Law continue to apply only to any filings for proposals of declaration of insolvency procedures and bankruptcy restructuring plans (*concordato fallimentare*) and any filings seeking for the approval of debt restructuring agreements (*accordo di ristrutturazione dei debiti*) or for the opening of a composition with creditors proceeding (*concordato preventivo*) filed or pending before 15 July 2022 (i.e. the effective date of the Insolvency Code).

Considering the above, the following analysis will cover the Italian insolvency laws (including the Insolvency Code) applicable and into force as of the date hereof.

Italian laws (including Insolvency Code) applicable after 15 July 2022 (i.e. the date of the entry into force of the Insolvency Code)

Below is a brief description of the main provisions of the following type of proceedings provided under Insolvency Code which, after the entry into force of the latter (on 15 July 2022), has superseded the Bankruptcy Law:

- (a) judicial liquidation (*liquidazione giudiziale*) under the Insolvency Code;
- (b) composition with creditors (*concordato preventivo*) under the Insolvency Code;
- (c) negotiated crisis composition procedure (*composizione negoziata per la crisi di impresa*) under the Insolvency Code;
- (d) simplified composition with creditors proceeding (*concordato semplificato per la liquidazione del patrimonio*) under the Insolvency Code;

- (e) certified restructuring plans (*piani attestati di risanamento*) under the Insolvency Code;
- (f) debt-restructuring agreements (*accordi di ristrutturazione dei debiti*) under the Insolvency Code; and
- (g) restructuring plan subject to homologation (*piani di ristrutturazione soggetti a omologazione*) under the Insolvency Code.

The abovementioned restructuring/insolvency tools are available under the Insolvency Code for insolvent companies or a debtor in a state of crisis, as the case may be, and, in certain cases, also to debtors experiencing an economic or financial imbalance such as to make it likely that a state of crisis and/or distress or their insolvency will occur.

For the sake of completeness, please note that the Insolvency Code also provides for a simplified court-supervised composition with creditors (*concordato minore*) in case the debtor does not meet the dimensional requirements to access other restructuring tools, which follows the main procedural steps and effects provided for the composition with creditors proceeding (*concordato preventivo*), but entails the involvement and the assistance to the debtor of the board for crisis settlement (*organismo di composizione della crisi da sovraindebitamento* or *OCC*).

Furthermore, please find below a brief summary of the following proceedings, which remain available to large companies also in the context of the new rules provided under the reform process.

- (a) extraordinary administration for large insolvent companies (*amministrazione straordinaria delle grandi imprese insolventi*), under the Italian Legislative Decree No. 270 of 8 July 1999; and
- (b) extraordinary administration for the industrial restructuring of large insolvent companies (*amministrazione straordinaria per la ristrutturazione industriale delle grandi imprese insolventi*), under the Italian Law Decree No. 347 of 23 December 2003.

Please also find below a brief description of the forced administrative liquidation procedure (*procedura di liquidazione coatta amministrativa*) to which may be subject certain public interest entities (including, inter alia, insurance companies, credit institutions and other financial institutions).

Definition of “insolvency” and “crisis” under the Insolvency Code

The Insolvency Code introduced a specific concept of crisis, which is defined under article 2, letter (a) of the Insolvency Code as the state of the debtor such that it is likely that insolvency will follow, which is manifested by the inadequacy of prospective cash flows to meet obligations in the following 12 months.

Insolvency is defined under article 2, letter (b) of the Insolvency Code as the inability of the debtor to regularly meet its obligations as they become due, evidenced by defaults and/or other external elements.

Both insolvency and crisis are factual situations upon the occurrence of which different instruments provided for by the Insolvency Code may be activated.

Judicial liquidation (liquidazione giudiziale) under the Insolvency Code

The judicial liquidation (*liquidazione giudiziale*) is a court-supervised procedure for the liquidation of an insolvent company's assets and for the distribution of the related proceeds.

Pursuant to the Insolvency Code, the judicial liquidation is declared by the competent court and is applicable recurring two requirements:

- (i) an objective requirement, which is met if any of the following thresholds are met: (a) annual balance sheet assets (*attivo patrimoniale*) greater than €300,000 in the last three financial years (from the date on which the petition for judicial liquidation was filed) or from the establishment of the company if it has been incorporated less than three years before the petition for judicial liquidation; (b) annual gross proceeds (*ricavi lordi*) greater than €200,000 over the last three financial years (from the date on which the petition for judicial liquidation was filed) or from the establishment of the company if it has been incorporated less than three years before the petition for judicial liquidation; or (c) indebtedness (including debt that is not overdue and payable) greater than €500,000; and.
- (ii) a subjective requirement, which is met when the debtor is a commercial enterprise (*imprenditore commerciale*) carrying out commercial activity and is “insolvent.”

The judicial liquidation is opened and declared by the competent Courts upon a specific petition that can be filed by (i) the debtor itself; (ii) the administrative bodies and authorities that have control and supervisory functions over the company; (iii) one or more creditor; and (iv) in certain cases, the public prosecutor.

Upon opening the judicial liquidation proceeding, the Courts (*inter alia*) appoint a receiver and the debtor loses control over all its assets and over the management of its business which is taken over by the court-appointed receiver.

As a general rule, starting from the opening date of the judicial liquidation, stay of action applies and no enforcement and interim proceedings can be brought or continued against the debtor over the assets included in the estate. Specific exceptions by operation of law apply for certain claims secured by mortgages, pledges or guarantees including, *inter alia*:

- (i) mortgages securing loans pursuant to articles 38 and ff. of Italian Consolidated Banking Law (so-called “*mutuo fondiario*”): such mortgages may be enforced by the lender also after the opening of judicial liquidation vis-à-vis the debtor;
- (ii) pledges pursuant to Decree 170 (so-called «financial pledge» (*pegno finanziario*)): upon occurrence of an enforcement event, the relevant secured creditor may immediately sell the pledged financial assets and retain an amount equal to the secured obligation, even if an insolvency proceeding has been opened;
- (iii) non-possessory pledges pursuant to Italian Law Decree No. 59 of 3 May 2016 (*pegno non possessorio*): upon occurrence of an enforcement event, the relevant secured creditor may enforce the non-possessory pledge even if a judicial liquidation has been opened, after admission to the statement of liabilities (*ammissione allo stato passivo*) with secured ranking;
- (iv) pledges over movable assets: creditors secured by pledges over movable assets of the debtor may be authorized to sell the pledged assets during the procedure, after admission to the statement of liabilities (*ammissione allo stato passivo*) with secured ranking;
- (v) third-parties guarantees: even after the opening of judicial liquidation, creditors may decide to enforce any guarantees (and/or security-interests) granted by third-parties in the interest of the debtor.

Upon the commencement of judicial liquidation proceedings, amongst other things:

- subject to certain exceptions, all actions of creditors are stayed and creditors must file claims within a defined period. In particular, under certain circumstances, secured creditors may enforce against the secured property as soon as their claims are admitted as secured claims. Secured claims are paid out of the proceeds of the secured assets, together with interest and expenses. Any outstanding balance will be considered unsecured and rank *pari passu* with all

of the debtor's other unsecured debt. The secured creditor may sell the secured asset only after it has obtained authorization from the designated judge (*giudice delegato*). After hearing the judicial receiver and the creditors' committee, the designated judge decides whether to authorize the sale, and sets forth the timing in its decision;

- acts carried out by the debtor as well as all payments made or received by the debtor after the opening of all judicial liquidation are ineffective against the creditors. Formalities necessary to make acts effective towards third parties that have been carried out after the opening of judicial liquidation procedure are not effective towards creditors of the debtor (Article 145 of Insolvency Code);
- the debtor is dispossessed, and the administration of the debtor and the management of its assets are transferred to the judicial receiver (*curatore*). The debtor may no longer validly act in court as claimant or defendant in relation to the assets (Article 142 of the Insolvency Code). The judicial receiver is vested with such powers upon the authorization of the delegated judge. However, all pending proceedings in which the debtor is involved are automatically stayed from the date the opening of judicial liquidation and need to be re-initiated by or against the judicial receiver;
- the beginning of the judicial liquidation involves the cessation of all the activities of the company with a view to a sale of all assets. However, continuation of business may be authorized by the court if the continuation of the company's business does not cause damage to creditors. If the competent court authorizes the continuation of the business (*esercizio provvisorio dell'impresa*), the management of the business is entrusted to the judicial receiver (who may in turn avail himself of qualified third parties for this purpose);
- any act (including payments, pledges and issuances of guarantees) made by the debtor, other than those made through the receiver, after (and in certain cases even before for a limited period of time) the opening of judicial liquidation becomes (or could become if made before) ineffective against creditors and/or can be clawed-back;
- the execution of certain contracts and/or transactions pending as of the date of the opening of the judicial liquidation are suspended until the receiver decides whether to take them over. Although the general rule is that the judicial receiver is allowed to either continue or terminate contracts where some or all of the obligations have not been performed by both parties, certain contracts are subject to specific rules expressly provided for the Insolvency Code. In order to overcome the uncertainty that may predictably arise, the contractual counterparty may file a written petition requiring the Court to give the receiver a deadline of no more than 60 days; within such deadline, the receiver must decide to enter into the agreement or withdraw from it. Upon expiration of the deadline without the receiver having replied to the counterparty's request, the pending agreement is deemed terminated. Although the general rule is that the judicial receiver is allowed to terminate contracts where some or all of the obligations have not been performed, certain contracts are subject to specific rules expressly provided for by the Insolvency Code; and
- As far as receivables vis-à-vis the judicial liquidation proceedings are concerned, each creditor must lodge his claims with the competent court. The filing of the proof of claim by the creditor is necessary to demonstrate the creditor's right to participate in the liquidation, the amount of its claim and its ranking. The judge delegated by the court (*giudice delegato*), upon proposal of the receiver, will decide which claims are admitted to the statement of liabilities (*stato passivo*), for which amount they are admitted and whether the claims are to be qualified as secured or not. Each creditor may challenge (*opposizione*) the decision of the judge in front of the court. The same procedure applies also to individuals and entities claiming the right to obtain the restitution of assets. The sale of the debtor's assets is carried out by the receiver – or the delegated – through public auctions in compliance with a liquidation program proposed by the receiver and approved by the creditors' committee (which can also propose amendments to the

liquidation program proposed by the receiver). Creditors are then repaid out of the proceeds of the liquidation, which is managed by the receiver, according to the principle of equal treatment of creditors (so-called *par condicio creditorum*) and in line with the statutory order of priority among creditors.

Judicial liquidation proceedings, as per the former bankruptcy proceedings under Bankruptcy Law, are carried out and supervised by a court-appointed judicial receiver, a deputy judge (*giudice delegato*) and a creditors' committee (*comitato dei creditori*). The judicial receiver is not a representative of the creditors, and is responsible for the liquidation of the assets of the debtor to the satisfaction of creditors. The proceeds from the liquidation are distributed in accordance with statutory priority rights. The liquidation of a debtor can take a considerable amount of time, particularly in cases where the debtor's assets include real estate property.

Furthermore, the parties of a judicial liquidation proceeding as well as any interested party, may file an appeal (*opposizione*) to the decree closing the judicial liquidation proceeding within 30 days after having been notified of the same.

Composition with creditors in judicial liquidation (concordato nella liquidazione giudiziale)

Pursuant to Article 240 of the Insolvency Code, judicial liquidation proceedings can terminate prior to the actual judicial liquidation (*liquidazione giudiziale*) of the debtor, through a proposal for a composition with creditors in judicial liquidation, provided that certain requirements are met. By way of preliminary note, such agreement occurring in the context of a judicial liquidation proceeding (i) replaced the former proceeding defined as "*concordato fallimentare*," a composition with creditors agreement occurring in the context of a bankruptcy proceeding (*fallimento*) formerly provided for under Article 124, paragraph 1 of the Bankruptcy Law and (ii) should be kept distinct from the *concordato preventivo*, which is an independent insolvency proceeding. This particular composition with creditor agreement benefits in a certain way both the debtor as well as the creditors, in fact while the former is released of the debts falling into the relevant plan, the latter are satisfied faster and to a greater extent than they would have been with the full completion of the judicial liquidation process pertaining to the debtor's assets.

The creditor, a third party or the debtor himself formulates a proposal having as its object a "plan" to satisfy creditors, including preferential creditors, in full or in part. In case composition with creditors in judicial liquidation (*concordato nella liquidazione giudiziale*) is proposed by the debtor, such proposal, *inter alia*, (i) shall be filed after 1 year from the opening of the judicial liquidation proceeding and (ii) shall provide for the contribution by the debtor of resources that increase the value of the debtor's assets by at least 10%.

Such proposal shall be submitted to the competent judge, shall then be approved by the creditors and finally by the court. In case the court's decree approving the composition with creditors in judicial liquidation (*concordato nella liquidazione giudiziale*) becomes final (*definitivo*), the court declares the judicial liquidation to be closed and terminated, initiating the enactment phase of the composition with creditors in judicial liquidation (*concordato nella liquidazione giudiziale*). In the context of a composition with creditors in judicial liquidation (*concordato nella liquidazione giudiziale*), the competent court supervises both the proposal and execution phases while the judicial receiver (*curatore*), once the liquidation is closed, loses his management functions and retains only supervisory duties over the fulfilment of the terms and the conditions of the arrangement obligations arising from or in connection with the aforementioned composition with creditors in judicial liquidation (*concordato nella liquidazione giudiziale*).

Pursuant to Article 240, paragraph 2 of the Insolvency Code, the proposal may provide for:

- (a) the division of creditors into classes, according to homogeneous legal position and economic interests (pursuant to Article 240, paragraph 3 of the Insolvency Code, if the debtor adjudicated

into judicial liquidation has issued notes or financial instruments, the holders of such securities shall be included in a class);

- (b) differential treatment between creditors belonging to different classes, indicating the reasons of such differences;
- (c) the restructuring of the financial indebtedness of the debtor as well as the satisfaction of claims in any form possible, by way of example:
 - (i) by assignment of assets;
 - (ii) by assumption (*accollo*);
 - (iii) by means of other extraordinary transactions, including the assignment to creditors (as well as to companies in which they have an interest), of shares, quotas or bonds, including those convertibles into shares or other financial instruments and debt securities.

It should be noted that a special feature of the composition with creditors in judicial liquidation (*concordato nella liquidazione giudiziale*) is the option to provide that secured creditors may not be satisfied in full. However, it is necessary for the plan to provide for their satisfaction to a non-lessor extent than that the one which can be realized, by reason of preferential placement, from the relevant proceeds in the event of a judicial liquidation, having regard to the market value attributable to the assets or rights over which the cause of pre-emption exists.

The composition with creditors in judicial liquidation (*concordato nella liquidazione giudiziale*) proposal must be approved by the creditors' committee and the creditors holding the simple majority (by value) of claims (and, if classes are formed, by a majority (by value) of the claims in the majority of the classes). Secured creditors are not entitled to vote on the proposal unless they waive their security. The court may approve the *concordato* despite a creditor belonging to a dissenting class contests the appropriateness of the proposal if it finds that the claims can be satisfied by the *concordato* to a non-lessor extent than the practicable alternatives. Final court confirmation and sanctioning (*omologazione*) is also required.

Finally, once approved and sanctioned (*omologato*) by the court the *concordato nella liquidazione giudiziale* is mandatory:

- (a) for all existing creditors prior to the opening of the judicial liquidation proceeding; and
- (b) for creditors who have not applied for the admission to the judicial liquidation estate, to whom the guarantees or the security interests given in the *concordato nella liquidazione giudiziale* by third parties do not extend.

With the termination of the judicial liquidation – as a consequence of the sanctioning decree (*decreto di omologa*), which pursuant to Article 247 of the Insolvency Code may be challenged and appealed within 30 days from its notification – the debtor returns “in bonis.”

Statutory priorities

The statutory priority assigned to creditors under the Insolvency Code may be different from the priorities in the U.S., the UK and certain other EU jurisdictions. The proceeds of liquidation shall be allocated according to the following order: (i) for payments of “*predeductible*” claims (i.e., claims originated in the insolvency proceeding, such as costs related to the procedure) as better identified in Article 6 of the Insolvency Code; (ii) for payment of claims which are privileged, such as claims of secured creditors; and (iii) for the payment of unsecured creditors' claims. Under Italian law, the highest priority claims (after the costs of the proceedings are paid) are the claims of preferential creditors, including, *inter alia*, a claim whose priority is legally acquired (i.e., repayment of rescue or interim

financing) the claims of the Italian tax authorities and social security administrators, and claims for employee wages. The remaining priorities of claims are, in order of priority, those related to secured creditors (*creditori privilegiati*; a preference in payment in most circumstances, but not exclusively, provided for by law), mortgages (*creditori ipotecari*), pledges (*creditori pignoratizi*) and, lastly, unsecured creditors (*crediti chirografari*). Under Italian law, the proceeds from the sale of the debtor's estate are distributed according to legal rules of priority. Neither the debtor nor the court can deviate from these priority rules by proposing their own priorities of claims or by subordinating one claim to another based on equitable subordination principles (as a consequence it must be noted that priority of payments such as those commonly provided in intercreditor contractual arrangements may not be enforceable against an Italian judicial liquidation estate to the extent they are inconsistent with the priorities provided by law). The law creates a hierarchy of claims that must be adhered to when distributing the proceeds derived from the sale of the entire debtor's estate or part thereof, or from a single asset.

In particular, pursuant to Article 6 of the Insolvency Code, in addition to claims expressly qualified as “*prededucibili*” under Italian law, among others, the following claims are “*prededucibili*”:

- (a) claims relating to expenses and fees for services rendered by the business crisis settlement body in the exercise of their function;
- (b) professional claims arising from or in connection with the filing for the approval of a restructuring plan subject to homologation, the debt restructuring agreements and for the application for protective measures, to the extent of 75% of the assessed claim and provided that the abovementioned plan or agreements are approved and homologated;
- (c) professional claims arising from or in connection with the filing of for a court supervised composition with creditors procedure as well as the filing of the related proposal and the plan accompanying it, within the limits of 75% of the ascertained claims and provided that the proceedings are opened pursuant to Article 47 of the Insolvency Code; and
- (d) claims legally arisen during the procedure of judicial (*liquidazione giudiziale*) or controlled liquidation (*liquidazione controllata*) or subsequently to the application for the access to a pre-judicial liquidation restructuring framework (*strumento di regolazione della crisi e dell'insolvenza*), for the management of the debtor's assets and the continuation of the business of the company as well as arising from the professional services required by the related bodies or by the debtor for the good outcome of the restructuring tools and frameworks.

Avoidance powers in insolvency

A fundamental principle of the judicial liquidation is the equal treatment of all creditors (“*par condicio creditorum*”), according to which, absent statutory priorities or security right, no creditor may be paid a higher percentage of his claim than other creditors. A consequence of this principle is not only that the payment of debts by the judicial receiver is strictly regulated, but also that all transactions effected by the debtor over the previous year (or, in certain cases, over the previous six months) are scrutinized and potentially unwound as preferential.

Similar to other jurisdictions, there are so-called “claw-back” or avoidance provisions under Italian law that may give rise, *inter alia*, to the revocation of payments or to the granting of security interests made by the debtor prior to the declaration of insolvency. The key avoidance provisions include, but are not limited to, transactions made below market value, preferential transactions and transactions made with a view to defraud creditors. Claw-back rules under Italian law are normally considered to be particularly favourable to the receiver in judicial liquidation compared to the rules applicable in other jurisdictions.

In insolvency proceedings, depending on the circumstances, the Insolvency Code provides for a claw-back period of up to two years (six months in certain circumstances) and a two-year ineffectiveness period for certain other transactions. In the context of extraordinary administration procedures (as

described below), the claw-back period may last up to three or five years in certain circumstances. The Insolvency Code distinguishes between acts or transactions which are ineffective by operation of law and acts or transactions which are voidable at the request of the judicial receiver/court commissioner, as detailed below.

Acts ineffective by operation of law

Under (i) Article 163 of the Insolvency Code, subject to certain limited exception, all transactions entered into for no consideration are ineffective vis-à-vis creditors if entered into by the debtor after the filing to the relevant court followed by the opening of the judicial liquidation procedure or within the two years preceding such filing. Any asset subject to a transaction which is ineffective pursuant to Article 163 of the Insolvency Code becomes part of the liquidation estate by operation of law upon registration (*trascrizione*) of the court's decision opening the insolvency proceeding, without needing to wait for the ineffectiveness of the transaction to be sanctioned by a court. Any interested person may challenge the registration before the delegated judge as a violation of law, and (ii) under Article 164 of the Insolvency Code, (A) payments of receivables falling due on the day of the judicial declaration of opening of the judicial liquidation or later, if they were executed by the debtor after the filing of the application followed by the opening of the winding-up proceeding or in the prior two-year period; and (B) payments made by the debtor with respect to any intercompany loan within one year prior to the filing of the application followed by the opening of the winding-up proceeding or after such filing, are ineffective vis-à-vis creditors.

Acts that may be avoided at the request of the judicial receiver/court commissioner

The following acts and transactions, if done or made during the period specified below, may be clawed back (*revocati*) vis-à-vis the debtor as provided for by Article 166 of the Insolvency Code and be declared ineffective, unless the non-insolvent party proves that it had no actual or constructive knowledge of the debtor's insolvency at the time the transaction was entered into:

- (i) onerous transactions carried out after the filing followed by the opening of the judicial liquidation proceeding or in the previous year, where the value of the debt or the obligations undertaken by the debtor exceeds 25% of the value of the consideration received by and/or promised to the debtor (such term is extended to 2 years for intercompany transactions);
- (ii) payments of debts, due and payable, made by the debtor which were not paid in cash or by other customary means of payment which were carried out after the filing followed by the opening of the judicial liquidation proceeding or in the previous year (such term is extended to 2 years for intercompany transactions);
- (iii) pledges and voluntary mortgages granted by the debtor after the filing followed by the opening of the judicial liquidation proceeding or in the year prior, in order to secure pre-existing debts which were not yet due at the time the new security was granted; and
- (iv) pledges and judicial or voluntary mortgages granted by the debtor after the filing followed by the opening of the judicial liquidation proceeding or in the six months prior in order to secure pre-existing debts which had already fallen due at the time the new security was granted (such term is extended to 1 year for intercompany transactions).

Furthermore, certain transactions carried out after the filing followed by the opening of the judicial liquidation proceeding or in the prior six months, may be set aside if the receiver proves that the other party was aware of the insolvency of the debtor and, in particular:

- (a) payments of debts due and payable;
- (b) onerous transactions;
- (c) transactions creating priority rights/security interests relating to debts simultaneously incurred.

The following transactions are exempted from claw-back actions:

- (a) payments for goods or services made in the ordinary course of business according to market practice;
- (b) a remittance on a bank account; provided that it does not permanently reduce the entity's debt towards the bank;
- (c) the sale and the preliminary agreements for sale registered pursuant to Article 2645-*bis* of the Italian Civil Code made for a fair value and concerning a residential property that is intended as the main residence of the purchaser or the purchaser's family (within three degrees of kinship) or a non-residential property that is intended as the main seat of the enterprise of the purchaser; provided that, as at the date of the opening of judicial liquidation, the activity is actually exercised therein or the investments for the commencement of such activity have been carried out therein;
- (d) transactions entered into, payments made or guarantees granted with respect to the debtor's goods, provided that they concern the implementation of a reorganization plan (*piano attestato di risanamento*) (see "Out-of-court reorganization plans") pursuant to Articles 56 or 284 of the Insolvency Code above. The exemption – which also operates for ordinary claw-back – does not apply in case of wilful misconduct (*dolo*) or gross negligence (*colpa grave*) by third party expert (*attestatore*) or by the debtor, provided that the creditor was aware of it at the moment when the relevant transaction, payment or guarantee was implemented;
- (e) a transaction entered into, payment made or guarantee or security interests granted in the execution of a composition with creditors (*concordato preventivo*), of a restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*) provided under Article 64- *bis* of the Insolvency Code or of sanctioned debt restructuring agreements with creditors (*accordi di ristrutturazione dei debiti omologati*) or simplified composition with creditors proceeding for the liquidation of assets (*concordato semplificato per la liquidazione del patrimonio*) and/or transactions entered into, payments made and security interests legitimately granted by the debtor after the filing of the application for a *concordato preventivo* or of an *accordo di ristrutturazione dei debiti* (see above). The exemption also operates for the ordinary claw-back;
- (f) remuneration payments to the entity's employees and consultants concerning work carried out by them; and
- (g) payments of a debt that is immediately due, payable and made on the due date, with respect to services necessary for access to a pre-judicial liquidation restructuring framework (see below under "pre-judicial liquidation restructuring frameworks (*strumenti di regolazione della crisi e dell'insolvenza*)") or to other insolvency procedures provided for pursuant to the Insolvency Code.

Pursuant to Article 170 of the Insolvency Code, the limitation period for initiating claw-back action proceedings is three years from the opening of the judicial liquidation procedure or, if earlier, five years from the act or transaction to be clawed back. In case judicial liquidation is commenced after the filing of a petition to be admitted to any pre-judicial liquidation restructuring frameworks (*strumenti di regolazione della crisi e dell' insolvenza*) (including pursuant to Article 44 of the Insolvency Code), according to Article 170, paragraph 2 of the Insolvency Code, the suspect period is calculated backward from the date in which such petition is filed. In addition, in certain cases, the judicial receiver can request that certain transactions of the debtor be declared ineffective within the ordinary claw-back period of five years (*revocatoria ordinaria*) provided for by the Italian Civil Code. In this respect, under Article 2901 of the Italian Civil Code, a creditor may demand that transactions whereby the entity disposed of its assets prejudicially to such creditor's rights be declared ineffective with respect to such creditor, provided that the debtor was aware of such prejudice (or, if the transaction was entered into

prior to the date on which the claim was originated, that such transaction was fraudulently entered into by the debtor for the purpose of prejudicing the creditors) and that, in the case of a transaction entered into for consideration with a third person, the third person was aware of such prejudice (and, if the transaction was entered into prior to the date on which the claim was originated, such third person participated in the fraudulent design).

Under article 165 of the Insolvency Code, which refers to article 2901 of the Italian Civil Code (that – in turn – provides for a general and ordinary claw back action (*revocatoria ordinaria*) – that may be brought against the debtor (and its counterparty) also in case no judicial liquidation proceedings are pending), acts by which the debtor disposes of its assets (other than payments of due and payable amounts) may be clawed back if the receiver can prove that the debtor was aware of the prejudice that such act would cause to its creditors (including future creditors, to the extent that the act was made in order to create such prejudice) and, to the extent that the act was non-gratuitous act, the counterparty was aware of such prejudice. The burden of proof is entirely with the receiver.

The Insolvency Code provides special regimes on preferences and avoidances of intra-group transactions. Under Article 290 of the Insolvency Code the limitation period of initiating intra-group claw-back actions (referring to acts and transactions entered into by companies belonging to the same group that jeopardize the creditors' interest) is extended to five years from the filing for judicial liquidation.

Italian Law 132/2015 also introduced new Article 2929-*bis* to the Italian Civil Code, providing for a “simplified” claw-back action for the creditor with respect to certain types of transactions carried out by the debtor without consideration and with the aim to subtract (registered) assets from the attachment by its creditors. In particular, the creditor can now start enforcement proceedings over the relevant assets without previously obtaining a Court decision clawing back/ nullifying the relevant (fraudulent) transaction, to the extent that such transaction had been carried out without consideration (e.g., gratuitous transfers, or creation of shield instruments such as trusts or the so called *fondo patrimoniale* or “family trust”). In case of gratuitous transfers, the enforcement action can also be carried out by the creditor against the third-party purchaser. Finally, as noted above, the Insolvency Regulation contains conflicts of law rules which replace the various national rules of private international law in relation to insolvency proceedings within the EU.

Composition with creditors (concordato preventivo) under the Insolvency Code

Prior to the opening of judicial liquidation (*liquidazione giudiziale*), a debtor that is facing a situation of either crisis or insolvency may apply for a pre-insolvency composition with creditors proceeding (*concordato preventivo*) pursuant to Insolvency Code, in order to compose its overall indebtedness and/or reorganize its business, thereby avoiding a declaration of insolvency and the initiation of insolvency proceedings.

The composition with creditors (*concordato preventivo*) proposal can be made by a commercial enterprise (*imprenditore commerciale*) which exceeds any of the following thresholds: (i) annual balance sheet assets (*attivo patrimoniale*) greater than €300,000 in the last three financial years (from the date on which the composition with creditors (*concordato preventivo*) petition was filed) or from the establishment of the company if it has been incorporated less than three years before the composition with creditors (*concordato preventivo*) petition; (ii) annual gross proceeds (*ricavi lordi*) greater than €200,000 over the last three financial years (from the date on which the composition with creditors (*concordato preventivo*) petition was filed) or from the establishment of the company if it has been incorporated less than three years before the composition with creditors (*concordato preventivo*) petition; and (iii) indebtedness (including debt that is not overdue and payable) greater than €500,000. Only the debtor itself can file the composition with creditors (*concordato preventivo*) petition before the court based in the location of the debtor's main office.

The composition with creditors (*concordato preventivo*) petition must be accompanied by a number of mandatory documents and annexes, among which, *inter alia*, a restructuring plan, the content of which shall meet specific requirements set forth under Article 87 of the Insolvency Code including, *inter alia*, without limitation, description of the reasons why the company is facing a distressed situation, description of the company's group and activity, the liquidation value (*valore di liquidazione*) of the company's assets in a judicial liquidation scenario, content of the restructuring proposal to creditors, a report drafted by a third-party independent expert in possession of certain professional requirements certifying the truthfulness of the data on which the restructuring plan is grounded and its feasibility and, in the case of business continuity, that the restructuring plan is likely to prevent or to overcome the distressed financial situation of the debtor and to ensure each creditor a treatment not worse to the one granted in the event of judicial liquidation, copy of the company's financial statements in relation to the past three financial years, as well as updated economic and financial accounts of the company, an exhaustive description of the company's assets and the list of the company's creditors, indicating their names, the amount of their claims and the ranking of such claims.

According to Articles 39 para. 3 and 44 of the Insolvency Code, the debtor may file a "preliminary and simplified application" for, alternatively, admission to a composition with creditor (*concordato preventivo*) or homologation of a debt restructuring agreement or of a restructuring plans subject to homologation (*ricorso con riserva di deposito di documentazione*), meaning that the company might request to the courts the granting of a deadline – for a minimum of 30 days to a maximum of 60 days – within which the company shall then file the "full application" including the restructuring plan and all other necessary documents requested by the law. When filing a "simplified application," the company must only attach to the relevant petition: (i) copy of the company's financial statements relating to its three last financial years; and (ii) a list of the company's creditors, indicating the name of the relevant creditor, the amount and ranking of its claim towards the company as well as its digital domicile (*domicilio digitale*). Such deadline can be extended only once for additional maximum 60 days upon the company's request, provided that there are reasonable grounds (*giustificati motivi*) for such extension substantiated by the preparation of a draft crisis and insolvency regulation plan. In case the debtor does not file the proposal, the plan, the expert report and the other documents within the established deadline, the court will not admit the debtor's request and, if the criteria provided by the Insolvency Code are met, the court could open the judicial liquidation if there are pending petitions in such respect. Upon grating of the deadline by the courts and up until its expiry, the debtor shall comply with the monthly information undertakings set by the court itself, including, *inter alia*, information undertakings relating to the debtor's financial management and to the activities carried out in order to finalize the debtor's restructuring plan and proposal to creditors. Moreover, the debtor shall monthly file with the court an updated report about the company's economic and financial situation, which is then published in the competent companies' register. Pending the above-mentioned deadline, the debtor can carry out both activities of ordinary management and urgent activities of extraordinary management provided that, in the latter case, it has been duly and priorly authorized by the Court. After the company's filing of the preliminary and simplified application, the court appoints a pre judicial commissioner (*pre-commissario giudiziale*), who will supervise the proceeding and will have to review – *inter alia* and together with the court - all the company's requests for authorization relating to the performance of activities of extraordinary management. As a general rule, the provisions set forth under Article 46 of the Insolvency Code shall apply pending the deadline granted by the court. In case urgent acts of extraordinary management are carried out lacking the court's authorization, they are ineffective and the court will revoke the granting of the deadline/term. However, the debtor may request application of the regime of the pre-judicial liquidation restructuring framework they intend to use if, together with the "preliminary and simplified application" or even subsequently, the debtor files a draft crisis and insolvency regulation plan prepared in accordance with the provisions governing the selected pre-judicial liquidation restructuring framework. All the third-party claims which may arise from acts legally performed by the debtor after the filing will be deemed super-senior (*prededucibili*). Pending the deadline/term granted by the court, the rules governing the loss and reduction of share capital set forth under Italian Civil Code do not apply and the company-dissolution cause for loss or reduction of the corporate capital does not apply as well. Nevertheless, during the period preceding the filing of the "preliminary and simplified application," Article 2486 of the Italian Civil Code - providing for the

powers and duties of the directors after the occurrence of an event of dissolution of the company - will be applicable.

The composition with creditors (*concordato preventivo*) petition is published by the debtor in the company's register by the registry of the court and communicated to the public prosecutor. From the date of such publication to the date on which the court homologates the composition with creditors (*concordato preventivo*), pre-existing creditors cannot obtain security interests (except in case this has been priorly authorized by the courts) and mortgages registered within the 90 days preceding the date on which the petition for the composition with creditors (*concordato preventivo*) is published in the company's register are ineffective against such pre-existing creditors.

According to Article 54, paragraph 2, of the Insolvency Code, provided that the petition for the admission to the composition with creditors (*concordato preventivo*) proceedings (or a subsequent petition/request) includes the relevant request for protective measures, from the date of publication of the petition in the companies' registry, it is prohibited to commence or continue the enforcement and the conservative actions (or, in any event, to take any initiatives prohibited under the relevant measures). Final decision on such request (which is provisionally effective starting from its publication in the companies' register) shall be taken by the competent court and the length of the stay of action period is for maximum four months (subject to extensions under certain circumstances, in any case not exceeding an overall period of twelve months). During the stay of action period, *inter alia*, the judicial liquidation cannot be opened by the court. Protective measures might be revoked by the courts upon occurrence of certain circumstances, including – without limitation – upon discovery of fraudulent acts by the debtor. The debtor may request, by a subsequent petition, to be granted additional interim measures to prevent certain actions of one or more creditors from affecting, from the negotiation phase, the positive outcome of the initiatives taken for the regulation of the crisis or insolvency. The abovementioned measures can also be requested by the debtor pursuant to Article 44 of the Insolvency Code, together with a “preliminary and simplified application” for the access to one of the restructuring tools provided for by the Insolvency Code.

Unless specific provisions apply by operation of law or relevant collective contracts (*contratti collettivi*), a company employing more than 15 employees must inform in writing the relevant trade union representatives about the decisions taken while drafting the *concordato* plan and which have an impact over the employment agreements of a number of employees, including in case such decisions relate to the work-organization and/or the modalities of work. Trade union representatives can ask for a meeting with the company by the 3 days following receipt of such notice and the following consultation among the parties shall start by the following 5 days and – unless otherwise agreed – shall have a duration of no more than 10 days.

In addition to all the above, upon filing of a composition with creditors (*concordato preventivo*) application (including filing of a simplified petition), *inter alia* (i) as a general rule, monetary obligations of the company are deemed as due on the date of the composition with creditors (*concordato preventivo*) filing; (ii) set-off is allowed only if (a) all the claims/debts subject matter of the set-off arose prior to the filing date; or (b) all the claims/debts subject matter of the set-off arose after the filing date; (iii) accrual of interest on unsecured claims is suspended. Interests on secured claims will continue to accrue in accordance with specific rules set out under the Insolvency Code.

Any act, payment or security executed or created after the filing of the composition with creditors (*concordato preventivo*) application and in accordance with its rules and procedures is exempt from claw-back action. The debtor is also exempted from certain bankruptcy crimes provided under articles 322, third paragraph (“preferential bankruptcy”), and 323 (“simple bankruptcy”) of the Insolvency Code, in relation to acts and payments made in execution of the composition with creditors and/or in relation to finance provided under article 99 of the Insolvency Code upon judicial authorization. Claims arising from acts lawfully carried out by the distressed company have super senior priority (*prededucibili*) in the event of a subsequent judicial liquidation.

The composition with creditors (*concordato preventivo*) plan can be aimed either at:

- (i) the direct or indirect continuation of the company's business activity (so called "*concordato in continuità aziendale*") – in such event, creditors are satisfied (in full or part) with the proceeds arising from the continuation of the business activity; or
- (ii) the liquidation of the company's assets (so called "*concordato con liquidazione del patrimonio*") – in such event, the *concordato* plan must necessarily ensure a minimum recovery of at least 20% for unsecured creditors and provide for a cash injection, by a third-party, which can increase of at least 10% the available assets.

The proposal filed in connection with the *concordato* petition may provide for: (i) the restructuring and payment of debts and the satisfaction of creditors' claims (provided that, in any case, it will ensure payment of at least 20% of the unsecured receivables, except for the case of composition with creditors with continuity of the going concern (*concordato in continuità aziendale*)), including through extraordinary transactions, such as the granting to creditors and to their subsidiaries or affiliated companies of shares, bonds (including bonds convertible into shares), or other financial instruments and debt securities; (ii) the transfer to an assumptor (*assuntore*) of the operations of the debtor company making the composition proposal; (iii) the division of creditors into classes (which is mandatory in certain cases provided under Article 85 of the Insolvency Code), provided that each class is composed of creditors having homogeneous legal positions and economic interests; and (iv) different treatment of creditors belonging to different classes. The *concordato* proposal may also contain a proposed tax settlement for the partial or deferred payment of certain taxes and social contributions, in compliance with the requirements set forth under the Insolvency Code (including under Article 88 of the Insolvency Code, which also provides for a specific cram-down mechanism in relation to claims/creditors subject matter of a settlement proposal under Article 88 of the Insolvency Code itself). The plan may also provide for the implementation of corporate extraordinary transactions such as, for instance, mergers, demergers and transformations (in relation to which Article 116 of the Insolvency Code would apply).

Please note that *concordato preventivo* qualifies as "with going concern" (in *continuità aziendale*) when the plan provides for the continuation, on a direct or indirect basis, of the business by the debtor activity and creditors are satisfied – even through a non-prevalent extent – through the proceeds arising from the continuation of the business activity. Pursuant to article 84 of the Insolvency Code, the business continuity shall safeguard the creditors' interest as well as, to the maximum extent possible, the occupational levels of the company.

Furthermore, certain specific rules apply only to composition with creditors proceedings with going concern (in *continuità aziendale*). In particular, *inter alia*:

- (i) under article 84, para. 6 of the Insolvency Code, in a composition with creditors proceedings with going concern (in *continuità aziendale*) (a) the liquidation value (*valore di liquidazione*) as defined under Article 87, paragraph 1, lett. c) of the Insolvency Code shall be distributed to creditors in accordance with the so called "absolute priority rule," i.e., in accordance with the creditors' ranking pursuant to Italian law; whilst (b) the proceeds/value (arising from the continuation of the business activity) (thus, exceeding the liquidation value can be distributed in accordance with the so called "relative priority rule," meaning that it is not mandatory to distribute them in accordance with creditors' ranking but it is sufficient to ensure that all classes of creditors sharing the same ranking are treated equally and in a way which is more favourable than that of the classes of creditors ranking junior to them). Without prejudice to the above, claims which are secured pursuant to article 2751-bis of the Italian Civil Code (i.e., salaries) must be satisfied in compliance with the "absolute priority rule." External additional resources may be distributed freely among creditors, without following the "absolute priority rule" and the "relative priority rule;"
- (ii) the division into classes is mandatory. Classes must be created also in relation to secured creditors unless they are repaid in full by means of cash within 180 days (reduced to 30 days

for employees) after the homologation without any waiver to their security interests. According to Article 85, paragraph 3, of the Insolvency Code, enterprises that, in the previous financial year, have not exceeded at least two of the following requirements: (i) assets of up to five million euros; (ii) net sales and services revenue of up to ten million euros; and (iii) an average number of employees equal to fifty and which are unsecured creditors of the company under supply agreements for goods or services shall be put into different classes;

- (iii) save for the provisions provided for under Article 109 of the Insolvency Code, under Article 86 of the Insolvency Code the *concordato* plan of a composition with creditors on a going concern basis (in *continuità aziendale*), may provide for a standstill for the secured creditors, which may extend up to six months from the date of homologation of the *concordato* proposal for the payment of secured creditors (*creditori privilegiati*) pursuant to Article 2751-bis of the Italian Civil Code (i.e. employees, professionals etc.);
- (iv) the *concordato* plan of a composition with creditors on a going concern basis (in *continuità aziendale*) must detail, *inter alia*, the financial impact of the plan and the time needed to achieve the rebalance of the company's financial situation. Moreover, in case the plan provides for the direct continuation of the business activity, the plan must include a detailed indication of the envisaged costs and revenues, financial needs and relevant cashflows, also considering those costs which are necessary to ensure compliance with applicable employment and environmental laws;
- (v) the expert's report must certify that such plan is aimed at overcoming or preventing the company's insolvency and at ensuring the economic sustainability of the company. Moreover, the expert's report shall confirm that creditors' treatment (recovery) in the *concordato* is not worse than creditors' treatment (recovery) in a judicial liquidation;
- (vi) creditors cannot unilaterally refuse to fulfil their obligations under pending contracts, nor they can terminate them or anticipate relevant due dates/expiry dates or amend them in way which is detrimental for the debtor for the sole reason of the debtor's application for/access to composition with creditors on a going concern basis (in *continuità aziendale*) (or of the granting of protective measures). Any contrary provision is ineffective. Without prejudice to the above, creditors which are interested by protective measures cannot unilaterally refuse to fulfil their obligations under "essential pending contracts" (*contratti essenziali in corso di esecuzione*) nor they can terminate them or anticipate relevant due dates/expiry dates or amend them in way which is detrimental for the debtor for the sole reason of non-payment, by the debtor, of claims arisen before filing of the application for to composition with creditors on a going concern basis (in *continuità aziendale*). According to the Insolvency Code, a contract is "essential" if it is necessary for the continuation of the ordinary business activity, including supply contracts the cessation of which could prevent the company to continue its business activity.

Under Article 100 of the Insolvency Code, *inter alia*, a debtor who files for a *concordato* on a going concern basis (in *continuità aziendale*) may request the court to authorize payment: (i) of debts arisen before *concordato* filing in relation to supply of goods or services which are essential for the company, provided that an independent expert certifies that they are essential for business continuity and to ensure the best satisfaction of creditors; and (ii) in accordance with the relevant contractual terms, of the instalments due under a loan agreement which is secured by a security interests over the assets used in the business, provided that (a) on the *concordato* filing date, the debtor has fulfilled its obligations under the agreement, or the court authorises the payment of the debt for principal and interest due at that date; and (b) a third-party independent expert certifies that such payments are essential for the continuation of the business activity and functional to ensuring the best satisfaction of the creditors and that the secured claims can be fully satisfied with the proceeds of the liquidation of the asset, carried out at market value, and that the repayment of the instalments does not prejudice the rights of the other creditors.

As mentioned, according to Article 84 of the Insolvency Code, in a composition with creditors proceeding without going concern (*con liquidazione del patrimonio*), *concordato* proposal must ensure a minimum recovery of at least 20% for unsecured creditors and provide for a contribution (cash injection) of resources by a third-party, which can increase of at least 10% the assets (*attivo*) available to creditors as of the filing date. The third-party resources subject matter of the mandatory contribution can be distributed to creditors also irrespectively of their ranking, provided that the above-mentioned 20% minimum recovery is achieved. According to the Insolvency Code, contributions made by the company's shareholders without any repayment-obligation by the company (as well as shareholders' contributions fully and expressly subordinated) qualify as "third-party contributions" for the purposes of Article 84 of the Insolvency Code, if the plan provides for their direct application to the benefit of company's creditors. As a general rule, the division into classes of creditors is not mandatory for composition with creditors proceeding without going concern (*con liquidazione del patrimonio*). However, pursuant to Article 85 para. 2 of the Insolvency Code, classes must be created in relation to the following creditors: (i) creditors for tax claims and/or social contributions claims which will not be repaid in full; (ii) creditors benefitting of security interests/guarantees issued by third parties; (iii) creditors which will be satisfied not by means of cash (also in case satisfaction is made partly in cash and partly by way of other means); (iv) creditors who filed a "competing *concordato* proposal" and their related parties.

Upon the filing, the courts, *inter alia*, determines (also taking into account the correct creation of the classes, if applicable) whether the proposal for the composition is admissible assessing: (i) in case of a composition with creditors proceeding without going concern ("*con liquidazione del patrimonio*"), the admissibility of the proposal and the feasibility of the plan (meaning that the plan shall not be manifestly unfit to achieve the envisaged goals); and (ii) in case of a composition with creditors on a going concern basis (in *continuità aziendale*), compliance of the proposal with applicable provisions of law (*ritualità*). The proposal for *concordato* with going concern is, in any case, not admissible if the plan is manifestly unfit to satisfy the creditors as proposed by the debtor and to preserve the company's going concern value (*valori aziendali*).

If the court determines that the *concordato* proposal is admissible, *inter alia*, it appoints a delegated judge (*giudice delegato*) to supervise the procedure, appoints (or confirms, as the case may be) one or more judicial commissioners (*commissari giudiziali*) and schedules a specific period of time during which creditors can express their vote.

During the implementation of the proposal, the company generally continues to be managed by its corporate bodies (usually its board of directors), but is supervised by the appointed judicial commissioners and judge (who will authorize all transactions that exceed the ordinary course of business). Furthermore, up until the homologation of the proceeding, the debtor cannot make any payments of debts arisen before the opening of the proceeding itself, unless they have been specifically approved by the delegated judge.

Pursuant to the Insolvency Code: (i) one or more creditors (except for individuals or entities controlled, controlling or under common control of the debtor), representing at least 10% of the aggregate claims resulting from the updated accounts of the debtor filed with the courts; and (ii) shareholders representing at least 5% of the company's share capital, may file a *concordato preventivo* proposal competing with the debtors' proposal (*proposta concorrente*) – within 30 days before the starting of the voting process – subject to certain conditions being met, including, in particular, that the proposal of the debtor does not envisages the payment of at least 30% of the unsecured claims (such threshold is reduced to 20% in case the debtor had priorly and successfully started a negotiated crisis composition proceeding (*composizione negoziata*)).

Furthermore, pursuant to Article 91 of the Insolvency Code, if the *concordato* plan, includes an offer for the sale of the debtor's assets or the sale of a going concern of the debtor to an identified third party, the court or the delegated judge shall order that for appropriate publicity to be given to the offer itself in order to acquire competing offers (*offerte concorrenti*). If expressions of interest are received, the

court or the delegated judge, by decree, shall order the opening of the competitive proceeding. Furthermore, the abovementioned decree establishes the procedures for the submission of irrevocable offers, providing that in all cases, among others, the following is ensured: (i) their comparability; (ii) the requirements for the participation of the bidders; (iii) the forms and timing of access to relevant information; (iv) any limits on their use; (v) the modalities according to which the judicial commissioner must provide them to those who request them; (vi) the modalities according to which the competitive procedure is to be conducted, (vii) the minimum increase in the consideration to be provided by the subsequent offers; (viii) the guarantees to be given by the bidders; (ix) the forms of publicity, and (x) the date of the hearing for the evaluation of the bids, if the sale takes place before the judge. With the sale or with the assignment, if earlier, to a person other than the original bidder identified in the plan, the latter and the debtor are released from their obligations towards each other and accordingly the debtor shall amend the proposal and plan in accordance with the outcome of the competitive proceeding.

As a general rule (and save for certain specific rules under Article 109, para. 5 of the Insolvency Code applicable to *concordato preventivo in continuità aziendale* only – see below), the *concordato preventivo* is voted on within the period of time scheduled by the court and must be approved with the favourable vote of the creditors representing the majority of the receivables admitted to vote provided that, in the event that the plan provides for classes of creditors, the majority of the receivables admitted to vote is reached the majority of the classes. Pursuant to Article 109, paragraph 1, of the Insolvency Code, in case one creditor holds more than the majority of receivables admitted to voting, it is also necessary to reach majority by headcount (*maggioranza per teste*). The *concordato preventivo* is approved only if the required majorities of creditors expressly voted in favour of the proposal. Creditors who did not exercise their voting right will be deemed not to approve the *concordato* proposal.

Secured creditors are not entitled to vote on the *concordato* proposal unless and to the extent they waive their security, or the *concordato preventivo* provides that they will not receive full satisfaction of the fair market value of their secured assets (such value being assessed by an independent expert), in which case they can vote only in respect of the part of their debt affected by the proposal. Among others, (i) the companies controlling the debtor, controlled by the debtor and those under the control of the entity controlling the debtor, (ii) the assignees of the claims of the entities under point (i), if the assignment has been perfected during the year preceding the *concordato* and (iii) creditors in conflict of interest are excluded from voting.

Differently from the general rules set out above, a composition with creditors on a going concern basis (in *continuità aziendale*) is approved with the positive vote of all the creditors' classes. In each class, the *concordato* is approved with the positive vote of creditors representing the majority of claims admitted voting or, if such threshold is not met, with the positive vote of creditors representing two-thirds of the claims of voting creditors, provided that creditors holding at least half of the total claims of the same class have voted. Secured creditors are not admitted voting if they are repaid in full (and in cash) within 180 days (reduced to 30 days for employees) after the homologation without any waiver to their security interests. If such requirements are not met, then secured creditors are entitled to vote. Without prejudice to the above, the Insolvency Code provides that composition with creditors on a going concern basis (in *continuità aziendale*) can be homologated by the courts also in case it is not approved by all the classes upon certain specific conditions being met.

In addition to the above, subject to certain conditions, the *concordato* plan may provide for the creation of one or more classes of shareholders (it is possible to create more than one class of shareholders if the company's by-laws – also, where the case may be, as modified in the frame of the *concordato* proceeding – provide for different rights of the shareholders). The creation of classes of shareholders is required by law (i) if the *concordato* plan provides for amendments which affect directly the shareholders' rights; and/or (ii) in case of listed/public companies (*società che fanno ricorso al mercato del capitale di rischio*).

If one or more classes of shareholders have been provided, shareholders are entitled to vote in the form and within the time limits provided for the vote by creditors. Within their respective class, the relevant

shareholder is entitled to vote proportionally to the portion of equity held before the *concordato* filing. If a shareholder does not vote within the relevant deadline, it is deemed as having voted in favour.

If *concordato* competing proposals (*proposte concorrenti*) have been filed by one or more creditors, they will be subject to the vote by creditors as well. The winning proposal is that which results in the highest majority of positive votes and, in the event of a tie, the debtor's proposal prevails against a creditor's, while a creditor's proposal will prevail over the one of another creditor if it has been filed before. In the event that none of the proposals achieves the required number of votes as described above, the judge shall re-submit to vote the proposal which obtained the highest majority. Without prejudice to the above, according to Article 109, para. 5-bis of the Insolvency Code, when one or more competing *concordato* proposals have been filed and more than one *concordato* proposals (provided that they are based on different plans) has been approved by creditors, the proposal providing for business continuity (*continuità aziendale*) is presented for homologation. In case more proposals providing for business continuity (*continuità aziendale*) have been approved by creditors, the proposal which has obtained the highest majority of unsecured creditors admitted to vote is presented for homologation.

Please note that the delegated judge may provisionally admit (in whole or in part) to the voting session creditors of disputed claims for the sole purpose of the vote on the *concordato* proposal and of the calculation of the relevant majorities. Excluded creditors shall have the right to oppose such decision by submission of a specific filing in the context of the homologation by the court, in any case, only if their participation in the voting session may have affected the calculation of the relevant majorities.

Once the *concordato preventivo* has been approved by creditors, the court sets the date for the hearing aimed at the court's formal homologation (*omologazione*) of the *concordato preventivo* and then the debtor notifies the relevant parties. At least 10 (ten) days before the date of the homologation hearing, any dissenting creditor and/or any third-party interested in doing so can file a challenge/appeal ("*opposizione*") against the proposed homologation of the composition with creditors proceeding. In case no challenges (*opposizioni*) are filed, the court shall homologate the *concordato* after verifying (i) the regularity of the *concordato* proceeding; (ii) the outcome of the creditors' vote; (iii) the admissibility of the proposal; (iv) the proper creation of the classes of creditors; and (v) the equal treatment of creditors within each class. In addition, in case of a *concordato* with going concern, the court shall verify that all classes have voted in favour of the proposal, the plan has reasonable prospects of preventing or overcoming insolvency, and any new financing is necessary to implement the plan and does not unfairly prejudice the interests of creditors. In any other case, the court shall verify the feasibility of the plan (i.e. the plan not being manifestly unfit to achieve the stated objectives).

Furthermore, in case of a *concordato* with going concern, if one or more classes are dissenting, the court, upon request of the debtor (or, in case of a competing *concordato* proposal, with the consent of the debtor if it does not exceed any of the thresholds set forth in Article 85, para. 3 of the Insolvency Code) may homologate the *concordato* anyway, if the following conditions are jointly met: (i) the liquidation value is distributed in accordance with the ranking of each claim (absolute priority rule); (ii) the value (arising from the going concern) exceeding the liquidation value is distributed in such a way that the claims included in the dissenting classes receive overall treatment at least equal to that of the classes of the same ranking and more favourable than that of the classes of lower ranking (relative priority rule); (iii) no creditor receives more than the amount of their claim; and (iv) the proposal is approved by the majority of the classes, provided that at least one of them consists of secured creditors or, failing such majority approval, the proposal is approved by at least one class of creditors which (a) do not receive full recovery of their claim and (b) would be at least partially satisfied based on the respective ranking of the claims even on the value exceeding the liquidation value.

Moreover, pursuant to Article 88 of the Insolvency Code, if the debtor made a proposal for "*transazione fiscale*" to Tax Authorities/Social Security Authorities under the Insolvency Code, the courts can homologate the *concordato* also without the consent of such creditors when their consent is required for achieving the applicable majorities, provided, *inter alia*, that the expert's report certifies that the proposal made by the debtor to such creditor is more convenient than the judicial liquidation scenario,

in case of a *concordato con liquidazione del patrimonio*; or (ii) not worse than the treatment which would be offered to such claims/creditors in the context of a judicial liquidation, in case of a *concordato in continuità aziendale*. The above, subject to additional specific conditions and requirements being met under Article 88 of the Insolvency Code.

In case of challenges against the homologation, the Court shall decide and rule upon each of the challenges. In case the Court rejects all challenges and has no additional remarks, then it will issue the homologation decree.

Article 112 of the Insolvency Code also provides for a “cram-down” mechanism whereby:

- (i) in case of a composition with creditors on a going concern basis (in *continuità aziendale*), if a creditor challenges the “convenience” of the *concordato* proposal, the court can homologate the *concordato* only if it deems that the relevant claim will be satisfied for an amount not lower than the liquidation value (as defined under Article 87, para. 1 lett. c) of the Insolvency Code;
- (ii) in all other cases, the court can homologate a *concordato preventivo* petition challenged by (i) a creditor which is a member of a “dissenting class” of creditors; or (ii) in case there are no classes of creditors, by creditors representing 20% of the claims admitted to vote, to the extent that (a) such challenge(s) are about the “convenience” of the *concordato* proposal; and (b) the court deems that the relevant claim will be satisfied for an amount not lower than the amount that would be paid in the frame of a judicial liquidation.

In addition, if the plan provides that pre-existing shareholders would benefit from the so-called “restructuring value,” then *concordato* can be homologated if one or more classes of creditors are dissenting, to the extent that the recovery of each dissenting class would be at least equal to the recovery of other classes having the same ranking and more favourable than the recovery proposed to classes ranking junior, even if such latter classes were to benefit from the restructuring value reserved to the shareholders. According to the Insolvency Code, the “restructuring value reserved to shareholders” means the effective value of the shareholders’ stakes into the company following the homologation of the proposal, net of any contributions/injections made by the shareholders for the purposes of the restructuring. Such effective value is determined in accordance with the applicable accounting principles for determining the value in use, based on the present value of future cash flows using the data resulting from the underlying concordato plan and applying the projections for subsequent years. Shareholders can challenge the homologation if the latter is prejudicial to them compared to a liquidation scenario.

If the composition with creditors provides for the liquidation of the debtor’s assets, the court, if homologates the *concordato*, appoints one or more liquidators in order to execute the approved plan if it has to be realized by way of a transfer of assets. The court may grant special powers to the commissioner to implement the plan if the debtor does not cooperate, including by taking all corporate actions required. The court might appoint one or more liquidators (and a creditors’ committee) also upon homologation of a *concordato in continuità*, if the relevant underlying plan provides for the liquidation of a portion of the assets or the transfer of the business unit and the relevant buyer has not yet been identified.

If the court does not homologate the *concordato*, it might open judicial liquidation of the company only if there are pending petitions in such respect.

The terms and the performance of the outstanding contracts which have been entered into, from time to time, by the debtor are not automatically affected by the *concordato preventivo* proceeding and normally continue pending the procedure, any agreement to the contrary being ineffective. However, pursuant to Article 97 of the Insolvency Code, the debtor may request the courts to either terminate or suspend the effectiveness of such pending agreements (save for certain exceptions: for instance, employment contracts cannot be suspended nor terminated) in case the continuation of the agreement

is not in line with the plan nor functional to its implementation. Please note that termination can be requested only if *concordato* plan and proposal have already been filed before the courts. In such circumstances, the counterparty shall be entitled to an indemnity equal to the damages suffered because of the termination or suspension of the contract. Such indemnity shall be considered as an unsecured claim arisen before the *concordato* proceeding, without prejudice, however, to the super-senior ranking of those claims arisen because of transactions lawfully carried out after the publication of the *concordato* petition in the Companies' Register (and before the notification of the suspension/termination petition).

Specific rules are provided in relation to the termination of financial lease agreements and pending facilities agreements. In such latter respect, para. 14 of Article 97 of the Insolvency Code states that, upon termination of a facility agreement, the lender is entitled to cash-in and retain the amounts paid by company's debtors up until repayment in full of the advances disbursed by the lender to the company in the period between (i) the date falling 120 days before *concordato* filing; and (ii) the date on which the petition for termination of the agreement has been notified to the lender.

In addition to all the above, Article 95 of the Insolvency Code clarifies that pending contracts with Italian Public Authorities are not terminated as a result of *concordato* filing and any contrary provisions are ineffective; such contracts continue to be effective if the third-party independent expert certifies that such contracts are consistent with the plan (if already drafted) and that the company is reasonably able to fulfil them. In the composition with creditors without going concern (*con liquidazione del patrimonio*), the expert shall also attest that the continuation of such contracts is necessary to achieve the best liquidation of the company's assets (*migliore liquidazione del patrimonio*). After *concordato* filing, the company can participate in public tender processes with the prior authorization of the Courts and upon meeting certain requirements set out under the Insolvency Code (including filing of a third-party expert report in such respect).

Pursuant to article 89 of the Insolvency Code, the rules governing the loss and reduction of the share capital set forth in the Italian Civil Code do not apply to Italian companies during the period from the date of filing of *concordato* application until the date of its homologation. During such period, moreover, the rule according to which a company shall be wound up in case of reduction or loss of the share capital, does not apply. Nevertheless, during the period preceding the filing of the *concordato* application, article 2486 of the Italian Civil Code – providing for the powers and duties of the directors after the occurrence of an event of dissolution of the company – will be applicable.

For the analysis of the rules regulating the new financial resources please see the specific section under paragraph "Available financing forms under the Insolvency Code" below.

If, after the approval of the *concordato* on a going concern basis, substantial changes to the plan for the fulfilment of the proposal are necessary, the debtor requests the independent professional to renew the report referred to in Article 87, paragraph 3, of the Insolvency Code (the so called "*attestazione*") and communicates the amended plan to the judicial commissioner who reports to the court. Upon assessment of the materiality of the changes concerning the fulfilment of the proposal, the court orders that the amended plan and the expert's report be published in the company's register and communicated to the creditors by the judicial commissioner. Challenges may be lodged with the court within 30 days of receipt of such communication.

Pursuant to Article 111 of the Insolvency Code, if the creditors do not approve the *concordato preventivo*, the delegated judge (*giudice delegato*) shall promptly inform the court which, having decided that the appropriate conditions apply, shall declare the opening of the judicial liquidation proceeding if there are pending petitions in such respect.

Pursuant to Articles 119 and 120 of the Insolvency Code, in the event of a breach of the composition with creditors plan or fraud, provided that the relevant requirements are met, the *concordato* can be terminated or annulled, as the case may be, upon petition of one or more of the creditors; the judicial

liquidation may follow. *Concordato preventivo* is mandatory for all creditors prior to the publication of the application in the companies' register. However, creditors retain without prejudice their rights against co-debtors and guarantors of the debtor.

In case of non-minor breaches, the *concordato* may be terminated by each of the creditors or the judicial commissioner (in case of petition by one or more of the creditors). The relevant lawsuit must be brought within one year from the deadline originally scheduled for the last activity to be carried out under the *concordato* itself. The *concordato* may also be annulled upon request of the judicial commissioner or of one or more creditors in case a portion of the assets of the debtor has been concealed or the liabilities have been wilfully exaggerated. The relevant lawsuit must be brought within six months from the discovery of the concealment/exaggeration and, in any event, within two years from the deadline originally scheduled for the last activity to be carried out under the *concordato* itself.

Finally, please note that Articles 284 and followings of the Insolvency Code provide for composition with creditors group-proceedings. More precisely, if more companies (having their centre of main interests in Italy) belonging to the same group are facing a situation of crisis or insolvency they can make a single application for composition with creditors proceeding, including a single *concordato* plan or multiple connected or coordinated plans. Assets and liabilities of each group company shall be assessed on a single-entity basis. In such case, the legal framework of composition with creditors group-proceedings is the same applicable to the ordinary type, save for certain specific rules/exceptions, among which, *inter alia*: (i) the *concordato* petition shall specify the reasons why a group proceeding is more convenient for creditors than single and separate proceedings; (ii) the *concordato* petition and the plan/plans must include certain additional information, mainly relating to group structure, intercompany relationships, etc.; (iii) the plan(s) must ensure the restructuring of each group company and must be certified by the third-party expert. The expert's report shall also confirm that the group-proceeding is more convenient for creditors than separate proceedings; (iv) the plan(s) might provide both for the continuation of certain business activities and the liquidation of others. The proceeding qualifies as composition with creditors on a going concern basis (in *continuità aziendale*) whenever the proceeds arising from the continuation of business exceed the proceeds arising from the liquidation of assets; and (v) certain specific rules in relation to the voting phase and homologation phase of the proceeding apply.

In case of a composition with creditors group-proceedings, debtor companies can make a single application also for "*transazione fiscale*" to Tax Authorities/Social Security Authorities under the Insolvency Code (in accordance with the requirements provided thereunder).

Negotiated crisis composition procedure (composizione negoziata per la soluzione della crisi di impresa) under the Insolvency Code

The negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*) was originally introduced in the Italian legal framework by Law Decree 118/2021 and has been subsequently incorporated into the Insolvency Code. It consists of a negotiated and out-of-court tool applicable to both commercial enterprises (*imprenditori commerciali*) and agricultural enterprises (*imprenditori agricoli*), which are undergoing a distressed situation with reference to their assets, their business and/or their financial situation, such that it is likely that a distress/crisis or insolvency will follow. Therefore, it is a tool aiming at anticipating further deterioration of the debtor's situation.

Without prejudice to the above, the court can be involved in the following circumstances: (i) when the entrepreneur files a petition pursuant to Article 19 of the Insolvency Code requesting the competent court to confirm or modify the protective measures provided for pursuant to Article 18 of the Insolvency Code within the day following the publication of the request and of the acceptance of the expert in the relevant companies' register, and, if necessary, to enact the interim measures necessary to complete the negotiations; (ii) when the entrepreneur files a petition asking the court to authorize certain acts in line with the provisions set forth under Article 22 of the Insolvency Code and (iii) to authorize the execution of tax settlements pursuant to Article 23, para. 2-bis of the Insolvency Code.

Pursuant to Article 17 of the Insolvency Code, the entrepreneur or the enterprise filing for a negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*), *inter alia*, shall declare if any petition for judicial liquidation or insolvency declaration is pending towards itself and certify that no requests for the admission to the procedures provided for under Articles 40 of the Insolvency Code, including pursuant to Articles 44, para. 1, letter (a) and 54, para. 3, have been previously filed. In the event that the petition for a negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*) is dismissed (*archiviata*) the debtor shall not submit a new request before one year has elapsed after dismissal (the term is reduced, for one time only, to four months if such dismissal is requested by the entrepreneur within two months starting from the acceptance of the expert).

The negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*) is commenced on a voluntary basis only, filing a petition for the appointment of a third party and independent expert to the Secretary General of the relevant Chamber of Commerce through a dedicated electronic platform and the expert is appointed within seven business days upon the filing of the request. Pursuant to the Insolvency Code, the person to be appointed as expert shall not have or maintain professional relations with the entrepreneur during the two years following the termination of the negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*). The petition cannot be filed pending a proceedings commenced pursuant to Article 40, also in the cases regulated under Articles 40, para. 1(a), 54, para. 3 and 74. The expert is responsible for facilitating and managing the negotiations between the company, its creditors and any other interested parties, in order to identify a solution to overcome the crisis or the insolvency, including through the transfer of the business or a branch thereof and safeguarding, to the maximum possible extent, the occupational levels.

The expert assesses his/her own independence, the adequacy of his/her own professional expertise and his/ her own time availability with respect to the prospected assignment, and, if the outcome of the assessment is positive, notifies his/her acceptance to the entrepreneur and uploads it on the dedicated electronic platform. In case of negative outcome, the expert confidentially notifies it to the commission, which appoints a new expert. If the expert accepts the appointment, he/she meets with the entrepreneur in order to assess whether there are concrete and real chances of recovery. The entrepreneur attends the meeting personally, and can be assisted by its advisors.

If the expert finds that there are concrete and real chances of recovery, he/she meets with the parties involved in the entrepreneur's recovery process and presents the possible strategies, scheduling periodic meetings close in time to one another. The entrepreneur may conduct negotiations without the expert's presence, provided that the expert is kept informed of their progress.

During the negotiations, all the parties involved must act in good faith and with fairness, must cooperate and are bound by confidentiality on the entrepreneur's situation, on the actions carried out or planned by the entrepreneur and on the information received in the course of the negotiations. The entrepreneur must provide a complete and clear representation of his/her situation and manage his/her assets without causing unfair prejudice to the creditors. Banks and financial intermediaries, their agents, and, in case of credit assignment and/or transfer, their assignees or transferees, must take part in the negotiations actively and in an informed manner. The access to the negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*) does not, by itself, constitute ground for withdrawal of overdraft facilities nor reason for a different classification of receivables (which, pending the composition procedure, shall be determined considering the draft business and financial plan presented by the debtor and also in light of the supervisory/regulatory provisions (*disciplina di vigilanza prudenziale*)). The continuation of the banking/financial relationship is not in itself grounds for liability of the bank and financial intermediary. Specific provisions apply to negotiations involving employment contracts.

If the expert finds that there are no real chances of recovery, after the meeting with the entrepreneur or thereafter, he/she has to promptly notify the entrepreneur and the Secretary General of the Chamber of

Commerce, which provides for the dismissal of the entrepreneur's petition. The negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*) shall not exceed 180 days, subject to a possible extension of additional 180 days upon certain requirements. More specifically, the expert's appointment is considered terminated if, after 180 days from its appointment, the parties have not agreed on a solution (that can also be proposed by the expert) for overcoming the entrepreneur's distressed situation. However, the expert's appointment can continue up to further 180 days if (i) the entrepreneur or the parties involved in the negotiations require so and the expert agrees; (ii) the prosecution of the appointment is required by the fact that the entrepreneur has filed a petition to the court pursuant to Article 19 and/ or Article 22 of the Insolvency Code or (iii) protective or interim measures are pending or it is necessary to implement the authorization ruling issued by the court.

At the end of his/her appointment the expert issues a final report, to be uploaded on the platform, and notifies it to the entrepreneur and to the court that has granted the protective measures and interim measures (if any) which declares the termination of their related effects.

Pursuant to article 18 of the Insolvency Code, together with the petition for appointment of the expert, or with a subsequent petition, the entrepreneur can request the application of protective measures, which may also be limited, upon entrepreneur request, to certain creditors' claims or to a specific category of creditors. If the protective measures are granted, from the date of publication of the relevant petition, affected creditors cannot obtain pre-emption rights (*diritti di prelazione*) unless agreed upon by the entrepreneur and all enforcement and interim actions are stayed. From the same date, statutory time-limitations (*prescrizioni*) remain suspended and forfeitures (*decadenze*) do not occur. However, please note that, differently from what it is provided under the Insolvency Code for the composition with creditors proceeding (*concordato preventivo*), payment of pre-existing creditors is not forbidden. The protective measures do not apply to employees' claims.

Starting from the date of publication of the petition requesting the application of the protective measures until the date of conclusion of the negotiations or dismissal of the petition for the negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*), the judgement opening the judicial liquidation (*sentenza di apertura della liquidazione giudiziale*) or the declaration of the insolvency of the entrepreneur cannot be issued by the court, unless the court previously revokes the protective measures.

The creditors (including banks and financial intermediaries and their representatives (*mandatari*) and assignees) whose rights are affected by the protective measures cannot unilaterally refuse to perform their obligations under the contracts in place with the entrepreneur, nor terminate such contracts, nor anticipate their expiration date, nor amend them with detrimental consequences for the entrepreneur, or revoke all or part of the credit lines already granted solely on the ground of the missed payment of claims arisen prior to the publication of the petition requesting the application of the protective measures. The same creditors may suspend the performance of outstanding contracts from the publication of the petition requesting protective measures to the obtainment of such protective measures.

Suspension and revocation of credit lines may nevertheless occur in application of the prudential supervision regulation. The continuation of the relationship is not in itself ground for liability of the bank or financial intermediary. Since the confirmation of protective measures, banks and financial intermediaries and their representatives (*mandatari*) and assignees against whom the measures have been confirmed cannot maintain the suspension related to the credit lines granted at the time of access to the negotiated crisis composition procedure unless they demonstrate that the suspension is determined by the application of prudential supervision regulation. The continuation of the relationship is not in itself ground for liability of the bank or financial intermediary. If the entrepreneur applies for the protective measures, it must simultaneously file the same request to the competent court, in order to allow a judge to check the said measures and to confirm them or, if necessary, to modify them. In the absence of this request, the protective measures will be ineffective.

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The duration of the protective measures and, if necessary, the interim measures, is established by an order of the court in a range between 30 and 120 days, and, upon request of the parties and after obtaining the opinion of the expert, can be extended for the time required to positively finalize the negotiations up to a maximum of 240 days, given that the judge may discretionary order the revocation of such protective measures or shorten their duration.

Pending the negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*), there is no dispossession: the entrepreneur remains able to continue the ordinary and extraordinary management of the company, subject to certain conditions. More precisely, pursuant to Article 21 of the Insolvency Code, pending the negotiations, the entrepreneur may carry out acts pertaining to ordinary activity. Upon written notice to the expert, carry out acts pertaining to extraordinary activity or make payments non-consistent with the negotiations nor with the perspectives of recovery, in such a way as to avoid prejudicing the economic and financial sustainability of the business. Furthermore acts, payments, and guarantees/security interests carried out by the entrepreneur after the appointment of the expert under the negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*) are not subject to claw-back action under article 166, para. 2 of the Insolvency Code, if they are consistent with the status of the negotiations and the recovery perspectives of the company. If during the course of the negotiations, it appears that the entrepreneur is insolvent but there are real prospects of recovery, the entrepreneur must establish the best solution to overcome the insolvency and shall manage the enterprise in the best interests of the creditors, and remains liable for his conduct. If the expert believes that a certain act causes prejudice to the creditors, to the negotiations or to the perspectives of recovery, he/she reports it in writing to the entrepreneur and to the enterprise's control body. If, notwithstanding the expert's report, the entrepreneur carries out the relevant act, the entrepreneur gives immediate notice to the expert, who may file his/her dissent for the registration with the companies' register. At the request of the entrepreneur, one or more creditors or the expert, the court that has granted the protective measures and/or interim measures may, at any time, revoke such measures or reduce their duration when they do not meet the aim of ensuring the positive outcome of the negotiations or they appear disproportionate in relation to the prejudice caused to the creditors. If the protective measures are revoked, the rule relating to the prohibition of the obtainment of pre-emption rights by pre-existing creditors ceases to be effective for the date on which the protective measure has been revoked.

Upon the entrepreneur's request and to the extent that this is consistent with the continuation of the business as a going concern and with the maximization of the creditors' recovery, the court may authorize: (i) for the purpose of recognition of a super-senior (*prededucibile*) ranking, the entrepreneur to incur new indebtedness, including the request for guarantees, and to enter into an agreement with banks and financial intermediaries for reactivation of the credit lines; (ii) the entrepreneur to incur new super-senior indebtedness (*prededucibile*) by virtue of shareholders' financing; (iii) one or more companies belonging to the same group to incur new super-senior indebtedness (*prededucibile*); and (iv) the entrepreneur to transfer its business, or certain business branches, without the effects provided under Article 2560, para. 2, of the Italian Civil Code, without prejudice to Article 2112 of the Civil Code, identifying the appropriate measures to protect all the interests involved, taking also into account the requests of the parties concerned. The court shall also verify the compliance with the competitiveness principle (*principio di competitività*) in the selection of the purchaser. The execution of the above-mentioned authorizations may also be postponed after the ending of the negotiated crisis composition procedure if so provided under the court authorization or the final expert report. The super seniority (*prededucibilità*) will be recognized regardless of the outcome of the negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*) and will be valid even in case of opening of subsequent insolvency procedures.

Pursuant to Article 23 para. 1 of the Insolvency Code, if a suitable solution to overcome the entrepreneur's difficulties has been found, the negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*) can terminate by means of:

- (i) the execution of an agreement between the entrepreneur and one or more creditors or other interested parties, which constitutes cause for application of the reward measures provided under article 25-*bis*, para. 1 of the Insolvency Code if, according to the expert's final report, such agreement ensures the continuation of the business as a going concern for at least 2 years;
- (ii) the execution of a standstill agreement (*convenzione di moratoria*) pursuant to article 62 of the Insolvency Code;
- (iii) the execution of an agreement signed by the entrepreneur, by the creditors or other third parties interested in the restructuring and by the expert, with the effects provided under articles 166, paragraph 3, lett. (d) and 324 of the Insolvency Code. With such agreement the expert acknowledges that the reorganization plan (*piano di risanamento*) seems to be consistent with the composition of the insolvency and crisis of the entrepreneur.

Pursuant to Article 23, para. 2, of the Insolvency Code, if, at the end of the negotiations, none of the above mentioned solution has been elected, the entrepreneur may, alternatively:

- (i) draft a certified restructuring plan (*piano attestato di risanamento*) pursuant to article 56 of the Insolvency Code;
- (ii) file a petition requesting the homologation of a debt restructuring agreement with creditors (*accordo di ristrutturazione dei debiti*) pursuant to articles 57, 60 and 61 of the Insolvency Code. The percentage referred to under article 61, para. 2, letter (c) of the Insolvency Code is reduced to 60% if the achievement of the agreement results from the final report of the expert or if the request for homologation is filed within 60 days of the notification of the expert's final report;
- (iii) file a petition for the simplified composition with creditors proceeding for the liquidation of assets (*concordato semplificato per la liquidazione del patrimonio*) (please see the paragraph "Simplified composition with creditors proceeding for the liquidation of assets (*concordato semplificato per la liquidazione del patrimonio*)") under the Insolvency Code below;
- (iv) access to one of the proceedings/tools provided under the Insolvency Code or in the Italian Legislative Decree No. 270 of 8 July 1999 or in the Italian Law Decree No. 347 of 23 December 2003.

According to Article 24, paragraph 2bis, of the Insolvency Code, during the negotiations, the debtor can submit a proposal for a tax settlement agreement (*proposta di transazione fiscale*) to the competent tax authorities. The proposal can provide for partial or deferred payment of the debt. The proposal cannot concern taxes constituting EU resources. The proposal shall be accompanied by (i) a report from an independent professional certifying its convenience with respect to the alternative of judicial liquidation for the public creditor; and (ii) a report on the completeness and truthfulness of the company data drawn up by the person in charge of the statutory audit, if any, or by a statutory auditor registered in the appropriate register. The tax settlement agreement is signed by the parties, communicated to the expert, and takes effect when filed with the court. The court, upon assessment of the regularity of the attached documentation and of the tax settlement agreement, authorises its execution or, alternatively, declares that the agreement has no effect. The tax settlement agreement is automatically terminated in the event of the opening of judicial liquidation (*liquidazione giudiziale*) or controlled liquidation (*liquidazione controllata*) or the ascertainment of insolvency status, or if the entrepreneur does not fully execute the payments due within 60 days of the scheduled deadlines.

Furthermore, pursuant to Article 24 of the Insolvency Code:

- (i) the acts authorized by the court pursuant to article 22 of the Insolvency Code shall maintain their effects in the event of the subsequent occurrence of an homologated debt-restructuring agreement (*accordo di ristrutturazione dei debiti omologato*), an homologated composition with creditors proceeding (*concordato preventivo omologato*), an homologated restructuring plan pursuant to Article 64-bis of Insolvency Code (*piano di ristrutturazione omologato*), the opening of the judicial liquidation (*liquidazione giudiziale*), the compulsory administrative liquidation (*liquidazione coatta amministrativa*), the extraordinary administration (*amministrazione straordinaria*) or the simplified composition with creditors proceeding for the liquidation of assets (*concordato semplificato per la liquidazione del patrimonio*);
- (ii) the transactions, the payments and the granting of security interests carried out by the entrepreneur after the acceptance by the expert of his/her appointment, are exempted from claw-back actions pursuant to Article 166, para. 2, of the Insolvency Code, if they are consistent with the development and the status of the negotiations and with the perspectives of recovery in place at the time the transaction/payments/granting of security interest was made; and
- (iii) the extraordinary transactions and payment made after the acceptance by the expert of his/her appointment are in any case subject to claw-back actions pursuant to Article 165 and Article 166 of the Insolvency Code if the expert has registered his/her dissent in the companies' register pursuant to Article 21, para. 4 of the Insolvency Code or if the competent court has denied its authorization pursuant to Article 22 of the Insolvency Code.

In addition, payment and transactions carried out after the acceptance by the expert of his/her appointment, which the expert assesses to be consistent with the development of the negotiations and with the perspectives of recovery of the enterprise, or which have been authorized by the court pursuant to Article 22 of the Insolvency Code, benefit of exemptions from the potential application of certain criminal sanctions.

Pursuant to Article 25 of the Insolvency Code, the negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*) may also apply to group of companies, which may commence one proceeding all together. At the end of the negotiations, the companies belonging to the same group may either enter into one of the agreements provided under Article 23, para. 1 of the Insolvency Code as a group, or access to one of the tools provided under Article 23 of the Insolvency Code, both separately or as a whole group.

Simplified composition with creditors proceeding for the liquidation of assets (concordato semplificato per la liquidazione del patrimonio) under the Insolvency Code

Simplified composition with creditors proceeding for liquidation of assets (*concordato semplificato per la liquidazione del patrimonio*) is a particular type of composition with creditors proceeding (*concordato preventivo*) available only for those companies which (i) had first made access to composition procedure (*composizione negoziata per la soluzione della crisi di impresa*); and (ii) as certified by the expert under the composition procedure (*composizione negoziata per la soluzione della crisi di impresa*), conducted the negotiations with creditors in good faith.

Simplified composition with creditors proceeding for liquidation of assets (*concordato semplificato per la liquidazione del patrimonio*) – which has merely liquidation purposes – has originally been introduced in the Italian legal framework by Law Decree 118/2021 and has been subsequently incorporated into the Insolvency Code.

If, in its final report, the expert states that the negotiations have been conducted according to fairness and in good faith, and that the options provided under Article 23, para. 1 and 2, letters (a) and (b) of the Insolvency Code are not feasible, within 60 days following the notification of the final report the entrepreneur may file, with the competent court of the place where the company has its registered office, a petition for admission to the simplified composition with creditors proceeding for liquidation of assets (*concordato semplificato per la liquidazione del patrimonio*), a *concordato* proposal providing for the

liquidation of the assets together with the liquidation plan and the documents provided under Article 39 of the Insolvency Code. The proposal may provide for the division of the creditors into different classes and Article 84 para. 5 of the Insolvency Code shall apply.

The petition for the simplified composition with creditors proceeding for liquidation of assets (*concordato semplificato per la liquidazione del patrimonio*) is communicated to the public prosecutor and published with the companies' register within the day following the date of the filing with the court. From the date of such publication, the effects provided under Articles 6, 46, 94 and 96 of the Insolvency Code apply.

Article 25-*sexies*, paragraph 1 of the Insolvency Code also allows the entrepreneur to file, within 60 days following the notification of the expert's final report, a "blank petition" reserving the right to subsequently file the plan and proposal of the simplified composition with creditors proceeding for liquidation of assets (*concordato semplificato per la liquidazione del patrimonio*).

Upon the filing of the application, the court (i) appoints a so-called "auxiliary" (*ausiliario*) to, *inter alia*, express an opinion on the entrepreneur's proposal; (ii) orders that the proposal, together with the opinion of the auxiliary and the final report of the expert, be delivered by the debtor to the creditors appearing on the list filed by the debtor itself; and (iii) sets the date of the hearing for the homologation. Creditors and any third party which has any interest are entitled to object to the homologation within ten days before the date fixed for the hearing.

The court homologates the simplified composition with creditors proceeding for liquidation of assets (*concordato semplificato per la liquidazione del patrimonio*) when it verifies (i) the regularity of the adversarial principle among the parties (*contraddittorio*) and the proceeding; (ii) the compliance with the pre-emption rights (*cause di prelazione*); (iii) the feasibility of the liquidation plan, and finds that the proposal does not cause a prejudice to the creditors compared to what they would receive in case of judicial liquidation (*liquidazione giudiziale*) or "*liquidazione controllata*" of the entrepreneur, and in any case ensures that each creditor receives a certain recovery. With the homologation decree, the court also appoints a liquidator.

The parties may challenge the homologation decree within 30 days after the notification of the same.

Pursuant to Article 25-*septies* of the Insolvency Code, the liquidation plan may also include an offer by a pre-identified third party to transfer the business or one or more branches of the business or specific assets to such third party, even before the approval: in this case, the judicial liquidator, having verified the absence of better solutions on the market, may implement the offer.

Certified restructuring plans (piani attestati di risanamento) under Article 56 of the Insolvency Code

Certified restructuring plans (*piani attestati di risanamento*) under Article 56 of the Insolvency Code are out-of-court tools consisting of a restructuring plan addressed to creditors and prepared by debtors who are either insolvent or in a state of crisis, in order to permit the restructuring of the debtor's indebtedness and supporting the rebalancing of the debtor's assets, economic and financial condition, which shall be certified by a third-party independent expert appointed directly by the debtor and enrolled in the register of auditors and accounting experts (*Registro dei Revisori Contabili*). The independent expert – which must verify the feasibility of the restructuring plan and the truthfulness of the business data provided by the company – must possess certain specific professional requisites and qualifications and meet the requirements set forth by Article 2399 of the Italian Civil Code and may be subject to liability in case of misrepresentation or false certification.

The certified restructuring plans (*piani attestati di risanamento*) are usually implemented by means of one or more agreements entered by the company with the relevant creditors/counterparties. Such agreements are merely private agreements and do not affect the right of creditors who are not a party to

the agreement to enforce their claims, guarantees or securities. As such, there is no “automatic stay” by operation of law.

The reorganization plan must, *inter alia*: (i) have a certain date; (ii) be in written form; (iii) have an analytical content with the specification, aimed at avoiding opportunistic or collusive conduct, that even unilateral acts or executive contracts must be proven in writing and must have a certain date. At the debtor’s request the plan can be published in the commercial register (this would allow for certain tax benefits).

The certified restructuring plans (*piani attestati di risanamento*) and the relevant debt restructuring arrangements are not under any form of judicial control or approval and, therefore, no application is required to be filed with the court or supervising authority. Also, no approval or consent by a specific majority of all outstanding claims are required.

The terms and conditions of these plans are freely negotiable, provided they are finalized at restructuring the debtor’s indebtedness and rebalancing its capital structure. Article 56 of the Insolvency Code sets out the “minimum content” of the plan including, *inter alia*, indication of non-adhering creditors, the financial resources necessary to pay their claims at the relevant due dates as well as the causes of the crisis. Also, it must be supported by adequate documentation representing the financial and commercial situation of the debtor.

As expressly provided under Article 166, paragraph 3, letter (d) of the Insolvency Code, should these plans fail, and the debtor be declared insolvent, the payments and/or acts carried out, and/or security interest granted on the debtor’s assets for the implementation of the reorganization plan, subject to certain conditions, are not subject to any claw-back action (*azione revocatoria*), including the ordinary claw-back action provided for pursuant to article 2901 of the Italian Civil Code. Furthermore, they are exempted from the potential application of certain criminal sanctions.

There is no homologation by the court. The publication in the companies’ register of the plan, the report of the independent expert and the agreement(s) is not mandatory and it is possible upon a debtor’s request and would allow to certain tax benefits.

Debt-restructuring agreements (accordi di ristrutturazione dei debiti) under Article 57 of the Insolvency Code and ff.

Out-of-court agreements for the restructuring of indebtedness entered into with creditors representing at least 60% of the debtor’s outstanding debts have not particularly changed with the entry into force of the Insolvency Code. They still have to be ratified by the court and an independent expert appointed by the debtor must assess the truthfulness of the business and accounting data provided by the debtor. Moreover, such expert must also declare that the agreement is feasible and, particularly, that it ensures that the debts of non-adhering creditors can be fully satisfied within 120 days from: (i) the date the court ratifies the agreement, in the case of debts which are due and payable to non-adhering creditors as of the date of the court sanctions the debt restructuring agreement (*omologazione*); and (ii) the date on which the relevant debts is due, in case of receivables which are not yet due and payable to non-adhering creditors as of the date the court sanctions the debt restructuring agreement (*omologazione*). Only a debtor who is in a state of crisis (i.e., facing financial distress which does not yet amount to insolvency) or insolvent can initiate this process and request the court to sanction the debt restructuring agreement entered into with its creditors (*omologazione*).

The debt-restructuring agreement (*accordo di ristrutturazione dei debiti*) is published in the companies’ register and becomes effective as of the day of its publication. Creditors and other interested parties may challenge the debt-restructuring agreement (*accordo di ristrutturazione dei debiti*) within 30 days from the publication of the same in the companies’ register. After having decided on the opposition filed (if any), the court homologates the debt-restructuring agreement (*accordo di ristrutturazione dei*

debiti) by issuing a judgement (*sentenza*), which can be appealed within 30 days of its publication pursuant to Article 51 of the Insolvency Code.

The Insolvency Code does not expressly provide for any indications concerning the contents of the debt-restructuring agreement (*accordo di ristrutturazione dei debiti*). The plan can therefore provide, *inter alia*, either for the debtor or a third party carrying out the business, or the sale of the business, and may contain refinancing agreements, moratoria, write offs and/or postponements of claims. The debt-restructuring agreement (*accordo di ristrutturazione dei debiti*) may also contain a proposed tax settlement for the partial or deferred payment of certain taxes and/or social contributions, provided that certain specific requirements are met (as set forth under Article 63 of the Insolvency Code). If the plan provides for the implementation of a merger, demerger or transformation, Article 116 of the Insolvency Code shall apply. A single petition for homologation under Article 57 and ff. of the Insolvency Code can be filed by more companies belonging to the same group having their center of main interests in Italy, subject to certain requirements being met. In case of a group petition, debtor companies can make a single application also for “*transazione fiscale*” to Tax Authorities/Social Security Authorities under the Insolvency Code (in accordance with the requirements provided thereunder).

Pursuant to Article 58, para. 1 of the Insolvency Code, in the event of substantial amendments to the plan before the approval, the report issued by the expert and the consent to the debt-restructuring agreement (*accordo di ristrutturazione dei debiti*) expressed by creditors shall be renewed. The report shall also be renewed in the event of substantial amendments to the agreement. In the event of substantial amendments after the approval, the debtor shall make such amendments as are appropriate to ensure the implementation of the agreements, by requesting the update of the certified report issued by the expert having the requirements set forth in Article 57, para. 4 of the Insolvency Code. In this case, the renewed certified report, together with the amended restructuring plan, shall be published in the companies’ register, giving proper notice to the creditors by registered letter or via certified email. The parties may file an objection (*opposizione*) to the abovementioned decree within 30 days after having been notified of the same.

With the petition for the homologation of the debt-restructuring agreement (*accordo di ristrutturazione dei debiti*) by the competent court (or at any time pending the procedure) the debtor may request to be granted any protective measures (aimed at providing for the stay of actions or the creation by creditors of security interest, unless it is agreed in the debt restructuring agreement in relation to pre-existing debts, etc.). Such measures can also be requested (i) pursuant to Article 54, para. 3 of the Insolvency Code, to the court by the debtor pending negotiations with creditors (i.e., prior to the filing of the petition for the homologation of the debt-restructuring agreement (*accordo di ristrutturazione dei debiti*)), subject to certain conditions, or (ii) pursuant to Article 44 of the Insolvency Code, together with a “simplified application” for the access to one of the restructuring tools provided for by the Insolvency Code. According to Article 54, para. 2, of the Insolvency Code, provided that the petition for the homologation of the debt-restructuring agreement (*accordo di ristrutturazione dei debiti*) includes the relevant request for measures, from the date of publication of the petition in the companies’ registry, it is prohibited to commence or continue the enforcement and the conservative actions (or, in any event, to take any initiatives prohibited under the relevant measures).

It is a court-supervised proceeding which does not provide for the dispossession of debtor; however, the court may appoint a judicial commissioner to oversee the proceedings and must do so in case petitions for the opening of judicial liquidation (*liquidazione giudiziale*) are pending, when it is necessary for the protection of the parties who filed such petitions. Creditors entering into the debt-restructuring agreement (*accordo di ristrutturazione dei debiti*) are not required to receive the same treatment (i.e., they are free to reject the proposal and to protect their interests otherwise) and no cram-down is applicable to third-party non-adhering creditors, which shall be fully re-paid within the relevant deadlines outlined above save for certain specific cram-down provisions/mechanisms applicable in relation to Tax Authorities/Social Security Authorities subject matter of a settlement proposal (*transazione fiscale*) pursuant to – and in accordance with – the provisions set forth under Article 63 of the Italian Insolvency Code.

The court, having verified the completeness of the documentation filed by the debtor, fixes the date for a hearing to be held no earlier of 15 days from the notification of the relevant filing. Pending such deadline, creditors and other interested parties may file an opposition to the homologation. At such hearing, the court decides upon any opposition and assesses whether the conditions for the approval are met.

Without prejudice to all the above, Articles 60, 61 and 62 of the Insolvency Code provide for the following additional types of debt-restructuring agreement (*accordo di ristrutturazione dei debiti*).

First, Article 60 of the Insolvency Code provides for the so called facilitated debt-restructuring agreement (“*accordi di ristrutturazione agevolati*”). Such proceeding is a particular kind of debt restructuring agreement which may be entered into with creditors representing as little as 30% of the total indebtedness (instead of the 60% generally required under Article 57, para. 1, of the Insolvency Code) provided that the debtor: (i) does not propose the standstill on the payment of non-adhering creditors; and (ii) has not previously requested (and waives to request) to the court the granting of protective measures under Article 54 of the Insolvency Code.

Pursuant to Article 61 of the Insolvency Code, if a debtor enters into a debt-restructuring agreement and obtains the approval of creditors representing at least 75% of the credits belonging to a certain category (with respect to the homogeneity of their status and economic interests), he can request the court to declare that agreement binding on the non-adhering creditors belonging to the same category (so called “cram down”).

More in detail, debt-restructuring agreement with extended effects (*accordi di ristrutturazione ad efficacia estesa*) under article 61 of the Insolvency Code – which were previously only permitted in relation to debts owed to banks and financial intermediaries where such debts represented at least 50% of the total indebtedness – can now be applied to any category of creditors, provided that, *inter alia*: (i) all the creditors belonging to the same category have been informed of the start of the negotiations and have been able to participate in them in good faith and have received complete and up-to-date information on the debtor’s assets, economic and financial situation as well as on the restructuring agreement and its effects; (ii) the agreement provides for the continuation of the business activity either directly or indirectly pursuant to article 84 of the Insolvency Code; (iii) the claims of the consenting creditors belonging to the relevant category represent at least 75% of all the claims belonging to the same category; (iv) the non-adhering creditors belonging to the same category to which the effects of the agreement are extended can be satisfied under the agreement for an amount not lower than the amount they would receive with the judicial liquidation being understood that a creditor may hold claims in more than one category; and (v) the debtor has notified the agreement, the application for court approval and the documents attached thereto to the creditors to be crammed down. The percentage of 75% is lowered to 60% if the debt restructuring agreement is referred to in the final report issued by the expert at the end of the negotiations pertaining to the negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi d’impresa*) or if the request for homologation is filed within 60 days of the notification of the expert’s final report.

Moreover, pursuant to para. 5 of Article 61 of the Insolvency Code, a debtor whose financial indebtedness is at least 50% of their total indebtedness, may identify one or more categories of creditors which are banks and financial intermediaries (and/or, in case of credit assignment and/or transfer, their assignees or transferees) which have a homogeneous legal position and economic interests and extend the effects of the agreement to non-adhering creditors who are part of the same category. In such case, the agreement is valid even if it does not contemplate the direct or indirect continuation of the business activity as a going concern. However, the rights of creditors who are not banks or financial intermediaries (or their assignees or transferees) remain valid.

Pursuant to the Article 62 of the Insolvency Code, a standstill agreement (*convenzione di moratoria*) entered into between a debtor and its creditors representing 75% of the same class would be also binding over the non-adhering creditors, provided that (i) certain conditions are met, such as, *inter alia*, (a) all

the creditors belonging to the relevant category have been duly noticed of the beginning of the negotiations, have been made able to participate in the negotiations and have received complete and up-to-date information on the debtor's assets, economic and financial situation and on the agreement and its related effects; (b) the claims of the adhering creditors belonging to the same categories represent 75% of all the creditors of the same class; and (c) the non-adhering creditors of the same category, to whom the effects of the agreement are extended, are not worse off than they would be in the event of judicial liquidation; and (ii) an independent expert certifies (a) the truthfulness of the business data, (b) the attitude of the standstill agreement to temporarily regulate the effects of the crisis and (c) the meeting of the condition under (i)(c) above (i.e., the fact that the treatment reserved to non-adhering creditors is at least equal to the one they could obtain in the context of a judicial liquidation).

Non-adhering crammed-down creditors can challenge the standstill agreement within 30 days after the notification of the same.

In no case debt restructuring agreements provided under Article 61 of the Insolvency Code and standstill agreements provided under Article 62 of the Insolvency Code may impose on the non-adhering creditors, *inter alia*, performance of new obligations, the granting of new overdraft facilities, the maintenance of the possibility to utilize the existing facilities or the utilization of new facilities.

By virtue of Article 59 of the Insolvency Code, Article 1239 of the Italian Civil Code applies to the creditors that have adhered to the debt-restructuring agreements. Non-adhering creditors maintain their claims towards (i) those who are jointly and severally liable with the debtor, (ii) the debtor's guarantors and (iii) debtors by way of right of recourse (*regresso*). Unless agreed otherwise, debt restructuring agreements produce effect towards the shareholders who are jointly liable with non-limited liability companies, provided that, if such shareholders have granted guarantees, they will remain liable as guarantors.

The Court can homologate the debt restructuring agreement even without the tax authorities or social securities institutions' agreement when their agreement is required to reach the relevant mandatory percentage (60% or 30%, as the case may be), subject to the compliance with (i) the debt restructuring agreement not being based on a liquidation plan, (ii) the no worse-off test against the liquidation scenario, (iii) the overall exposure of the adhering creditors being equal to at least 1/4 of the overall exposure of the debtor, (iv) the tax and social security debts are being repaid for at least 50% (excluding penalties and interests) of their respective category. If the overall exposure of the adhering creditors is lower than 1/4 of the overall exposure of the debtor, the Court can homologate the Restructuring Agreement if, in addition to compliance with the above conditions (i) and (ii), the tax and social security debts are repaid for at least 60% (excluding penalties and interests) of their respective category and the rescheduling of the relevant tax and social security debt does not exceed 10 years of duration.

With the request of homologation of a debt restructuring agreement, or thereafter, the debtor may also request to the Court to be authorized to borrow super senior (*prededucibili*) financings in any technical form. For the analysis of the rules provided under Articles 99, 101 and 102 of the Insolvency Code – which apply to both debt restructuring agreements (*accordi di ristrutturazione dei debiti*) and to composition with creditors proceedings (*concordati preventivi*) – regulating the possibility to incur super-senior financing, please see the specific section under paragraph “*Available financing forms under the Insolvency Code*” below.

Restructuring plans subject to homologation (piani di ristrutturazione soggetti a omologazione) under Article 64-bis of the Insolvency Code

The restructuring plans subject to homologation (*piani di ristrutturazione soggetti a omologazione*) under Articles 64-bis and 64-ter of the Insolvency Code constitute a novelty in the business and crisis and insolvency legal framework. Pursuant to this new tool, which is available to debtors which are insolvent or are facing a state of crisis, the distribution rules of regular insolvency proceedings can be disregarded, provided that certain strict requirements are met.

More precisely, by virtue of this instrument, pursuant to which the creditors must be divided into classes according to homogeneous legal positions and economic interests, the debtor may distribute to the creditors the value generated by the plan even in derogation of the provisions governing the ranking/statutory order of claims (principle of “*par condicio creditorum*”), provided that the proposal is approved by unanimous consent of the classes. The plan may also envisage the settlement of Tax Authorities/Social Security Authorities credits pursuant to the terms and conditions set forth under the Insolvency Code.

The restructuring plans subject to homologation (*piani di ristrutturazione soggetti a omologazione*) shall provide for payment in full, by means of cash, of claims secured by the privilege under article 2751-bis no. 1 of the Civil Code (i.e., salaries) within 30 days of homologation and must be certified, as to the truthfulness of the company data and the feasibility of the plan, by an independent professional meeting the requirements of the Insolvency Code.

The debtor shall file the restructuring plans subject to homologation (*piani di ristrutturazione soggetti a omologazione*) before the courts together with all relevant documents provided under the Insolvency Code. The court shall assess the regular filing and the correctness of the criteria for the formation of the classes: in this case, the courts appoint the judicial commissioner, the delegated judge and set the deadlines for the creditors to vote. The following phase must follow the steps of the common framework applicable to all restructuring tools and frameworks (i.e., composition with creditors proceeding (*concordato preventivo*), debt-restructuring agreement (*accordi di ristrutturazione dei debiti*) and judicial liquidation (*liquidazione giudiziale*)).

From the date of filing of the petition until the homologation, the entrepreneur maintains the ordinary and extraordinary management of the company in the prevailing interest of the creditors under the supervision of the judicial commissioner.

There is no “automatic stay”: nevertheless, the debtor can file a specific request for the application of the stay of action, to stop/block enforcement and/or pre-cautionary actions by creditors over its assets up until the homologation of the agreement (and such request can be filed also pending the negotiations for the debt-restructuring agreement (*accordo di ristrutturazione dei debiti*)). Final decision on such request (which is provisionally effective) shall be taken by the competent courts and the length of such stay of action period is for maximum 4 months (subject to extensions under certain circumstances, in any case not exceeding an overall period of 12 months). During the stay-of-action period the judicial liquidation (*liquidazione giudiziale*) cannot be opened by the courts.

In each class, the proposal is approved if a majority of the claims allowed to vote is reached or, failing that, if two-thirds of the claims of the voting creditors have voted in favour, provided that creditors holding at least half of the total claims of the same class have voted. Secured creditors are not admitted voting if they are repaid in full (by means of cash) within 180 days (reduced to 30 days for employees) after the homologation without any waiver to their security interests.

If the restructuring plan (*piano di ristrutturazione*) is not approved by all classes, the debtor, *inter alia*, may amend the application by making a proposal for a composition with creditors (*concordato preventivo*).

The court will homologate the restructuring plan (*piano di ristrutturazione*) in the event of approval by all classes. If a dissenting creditor objects to the proposal, the court will approve and homologate the restructuring plan if the proposal satisfies the claim to a not lesser extent than the one resulting from a judicial liquidation. A creditor that has not objected to the lack of convenience in its observations may not file an objection referred before, unless it proves such the lack of objection was due to a cause not attributable to it.

Against the judgment of the court ruling on the homologation of the restructuring plan subject to homologation (*piano di ristrutturazione soggetto a omologazione*), the parties may file an appeal before

the competent court of appeal within the term of 30 days from the notification of the relevant judgement of the court.

Acts, payments, and guarantees/security interest on the debtor's assets carried out in execution of the homologated restructuring plans subject to homologation (*piani di ristrutturazione soggetti a omologazione*) and indicated therein are not subject to claw-back action pursuant to Article 166 of the Insolvency Code.

If the plan provides (also before homologation) for the transfer of a business unit (or one or more business units), the debtor may ask the court to authorize such transfer without application of the effects of Article 2560 para. 2 of the Italian Civil Code (but without prejudice to Article 2112 of the Italian Civil Code). In such event, the court shall assess – inter alia – that the transfer is functional to the business continuity and the best satisfaction for creditors, as well as compliance with the principle of competitiveness in the selection of the buyer.

For the analysis of the rules provided under Article 99, 101 and 102 of the Insolvency Code – which apply also to restructuring plan subject to homologation to the extent compatible (*in quanto compatibili*) - regulating the possibility to incur super-senior financings please see the specific section under paragraph “New financial resources” below.

Extraordinary Administration for Large Insolvent Companies (Amministrazione Straordinaria delle Grandi Imprese in Stato di Insolvenza) under the Italian Legislative Decree No. 270 of 8 July 1999

The extraordinary administration procedure is available under Italian law for large industrial and commercial enterprises; this procedure is commonly referred to as the “Prodi-bis” procedure under the Italian Legislative Decree No. 270 of 8 July 1999. To be eligible, companies must be insolvent although able to demonstrate serious recovery prospects, have employed at least 200 employees in the year preceding the commencement of the procedure, and have debts equal to at least two-thirds of their assets as shown in their financial statements and two-thirds of their income deriving from sales and services during their last financial year. Insolvent companies, belonging to the group of a company that qualifies for the Prodi-bis procedure, may be submitted to the latter, if certain conditions are met, also if they do not qualify per-se for the Prodi-bis procedure. The procedure may be commenced by petition of the creditors, the debtor or the public prosecutor. The same rules set forth for judicial winding-up proceedings with respect to existing contracts and creditors' claims largely apply to an extraordinary administration proceeding. Preferential payment is granted to those credits (even unsecured) accrued to allow the conduct of the company's business activity. Extraordinary administration procedures involve two main phases—a judicial phase and an administrative phase.

Judicial Phase

In the judicial phase, the court determines whether the company meets the admission criteria and whether it is insolvent. It then issues a decision to that effect and appoints up to three judicial receivers (*commissario giudiziale*) to investigate whether there are serious prospects for recovery via a business sale or reorganization. The judicial receiver submit(s) a report to the court (within 30 days) together with an opinion from the Italian Ministry of Enterprises and Made in Italy (the “Ministry”). The court has 30 days to decide whether to admit the company to the procedure or place it into judicial winding-up.

Administrative Phase

If the company is admitted to the extraordinary administration procedure, the administrative phase begins and the extraordinary commissioner(s) appointed by the Ministry prepare a restructuring plan. The plan can provide either for the sale of the business as a going concern within one year (unless extended by the Ministry) (the “Disposal Plan”) or a reorganization leading to the company's economic and financial recovery within two years (unless extended by the Ministry) (the “Recovery Plan”). It may also include a composition with creditors (*concordato*). The plan must be approved by the Ministry

within 30 days from submission by the extraordinary commissioner(s). In addition, the extraordinary commissioner draws up a report every six months on the financial condition and interim management of the company and sends it to the Ministry. The procedure ends upon successful completion of either a Disposal Plan or a Recovery Plan; however, should either plan fail, the company will be declared insolvent.

Once the extraordinary administration procedure has been approved, the principal effects are as follows:

- (i) the company continues to carry out its business and debts incurred during the extraordinary administration are treated as priority claims which rank ahead of the claims of creditors whose rights accrued prior to the commencement of the extraordinary administration procedure and may be paid as they fall due;
- (ii) the extraordinary commissioner(s) is/are entitled to terminate pending contracts to which the company is a party.

Furthermore, in the context of the Prodi-*bis* procedure a debt-restructuring plan is approved exclusively by the Minister of Enterprises and Made in Italy but is not subject to any vote by creditors.

Industrial Restructuring of Large Insolvent Companies (Ristrutturazione Industriale di Grandi Imprese in Stato di Insolvenza) under the Italian Law Decree No. 347 of 23 December 2003

Introduced in 2003 pursuant to Italian Law Decree No. 347 of 23 December 2003, as converted into Italian Law No. 39 of 2004 and subsequently amended, this procedure is also known as the “Marzano procedure.” It is complementary to the Prodi-*bis* procedure and, except as otherwise provided, the same provisions apply. The Marzano procedure is intended to work faster than the Prodi-*bis* procedure. For example, although a company must be insolvent, the application to the Ministry can be made before the court commences the administrative phase.

The Marzano procedure only applies to large insolvent companies which, on a consolidated basis, have at least 500 employees in the year before the procedure is commenced and at least €300 million of debt (including those from outstanding guarantees). The decision whether to open a Marzano procedure is taken by the Ministry following the debtor’s request (who must also file an application for the declaration of insolvency). The Ministry assesses whether the relevant requirements are met and then appoints the extraordinary commissioner(s) who will manage the company. The court also decides on the company’s insolvency.

The extraordinary commissioner(s) has/have 180 days (or 270 days if the Ministry so agrees) to submit a Disposal Plan or Recovery Plan. The restructuring through the Disposal Plan or the Recovery Plan must be completed within, respectively, one year (extendable to two years) and two years. If no Disposal or Recovery Plan is approved by the Ministry, the court will declare the company insolvent and open judicial winding-up proceedings.

A restructuring plan proposed in the context of a Marzano procedure may include a composition plan, with the possibility to divide creditors into classes, with different treatment applicable to creditors belonging to different classes and with proposals for a write-off of any obligations owed by the debtor and/or a conversion of debt securities (such as the Notes) into shares of the debtor company or any of its group companies. The composition plan is approved if it obtains the favourable vote of creditors representing a majority of the claims allowed to vote. Where there are multiple classes of creditors the composition plan is approved if it reports the favorable vote of creditors representing a majority of the claims allowed to vote in the same class. Creditors who do not send in their votes or who do not qualify themselves to vote within the assigned deadline shall be deemed to be in favor of the approval of the composition plan.

As a general consideration, please note that, pursuant to the claw-back rules applicable to extraordinary administration (i) the hardening period would be calculated with reference to the date of insolvency

declaration; and (ii) as far as intercompany transactions only are concerned, longer hardening periods (i.e., 5 years or 3 years, depending on the kind of transactions) would be applicable.

Law Decree No. 4/2024 (as converted into law by Law no. 28/2024) amended Article 2, para. 2 of the Law Decree 347 providing that in the cases of companies directly or indirectly owned by state public administrations (excluding those issuing shares listed on regulated stock exchanges) admission to the Marzano procedure of companies operating one or more industrial plants having a national strategic relevance may occur upon request of shareholders holding, individually or jointly, at least 30 per cent of the company's shares, provided that the shareholders have communicated to the managing body of the company that the requirements for the admission to the procedure are met and the managing body of the company has either failed to submit the application for the admission to the procedure within the subsequent 15 days or within the same 15 days' term refused to file the petition at hand. From the moment of submission of the request by the shareholders, and until the closure of the Marzano procedure or until the Court's decision declaring the absence of the requirements for the opening of the procedure becomes final, the company cannot file the petition for the commencement of a negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*) nor pursue any restructuring proceedings provided for by the Insolvency Code. If on the date of submission of the application for admission to the extraordinary administration procedure the petition for the appointment of the expert provided for the negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*) is filed, the application is dismissed.

Compulsory Administrative Winding-Up (Liquidazione coatta amministrativa)

A compulsory administrative winding-up (*liquidazione coatta amministrativa*), provided for pursuant to Article 293 and ff. of the Insolvency Code, is only available for public interest entities such as state-controlled companies, insurance companies, credit institutions and other financial institutions, none of which can be wound up pursuant to judicial liquidation proceedings, save for a different indication under Italian law. It is irrelevant whether these companies belong to the public or the private sector. A compulsory administrative winding-up is special insolvency proceedings in that the entity is liquidated not by the court but by the relevant administrative authority that oversees the industry in which the entity is active. The procedure may be triggered not only by the insolvency of the relevant entity, but also by other grounds expressly provided for by the relevant legal provisions (e.g., in respect of Italian banks, serious irregularities concerning the management of the bank or serious violations of the applicable legal, administrative or statutory provisions).

The effect of this procedure is that the entity loses control over its assets and a liquidator (*commissario liquidatore*) is appointed to wind up the company by the relevant governmental authority (e.g., the Bank of Italy or the Ministry of Enterprises and Made in Italy, which are competent for the filing of an application for a declaration of insolvency with the subsequent opening of the compulsory administrative winding-up proceeding). The liquidator's actions are monitored by a steering committee (*comitato di sorveglianza*). The powers assigned to the designated judge and the court under the other insolvency proceedings are assumed by the relevant administrative authority under this procedure. The effect of the forced administrative winding-up on creditors is largely the same as under insolvency proceedings and includes, for example, a ban on enforcement measures. The same rules set forth for insolvency proceedings with respect to existing contracts and creditors' claims largely apply to a compulsory administrative winding-up.

Common rules for pre-judicial liquidation restructuring frameworks (strumenti di regolazione della crisi e dell'insolvenza della società)

In order to facilitate access and filing of restructuring procedures by the Italian companies, Articles 120-bis and ff. of the Insolvency Code have been enacted, introducing a set of rules applicable to all pre-judicial liquidation restructuring tools (*strumenti di regolazione della crisi e dell'insolvenza*). Among other things, pursuant to Article 120-bis, paragraph 2 of the Insolvency Code and the purposes of a successful restructuring, the plan may provide for "any modification of the articles of association

of the debtor company, including capital increases and reductions, including with limitation or exclusion of the option right and other modifications that directly affect the shareholders' participation rights, as well as for mergers, demergers and transformations." Shareholders, who may no longer have an interest in the company, are prevented from hindering the restructuring or even one of its stages. For this reason, pursuant to Article 120-bis, paragraphs 3 and 4 of the Insolvency Code, the shareholders, while retaining a right to information in relation to both the initiation and the progress of the restructuring process, may not remove the directors without just cause, as is the case for the statutory auditors of joint stock companies, also in light of the fact that under the provisions of the Insolvency Code it is not considered as being just cause for directors' removal, the filing for access to the pre-judicial liquidation restructuring tools (*strumenti di regolazione della crisi e dell'insolvenza*) when the related legal conditions and requirements are met. However, pursuant to Article 120-bis, paragraph 5, shareholders representing at least 10% of the filing company's corporate capital may make a competing proposal.

The plan may provide for the formation of one class of shareholders or several classes if there are shareholders to whom different rights are granted by the by-laws, including as a result of the changes provided for in the plan. The formation of classes is, however, mandatory if the plan provides for changes that directly affect the shareholders' participation rights and, in any case, for large companies and companies with widespread capital. In this context, special conditions for approval of the arrangement are set out pursuant to Article 120-quater of the Insolvency Code when and if the plan provides for shareholder attributions. Specific rules are then provided to ensure that creditors' interests are protected in all cases in which the restructuring tool envisages shareholders to retain a participation in the company with a certain value.

Article 120-quinquies of the Insolvency Code, regulates the execution phase of such measure. In order to avoid any obstructive attitude of the shareholders towards the approval of the restructuring tool, this provision expressly excludes the necessity for their approval and/or resolution on the implementation of such restructuring tool, by generally attributing the relevant powers to the directors or more specifically to the competent court, in relation to any amendment to the debtor's by-laws which – being specifically provided for by the plan – do not require any discretionary resolution. Finally, it is stipulated that changes in the corporate structure resulting from the implementation of a pre-judicial liquidation restructuring tools (*strumenti di regolazione della crisi e dell'insolvenza*) shall not be considered as and constitute cause for the termination or amendment of any agreement entered into by the debtor with third parties.

Articles 284 and ff. of the Insolvency Code contain specific rules regarding (i) the access of a group to one of the pre-judicial liquidation restructuring tools (*strumenti di regolazione della crisi e dell'insolvenza*) aiming at unifying – to the extent possible – the relevant proceedings; (ii) liability lawsuits available to the receiver; and (iii) subordination of claims.

Available financing forms under the Insolvency Code

Please find below a brief summary of the main features of the provisions concerning different available financings under the Insolvency Code.

The provisions under Article 99, 101 and 102 of the Insolvency Code apply to the composition with creditors (*concordato preventivo*) as well as to (i) debt-restructuring agreements (*accordi di ristrutturazione dei debiti*) pursuant to the reference in Article 57, para. 4-bis, of the Insolvency Code; and to (ii) restructuring plans subject to homologation (*piani di ristrutturazione soggetti a omologazione*) pursuant to the reference included in Article 64-bis para. 9 of the Insolvency Code (to the extent compatible (*in quanto compatibili*)).

Interim financings – Article 99, paragraphs from 1 to 4 of the Insolvency Code

Pursuant to Article 99, para. 1 and 2, of the Insolvency Code, in the context of restructuring transactions on a going concern basis (*continuazione dell'attività aziendale*), also in cases in which business continuity is maintained exclusively in a view of liquidation, upon the debtor's request, the court may authorize the debtor to be granted with new super-senior loans (*finanziamenti prededucibili*) and to secure such indebtedness, subject to the court's authorisation, with in rem security (*garanzie reali*), or by assigning claims, aimed at supporting business continuity until the homologation of a debt restructuring agreements (*accordi di ristrutturazione dei debiti*) or of a composition with creditors proceeding (*concordato preventivo*) or at opening or conducting such proceedings, provided that the petition (which may also be a "simplified petition" pursuant to Article 44 of the Insolvency Code) specifies:

- (i) the purpose of the financing;
- (ii) that the debtor is unable to otherwise obtain the required funds; and
- (iii) that the absence of such financing will entail an imminent and irreparable prejudice to the going concern or to the proceedings;

The petition shall be accompanied by the report of the expert appointed by the debtor in which he/she, having verified the overall financial needs of the company until the homologation, declares that the new loans are functional to the continuity of the business activities until the homologation of the relevant insolvency proceedings or to the opening of the proceedings or to conduct them and, in any case, are aimed at providing a better satisfaction of the rights of the creditors. The expert report is not necessary in case the court recognizes that there is the urgent need to avoid an imminent and irreparable prejudice to the going concern. In the event of the subsequent admission of the debtor to the judicial liquidation (*liquidazione giudiziale*), the aforementioned financings do not benefit from the super-senior priority (*prededucibilità*) in case the petition or the expert report contain false data or omit important information or in case the debtor performed acts in fraud of the creditors (*atti in frode ai creditori*) and the receiver proves that those who made available such financings to the debtor, had knowledge of such circumstances at the date of the disbursement.

Bridge financings – Article 99, para. 5 of the Insolvency Code

Pursuant to Article 99, para. 5, of the Insolvency Code, loans (together with the related claims) granted, in any form, in view of the filing of a petition for the homologation of a composition with creditors proceeding (*concordato preventivo*) (*finanza ponte*), may be rank super-senior (*prededucibili*) provided that (i) they meet the requirements of Article 99, para. 1 and 2 (as outlined above), and (ii) they are provided under the relevant plan and provided that super-seniority (*prededucibilità*) is expressly authorised in the decree by means of which the court admits the debtor to the composition with creditors proceeding (*concordato preventivo*).

The indebtedness under such loans may be secured, subject to the court's authorization, with in rem security (*garanzie reali*), or by assigning claims.

Implementation financing – Article 101 of the Insolvency Code

Pursuant to article 101 of the Insolvency Code, in the context of restructuring transactions on a going concern basis (*continuazione dell'attività aziendale*), any loan granted to the debtor as implementation of a homologated composition with creditors proceeding (*concordato preventivo*) ranks super-senior (*prededucibile*) to the extent that they are expressly provided under the relevant homologated plan providing for the continuation of the business activity.

In the event of the subsequent admission of the debtor to the judicial liquidation (*liquidazione giudiziale*), the abovementioned loans do not benefit from the super senior priority (*prededucibilità*) in

case the plan of the composition with creditors proceeding (*concordato preventivo*), on the basis of an assessment to be made at the time of the relevant filing, results to be based upon false data or omission of relevant information or in case the debtor performed acts in fraud of the creditors (*atti in frode ai creditori*) and the receiver proves that who made available such financings to the debtor, had knowledge of such circumstances at the date of the disbursement.

The shareholders' financing – Article 102 of the Insolvency Code

Pursuant to article 102, para. 1 of the Insolvency Code, super-seniority (*prededucibilità*) pursuant to Articles 99 and 101 of the Insolvency Code is granted also for claims up to 80% of the value of shareholder loans that have been granted to the company in any form (including any guarantee facility or granting counter-indemnities) in implementation or in anticipation of a homologated composition with creditors proceeding (*concordato preventivo*) (also by way of derogation from the statutory subordination regime provided under the Italian Civil Code with respect to loans granted to limited liability companies by its shareholders or by entities that exercise direction and coordination activities).

According to para. 2 of Article 102 of the Insolvency Code, if the lender become a shareholder only following the execution of the composition with creditors proceeding (*concordato preventivo*), the superior seniority will apply to the entire amount of the loan.

Super senior ranking – Article 99 para. 6 and Article 101 para. 2 of the Insolvency Code

Pursuant to article 6, para. 1 of the Insolvency Code, provided that the relevant requirements are met, the claims deriving from the bridge financings, interim financings and implementation financings are super-senior (*prededucibili*) by operation of law.

According to article 6, para. 2 of the Insolvency Code, the super-seniority (*prededucibilità*) applies in the context of the concursus (*concorso*) among creditors in insolvency proceedings and when multiple insolvency proceedings follow one another.

In specific cases, the abovementioned loans may not rank super-senior in case of judicial liquidation, if, *inter alia*, the receiver proves that acts of fraud were committed by debtor.

Adequate organizational, administrative and accounting corporate structures

One of the main novelties included in the Insolvency Code concerns the definition of the organizational, administrative and accounting structures of a company which are deemed to be adequate under Article 2086 of the Italian Civil Code, required by the applicable regulations for the purpose of timely detection of the state of crisis and the undertaking of suitable initiatives by the debtor. Article 3 of the Insolvency Code requires the entrepreneur to adopt an appropriate organizational structure in accordance with Article 2086 of the Italian Civil Code, for the purpose of timely detection of the crisis of the company as well as the timely undertaking of suitable initiatives to overcome the crisis and recover business continuity. However, neither the aforementioned Article 3, in its current wording, nor Article 2086 of the Italian Civil Code, as amended by the Insolvency Code, contains a precise description of the parameters, conditions and characteristics that are deemed to be necessary/needed for the definition and especially for the identification of “adequate structures.”

In this regard, Article 3 of the Insolvency Code precisely enunciates, on the one hand, the purposes to which the measures and structures must aim in order to be considered as adequate for the timely detection of the crisis and, on the other hand, the relevant warning signs in relation to the same. In this respect, it is stipulated that, for the purpose of the timely detection of the company's state of crisis, the measures and structures deemed to be adequate should make it possible to:

- (a) detect any imbalances of an equity or economic-financial nature, related to the specific characteristics of the company as well as to the business activity carried out by the debtor;

- (b) verify the non-sustainability of debts and the absence of prospects for business continuity for the next twelve months as well as the warning signs identified by Article 3, paragraph 4 of the Insolvency Code; and
- (c) derive the information necessary to follow the detailed checklist and conduct the practical test for the reasonable pursuit of the debtor's financial recovery.

For the sake of completeness and as set out above, it should also be noted that Article 3, paragraph 4 of the Insolvency Code provides an exact indication of the warning signs, identified, *inter alia*, as follows:

- (a) the existence of payroll debts overdue for at least 30 days equal to more than half of the total monthly payroll amount;
- (b) the existence of receivables owed to suppliers that are at least 90 days past due in an amount greater than the amount of receivables that are not past due;
- (c) the existence of exposures to banks and other financial intermediaries that have been past due for more than 60 days or have exceeded the limit of credit facilities obtained in any form for at least 60 days provided that they represent in the aggregate at least 5% of the total exposures; and
- (d) the existence of one or more exposures to certain public institutions listed under Article 25-novies of the Insolvency Code.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

J.P. Morgan SE and KKR Capital Markets (Ireland) Limited (the “*Joint Global Coordinators and Physical Bookrunners*”), BNP PARIBAS, Crédit Agricole Corporate and Investment Bank and MUFG Securities (Europe) N.V. (the “*Joint Active Bookrunners*”), Banca Akros S.p.A., Banco Bilbao Vizcaya Argentaria, S.A., BPER Banca S.p.A., Mediobanca – Banca di Credito Finanziario S.p.A., Natixis, SMBC Bank EU AG and Société Générale (the “*Joint Bookrunners*”) and Abu Dhabi Commercial Bank PJSC (the “*Co-Manager*” and, together with the Joint Global Coordinators and Physical Bookrunners, the Joint Active Bookrunners and the Joint Bookrunners, the “*Initial Purchasers*”) have, pursuant to a Subscription Agreement (the “*Subscription Agreement*”) dated 18 June 2025, jointly and severally agreed to subscribe or procure subscribers for the Notes at the issue price of 100.000% of the principal amount of the Notes, in accordance with the terms and conditions contained therein. The Issuer will pay to the Initial Purchasers the commissions set forth in the Subscription Agreement and it will also reimburse the Initial Purchasers in respect of certain of their expenses and has agreed to indemnify the Initial Purchasers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

United States

The Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in certain transactions exempt from or not subject to, the registration requirements of the U.S. Securities Act. Terms used in this “United States” sub-section, unless otherwise specified, have the meanings given to them by Regulation S under the U.S. Securities Act.

Each Initial Purchaser has represented and agreed that it will not offer, sell or deliver the Notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date (the “*Resale Restriction Termination Date*”) within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the U.S. Securities Act. Each Initial Purchaser has further agreed that it will send to each dealer to which it sells any Notes prior to the Resale Restriction Termination Date, a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells the Notes prior to the Resale Restriction Termination Date a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act.

United Kingdom

Each Initial Purchaser has represented, agreed and undertaken that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the UK Financial Services and Markets Act 2000, as amended (“FSMA”)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA Retail Investors

Each of the Initial Purchasers has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Each of the Initial Purchasers has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following: (i) a retail client as defined point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a “qualified investor” as defined in Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA.

Republic of Italy

The offering of the Notes has not been cleared by the CONSOB or registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Offering Memorandum or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the “*Prospectus Regulation*”) and any application provision of Italian laws and regulations, including, *inter alia*, Article 100 Legislative Decree No. 58 of 24 February 1998, as amended (the “*Financial Services Act*”) and Italian CONSOB regulations; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and any other applicable Italian laws and regulations.

Any offer, sale or delivery of the Notes or distribution of copies of this Offering Memorandum or any other document relating to the Notes in the Republic of Italy must be in compliance with the selling restrictions under (a) and (b) above and must:

- (i) be made by *soggetti abilitati* (including an investment firm, bank or financial intermediary to the extent duly authorized to engage in the placement and/or underwriting and/or purchase of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “*Banking Act*”)) and any other applicable laws or regulations; and
- (ii) comply with any other applicable Italian securities, tax, exchange control and any other applicable laws and regulations and any other applicable requirement or limitation that may be

imposed from time to time by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, issued on 25 August 2015, as amended on 10 August 2016 and 2 November 2020 and as further amended from time to time) and/or any other Italian authority.

General

No action has been or will be taken in any jurisdiction by any Initial Purchaser or the Issuer that would or is intended to permit a public offering of the Notes, or possession or distribution of any offering documents or any amendment or supplement thereto or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

Each Initial Purchaser has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers the Notes or possesses or distributes this Offering Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the Initial Purchasers shall have any responsibility therefor.

None of the Issuer and the Initial Purchasers represents that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

LEI

The Legal Entity Identifier (LEI) of the Issuer is 8156007022402E114A31.

Authorisation

The issuance of the Notes was authorized by a resolution of the Board of Directors (*consiglio di amministrazione*) of the Issuer passed on 10 June 2025, *inter alia*.

Listing and Admission to Trading

Application has been made to trade the Notes on the Official List of the Exchange, with effect from the Issue Date. The Luxembourg Stock Exchange's Euro MTF Market is not a regulated market for the purposes of MiFID II. This Offering Memorandum constitutes a prospectus for the purpose of Part IV of the Luxembourg law on prospectuses for securities dated 16 July 2019.

Foreign languages used in this Offering Memorandum

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

Documents Available

For as long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the professional segment of its Euro MTF Market, copies of the following documents will, when published, be available for inspection free of charge at the registered office of the Issuer:

- (i) the constitutional documents (with an English translation thereof) of the Issuer;
- (ii) the Trust Deed (which contains the forms of the Global Certificates, the Notes in definitive form and the Coupons);
- (iii) a copy of this Offering Memorandum;
- (iv) the Security Documents;
- (v) the Audited Financial Statements included in this Offering Memorandum.

A copy of the Offering Memorandum will also be available on the website of the Exchange: luxse.com.

Clearing and Settlement Systems

The Notes have been accepted for clearance through Euroclear and Clearstream. The ISIN for the 2030 Fixed Rate Notes is XS3104481257 and the Common Code is 310448125. The ISIN for the 2032 Fixed Rate Notes is XS3104481414 and the Common Code is 310448141. The ISIN for the Floating Rate Notes is XS3104483113 and the Common Code is 310448311. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Initial Purchasers transacting with the Issuer

Each Initial Purchaser and its respective affiliates, including parent companies, engage and may in the future engage, in financing, in investment banking, commercial banking (including derivatives contracts, the provision of loan facilities and consultancy services) and other related transactions with, and may perform services for us and our affiliates (including other members of the Group) in the

ordinary course of business. Each Initial Purchaser and its affiliates may have positions, deal or make markets in the Notes and/or the Existing Notes related to derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. Certain of the Initial Purchasers and/or certain of their affiliates are lenders and/or agents under certain debt facilities of the Issuer, including the Senior Facilities Agreement and the Intercreditor Agreement and, in connection therewith, have received customary fees and commissions.

In addition, in the ordinary course of their business activities, each Initial Purchaser and its affiliates (including parent companies) may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates or any entity related to the Notes. Each Initial Purchaser and its affiliates (including parent companies) that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk-management policies. Typically, each Initial Purchaser and its affiliates (including parent companies) would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes. Each Initial Purchaser and its affiliates (including parent companies) may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

As further described in the section "*Subscription and Sale and Transfer and Selling Restrictions*," each Initial Purchaser will receive a commission.

Independent Auditors

The financial statements of FiberCop for the year ended 31 December 2024, prepared under IFRS, were audited, without qualification and in accordance with the International Standards on Auditing (ISA Italia), by EY S.p.A. independent auditors, as stated in the English translation of their reports included elsewhere in this Offering Memorandum.

The NetCo combined carve out financial information for the year ended 31 December 2023, prepared under IFRS, were audited, without qualification and in accordance with the International Standards on Auditing (ISA Italia), by EY S.p.A. independent auditors, as stated in their report included elsewhere in this Offering Memorandum.

EY S.p.A. is registered under No. 70945 in the Register of Accountancy Auditors (*Registro dei Revisori Contabili*), in compliance with the provisions of the Legislative Decree 27 January 2010, No. 39. EY S.p.A., which is located at Via Meravigli 12, 20123 Milan, is also a member of ASSIREVI (the Italian association of auditing firms).

Trustee's Reliance on Certificates and Reports

The Trust Deed provides that the Trustee may rely on certificates or reports from the auditors of the Issuer or any other expert provided to the Trustee (whether or not addressed to the Trustee) in accordance with the provisions of the Trust Deed as sufficient evidence of the facts stated therein notwithstanding that any such certificate or report or any engagement letter or other document entered into by the Trustee and such auditors or such other expert in connection therewith contains any limit on the liability of such auditors or such other expert.

GLOSSARY

“2G (<i>second-generation Mobile System</i>)” ...	Second-generation mobile systems using digital encoding and including GSM, D-AMPS (TDMA) and CDMA. 2G networks are in current use all over Europe and other parts of the world. These systems support voice and limited data communications, as well as auxiliary services such as fax and SMS.
“3G (<i>third-generation Mobile System</i>)”	Third-generation wireless system, designed to provide high data speeds, always-on data access, and greater voice capacity. 3G networks allow the transfer of both traditional communication services (telephony, messaging) and data (such as downloading Internet information, exchanging email, and instant messaging). The high data speeds, measured in Mbps, are significantly higher than 2G. 3G networks technology enable mobile video, high-speed Internet access. The standards of the 3G technology include UMTS, based on WCDMA technology (quite often the two terms are often used interchangeably) and CDMA2000.
“4G (<i>fourth-generation Mobile System</i>)”	Fourth-generation systems are designed to provide, in addition to legacy services, mobile broadband Internet access to several kinds of devices such as laptops with wireless modems, smartphones, tablets, and other mobile devices. Current and future applications include mobile web access, IP telephony, gaming services, high-definition mobile video, video conferencing, Internet of Things and cloud computing applications. 4G standards include LTE e LTE-A (LTE-Advanced). LTE offers a higher spectral efficiency in bits per Hertz and download bandwidth up to 150 Mbit/s per cell reducing the latency time. LTE enables services that require high interactivity (e.g. gaming, video conferencing). A further development of LTE, called “LTE Advanced,” is being implemented and will allow reaching even higher bitrates in download.
“4K or UHD (<i>Ultra High Definition</i>)”	4K, also called Ultra HD (defined by the Blu-ray Disc Association), is a resolution standard for digital television, digital cinema and computer graphics. 4K refers to a television resolution of 3,840 x 2,160 pixels. This is four times the number of a Full HD television; the higher pixel density produces a clearer, cleaner and a better defined image, with more detail and texture. Its evolution is represented by 8K which will be 4 times higher.
“5G”	High-speed wireless.
“5G (<i>fifth-generation Mobile System</i>)”	The term 5G indicates the set of technologies whose standards define the fifth generation of mobile telephony

with a significant evolution compared to 4G / IMT-Advanced technology. Its global distribution started in 2019. The main elements of the 5G network are:

- Gbit-rate significantly higher than 4G in larger spectrum bandwidth (up to tens of Gbit/s over hundreds of MHz) to ensure greater quality of service, for innovative services such as video download and live streaming;
- ultra-low latency in the order of milliseconds;
- possibility of connecting simultaneously hundreds of thousands of objects (Internet of Things): wearable technologies, automatic systems for traffic control, assisted driving for vehicles, home automation;
- ability to connect moving vehicles at higher speeds.

“ADSL (<i>Asymmetric Digital Subscriber Line</i>)”	Technology that transforms through a modem the traditional copper fixed line into a high-speed digital connection for the transfer of multimedia data. ADSL is an asymmetrical technology used to achieve broadband transmission.
“Agile”	In software engineering, the expression Agile (or agile software development) refers to a set of software development methods that are opposed to traditional models such as cascade models (e.g. waterfall model); Agile methods propose a less structured approach focused on the objective of delivering to the customer quickly and frequently software that is functional and with best quality. Among the practices promoted by agile methods, today in general referred to the Project Management of products (not exclusively software), there are: the setup of small, poly-functional and self-organized development teams, iterative and incremental development, adaptive planning, and the direct and continuous involvement of the customer in the product development process.
“AI (<i>Artificial Intelligence</i>)”	Ability of a technological system to solve problems and carry out tasks and activities typical of the mind and human behaviour. In the computer science field, it is the discipline that deals with creating machines (hardware and software) able to “act” autonomously (solve problems, perform actions, etc.).
“Automation”	This term identifies technologies for automated equipment, systems and processes automation, reducing the need for human intervention and simplifying network setup and maintenance activities.
“Backbone”	Portion of the telecommunication network that supports long-distance connections and aggregates large amount

	of traffic and from which the connections for serving specific local areas depart.
“Backhauling”	It refers to the interface between the radio access node and the core network.
“Big Data”	Big data is a term used to describe the set of technologies and methods for massive data analysis. The term indicates the ability to extrapolate, analyse and relate a huge amount of heterogeneous, structured and unstructured data, to discover the links between different phenomena and predict the future ones.
“Bitstream Access”	Wholesale interconnection services which consist in the supply by a dominant telecommunications operator (incumbent) of access transmission capacity between an end customer and an interconnection point of another operator (OLO).
“Blockchain”	The Blockchain represents an innovative technology for structuring data and information with sharing on the network; a blockchain system is like a distributed database or virtual register, structured as a chain of blocks (hence the term blockchain) containing the transactions, and whose validation is entrusted to a consensus mechanism distributed on all the nodes of the network participating to the chain. The main characteristics of blockchain are the immutability of the registry, the traceability of transactions and the security based on advanced cryptographic techniques. Blockchain technologies are currently used to support global supply chains, financial transactions (e.g. BitCoin), accounting assets and distributed social networks.
“BRAS (Broadband Access Server) - BNG (Broadband Network Gateway)”	Also named BNG, it is an equipment that handles the access sessions of fixed broadband users. It authenticates the users, terminates the logical links originated at users’ premises, produces user accounting data, may apply policies and QoS techniques.
“Broadband”	Includes network technologies that allow a transmission speed of at least 2 Mbit/s. These speeds are made available both on the fixed copper network, starting with ADSL technology, and on the mobile network starting with third generation systems. Broadband services include both data and voice services. Data services include high-speed Internet access, the ability to download audio and video files, point-to-point and multi-point interactive video services (video calling and video conferencing), video on demand and (download and streaming) television programs.
“Broadcast”	Simultaneous transmission of the same information to all nodes and terminal equipment of a network.

“CDMA (<i>Code Division Multiple Access</i>)” .	CDMA is a channel multiple access method used in radio communication. First radio systems based on CDMA were developed by Qualcomm, and commercially introduced in 1995. It enables the simultaneous transmission on the same channel of multiple signals, each of which is uniquely coded to distinguish it from the other messages.
“CDN (<i>Content Delivery Network</i>)”	Content Delivery Networks, are content distribution systems (especially large multimedia contents, such as IPTV) managed by a Service Provider for the provision of audio streaming services and video, with better quality towards customers.
“Central Office”	A building where the copper wires or optical fibers that make up the access network, reaching the customers, originate from. It hosts equipment for telephony services, broadband services (DSLAM) and possibly ultrabroadband services (OLT). Some COs also host equipment of higher hierarchical rank (SGU for telephony, router for data services), and those COs also collect traffic from the other COs which are not so equipped.
“Cloud”	The term Cloud is used as an abbreviation of the concept of “Cloud Computing,” i.e. a model of consumption of processing resources (for example networks, servers, memory, applications and services) through the network; with the Cloud, the end customer, otherwise defined as cloud consumer, is allowed to access, widespread, easy and on-demand to a shared and configurable set of resources that can be quickly acquired and released with minimal management or interactions with the service provider. The Cloud model is made up of five essential features: 1) Self Service on customer request, 2) broad-network access, 3) resource sharing, 4) elasticity/automation in resource demand, 5) certified SLAs, three service models (see also SaaS, PaaS and IaaS) and four distribution/deployment models (private, public, hybrid and communities).
“Cloud Continuum”	A cloud composed by a set of point of presence spanning from central to edge locations working as a single cloud.
“Cloud native”	Cloud native refers to an approach to build applications in a way that allows the full exploitation of the cloud paradigm (see Cloud).
“CO ₂ - Carbon Dioxide”	Carbon dioxide is one of the major greenhouse gases. It is linked to industrial processes and is the product of combustion especially as the result of the use of fossil fuels.
“CPE (<i>Customer Premise Equipment</i>)”	The Customer Premise Equipment is an electronic device (terminal, telephone, modem) for

	telecommunications used on the user's side that is able to connect directly to the geographic transmission network through appropriate interfaces. The connection between the CPE and the network can be realized on physical carrier (optical fiber, telephone twisted pair) or on radio (wireless) carrier.
<i>"COTS Commercial Off The Shelf"</i>	A software and/or hardware product that is commercially ready-made and available for sale, lease, or license to the general public.
<i>"CPU (Central Processing Unit)"</i>	The component of a computer system that controls the interpretation and execution of instructions. The CPU of a PC consists of a single microprocessor. The term "processor" is often used to refer to a CPU.
<i>"C-RAN"</i>	It refers to a Centralized Cloud RAN, a paradigm addressing centralized processing, collaborative radio, real-time cloud computing, and power efficient infrastructure. It is an architecture that aggregates Base Stations computational resources into a central pool by enabling improved radio coordination. C-RAN exploits software-defined networking (SDN) and Network Functions Virtualization (NFV) techniques as well as data centre processing capabilities to enable the separation of the control and data planes and to achieve high flexibility by allowing network resource sharing in a dynamic way.
<i>"Cybersecurity"</i>	It deals with the analysis of threats, vulnerabilities and the risk associated to Internet-connected systems, including hardware, software and data, to protect them from the attempt to expose, alter, disable, destroy, steal or gain unauthorized access or make unauthorized use of an asset.
<i>"Data Centre"</i>	The Data Centre is the department of a company that hosts and manages back-end IT systems and data repositories: so, its mainframes, servers, databases, etc. In the past, this type of management and control was in a single physical place, hence the name of data centre. The development of new distributed computing technologies has inaugurated new management criteria that see more data centres located/distributed at both a physical and virtual level.
<i>"Decommissioning"</i>	The term decommissioning means the disposal of the oldest technological solutions (legacy or obsolete) in order to rationalize and simplify the current Telecommunication networks with the aim of optimizing investments and improving the quality and time-to-market of services.
<i>"Digital divide"</i>	The gap between people with effective access to digital and information technology and those with very limited

	or no access at all. The term encompasses among other things: gaps in ownership of or regular access to a computer, or Internet access due to being located in geographical areas with no broadband connectivity.
“DSL Network (Digital Subscriber Line Network)”	It is a network technology family that provides wide bandwidth digital transmission at short distances, through the traditional twisted copper pairs from the first switching office to the end user.
“DSLAM (Digital Subscriber Line Access Multiplexer)”	DSLAM denotes equipment multiplier of digital access lines able to process digital signals of various clients with xDSL lines and multiply them in a high rate data link to the nodes of the Internet.
“ESG (Environmental, Social and Governance)”	Environmental, social, and corporate governance (ESG) is a strategic framework for identifying, assessing, and addressing organizational objectives and activities ranging from the company’s carbon footprint and commitment to sustainability, diversity and inclusion, to its overall ethos regarding corporate risks and practices.
“Ethernet”	Family of computer networking technologies for local area networks (LANs) and metropolitan area networks (MANs).
“FTTC”	means broadband network architecture where fiber optic cables are extended to street cabinets, with the final connection to individual premises made using existing copper lines. This approach allows for improved data speeds while leveraging existing infrastructure.
“FTTH”	means a broadband network architecture where fiber optic cables are extended directly to individual homes or premises. This provides high-speed internet access with greater bandwidth and reliability, as the entire connection is made using fiber optic technology.
“FTTO”	means a broadband network architecture that extends optical fiber connections directly to business offices. This setup provides high-speed internet access by delivering fiber optic cables to the premises of commercial buildings, ensuring reliable and fast connectivity for business operations.
“FTTx (Fiber To The x)”	It is the term used to indicate any network architecture that uses fiber optic cabling in telecommunications access networks to replace, partially or totally, traditional copper cables. The various technological solutions differ in the point of the distribution network where the fiber connection is made, with respect to the end-user’s location. In the case of FTTC (Fiber to the Cabinet) the fiber connection reaches the equipment (distribution cabinet) located on the sidewalk, from where copper connections are run to the customer; in the

	case of FTTB (Fiber to the Building) the fiber arrives at the base of the building to a distribution box from where the vertical copper connection starts; in the case of FTTH (Fiber to the Home), the fiber connection terminates inside the customer premises. In the case of FTTO (Fiber to the Office), we mean a solution towards the Office, while FTTR (Fiber To The Room), we intend to arrive with the fiber in different rooms of the house.
“Full GPON”	GPON which delivers the passive connection at the OLT site, directly connecting FTTH lines to the operator’s existing network
“FWA (Fixed Wireless Access)”	Fixed Wireless Access refers to a set of transmission systems developed to exploit specific frequencies of the radio spectrum in order to provide fixed broadband connectivity services (with nominal connection speeds equal to 1 Gbps).
“Gbps (Gigabits per second)”	A unit of data transfer rate, representing the amount of data transmitted in one second. It is commonly used to measure the speed of internet connections and data transfer capabilities of network devices, with higher values indicating faster data transmission
“GPON (Gigabit capable Passive Optical Network)”	A passive optical network (PON) is a network architecture that brings fiber cabling to the customer’s home using a point-to-multipoint scheme, based on passive optical splitters, to serve multiple rooms with a single optical fiber. GPON is part of a set of PON standards (defined in ITU), which differ according to the maximum overall speed achievable within each optical shaft, a structure often shared with 64 users. In the case of GPON, the maximum speed is about 2.5 Gbps downstream and 1.25 Gbps upstream, shared with a predetermined number of users, which can reach up to 128. Each of the connected lines will then have a maximum nominal speed set by the operator, for example 1 Gbps in download. The other types of GPON standards are: • XG-PON 10 Gbit/s downstream and 2,5 Gbit/s upstream • XGS-PON maximum speed 10 Gbit/s downstream and 10 Gbit/s upstream • NG PON2 maximum speed 40 Gbit/s downstream and 10 Gbit/s in upstream.
“GSM (Global System for Mobile Communication)”	A worldwide standard for digital cellular telephony working on the 900MHz and 1800MHz bands. It belongs to the Second Generation (2G) of mobile systems.

<i>“HSPA (High Speed Packet Access)”</i>	Evolution of UMTS, which enables broadband mobile data both in Downstream (HSDPA) and Uplink (HSUPA), up to 42 Mb/s and 5.76 Mb/s, respectively.
<i>“IaaS (Infrastructure as a Service)”</i>	Through a Cloud IaaS offer (Infrastructure as a Service, see also Cloud models), a consumer acquires from a Cloud Provider in a flexible and dynamic way computing, memory, network resources and other fundamental calculation resources, through which the customer can develop and run arbitrary software, including operating systems and applications. The consumer does not manage or control the underlying Cloud infrastructure, but controls operating systems, memory, applications and possibly, in a limited way, some network components (e.g. firewalls).
<i>“ICT (Information and communication(s) technology)”</i>	Broad area concerned with information technology, telecommunications networks and services and other aspects of managing and processing information, especially in large organizations.
<i>“Interconnection”</i>	Interconnection refers to the physical and logical connection among public telecommunication networks belonging to different operators, in order to enable users of an operator to communicate with users of the same or a different operator, or to access services provided by another operator.
<i>“Internet”</i>	Global network for networks interconnection based on a common protocol suite, i.e. TCP/IP, which is the language by which connected equipment (hosts) are able to communicate.
<i>“Internet of Things”</i>	The Internet of Things refers to the extension of Internet to the world of objects (devices, equipment, systems), which become recognizable and acquire intelligence thanks to the fact that they can communicate data about themselves and access aggregate information from part of others. There are many fields of applicability: from industrial applications (production processes), logistics and infomobility, to energy efficiency, remote assistance and environmental protection.
<i>“IP (Internet Protocol)”</i>	A connectionless data routing protocol, used for data transmission on both public and private networks, in particular over the Internet.
<i>“IPTV (Internet Protocol Television)”</i>	A system that utilizes the Internet Protocol infrastructure to transmit digital television content over a network and deliver it via a broadband Internet connection.
<i>“IRU”</i>	Indefeasible rights of use.

“ISPs (<i>Internet Service Provider</i>)”	A vendor who provides access to the Internet and World Wide Web.
“ITU (<i>International Telecommunication Union</i>)”	An international organization that aims to set telecommunications standards and in the use of radio waves. Founded in 1865 in Paris, it is one of the specialized agencies of the United Nations and its head office is in Geneva.
“KPI (<i>Key Performance Indicator</i>)”	Measurable performance indicators that allow the performance of a specific activity to be evaluated.
“LAN (<i>Local Area Network</i>)”	A private network that covers a local geographic area and provides telecommunications services as well as interconnection between personal computers.
“Latency”	The latency of a system can be defined as the time interval between the time the input arrives to the system and the time when its output is available. In other words, latency is nothing more than a measure of the speed of response of a system.
“Legacy”	Refers collectively to ADSL and voice technologies.
“LEOS”	means low earth orbit satellites, a network of small satellites orbiting at lower altitudes.
“LLU (<i>Local Loop Unbundling</i>)”	Service by which operators other than TIM can lease the local loop, i.e., the wire connection between the TIM local exchange and the customer’s premises.
“Local Loop (<i>Twisted Pair</i>)”	Twisted pair of copper wires through which the telephone connection reaches users; it is the foundation of traditional telephone lines and it is often called the “last mile.”
“LTE (<i>Long Term Evolution</i>)”	See 4G.
“Mbps (<i>Megabits per second</i>)”	A unit of data transfer rate, representing the amount of data transmitted in one second. It is commonly used to measure the speed of internet connections and data transfer capabilities of network devices, with higher values indicating faster data transmission.
“MVNO (<i>Mobile Virtual Network Operator</i>)”	MVNO is a mobile communications service provider that does not own the radio spectrum or wireless network infrastructure over which the MVNO provides services to its customers.
“Net Neutrality”	Net neutrality is the principle that Internet service providers should treat all data equally and not discriminate or charge differently based on user, content, website, platform, application, type of equipment, or method of communication.

“ <i>Network</i> ”	An interconnected system of elements. In a telephone network, these consist of switches connected to each other and to customer equipment. The transmission equipment may be based on fiber optic or metallic cables or radio connections.
“ <i>OAo (Other Authorized Operator)</i> ”	Operators other than the incumbent one that provide services to their customers exploiting the fixed access network of the incumbent.
“ <i>OLOs (Other Licensed Operators)</i> ”	Companies other than the incumbent operator that operate telecommunications systems in a national market.
“ <i>OLT (Optical Line Termination)</i> ”	Optical element of the PON network (Passive Optical Network) that acts as an interface between the PON itself and the Backbone network. OLT is located in the central office.
“ <i>ONT (Optical Network Termination)</i> ”	Optical element of the PON (Passive Optical Network) network that performs the function of interface between the access gateway at the customer’s home and the OLT equipment in the Central Office. OLT is located at the customer’s site, is powered, receives and decrypts (and vice versa) the optical signal, and converts it into an electrical signal (via an Ethernet output), suitable for the access gateway.
“ <i>OTT (Over the Top) players</i> ”	Operators offering contents and services on the Internet without owning the proprietary TLC network infrastructure.
“ <i>P2P</i> ”	point-to-point, a network architecture where a dedicated fiber optic cable connects one device or location directly to another.
“ <i>PaaS (Platform as a Service)</i> ”	The PaaS (Platform as a Service) represents one of the three Cloud offer service models; through a PaaS offer of a Cloud Provider, the consumer is given the opportunity to distribute applications created on their own, or acquired by third parties on the cloud infrastructure, using programming languages, libraries, services and tools supported by the supplier. The consumer does not manage or control the underlying cloud infrastructure, including network, servers, operating systems, memory, but has control over the applications and possibly the configurations of the environment that hosts them.
“ <i>PDH (Plesiochronous Digital Hierarchy)</i> ”	PDH stands for Plesiochronous Digital Hierarchy. It is a telecommunications network transmission technology (first ITU standard in 1988) designed for the transport of large data volumes across large-scale digital networks.

“ <i>Penetration (market penetration)</i> ”	It represents the number of people (or subscriber) who acquires goods / services of a particular brand or a particular category, divided by the population where the service is available.
“ <i>PON</i> ”	PON stands for “passive optical network” referring to the optical network composed by non-active components in all stages between the origin (local exchange) and the external sides (subscriber or clients).
“ <i>QoS (Quality of Service)</i> ”	Quality of service (QoS) is the description or measurement of the overall performance of a service, such as a telephony or computer network, or a cloud computing service, particularly the performance seen by the users of the network. To quantitatively measure quality of service, several related aspects of the network service are often considered, such as packet loss, bit rate, throughput, transmission delay, availability, jitter, etc.
“ <i>SaaS (Software as a Service)</i> ”	As part of the Cloud offer service models (see also Cloud entry), the SaaS (Software as a Service) model expresses the faculty provided to the consumer to use a supplier’s applications and services, operating on a cloud infrastructure. The applications are accessible from different devices through a light interface (e.g. a thin client), such as an email application on a browser, or from programs with a specific interface. The consumer does not manage or control the underlying cloud infrastructure, including network, servers, operating systems, memory, and even the capabilities of individual applications, except for limited configurations intended for him.
“ <i>SDH Standard (Synchronous Digital Hierarchy)</i> ”	The European standard for high-speed digital transmission. It’s a protocol of the physical layer used for multiplexing in time division and the subsequent digital transmission of telephony and data, in geographic networks on optical fiber, electric cable or radio link.
“ <i>SDN (Software Defined Networking)</i> ”	Software Defined Networking is a paradigm based on network virtualization whose aim is to transform traditional networks into flexible and intelligent platforms to satisfy in real time the bandwidth requirements and the dynamic nature of digital applications.
“ <i>Semi-GPON</i> ”	GPON which delivers the secondary network to a roadside cabinet, allowing operators to offer internet access to end-customers using a secondary FTTH network.
“ <i>Service Provider</i> ”	The Service Provider offers to the Users (Residential or Business) that subscribe his offer, a range of contents and services.

<i>“SGU (Local exchange interconnection level for telephone traffic)”</i>	Local Exchange for telephone traffic carriage, routing and transmission. See also Central Office.
<i>“SLA (Service Level Agreement)”</i>	Service Level Agreements are contractual instruments through which service metrics are defined (e.g. quality of service) that must be respected by a service provider (provider) towards their customers / users.
<i>“SLU (Sub Loop Unbundling)”</i>	It consists in providing access to the local sub-section of the Operator copper network, in particular the section of the network between the user site and the distribution cabinet or an intermediate concentration point.
<i>“SME (Small Medium Enterprise)”</i>	Market segment of small-and medium-size enterprises (from 3 to 50 employees).
<i>“SMS (Short Message Service)”</i>	Short text messages that can be received and sent through GSM-network connected cellular phones. The maximum text length is 160 alpha-numerical characters.
<i>“SOHO (Small Office / Home Office)”</i>	Market segment consisting of businesses that use telephone lines to connect to the Internet, as opposed to dedicated lines, and is made up of small businesses, generally with one or two employees, and businesses conducted out of the home.
<i>“SON (Self-Organizing Network)”</i>	It is a set of technologies and architectures that allows Operators to introduce, in the context of radio-mobile networks, the technological enablers for the automation of network configuration, optimization and assurance processes.
<i>“UMTS (Universal Mobile Telecommunications System)”</i>	See 3G.
<i>“Unbundling”</i>	It is the service offered by the incumbent to the alternative operator which consists of the rental of the local loop i.e. the wire connection between the local exchange and the customer’s premises, so that the alternative operator is able to connect the twisted pair from the customer to its own equipment.
<i>“Unità Immobiliare (UI)”</i>	Represents a potential market coverage of premises in Italy covering both occupied and empty premises and differs from market accesses or live active lines.
<i>“Universal Service”</i>	The obligation to supply basic service at an affordable price, or at special rates solely for subsidized users.
<i>“VDSL (Very-high-data-rate Digital Subscriber Line)”</i>	Access technology that allows providers to give clients, by means of an apparatus installed in their homes, access to voice and TV services on the traditional telephone line with speeds of up to 50 Mbps in downstream.

“VDSL2 (Very-high-data-rate Digital Subscriber Line 2)”	“2nd generation” VDSL, able to achieve downstream speed in the range of hundreds of Mbps. Actual data rate however is largely dependent upon the distance between customer equipment and network equipment, e.g. for distances of some hundred metres the achievable rate is about 100 Mbps. For this reason, network equipment is typically located in street cabinets, so to be closer to customers. A VDSL2 evolution named eVDSL (enhanced VDSL) yields achievable rates around 200 Mbps; it has been recently deployed in TIM network.
“VULA (Virtual Unbundling Local Access)”	A wholesale service provided by incumbent providers to alternative operators, where the incumbent provides – over its broadband access network – the transport of data traffic (a ‘bitstream’) between the end customer and an interconnection point where the alternative operator receives said traffic. In TIM Group’s case, the interconnection point is located at local exchange level, aside the OLT (Optical Line Termination) i.e. the head end of optical access network.
“VULA-H”	means virtual unbundled local access on fiber.
“VULA-C”	means virtual unbundled local access on copper networks.
“Subsidy, Grey and Black areas”	The distinction between Subsidy, Commercial Grey and Black areas is relevant for the assessment of state aid to support the development of ultrabroadband networks, in terms of the compatibility of the aid with respect to Community legislation. This classification is contained in the European Union Guidelines: • “Subsidy areas” are areas without ultrabroadband (UBB) networks (connectivity), where private investors do not intend to invest in the next three years; • “Grey areas” are areas in which an ultrabroadband (UBB) network (connectivity) is present or will be developed in the next three years by a single private operator; • “Black areas” are areas in which at least two ultrabroadband (UBB) networks (connectivity) of different operators are present or will be developed over the next three years.
“Wi-Fi”	Wireless technology enabling data links in a limited area, generally in some hundred metres range, with speed up to tens of Mbps. Typical applications are in homes and offices as alternative to wired LAN, as well as in public services for Internet access, and also to create link between devices (e.g. between a laptop and a smartphone linked to Internet).

“xDSL (*Digital Subscriber Line*)” It is a technology that makes use of standard telephone lines and it includes different categories including ADSL (Asymmetric DSL), HDSL (High-data-rate DSL), VDSL (Very high bit rate DSL) and eVDSL (enhanced Very high bit rate DSL). This technology uses a digital signal at very high frequencies in order to achieve high data transfer rates.

ANNEX A:
UNAUDITED PRO FORMA INCOME STATEMENT AS OF AND FOR THE YEARS
ENDED 31 DECEMBER 2024 AND 2023

FIBERCop UNAUDITED PRO FORMA INCOME STATEMENTS

The following section includes:

- the pro-forma income statement for the year ended December 31, 2024 (the “**2024 FiberCop Unaudited Pro Forma Income Statement**”) of FiberCop S.p.A. (“the **Company**”), and
- the pro-forma income statement for the year ended December 31, 2023 (the “**2023 FiberCop Unaudited Pro Forma Income Statement**”), and cumulatively with the 2024 FiberCop Unaudited Pro Forma Income Statement the “**Unaudited Pro Forma Income Statements**”).

The Unaudited Pro Forma Income Statements have been prepared for illustrative purposes only to give effect to: (i) the NetCo Ramo contribution from Telecom Italia S.p.A. (“**TIM**”), including the signing of the Master Service Agreement and of the Transitional Service Agreement (hereinafter the “**Contribution**”) and (ii) the drawdown of the Senior Facility Loan and the take up of TIM Bond (cumulatively, the “**Transaction**”) on the Company's income statement as if the Transaction had occurred on January 1 of each relevant year.

The Unaudited Pro Forma Income Statements should not be considered indicative of the actual results that would have been achieved had the Transaction been completed on the dates assumed and does not purport to be illustrative of our future results of operations or financial position. Our actual results may differ significantly from those reflected in the Unaudited Pro Forma Income Statements for a number of reasons, including, but not limited to, differences in assumptions used to prepare the Unaudited Pro Forma Income Statements.

The Unaudited Pro Forma Income Statements have not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act, the Prospectus Directive or any generally accepted accounting standards. The Unaudited Pro Forma Income Statements are based upon currently available information and certain assumptions, described in the accompanying notes to the Unaudited Pro Forma Income Statements, that the Issuer's management believes are reasonable under the circumstances and include adjustments which give effect to events that are directly attributable to the Transaction, are expected to have a continuing impact on FiberCop and are factually supportable.

Neither the assumptions underlying the pro forma adjustments, nor the resulting Unaudited Pro Forma Income Statements have been audited or reviewed in accordance with any generally accepted auditing standards.

The Unaudited Pro Forma Income Statements should be read in conjunction with FiberCop Audited Financial Statement as of December 31, 2024, and the 2023 Audited Combined Carve Out Financial Information.

Basis of preparation

The 2024 FiberCop Unaudited Pro Forma Income Statement is prepared on the basis of the historical financial information derived from the FiberCop Audited Financial Statement detailed above, adjusted to reflect the effects of the Transaction. The accounting policies adopted in preparing the 2024 FiberCop Unaudited Pro Forma Income Statement are based on the accounting principles applied in the preparation of the FiberCop Audited Financial Statements which are in conformity with the International Financial Reporting Standards (“**IFRS**”) accounting standards issued by the International Accounting Standards Board and endorsed by the European Union.

The 2023 FiberCop Unaudited Pro Forma Income Statement is prepared on the basis of the historical financial information derived from 2023 Audited Combined Carve Out Financial Information, adjusted to reflect the effects of the Transaction. The accounting policies adopted in preparing the 2023 FiberCop

FIBERCO UNAUDITED PRO FORMA INCOME STATEMENTS

Unaudited Pro Forma Income Statement are based on the accounting principles applied in the preparation of the FiberCop Audited Financial Statement which are in conformity with the International Financial Reporting Standards (“IFRS”) accounting standards issued by the International Accounting Standards Board and endorsed by the European Union.

Background

The establishment of FiberCop was originally part of a broader project aimed at expanding fiber-optic coverage across Italy. FiberCop was incorporated with its share capital fully paid by the then sole shareholder, TIM. On March 31, 2021, Teemo Bidco Sarl (“**Teemo Bidco**”), a company controlled by investment funds managed or advised by Kohlberg Kravis Roberts & Co. L.P. (“**KKR**”), and Fastweb S.p.A. (“**Fastweb**”) acquired a 37.5% and 4.5% stake in FiberCop respectively.

On November 6, 2023, TIM, Optics BidCo S.p.A. (“**Optics BidCo**”), a company then controlled by investment funds managed or advised by KKR and Teemo BidCo entered into an agreement whereby (i) TIM agreed to the contribution of a going concern consisting of assets and relationships relating to the primary fiber and copper network (including the relevant infrastructure), the wholesale business and all of the issued and outstanding share capital of Telenergia S.r.l. (“**Telenergia**”) to FiberCop (the “**NetCo Ramo**”), and (ii) Optics BidCo agreed to purchase from TIM all of TIM’s shares of FiberCop (the “**Transaction Agreement**”).

On July 1, 2024 (i) TIM, Optics Bidco and Teemo Bidco implemented the terms of the Transaction Agreement; (ii) Optics Bidco purchased from Fastweb Fastweb’s interest in the Company; and (iii) Teemo Bidco contributed its interest in the Company into KKR Optics Aggregator SCSp, a company controlled by investment funds managed or advised by KKR, as capital injection, which interest in the Company was thereafter further contributed into Optics Holdco S.r.l. (“**Optics HoldCo**”) and Optics Bidco as capital injections (the “**Optics Transaction**”). Following completion of the Optics Transaction, Optics BidCo became the sole shareholder of FiberCop.

The Transaction Agreement envisages:

- the contribution by TIM of the NetCo Ramo into FiberCop;
- the simultaneous acquisition by Optics BidCo of TIM’s entire equity investment in FiberCop, following the aforementioned contribution;
- the signing of a Master Services Agreement (hereinafter the “**MSA**”) and transitional services agreement (“**TSA**”) on the closing date of the transaction that will regulate the terms and conditions of the services that will be rendered by FiberCop to TIM and by TIM to FiberCop following completion of the transaction;
- the exchange of certain Euro and USD existing notes issued by TIM with certain Euro and USD notes issued by Optics BidCo pursuant to a liability management exercise launched on April 18, 2024.

On October 8, 2024, the shareholders of Optics BidCo approved a resolution to complete a reverse merger, whereby Optics BidCo was merged into FiberCop with retroactive tax and accounting effect as of July 1, 2024 (the “**Reverse Merger**”). As a result of the Reverse Merger, FiberCop became the surviving entity, and Optics BidCo ceased to exist as a separate legal entity. Following the Reverse Merger, FiberCop Audited Financial Statements include:

- the assets and liabilities of Optics BidCo at their book value prior to the Reverse Merger, including exchanged Euro and USD notes; and
- the assets and liabilities of FiberCop measured at their fair value at the acquisition date using the acquisition method of accounting in accordance with IFRS 3, which applies the fair value concepts requiring to recognize the assets acquired and the liabilities assumed at their fair values at the acquisition date of July 1, 2024 (the “**Purchase Price Allocation**” or “**PPA**”).

The Optics Transaction and the Reverse Merger are collectively referred to as “**Business Combination**”.

Transaction Agreement: Accounting for the Contribution

The Transaction Agreement further provided that, at completion of the Transaction, TIM and FiberCop would enter into a master service agreement (“**MSA**”) to govern the terms and conditions of the services provided between the Company and TIM respectively. Pursuant to the MSA FiberCop provides TIM with a variety of access, business and network services as well as real estate services regarding the use by TIM of certain real estate properties owned or rented by FiberCop and other minor services. On the other hand, pursuant to the MSA TIM provides FiberCop with certain ancillary services, including in connection with the use of TIM Group’s data centers as well as with the provision of certain ancillary wholesale services. The MSA has a duration of 15 years, with a renewal mechanism for additional 15 years. On the Closing Date, FiberCop and TIM also entered into a Transitional Services Agreement (“**TSA**”) to govern the supply of certain transitional services from TIM to FiberCop, mainly related to the provision of IT services regarding certain so-called hybrid systems and cyber-security services during FiberCop’s startup phase.

For the purposes of the 2024 FiberCop Unaudited Pro Forma Income Statement, the economic result of the NetCo Ramo contribution related to the first six months of 2024 (the “**H1 2024**”), including results from the adoption of the MSA as if it had been effective from January 1st, has been adjusted based on the actual economic results registered by FiberCop in the second half of 2024 (the “**H2 2024**”).

For the purposes of the 2023 FiberCop Unaudited Pro Forma Income Statement: i) the contribution of Telenergia has been excluded, since it was disposed by FiberCop on December 2024, and ii) the effect of the MSA for the twelve months of 2023 has been determined based on the actual data extracted from FiberCop’s operational systems, applying the same unit prices used by FiberCop in 2024 and derived from the signed MSA.

FIBERCop UNAUDITED PRO FORMA INCOME STATEMENTS

1. 2024 FIBERCop UNAUDITED PRO FORMA INCOME STATEMENT

(millions of Euro)	Historical result of FiberCop 2024 Audited a	Pro Forma Adjustments			FiberCop Unaudited Pro Forma Income Statement 2024 a+b+c+d
		NetCo Ramo H1 2024 Results b	Financing c	Effects of PPA H1 2024 d	
	Note 1	Note 2	Note 3	Note 4	
Revenues	2,577	1,298			3,875
Cost of goods and services	(501)	(309)			(810)
Personnel costs	(412)	(414)			(826)
Other operating income/(expenses)	(10)	(7)			(17)
Restructuring and transaction-related costs	(323)	(12)			(335)
Depreciation and amortization	(968)	(596)		175	(1,389)
Gains/(losses) on disposals of non-current assets	(1)	-			(1)
Operating (loss)/income	362	(40)	-	175	497
Net financial income/(expenses)	(521)	(46)	(108)		(675)
(Loss)/Profit before tax	(159)	(86)	(108)	175	(178)
Income tax benefit/(expense)	(32)	26	26	(51)	(31)
(Loss)/Profit for the year	(191)	(60)	(82)	124	(209)

Explanatory notes to 2024 Pro Forma Income Statement

Note 1 – Historical results of FiberCop

This column includes the Company's income statement for the financial year ended December 31, 2024, taken from the audited FiberCop Audited Financial Statement as of December 31, 2024.

Note 2 – NetCo Ramo H1 2024 Results

This column presents the pro-forma adjustments made to take into account the economical results deriving from NetCo Ramo as if the Contribution would have been effective from January 1, 2024.

Revenues for the H1 2024 have been estimated based on the services provided in the period, based on the actual data incurred in H2 2024 and other H1 2024 data extracted from operational systems, applying unit prices applied by FiberCop in the H2 2024, including those deriving from the MSA. NetCo Ramo H1 2024 revenues have been estimated in Euro 1,298 million, as detailed in the table below:

(millions of Euro)		Pro-forma adjustments
Revenues		
(a) Access and connectivity		1,430
(b) Other services		436
(c) Assets sales		66
Total revenues		1,932
Elimination of revenues already included in FiberCop historical data		(634)
Total Revenues – attributable to NetCo Ramo H1 2024		1,298

(a) Access and connectivity

FIBERCOP UNAUDITED PRO FORMA INCOME STATEMENTS

The pro-forma adjustment amounts to Euro 1,430 million and includes the fees for access services based on fiber or copper needed to provide voice and broadband service to retail customers estimated based on the H1 2024 quantities extracted from operational systems multiplied by the unit prices applied by FiberCop in the H2 2024, including those deriving from the MSA.

(b) Other Services

The pro-forma adjustment amounts to Euro 436 million and includes the fees for (i) technical assurance support for copper and fiber network, (ii) an identified portion of a Central Office suitable to host Network Elements and Computers including spaces, facility management, security, Energy & Conditioning services, (iii) Fixed IP Transport and Mobile Network Creation and Operation and Maintenance, (iv) Standard and Premium installation and configuration of equipment at customer site, (v) rental of office and data center spaces and related utilities and (vi) services for energy purchase, dispatchment, transportation and other minor services. Since there is no significant seasonality on this kind of services, revenues have been estimated based on the actual revenues incurred in H2 2024, taking into consideration other specific internal operational data.

(c) Assets Sales

The pro-forma adjustment amounts to Euro 66 million and includes the revenue related to the sale of network connections in IRU modality have been estimated based on the actual revenues to third parties recorded in H2 2024.

Costs of goods and services are equal to Euro 309 million. The proforma adjustment includes costs related to the acquisition of goods and services. Since there is no significant seasonality on marginality, costs of goods and services have been estimated based on the actual costs incurred in H2 2024, taking into consideration other specific internal operational data.

Costs of personnel amount to Euro 414 million. The proforma adjustment has been estimated based on actual of cost of personnel incurred in H2 2024 less what already accounted for by FiberCop in the H1 2024, assuming that there has been no changes in FTEs in the H2 2024 compared to what contributed into FiberCop as a part of the Contribution.

Other operating income/(expenses) amount to Euro 7 million. The proforma adjustment is calculated based on relative incidence on revenues of such items in H2 2024 assuming a constant marginality in the business.

Restructuring and transaction-related costs amount to Euro 12 million and refer to una-tantum payment made to NetCo Ramo personnel in H1 2024.

Depreciation and amortization amount to Euro 596 million. The proforma adjustment relates to H1 2024 depreciation and amortization connected to the assets contributed into FiberCop as a part of the Contribution.

Net financial income/(expenses) amount to Euro 46 million. The proforma adjustment reflects interest expenses on leases contributed into FiberCop as a part of the Contribution.

Income taxes amount to Euro 26 million and are calculated based on a notional tax rate of 28,82%, of which 24% pertaining to IRES tax and 4.82% pertaining to IRAP tax.

FIBERCOPI UNAUDITED PRO FORMA INCOME STATEMENTS

Note 3 – Financing

In connection with the Transaction, certain Euro and USD existing notes issued by TIM were exchanged with certain Euro and USD notes issued by Optics BidCo pursuant to a liability management exercise launched on April 18, 2024, while the amount outstanding under the FiberCop's previously financing structure have been repaid by Optics BidCo.

For the purposes of this pro forma income statement, the financial expenses have been adjusted to reflect the financing structure as of December 31, 2024, (composed by the Senior Facility Agreement and Bonds incorporated into FiberCop as a part of the Reverse Merger with BidCo), as it already exists as of January 1, 2024 and to not take into consideration any interest expenses related to the previously financing structure of FiberCop before the Business Combination.

Here below the detail of the calculation relating to financing:

<i>(millions of Euro)</i>	
	<i>Pro-forma adjustments</i>
Interest expenses	
(a) 12 month interest expenses	(570)
(b) H2 2024 interest expenses already recognized	326
(c) derivatives ineffectiveness	(19)
(d) Old FiberCop's financing structure interest expense	155
Total adjustment related to Financing	(108)

Note 4 – Effects of PPA / Half

In order to reflect the Business Combination as if it would have occurred as of January 1st, this column reflects the effects arising from PPA adjustments made to express FiberCop assets and liability at their respective fair value following the Reverse Merger. In particular the adjustments consist of:

- Euro -81 million related to depreciation of the customer relationship; and
- Euro +256 million related to effect of the fair-value adjustments on the residual value of fixed assets and the revised network useful life, calculated in line with H2 2024 impact.

FIBERCOP UNAUDITED PRO FORMA INCOME STATEMENTS

2. 2023 FIBERCOP UNAUDITED PRO FORMA INCOME STATEMENT

<i>(millions of Euro)</i>	2023 Audited Combined Carve out Financial Information	Reclass	Exclusion of Telenergia	Pro Forma Adjustments			FiberCop Unaudited Pro Forma Income Statement 2023
	a	b	c	Effects of MSA	Financing	Effects of PPA	a+b+c+d+e+f
	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	
Revenues	2,119	-	(47)	1,980	-	-	4,052
Other income	92	(92)	-	-	-	-	-
Cost of goods and services	(833)	170	32	(149)	-	-	(780)
Personnel costs	(1,041)	177	-	-	-	-	(864)
Other operating expenses/Changes in inventories/Internally generated assets	125	(125)	-	-	-	-	-
Other operating income/(expenses)	-	24	(1)	(14)	-	-	9
Restructuring and transaction-related costs	-	(17)	11	-	-	-	(6)
Depreciation and amortization	(1,573)	(137)	-	-	-	335	(1,375)
Gains/(losses) on disposals of non-current assets	-	-	-	-	-	-	-
Operating (loss)/income	(1,111)	-	(5)	1,817	-	335	1,036
Net financial income/(expenses)	(336)	-	3	-	(361)	-	(694)
(Loss)/Profit before tax	(1,447)	-	(2)	1,817	(361)	335	342
Income tax benefit/(expense)	(164)	-	2	47	87	(97)	(125)
(Loss)/Profit for the year	(1,611)	-	-	1,864	(274)	238	217

Explanatory notes to 2023 FiberCop Unaudited Pro Forma Income Statements

Note 1 – 2023 Audited Combined Carve out Financial Information

This column includes the 2023 Audited Combined Carve out Financial Information for the financial year December 31, 2023.

Note 2 – Reclass

This column reflects the reclassification adjustment to the 2023 Audited Combined Carve out Financial Information necessary in order to make it comparable to the Income Statement presentation included in the FiberCop Audited Financial Statement. In detail reclassification are as follows:

<i>(millions of Euro)</i>	Restructuring and transaction	Other income	Internally generated assets	Other expenses	Delivery cost capitalization	Total Reclass	
Revenues	2,119						2,119
Other Income	92	11	(103)			(92)	-
Cost of goods and services	(833)	1	67		102	170	(663)
Personnel costs	(1,041)	4	138		35	177	(864)
Other operating income/(expenses)	125	1	(205)	79		(125)	-
Other operating expenses/Changes in inventories/Internally generated assets	-		103	(79)		24	24
Restructuring and transaction-related costs	-	(17)				(17)	(17)
Depreciation and amortization	(1,573)				(137)	(137)	(1,710)
Gains/(losses) on disposals of non- current assets	-					-	-
Operating (loss)/income	(1,111)	-	-	-	-	-	(1,111)

Note 3 – Exclusion of Telenergia

This column includes the elimination of Telenergia from the income statement included in the 2023 Audited Combined Carve out Financial Information, since on December 2024, as a part of an internal reorganization, FiberCop disposed its share in Telenergia to EnerCop (a Subsidiary of Optics HoldCo).

Note 4 – Effects of MSA

Revenues and Other income generated by the MSA and the TSA are equal to Euro 1,980 million, as reported in the table below:

<i>(millions of Euro)</i>	
	<i>Pro-forma adjustments</i>
MSA Services	
(a) Access	1,376
(b) Assurance	127
(c) Delivery	61
(d) Industrial Colocation	194
(e) Engineering	148
(f) Real Estate and DC	22
(g) Other Services	119
Total MSA Services	2,047
(h) TSA Services	6
Total revenues and other income - gross	2,053
<i>Elimination of previous MSA/TSA contract and Others</i>	<i>(73)</i>
Total Revenues and Other income - net	1,980

(a) Access

The pro-forma adjustment amounts to Euro 1,376 million and includes the fees for access services based on fiber or copper needed to provide voice and broadband service to retail customers calculated as the product of unit prices defined by the MSA and average quantities for the period extracted from operational systems.

(b) Assurance

The pro-forma adjustment amounts to Euro 127 million and includes the fees for Technical assurance support for copper and fiber network calculated as the product of unit prices defined by the MSA (differentiated by technology and customer segment, depending on fault rate) average quantities for the period extracted from operational systems.

(c) Delivery

The pro-forma adjustment amounts to Euro 61 million and includes the fees for Standard and Premium installation and configuration of equipment at customer site calculated as the product of unit prices defined by the MSA and quantities extracted from operational systems.

(d) Industrial Colocation

The pro-forma adjustment amounts to Euro 194 million and includes the fees for an identified portion of a Central Office suitable to host Network Elements and Computers including spaces, facility management, security, Energy & Conditioning services. Colocation revenues have been calculated based on the occupied spaces and energy consumptions of the equipment used by TIM and price per colocation service defined in MSA.

(e) Engineering

FIBERCop UNAUDITED PRO FORMA INCOME STATEMENTS

The pro-forma adjustment amounts to Euro 148 million and includes the fees for Fixed IP Transport and Mobile Network Creation and Operation and Maintenance. Service catalogue is based on the work plan for Network Development and volume of assets managed (nodes) for O&M. Unit prices are defined by the MSA.

(f) Real Estate and DC

The pro-forma adjustment amounts to Euro 22 million and includes the fees for rental of office and data center spaces and related utilities. Revenues have been calculated based on the estimated office space per FTE plus data center spaces used by TIM and price per space and utilities defined in the MSA.

(g) Other Services

The pro-forma adjustment amounts to Euro 119 million and includes the fees mainly for Mobile Backhauling, KIT VULA, Legacy Voice, Radio Links.

(h) TSA Services

The pro-forma adjustment amounts to Euro 6 million and includes the fees for the management of the shared IT OSS (Operational Support System) Systems and Platforms assigned to FiberCop and used by TIM calculated as the sum of internal and external FiberCop costs (extracted from accounting systems) plus a service fee.

Costs incurred by FiberCop and arising under the MSA and the TSA are equal to Euro 164 million, as reported in the table below:

<i>(millions of Euro)</i>	Pro Forma adjustments
MSA services	
(a) Data center and central spaces	40
(b) TLC fixed and mobile	14
(c) IT BSS	23
(d) Banda Bitstream	52
Total MSA Services	129
(e) TSA services	35
Total acquisition of goods and services	164
<i>Breakdown as follow:</i>	
Acquisition of goods and services	150
Other operating expenses /Changes in inventories/Internally generated assets	14

(a) Data center and central spaces

The pro-forma adjustment in question amounts to Euro 40 million and includes the fees for:

- Data Center standard services, Public Cloud Services (always managed by TIM) and On Demand Services that are provided by TIM related to the FiberCop IT Systems used exclusively in relation to the FiberCop Business and the FiberCop IT Systems used in relation to both the FiberCop and TIM Business. Data Center Service Costs are based on the service catalogue according to a unitary price applicable to each Data Center Service used by FiberCop. Unit prices are listed in the MSA.

(b) TLC fixed and mobile

The pro-forma adjustment amounts to Euro 14 million and includes the fees for:

- Office Mobile Services that include mobile voice, messages and data services, using SIM Cards in smartphones, tablets and other mobile devices or M2M Smart solution for the management of Internet of Things connectivity. Prices defined in MSA are based on the

service catalogue according to a unitary price applicable for the different services used by FiberCop for its employees.

- Corporate network services to connect FiberCop offices and central exchanges through the “Rete Dati di Gruppo” (“RDG”). RDG is TIM's corporate network, which provides access, aggregation and transport of IP traffic among network elements and Offices. FiberCop shall pay to TIM the annual fee set forth in MSA for the provision of the Corporate Network Services, which shall be calculated based on the Number of employees, Network equipment and OSS/BSS system, lines and connections and total data traffic.

(c) IT BSS- Communication and Collaboration Services

The pro-forma adjustment amounts to Euro 23 million which includes fees for the end-to-end collaboration management, mail, identity and access management, IT Back Office, workplace management, including the Digital Employee Experience and Digital Communication and Collaboration. The IT BSS-Communication and Collaboration fees are calculated according to an annual amount based on number of workstations (PC, Laptop, Virtual Desktop). The fee includes Microsoft Windows and Microsoft Office 365 Licenses for the workplace and the laptop/desktop rental.

(d) Banda Bitstream

The pro-forma adjustment amounts to Euro 52 million and includes the fees for the IP transport needed to implement the OLO's wholesale services that require IP bandwidth. The total cost is determined as sum of total OLO's Bitstream Bandwidth Regulated revenues (extracted from accounting systems) net of the commercialization margin (currently used and regulated by AGCOM) and a percentage defined in the MSA of the revenues related to the not regulated services.

(e) TSA Services

The pro-forma adjustment amounts to Euro 35 million and includes the fees for:

- TIM Hybrid Systems Services mainly include the development and management activities provided by TIM to FiberCop with respect to the TIM Hybrid systems.
- The Cyber Security Engineering.&Operations Services mainly include a set of security tools, which shall be provided by TIM to FiberCop, aimed at protecting the network and IT components, workstations (“PdL”), data/information, as well as the management of accounts cycle of FiberCop.
- The Cyber Security & SOC Services that shall be provided by TIM to FiberCop.
- The Judicial Authority Services include a set of services, which shall be provided by TIM to FiberCop, so as to allow FiberCop to comply with the mandatory legal requirements provided under Italian applicable law (“Codice delle Comunicazioni”), regarding judicial requests required by operation of law for telecommunication operators.
- ICT Risk management.
- Accounting Support.
- Tax.
- Payroll.
- Telco Cloud Infrastructure service shall be provided by TIM to FiberCop, including the hosting services for FiberCop Virtual Network Functions (VNFs) running on TIM cloud infrastructures (Telco Cloud shared IaaS Environment) other than Noovle Data Centers.

Note 5 – Financing

In connection with the Transaction, certain Euro and USD existing notes issued by TIM were exchanged with certain Euro and USD notes issued by Optics BidCo pursuant to a liability management exercise

FIBERCop UNAUDITED PRO FORMA INCOME STATEMENTS

launched on April 18, 2024, while the amount outstanding under the FiberCop's previously financing structure have been repaid by Optics BidCo.

For the purposes of this pro forma income statement, the financial expenses have been adjusted to reflect the financing structure (composed by the Senior Facility Agreement and Bonds incorporated into FiberCop as a part of the Reverse Merger with BidCo), as it already exists as of January 1, 2023 and to not take into consideration any interest expenses related to the previously financing structure of FiberCop before the Business Combination.

Here below the detail of the calculation relating to financing:

<i>(millions of Euro)</i>	
	<i>Pro-forma adjustments</i>
Interest expenses	
(a) 12 month interest expenses	(570)
(b) Old FiberCop's financing structure interest expense	209
Total adjustment related to Financing	(361)

Note 4 – Effects of PPA

In order to reflect the Business Combination as if it would have been occurred as of January 1st, this column reflects the effects arising from PPA adjustments made to express FiberCop assets and liability at their respective fair value following the Reverse Merger. In particular, the adjustments consist of:

- Euro -161 million related to depreciation of the customer relationship; and
- Euro +496 million related to the effect of the fair-value adjustments on the residual value of fixed assets and the revised network useful life, calculated in line 2024 impact.

FIBERCop UNAUDITED PRO FORMA INCOME STATEMENTS

3. ADDITIONAL PRO FORMA ECONOMIC INFORMATION

Reconciliation of 2024 and 2023 Pro Forma EBITDA to Pro Forma Organic EBITDA-AL of FiberCop

The following table provides a reconciliation of the FiberCop's Pro Forma EBITDA to Pro Forma Organic EBITDA-AL for the periods presented:

<i>(millions of Euro)</i>	FiberCop Unaudited Pro Forma Income Statement 2024 (unaudited)	FiberCop Unaudited Pro Forma Income Statement 2023 (unaudited)
(Loss)/Profit for the year	(209)	217
Income tax benefit/(expense)	31	125
Net financial income/(expenses)	675	694
Depreciation and amortization	1,389	1,375
Gains/(losses) on disposals of non-current assets	1	-
EBITDA (*)	1,887	2,411
Restructuring and transaction-related costs	335	6
Organic EBITDA (*)	2,222	2,417
Lease payments ⁽¹⁾	(367)	(370)
Organic EBITDA-AL(*)	1,855	2,047

(*) This measure is not a measure of financial performance under IFRS or any other generally accepted accounting standard. Non-IFRS measures have limitations as analytical tools and should not be considered in isolation or used as an alternative to other indicators of FiberCop's operating performance, cash flows or any other measure of performance derived in accordance with IFRS.

(1) **Lease payments** refer to the estimated costs incurred in the year related to lease contracts.

Milan, June 9, 2025

Firmato digitalmente da:
ALBERTO CARLO CARRERI
FiberCop S.p.A.
Firmato il 09/06/2025 11:43
Seriale Certificato: 2455
Valido dal 01/10/2024 al 01/10/2027
TI Trust Technologies QTSF CA

Alberto Carreri

“Dirigente preposto” to the preparation of corporate accounting documents

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**Audited Financial Statements of FiberCop S.p.A.
as of and for the year ended 31 December 2024**

INCOME STATEMENT

(in €)	Note	For the year ended December 31,	
		2024	2023 ^(*)
Revenues	6	2,577,200,225	1,450,989,952
Cost of goods and services	7	(501,122,165)	(180,935,142)
Personnel costs	8	(412,619,653)	(8,010,202)
Other operating income/(expenses)	9	(9,861,936)	(8,653,222)
Restructuring and transaction-related costs	10	(322,931,993)	-
Depreciation and amortization	11	(967,548,406)	(475,799,685)
Gains/(losses) on disposals of non-current assets		(1,339,573)	(359,414)
Operating income /(loss)		361,776,499	777,232,287
Financial income	12	27,115,575	3,266,480
Financial expenses	12	(543,797,741)	(210,132,468)
Foreign exchange losses	12	(4,003,761)	-
Income /(Loss) before tax		(158,909,428)	570,366,299
Income taxes	13	(31,643,656)	(161,519,415)
Income / (Loss) for the year		(190,553,084)	408,846,884

^(*) Starting with the year ended December 31, 2024, the Company adopted a revised presentation of the Income Statement. In order to conform to this new presentation, the information for the year ended December 31, 2023 have been reclassified compared to what was previously presented by the Company. Please refer to Note 2 — Basis of preparation for additional information.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

<i>(in €)</i>	Note	For the year ended December 31,	
		2024	2023
Income/(Loss) for the year		(190,553,084)	408,846,884
Other comprehensive income/(loss):			
Items that will be subsequently reclassified to the income statement:			
Net loss from cash flow hedges		(200,063,480)	-
Income taxes relating to these items	13	48,015,235	-
Items that will not be subsequently reclassified to the income statement:			
Actuarial losses from defined benefit plans	12	(10,457,186)	(15,590)
Income taxes relating to these items	13	2,509,521	3,742
Total other comprehensive loss, net of tax		(159,995,910)	(11,848)
Total comprehensive (loss)/income		(350,548,994)	408,835,036

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

(in €)	Note	At December 31,	
		2024	2023 ^(*)
Assets			
Non-current assets			
Intangible assets	14	12,124,723,127	4,680,136,768
Property, plant and equipment	15	10,614,535,273	4,806,482,204
Right-of-use assets	16	2,689,364,288	223,098,546
Non-current financial assets	17	132,501,161	63,241,530
Deferred tax assets	13	-	22,140,079
Other non-current assets	19	217,875,094	196,353,915
Total non-current assets		25,778,998,943	9,991,453,042
Current assets			
Trade receivables	18	885,799,234	364,331,692
Inventories		33,139,717	-
Current financial assets	17	143,241,126	87,355,318
Income tax receivables		53,529,329	-
Other current assets	19	247,166,273	103,287,760
Cash and cash equivalents		996,959,960	151,905,239
Total current assets		2,359,835,639	706,880,009
Total assets		28,138,834,582	10,698,333,051
Liabilities and equity			
Total equity	20	8,901,104,268	5,790,125,913
Non-current liabilities			
Non-current debt	21	11,879,410,079	3,574,036,327
Derivative financial instruments	22	116,433,674	-
Employee benefits	23	308,597,055	772,061
Non-current provisions	24	886,852,565	128,076,350
Deferred tax liabilities	13	1,384,020,642	-
Other non-current liabilities	26	1,549,755,169	239,403,049
Total non-current liabilities		16,125,069,184	3,942,287,787
Current liabilities			
Current debt	21	408,496,297	5,224,827
Current provisions	24	56,639,801	1,200,000
Trade payables	25	2,138,902,421	777,300,549
Income tax payables		-	2,188,706
Other current liabilities	26	508,622,611	180,005,269
Total current liabilities		3,112,661,130	965,919,351
Total equity and liabilities		28,138,834,582	10,698,333,051

^(*) Starting with the year ended December 31, 2024, the Company adopted a revised presentation of the Statement of Financial Position in order to conform to this new presentation, the information at December 31, 2023 have been reclassified compared to what was previously presented by the Company. Please refer to Note 2 — Basis of preparation for additional information.

The accompanying notes are an integral part of these financial statements.

CASH FLOW STATEMENT

		For the year ended December 31,	
(in €)	Notes	2024	2023 ^(*)
Operating activities			
Income/(Loss) for the year		(190,553,084)	408,846,884
Income taxes	13	31,643,656	161,519,415
Depreciation and amortization	11	967,548,406	475,799,685
Financial income, financial expenses and foreign exchange losses	12	520,685,927	206,865,988
Write downs and other provisions		234,600,097	
Other non-cash expenses/(income), net		(58,738,321)	(222,028,471)
Change in trade receivables		(142,896,678)	20,857,090
Change in trade payables		730,522,680	(874,064)
Change in inventories		(5,793,368)	-
Proceeds from financial receivables	17	111,368,000	-
Payments for guarantee deposits	17	(91,123,000)	-
Change in current and non-current provisions	24	(19,118,775)	(1,378,014)
Change in employee benefits	23	(4,649,338)	43,022
Change in other operating assets and liabilities		(53,118,863)	(38,714,336)
Income taxes paid		(221,871,904)	(144,924,357)
Net cash flows from operating activities		1,808,505,435	866,012,842
Investing activities			
Payments for tangible assets		(1,936,439,000)	(1,049,564,457)
Payments for intangible assets		(60,180,000)	(3,122,000)
Proceeds from disposals of property, plant and equipment and intangible assets		3,977,622	-
Other changes in non-current assets		-	2,650,427
Net proceeds from loans to employees	17	2,866,000	-
Interest received		17,220,240	2,183,595
Proceeds from disposals of current financial receivables	17	60,000,000	-
Payments for purchases of current financial receivables	17	(80,000,000)	(120,529,253)
Net cash flows used in investing activities		(1,992,555,138)	(1,168,381,688)
Financing activities			
Proceeds from other financial liabilities	21	195,000,000	-
Repayments of bank borrowings	21	(1,500,000,000)	-
Repayments of other financial liabilities	21	(2,312,099,000)	-
Proceeds from bank borrowings		-	537,300,000
Other financial movements		-	188,632,694
Payments of lease liabilities	21	(146,733,000)	(1,181,500)
Interest paid		(334,860,677)	(185,726,144)
Proceeds from Ramo Contribution		329,002	-
Proceeds from capital contribution and reverse merger		5,127,468,099	-
Dividend paid		-	(145,000,000)
Net cash flows from financing activities		1,029,104,424	394,025,050
Net increase in cash and cash equivalents		845,054,721	91,656,204
Cash and cash equivalents at beginning of the year		151,905,239	60,249,035
Cash and cash equivalents at end of the year		996,959,960	151,905,239

^(*) Starting with the year ended December 31, 2024, the Company adopted a revised presentation of the Cash Flow Statement. In order to conform to this new presentation, the information for the year ended December 31, 2023 have been reclassified compared to what was previously presented by the Company. Please refer to Note 2 — Basis of preparation for additional information.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

<i>(in €)</i>	Share capital	Share premium reserve	Cash flow hedge reserve	Other reserves
At January 1, 2023	10,000,000	4,841,050,000	-	(103,973,952)
Profit for the year	-	-	-	-
Net actuarial losses on defined benefit plans	-	-	-	(11,848)
Total comprehensive income/(loss)	-	-	-	(11,848)
Distribution	-	-	-	-
Other changes	-	-	-	282,746
At December 31, 2023	10,000,000	4,841,050,000	-	(103,703,054)
Loss for the year	-	-	-	-
Loss on cash flow hedges	-	-	(152,048,245)	-
Net actuarial losses on defined benefit plans	-	-	-	(7,947,665)
Total comprehensive income/(loss)	-	-	(152,048,245)	(7,947,665)
Ramo contribution	4,007,200	3,977,078,079	-	-
Capital contribution	3,828,700	3,810,832,049	-	-
Reverse Merger	-	(4,334,236,247)	-	-
Other changes	-	-	-	17,568
At December 31, 2024	17,835,900	8,294,723,881	(152,048,245)	(111,633,151)

Rome, March 18, 2025

For the Board of Directors
The Chairman and Chief Executive Officer

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS AT AND FOR THE YEAR ENDED DECEMBER 31, 2024

1. General information

FiberCop S.p.A. (hereinafter “**FiberCop**” or the “**Company**”) is a company established in November 2020 and domiciled in Italy, with registered office in Milan, Via Marco Aurelio, 24, and organized according to the legal system of the Italian Republic.

FiberCop is the country's most advanced, extensive and comprehensive digital network infrastructure operator. With ultra-broadband coverage exceeding 95% of active lines, it reaches approximately 40% of national residential units with Fiber To The Home (“**FTTH**”) technology.

FiberCop is a unique case within the European Union as the first instance of ownership separation from the incumbent national telecoms operator. On July 31, 2024 FiberCop's Board of Directors (“**BoD**”) approved an investment plan of around €1,400 million for the second half of 2024, with the goal of accelerating development of the optical fiber network. The Strategy Plan is currently being developed and will be announced in the first quarter of 2025.

As of December 2024, FiberCop had over 14.5 million active accesses to its network, providing operators with a comprehensive and integrated range of reliable and innovative solutions, all supported by a constantly evolving cutting-edge technological network. The Company's activities—including access infrastructure, high-capacity networks, and transport infrastructures, as well as monitoring services, diagnostics, and installation and maintenance support —address the market's growing demands and, in the pursuit of the most suitable solutions for individual customers, they ensure the highest levels of quality, security, reliability, and stability.

The establishment of FiberCop was originally part of a broader project aimed at expanding fiber-optic coverage across Italy. FiberCop was incorporated with its share capital fully paid by the then sole shareholder, TIM S.p.A. (“**TIM**”). On March 31, 2021, Teemo Bidco Sarl (“**Teemo Bidco**”), a company controlled by investment funds managed or advised by Kohlberg Kravis Roberts & Co. L.P. (“**KKR**”), and Fastweb S.p.A. (“**Fastweb**”) acquired a 37.5% and 4.5% stake in FiberCop respectively.

On November 6, 2023, TIM, Optics BidCo S.p.A. (“**Optics BidCo**”), a company then controlled by investment funds managed or advised by KKR and Teemo BidCo entered into an agreement whereby (i) TIM agreed to the contribution of a going concern consisting of assets and relationships relating to the primary fiber and copper network (including the relevant infrastructure), the wholesale business and all of the issued and outstanding share capital of Telenergia S.r.l. (“**Telenergia**”) to FiberCop (the “**Ramo Contribution**”), and (ii) Optics BidCo agreed to purchase from TIM all of TIM's shares of FiberCop (the “**Transaction Agreement**”).

On July 1, 2024 (i) TIM, Optics Bidco and Teemo Bidco implemented the terms of the Transaction Agreement; (ii) Optics Bidco purchased from Fastweb Fastweb's interest in the Company; and (iii) Teemo Bidco contributed its interest in the Company into KKR Optics Aggregator SCSp, a company controlled by investment funds managed or advised by KKR, as capital injection, which interest in the Company was thereafter further contributed into Optics Holdco S.r.l. (“**Optics HoldCo**”) and Optics Bidco as capital injections (the “**Optics Transaction**”). Following completion of the Optics Transaction, Optics BidCo became the sole shareholder of FiberCop. On October 8, 2024, the shareholders of Optics BidCo approved a resolution to complete a reverse merger, whereby Optics BidCo was merged into FiberCop with retroactive tax and accounting effect as of July 1, 2024 (the “**Reverse Merger**”). As a result of the Reverse Merger, FiberCop became the surviving entity, and Optics BidCo ceased to exist as a separate legal entity.

The Optics Transaction and the Reverse Merger are collectively referred to as “**Business Combination**”.

For additional information, please refer to Note 5 — *Business combination and reverse merger*.

2. Basis of preparation

Statement of compliance with IFRS

The present separate financial statements for the period ended December 31, 2024 have been prepared in accordance with IFRS Accounting Standards meaning the International Accounting Standards (“**IAS**”) and International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board (“**IASB**”), as well as the interpretations issued by the IFRS Interpretations Committee (“**IFRIC**”) and the Standing Interpretations Committee (“**SIC**”), as adopted by the European Union pursuant to Regulation (EC) No. 1606/2002 and in force at the reporting date. IFRS have been applied consistently to all periods presented in this document except as noted in Note 3 - Summary of material accounting policies in the section “Recently Issued Accounting Standards”.

Contents and structure of the Financial Statements

These financial statements include the income statement, the statement of comprehensive income/(loss), the statement of financial position, the cash flow statement, the statement of changes in equity and the accompanying notes (collectively referred to as the “**Financial Statements**”).

The financial reporting formats presented by the Company have the following characteristics:

- the income statement is presented by nature, in line with internal reporting processes and business operations;
- the statement of comprehensive income/(loss) is presented as a separate statement and, in addition to presenting the components of profit and loss recognized directly in the income statement during the period, presents the components of profit and loss not recognized in the income statement as required or permitted by IFRS;
- the statement of financial position presents assets and liabilities by current and non-current items. Current items are those expected to be realized within 12 months from the reporting date or to be sold or consumed in the normal operating cycle of the Company;
- the cash flow statement has been prepared using the “indirect method,” as permitted by IAS 7 — *Statement of Cash Flows*, and presents cash flows by operating, investing and financing activities;
- the statement of changes in equity presents the movements in shareholder’s equity;
- the notes to the Financial Statements comprise a summary of the material accounting policies and other explanatory information.

The Financial Statements are presented in Euro (“€”), which is the functional and presentation currency of the Company, and amounts are stated in Euro in the primary Financial Statements and in thousand of Euro in the accompanying notes, unless otherwise indicated.

The Financial Statements have been prepared on a going concern basis and applying the historical cost method, modified as required for certain financial assets and liabilities (including derivative instruments), which are measured at fair value. Income and expenses are accounted for on an accrual basis.

The preparation of the Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities as well as the disclosure of

contingent liabilities. If in the future such estimates and assumptions, which are based on management's best judgment at the date of these Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

These Financial Statements were approved and authorized for issue by the BoD of FiberCop on March 18, 2025.

The following tables provide the impact of reclassifications made to align the FiberCop statement of financial position, the income statement and the cash flow statement at and for the year ended December 31, 2023, as previously reported, to the presentation adopted in the statement of financial position, the income statement and the cash flow statement at and for the year ended December 31, 2024. The current presentation, including changes in nomenclature of line items, is most representative of the way management views the business and was driven by changes in the Company's organizational structure following the Business Combination, and aligned with the consolidated financial statements of the parent company Optics HoldCo.

<i>(in €)</i>				
At December 31, 2023				
Statement of financial position as previously reported	As previously reported	<i>Reclassifications</i>	As reclassified	Statement of financial position as reclassified
Assets				Assets
Non-current assets				Non-current assets
Goodwill	4,670,277,188			
Intangible assets with a finite useful life	9,859,580			
Total intangible assets	4,680,136,768	-	4,680,136,768	Intangible assets
Property, plant and equipment owned	4,806,482,204	-	4,806,482,204	Property, plant and equipment
Rights-of-use on plants and machinery	222,866,416			
Other assets under finance lease	232,130			
Total right-of-use assets	223,098,546	-	223,098,546	Right-of-use assets
Non-current financial assets	63,241,530	-	63,241,530	Non-current financial assets
Miscellaneous receivables and other non-current assets	196,353,915	-	196,353,915	Other non-current assets
Deferred tax assets	22,140,079	-	22,140,079	Deferred tax assets
Total other non-current assets	281,735,524			
Total non-current assets	9,991,453,042		9,991,453,042	Total non-current assets
Current assets				Current assets
Trade and miscellaneous receivables and other current assets	467,619,452	(103,287,760)	364,331,692	Trade receivables
		103,287,760	103,287,760	Other current assets
Current financial assets	87,355,318	-	87,355,318	Current financial assets
Cash and cash equivalents	151,905,239	-	151,905,239	Cash and cash equivalents
Total current assets	706,880,009		706,880,009	Total current assets
Total assets	10,698,333,051		10,698,333,051	Total assets

(in €)

At December 31, 2023

Statement of financial position as previously reported	As previously reported	Reclassifications	As reclassified	Statement of financial position as reclassified
Equity				Liabilities and Equity
Share capital	10,000,000			
Additional paid-in capital	4,841,050,000			
Legal reserve	2,000,000			
Other reserves	(105,703,054)			
Reserves for capital contributions	63,061,000			
Merger reserves	(169,715,127)			
Other reserves	951,073			
Retained earnings, including profit (loss) for the year	1,042,778,967			
Total equity	5,790,125,913	-	5,790,125,913	Total equity
Non-current liabilities				Non-current liabilities
Non-current financial liabilities	3,571,592,970	2,443,357	3,574,036,327	Non-current debt
Non-current financial liabilities for lease contracts	2,443,357	(2,443,357)	-	
Employee benefits	772,061	-	772,061	Employee benefits
Provisions	128,076,350	-	128,076,350	Non-current provisions
Miscellaneous payables and other non-current liabilities	239,403,049	-	239,403,049	Other non-current liabilities
Total non-current liabilities	3,942,287,787		3,942,287,787	Total non-current liabilities
Current liabilities				Current liabilities
Current financial liabilities	2,131,316	3,093,511	5,224,827	Current debt
Current financial liabilities for lease contracts	3,093,511	(3,093,511)	-	
Current provisions	1,200,000	-	1,200,000	Current provisions
Trade and miscellaneous payables and other current liabilities	959,494,524	(182,193,975)	777,300,549	Trade payables
		2,188,706	2,188,706	Income tax payables
		180,005,269	180,005,269	Other current liabilities
Total current liabilities	965,919,351		965,919,351	Total current liabilities
Total liabilities	4,908,207,138		4,908,207,138	Total Liabilities
Total equity and liabilities	10,698,333,051		10,698,333,051	Total equity and liabilities

(in €)				
For the year ended December 31, 2023				
Income statement as previously reported	As previously reported	Reclassifications	As reclassified	Income statement as reclassified
Revenues	1,450,989,952	-	1,450,989,952	Revenues
Other income	4,862,698	(4,862,698)	-	
Total operating revenues and other income	1,455,852,650			
Acquisition of goods and services	(180,935,142)	-	(180,935,142)	Cost of goods and services
Employee benefits expenses	(8,689,281)	679,079	(8,010,202)	Personnel costs
Other operating expenses	(13,515,920)	4,862,698	(8,653,222)	Other operating income/(expenses)
Internally generated assets	679,079	(679,079)	-	
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	1,253,391,386			
Depreciation and amortization	(475,799,685)	-	(475,799,685)	Depreciation and amortization
Impairment reversals (losses) on non-current assets	(359,414)	-	(359,414)	Gains/(losses) on disposals of non-current assets
Operating profit (loss) (EBIT)	777,232,287		777,232,287	Operating (loss)/income
Finance income	3,266,480	-	3,266,480	Financial income
Finance expenses	(210,132,468)	-	(210,132,468)	Financial expenses
Profit (loss) before tax from continuing operations	570,366,299		570,366,299	(Loss)/Profit before tax
Income tax expense	(161,519,415)	-	(161,519,415)	Income taxes
Profit/(Loss) for the year	408,846,884		408,846,884	(Loss)/Profit for the year

(in €)

Cash Flow Statement as previously reported	For the year ended December 31, 2023			Cash Flow Statement as reclassified
	As previously reported	Reclassifications	As reclassified	
Operating activities				Operating activities
(Loss)/Profit for the year	408,846,884	-	408,846,884	(Loss)/Profit for the year
Adjustments for:				
		161,519,415	161,519,415	Income taxes
Depreciation and amortization	475,799,685	-	475,799,685	Depreciation and amortization
		206,865,988	206,865,988	Financial income, financial expenses and foreign exchange losses
Net change in deferred tax assets and liabilities	(10,462,345)	10,462,345	-	
Losses/(gains) realized on disposals of non-current assets (including investments)	359,414	(359,414)	-	
Change in employee benefits	43,022	-	43,022	Change in employee benefits
Change in provisions	(1,378,014)		(1,378,014)	Change in current and non-current provisions
Change in trade receivables	20,857,090	-	20,857,090	Change in trade receivables
Change in trade payables	(874,064)	-	(874,064)	Change in trade payables
Net change in income tax receivables/payables	(7,535,897)	7,535,897	-	
Other non-cash	1,073,161	(223,101,632)	(222,028,471)	Other non-cash expenses/(income), net
Net change in miscellaneous receivables/payables and other assets/liabilities	(20,716,094)	(17,998,242)	(38,714,336)	Change in other operating assets and liabilities
		(144,924,357)	(144,924,357)	Income taxes paid
Cash flows from operating activities	866,012,842		866,012,842	Net cash flows from operating activities
Investing activities				Investing activities
Purchases of intangible, tangible and rights of use assets on a cash basis	(1,052,686,457)	3,122,000	(1,049,564,457)	Payments for tangible assets
		(3,122,000)	(3,122,000)	Payments for intangible assets
Change in financial receivables and other financial assets	(118,345,658)	(2,183,595)	(120,529,253)	Payments for purchases of current financial receivables
Other changes in non-current assets	2,650,427	-	2,650,427	Other changes in non-current assets
		2,183,595	2,183,595	Interest received
Cash flows used in investing activities	(1,168,381,688)		(1,168,381,688)	Net cash flows used in investing activities
Financing activities				Financing activities
Change in current financial liabilities and other	2,906,550	185,726,144	188,632,694	Other financial movements
Proceeds from non-current financial liabilities (including current portion)	537,300,000	-	537,300,000	Proceeds from bank borrowings
Repayments of non-current financial liabilities (including current portion)	(1,181,500)	-	(1,181,500)	Payments of lease liabilities
Share capital proceeds/reimbursements (including subsidiaries)	(145,000,000)	-	(145,000,000)	Dividend paid
		(185,726,144)	(185,726,144)	Interest paid
Cash flows from financing activities	394,025,050		394,025,050	Net cash flows from financing activities
Aggregate cash flows	91,656,204		91,656,204	Net increase in cash and cash equivalents
Net cash and cash equivalents at beginning of the year	60,249,035		60,249,035	Cash and cash equivalents at beginning of the year
Net cash and cash equivalents at end of the year	151,905,239		151,905,239	Cash and cash equivalents at end of the year

Other information

The table below shows the exchange rates applied by the Company to convert foreign currency items in Euro.

	Average for the year ended December 31, 2024	At December 31, 2024
USD	1.0824	1.0389

3. Summary of material accounting policies

Intangible assets with indefinite useful lives

Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business consider the carrying amount of goodwill relating to the business disposed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

The Company has determined that it has one operating and one reportable segment that reflect the Company's business model of providing access network services in Italy. Therefore, the Company has determined that it has one cash-generating unit in which the goodwill is monitored.

Intangible assets with definite useful lives

Intangible assets with a defined useful life are recognized at cost, net of accumulated amortization and any impairment losses. Production costs include direct and indirect costs that can be reasonably allocated, incurred until the asset is ready for use. Amortization begins when the asset is available for use and is allocated systematically over its remaining estimated useful life.

Separately acquired licenses, trademarks and patents are recorded at historical cost. Intangible assets with definitive useful lives acquired in a business combination are recognized at fair value at the acquisition date and subsequently carried at cost less accumulated amortization and impairment losses.

The average useful life estimated by the Company for the various categories of intangible assets with a finite useful life is outlined below:

Intangible assets by category	Amortization rates
Licenses and trademarks	14.3%
Patents and software	31.5%
Customer relationships	2.7%

Property, plant and equipment

Property, plant and equipment are recorded at acquisition or production cost, including ancillary costs, less accumulated depreciation and impairment losses. Production costs include direct and indirect costs that can be reasonably allocated, incurred until the asset is ready for use. Costs incurred subsequently are capitalized or recorded as a separate asset only if they enhance the future economic benefits inherent in the asset to which they relate. The carrying amount of replaced parts is eliminated. Repair and maintenance costs are charged to the income statement in the period in which they are incurred; significant strategic spare parts are capitalized at the time of purchase and amortized from the time of their installation.

The cost of these assets also includes the expected costs of dismantling the asset and restoring the site, if a legal or constructive obligation exists. The corresponding liability is recognized at its present value as a provision in the statement of financial position. The recognition in the income statement of the capitalized expenditure is done over the useful life of the related tangible assets through their depreciation. The calculation of estimates for dismantling costs, discount rates and the dates in which such costs are expected to be incurred is reviewed annually at each financial year-end.

Property, plant and equipment acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

The depreciation of tangible asset is calculated on a straight-line basis, in relation to their estimated useful life and residual value. The average useful life estimated by the Company for the various categories of property, plant and equipment is outlined below:

Property, plant and equipment by category	Depreciation rates
Plant and machinery	2.9%
Land and Buildings	4.0%
Industrial and commercial equipment	20.0%
Other tangible assets	16.1%

The useful life of property, plant and equipment is reviewed and updated, if necessary, at least at the end of each financial year. If the carrying amount of an asset exceeds its estimated recoverable amount, the carrying amount is reduced to that recoverable amount.

Leases

Lease contracts mainly involve buildings, industrial and commercial equipment, and vehicles.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Contracts might contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, the Company has elected not to separate lease and non-lease components, and it accounts for these instead as a single lease component.

Lease liabilities are measured at the present value of future lease payments, discounted at the lessee's incremental borrowing rate ("IBR"), as the implicit interest rate of the lease is not easily determinable. The IBR at the reporting date is calculated taking into account the terms of the lease contract, the geography, and the specific rates of the Company. After the initial recognition date, the amount of lease liabilities is increased to reflect accrued interest and decreased for lease payments made. Additionally, the carrying amount is remeasured if there is a modification to the lease term or lease payments.

Lease liabilities include the net actual value of the following lease payments: (i) fixed payments (including fixed payments in substance), net of any lease incentives; (ii) variable payments based on an index or rate, initially measured using the index or rate at the commencement date; (iii) the exercise price of a purchase option if the Company has reasonable certainty of exercising such option; (iv) payments of penalties for early termination; (v) payments due in an optional renewal period, if the Company has reasonable certainty of exercising the renewal option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost, comprising the following: (i) the amount of the initial measurement of lease liability, (ii) any lease payments made at or before the commencement date, less any lease incentives received, (iii) any initial direct costs, and (iv) restoration costs.

Right-of-use assets are generally amortized on a straight-line basis over the shorter of the asset's useful life and the lease term. Some lease agreements contain extension and termination options, which in most cases can only be exercised by the Company and not by the respective lessor. If the lease contract provides for the transfer of ownership of the leased asset at the end of the lease term, or if the cost of the underlying asset includes a purchase option that is reasonably certain to be exercised, amortization is based on the expected useful life of the leased asset. Right-of-use assets are subject to impairment testing for long-lasting reductions in value.

The Company applies the provisions of IFRS 16, if the criteria are met and the requirements of the standard are satisfied, to contractual arrangements related to cloud software resources and transmission frequency spectrum over fiber optic carriers. This approach is functional to the highly innovative specifics of such contractual types involving hardware and optical transmission infrastructures, as well as technologically advanced software service.

The Company utilizes exemptions that allow the exclusion of contracts with a duration of one year or less (including residual contracts with respect to the date of initial adoption of IFRS principles) and contracts regarding assets with a value of less than \$5,000. These costs are recognized as services in the line item for the use of third-party assets.

In the statement of financial position, the Company presents separately right-of-use assets, while lease liabilities is presented among current and non-current debt. In the income statement, interest expenses on lease liabilities constitute a component of financial charges and are presented separately from the amortization charges of right-of-use assets. The Company recognizes deferred tax on right-of-use assets and lease financial liabilities where taxable or deductible differences arise.

As a lessor, the Company classifies leases as either operating leases or finance leases at the lease inception date. Leases that transfer substantially all risks and rewards of ownership to the lessee are classified as finance leases; all other leases are classified as operating leases. For operating leases, lease income is recognized on a straight-line basis over the lease term. For finance leases, the Company recognizes a receivable at an amount equal to the net investment in the lease and recognizes interest income over the lease term using the effective interest rate method.

Business combinations

Business combinations are accounted for using the acquisition method in accordance with IFRS 3. Specifically, the identifiable assets acquired, the liabilities, and the contingent liabilities assumed are recognized at their respective fair values as of the acquisition date, which is the date on which control is obtained (the "**Acquisition Date**"), except for deferred tax assets and liabilities, employee benefit-related assets and liabilities, lease contracts, and assets held for sale, which are recognized based on the relevant accounting standards. The acquisition consideration is represented by the fair value, as of the acquisition date, of the transferred assets, assumed liabilities, and equity instruments issued for the acquisition. It also includes any contingent consideration, i.e., that portion of the consideration whose amount and payment depend on future events. Acquisition-related costs are recognized in the income statement when incurred. Goodwill is measured as the excess of the sum of the acquisition consideration and the amount of the acquirer's non-controlling interests, already held, over the net fair value of the identifiable assets acquired and the liabilities assumed. If, after adjusting the fair value of the identifiable assets acquired, the liabilities, and the contingent liabilities assumed, a negative difference arises, the excess is recognized in the income statement as a gain from a bargain purchase.

In the event that the fair value of assets, liabilities, and contingent liabilities can only be determined on a provisional basis, the business combination is recognized using such temporary values. Any adjustments resulting from the completion of the valuation process are recognized within twelve months from the acquisition date. In the financial year in which the aforementioned determination is finalized, the provisionally recognized values are retrospectively adjusted.

The purchase of equity interests in subsidiaries and the sale of shares that do not result in a loss of control are considered transactions between shareholders. As such, their accounting effects are recognized directly in the Company's equity.

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

Inventories

Inventories are recorded at the lower of cost or net realizable value. The cost is determined by using the weighted average cost method.

Cost comprises direct materials, direct labor and an appropriate proportion of variables and fixed overhead expenditure, based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Provision is made for obsolete and slow-moving inventories based on their expected future use and estimated realizable value.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits held with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Trade receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognized at fair value. They are subsequently measured at amortized cost using the effective interest method, less loss allowance.

Transfer of receivables

The Company transfers receivables through factoring and securitization agreements. These transfers, in the majority of cases, are characterized by the transfer of substantially all the risks and rewards of ownership of the receivables to third parties, therefore meeting the requirements of IFRS 9 for derecognition. Special service agreements, under which the purchasers grant the Company a mandate to oversee the collection and management of receivables, have been entered into to maintain the relationship between the Company and its customers.

Other financial assets

Current assets and current financial assets are generated during the ordinary course of the business and held with the aim of collecting the contractual cash flows consisting of solely payments of principal and interest in accordance with the criteria set by IFRS 9. Consequently, they are initially recognized at fair value adjusted for directly attributable transaction costs and subsequently measured using the amortized cost method based on the effective interest rate method (i.e. the rate that makes, at the time of initial recognition, the present value of expected cash flows equal to the book value), appropriately adjusted to take into account any write-downs, by entering an allowance for doubtful accounts. Other financial assets are included in current assets, with the exception of those with a contractual maturity of more than twelve months from the balance sheet date, which are classified as non-current assets. Receivables with maturities of more than 12 months and without significant financial components are presented at their present value.

Impairment of financial assets

At each reporting date, financial assets, with the exception of those measured at fair value with an offsetting entry in the income statement, are analyzed to verify the existence of any indicators of impairment. According to IFRS 9, a forecast model of expected credit losses must be applied during the assessment of an impairment. In carrying out this assessment, the Company applies a standard simplified approach to estimate the expected credit losses throughout the Company's life and takes into account its historical experience regarding credit losses, adjusted on the basis of specific forward-looking factors, namely: the nature of the Company's receivables and the economic context. If there is evidence of impairment, the loss is recognized in the income

statement under net write-downs of financial assets and contractual assets.

Receivables are written down when there is no rational expectation of being recovered. The indicators that signal the absence of rational expectations of recovery include, among others, the inability of a creditor to commit to a recovery plan with the Company, and the inability to make contractual payments for a significant period of time.

For financial assets accounted for using the amortized cost method, when an impairment has been identified, its value is measured as the difference between the book value of the asset and the present value of expected future cash flows, discounted on the basis of the original effective interest rate. This value is recognized in the income statement.

Financial liabilities

Financial liabilities include financial debts, as well as other financial liabilities, including derivative financial instruments and liabilities related to assets recorded under finance lease contracts in accordance with IFRS 16. Under IFRS 9, they also include trade payables and other miscellaneous payables.

Financial liabilities, other than derivative financial instruments, are initially recognized at fair value and subsequently measured at amortized cost. Financial liabilities hedged by derivative financial instruments designed to address the risk of changes in cash flows (cash flow hedges) remain measured at amortized cost, following the methods established by IFRS 9 for hedge accounting.

Trade payables

Trade payables are carried at amortized cost and are non-interest bearing.

Derivative financial instruments

Derivative financial instruments are used exclusively as economic hedges to reduce both interest rate and exchange rate risks. The Company hedges floating interest rate risks on its borrowings using interest rate swaps (“**IRS**”) and mitigates currency exchange risks on bonds denominated in currencies other than the Euro by using cross-currency interest rate swaps (“**CCIRS**”). All derivatives are used strictly for hedging purposes, not for speculation.

Derivatives are initially recognized at fair value on the date when a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Company designates certain derivatives as hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Company documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions.

Financial derivative instruments qualify for accounting as hedging instruments only when there is formal designation and documentation of the hedging relationship at the inception of the hedge, the hedge is expected to be highly effective, the effectiveness can be reliably measured and is highly effective during the exercises for which it has been designated.

Cash flow hedging instruments

When a financial derivative instrument is designated as a hedging instrument for the exposure to the volatility of future cash flows of an asset or liability recognized in the Financial Statements, or a highly probable forecast transaction and may impact the income statement, the effective portion of any profit or loss on the derivative financial instrument is recognized directly in the statement of comprehensive income(loss) through a specific capital reserve ("cash flow hedge reserve"). The cumulative profit or loss is reclassified from the comprehensive income statement to the income statement when the economic effects deriving from the hedged item impact the income statement. The profit or loss associated with a hedge or a part of the hedge that has become ineffective are recognized in the income statement immediately within the net financial expenses.

When a hedging instrument or relationship expires (for example, the derivative instrument is sold, reaches maturity or the hedging relationship no longer qualifies as effective), but the Company expects the hedged transaction to happen in the future, the cumulative gains or losses realized at the time of settlement remain in the statement of comprehensive income/(loss) and are recognized in the income statement at the time the underlying transaction takes place. If the underlying transaction is no longer probable, the cumulative profit or loss in the comprehensive income statement is immediately recognized in the income statement. If accounting as a hedging instrument cannot be applied, the gains or losses deriving from the fair value measurement of derivative financial instruments are immediately recognized under financial expenses or financial income.

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period, and they are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current liabilities in the statement of financial position.

Post-employment obligations

Defined contribution plans

Costs arising from defined contribution plans are expensed as incurred.

Defined benefit plans

The Company's net obligations are determined separately for each plan by estimating the present value of future benefits that employees have earned in the current and prior periods, and deducting the fair value of any plan assets.

The present value of defined benefit obligations is measured using actuarial techniques and benefits are attributable to periods in which the obligation to provide postemployment benefits arise by using the *projected unit credit method*. Actuarial assumptions are based on management's best estimates. The components of defined benefit cost are recognized as follows:

- the service costs are recognized in the statement of profit and loss in the personnel costs line item;
- the net interest expense on the defined benefit liability is recognized in the statement of profit and loss within financial expenses;
- the remeasurement components of the net obligation, which comprise actuarial gain and losses,

are recognized immediately in other comprehensive income/(loss).

These remeasurement components are not reclassified in the statement of profit and loss in a subsequent period.

Post-employment benefits include the Italian employee severance indemnity (“**trattamento di fine rapporto**” or “**TFR**”) obligation required under Italian Law. The amount of TFR to which each employee is entitled must be paid when the employee leaves the Company and is calculated based on the period of employment and the taxable earnings of each employee. Under certain conditions, the entitlement may be partially advanced to an employee during their working life. The TFR scheme is classified as a defined contribution plan and the Company recognizes the associated costs over the period in which the employee renders service.

Starting from January 1, 2007, the so-called *legge finanziaria 2007* and the related implementing decrees introduced significant changes to the TFR regulation, including the employee’s choice regarding the destination of their accruing TFR. Specifically, the new TFR flows can be directed by the employee to chosen pension schemes or retained in the company. In the case of allocation to external pension schemes, the Company is only subject to the payment of a defined contribution to the chosen fund, and from that date, the new accruals are considered defined contribution plans not subject to actuarial valuation.

Provisions

Provisions are recognized when the Company has a current obligation, legal or constructive, for a future outflow of economic resources as a result of past events, and it is probable that such outflow will be required in order to fulfill the obligation. This amount represents the best estimate of the expense required to settle the obligation or to transfer it to third parties at the closing date. The rate used in assessing the present value of the liability reflects current market values and takes into account the specific risk associated with each liability.

When the financial effect of time is significant and the payment dates of the obligations are reliably estimable, the provisions are valued at the present value of the expected disbursement by using a rate that reflects the market conditions, the changes in the cost of money over time and the specific risk associated with the obligation. The increase in the value of the provision, caused by changes in the cost of money over time, is accounted for as interest expense.

The costs that the Company expects to incur in order to implement restructuring programs are recognized in the period in which the program is formally defined and a valid expectation on the fact that the restructuring will take place arises among the affected parties. The provisions are periodically updated to reflect changes in cost estimates, timing of implementation and discount rate; updates on the estimates are charged to the same income statement line item that previously recognized the provision. The risks for which the occurrence of a liability is only possible are disclosed in the appropriate section on potential liabilities, and no provision is made for them.

Revenues

Revenues primarily consist of the sales of services and goods to wholesale customers as part of the Company’s ordinary business activities. Revenues are recognized when control over a product or service is transferred to a customer. Revenues are measured at the transaction price which is based on the amount of consideration that the Company expects to receive in exchange for transferring the promised goods or services to the customer and excludes any sales incentives, rebates or discounts, as well as taxes collected from customers that are remitted to government authorities.

Revenues from sales of services are recognized over time when the Company satisfies its performance obligation according to the stage of completion of the service, that is based on actual consumption. Delivery and

activation services are identified as distinct performance obligations, and therefore, revenues from these services are recognized at a point in time upon fulfillment. Revenues for services rendered to wholesale customers are generally invoiced on a monthly basis and due 60 days after the date of issue. Long-term trade receivables are recorded at their present value when the financing component is significant relative to the total contract value. The discount rate applied also accounts for the customer's credit risk. The Company elects not to recognize a significant financing component if the time between the transfer of goods or services to the customer and the payment is one year or less.

The recognition of revenues from network engineering may result in the recording of a contract asset or liability. In particular:

- contract assets represent the right to consideration in exchange for goods or services that have been transferred to the customer when the right is conditional on something other than the passage of time;
- contract liabilities represent the obligation to transfer goods or services to the customer for which the Company has received (or is due) consideration.

Indefeasible rights-of-use ("IRU") agreements

The Company enters into IRU agreements as the lessor, granting lessees the exclusive right to use specific telecommunications infrastructure, such as fiber optic cables, over a specified period. IRU agreements are classified as either finance leases or operating leases based on an assessment of the terms of each lease, in accordance with IFRS 16.

IRU agreements that transfer the control to the lessee are classified as finance leases. For IRUs classified as finance lease, the Company derecognizes the assets under these finance leases and recognizes a lease receivable equal to the net investment in the lease at commencement date. Revenues are recognized at a point in time. Subsequent interest income on the lease receivable is recognized over the lease term using the effective interest method.

IRU agreements that do not transfer the control to the lessee are classified as operating leases. For IRUs classified as operating leases, the Company recognizes the prepaid amount as deferred income and revenues are recognized over the contract term, recognizing the financing component if significant. The assets under operating leases remain on the Company's statement of financial position and are depreciated over their useful lives.

Revenues from maintenance of IRUs are recognized over time on a straight-line basis.

Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Grants that are aimed at supporting the economic result of specific operations. are classified as an income-related grant and recognized in the income statement on a straight-line basis over the duration of the economic incentive period.

Income taxes

Current taxes are determined on the basis of estimated taxable income and in accordance with the

applicable tax regulations.

Deferred tax assets and deferred tax liabilities are calculated based on all differences that arise between the taxable base of an asset or liability and its carrying amount, except for goodwill upon initial recognition.

Deferred tax assets, including those related to prior tax losses, for the portion not offset by deferred tax liabilities, are recognized to the extent that it is probable that future taxable income will be available against which they can be recovered. Deferred tax assets and deferred tax liabilities are determined using the tax rates that are expected to be applicable in the periods when the differences are expected to be realized or settled.

The Company recognizes deferred tax assets associated with deductible temporary differences on investments in subsidiaries only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income, against which the temporary difference can be utilized, will be available. Deferred tax assets related to tax losses carryforward and unused tax credits, as well as those arising from deductible temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized. The Company monitors unrecognized deferred tax assets at each reporting date and recognizes previously unrecognized deferred tax assets to the extent that it has become probable that future taxable income will allow its recovery.

Current income taxes and deferred taxes are offset when they are levied by the same tax authority, there is a legal right to offset, and a settlement of the net balance is expected. Current taxes, deferred tax assets and deferred tax liabilities are recognized in the income statement under the income tax line item, except for those related to items recognized among the components of comprehensive income other than net profit and those components related to items directly charged or credited to equity. In these latter cases, deferred taxes are recognized in comprehensive income/(loss) and directly in equity.

Other taxes not related to income, such as indirect taxes and fees, are included in the income statement among other operating income/(expenses).

Recently issued accounting standards

New standards and amendments effective from January 1, 2024

The following new standards and amendments effective from January 1, 2024 were adopted by the Company.

In January 2020 the IASB issued amendments to IAS 1 — *Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current* to clarify how to classify debt and other liabilities as current or non-current, and in particular how to classify liabilities with an uncertain settlement date and liabilities that may be settled by converting to equity. There was no effect from the adoption of these amendments.

In September 2022 the IASB issued amendments to IFRS 16 — *Leases: Liability in a Sale and Leaseback* to improve the requirements for sale and leaseback transactions, which specify the measurement of the liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right-of-use it retains. There was no effect from the adoption of these amendments.

In October 2022 the IASB issued amendments to IAS 1 — *Presentation of Financial Statements: Non-current Liabilities with Covenants*, that clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. There was no effect from the adoption of these amendments.

In May 2023, the IASB issued amendments to IAS 7 — *Statement of Cash Flows* and IFRS 7 — *Financial Instruments: Disclosures: Supplier Finance Arrangements*, that introduce new disclosure requirements to enhance the transparency and usefulness of the information provided by entities about supplier finance arrangements and are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The Company has applied these amendments.

New standards, amendments and interpretations not yet effective

The standards, amendments and interpretations issued by the **IASB** that will have mandatory application in 2025 or subsequent years are listed below:

In August 2023, the IASB issued amendments to IAS 21 — *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*, to clarify how an entity has to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determine the exchange rate to use and the disclosures to provide. The amendments are effective on or after January 1, 2025. The Company is evaluating the potential impact from the adoption of this standard.

In April 2024, the IASB issued IFRS 18 — *Presentation and Disclosure in Financial Statements*, which introduces new concepts relating to: (i) the structure of the statement of profit or loss, (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (management-defined performance measures), and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The standard is effective on or after January 1, 2027. The Company is evaluating the potential impact from the adoption of this standard.

In May 2024, the IASB issued IFRS 19 — *Subsidiaries without Public Accountability: Disclosures*, which permits eligible subsidiaries to use IFRS accounting standards with reduced disclosures better suited to the needs of the users of their financial statements, as well as to keep only one set of accounting records to meet the needs of both their parent company and the users of their financial statements. The standard is effective on or after January 1, 2027 and earlier application is permitted. The Company is evaluating the potential impact from the adoption of this standard.

In May 2024, the IASB issued amendments to the *Classification and Measurement of Financial Instruments* which amended IFRS 9 — *Financial Instruments* and IFRS 7 — *Financial Instruments: Disclosures*, with the aim of addressing diversity in practice by making the requirements more understandable and consistent. The amendments: (a) clarify the date of recognition and derecognition of certain financial assets and liabilities, with a new exception for certain financial liabilities settled through an electronic cash transfer system to be derecognized before the settlement date if certain criteria are met; (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("**SPPI**") criterion; (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as certain instruments with features linked to the achievement of environment, social and governance ("**ESG**" targets); and (d) update the disclosures for equity instruments designated at fair value through other comprehensive income ("**FVOCI**"). The amendments are effective on or after January 1, 2026 and earlier application is permitted. The Company is evaluating the potential impact from the adoption of these amendments.

In July 2024, the IASB issued *Annual Improvements to IFRS Accounting Standards — Volume 11* which contains amendments to five standards as result of the IASB's annual improvements project. The IASB uses the annual improvements process to make necessary, but non-urgent, amendments to IFRSs that will not be included as part of another major project. The amended standards are: IFRS 1 — *First-time Adoption of International Financial Reporting Standards*, IFRS 7 — *Financial Instruments: Disclosures* and its accompanying *Guidance on implementing IFRS 7*, IFRS 9 — *Financial Instruments*; IFRS 10 — *Consolidated Financial Statements*; and IAS 7

— *Statement of Cash Flows*. The amendments are effective on or after January 1, 2026 and earlier application is permitted. The Company is evaluating the potential impact from the adoption of these amendments.

In December 2024, IASB issued amendments for nature-dependent electricity contracts which amended IFRS 9 — *Financial Instruments* and IFRS 7 — *Financial Instruments: Disclosures* to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (“PPAs”), in the light of the increased use of these contracts. The amendments are effective on or after January 1, 2026 and earlier application is permitted. The Company is evaluating the potential impact from the adoption of these amendments.

4. Material estimates and judgments

The preparation of Financial Statements requires the use of accounting estimates which, by definition, will likely differ from the actual results. Management also needs to exercise judgment in applying the Company's accounting policies. This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to final outcomes deviating from estimates and assumptions made. Detailed information about each of these estimates and judgements is included in other notes, together with information about the basis of calculation for each affected line item in the Financial Statements. Estimates and underlying assumptions are reviewed by the Company periodically and when changes in circumstances occur. The effects of any change in estimates are recognized in the Income Statement in the period in which the adjustment is made.

Below are briefly described the areas that require greater judgment from management in the preparation of estimates and for which a change in the underlying conditions of the assumptions used could have a significant impact on the financial data.

(a) Recoverability of goodwill

In accordance with IAS 36 — *Impairment of Assets*, goodwill is tested for impairment annually or more frequently if facts or circumstances indicate that the asset may be impaired. The impairment test, which may require management to exercise judgment in determining expected future cash flows, is performed by comparing the carrying amount and the recoverable amount of the CGU. The recoverable amount of the CGU is the higher of its fair value, less costs of disposal and its value in use. For additional information please refer to Note 14 — *Intangible assets*.

(b) Impairment of tangible, intangible assets and leased assets

The Company's non-current assets (intangible assets (excluding goodwill), property, plant and equipment and right-of-use assets) recognized in the Financial Statements are subject to impairment testing to determine whether an impairment loss has occurred, which should be recognized through an impairment charge, when indicators suggest difficulties in recovering their carrying amount, represented by the higher of fair value less costs to sell and value in use. Specifically, this assessment involves determining the recoverable amount of the Company's non-current assets, which is the higher of fair value and value in use. Assessing the existence of such indicators requires management to make subjective judgments based on the information available within the Company's entities and the market, as well as historical experience. Moreover, if it is determined that a potential impairment loss may have occurred, the Company's entities proceed to determine it using appropriate valuation techniques. The correct identification of indicators of potential impairment of tangible and intangible assets, as well as the estimates for their determination, depend on factors that may change over time, influencing the assessments and estimates made by management. The assumptions used by management in this process represent the best estimate for the periods under review.

(c) Business combinations

The recognition of business combinations involves recording the acquired company's assets and liabilities at their respective fair value at the acquisition date, as well as potentially recognizing goodwill. The determination of these values is carried out through a complex estimation process.

(d) Lease Liabilities

The determination of the lease liability and the corresponding right-of-use asset is made by calculating the present value of the lease payments, also taking into account the reasonable certainty of the lease contract's renewal. Lease contracts may include extension and termination options. When assessing whether it is reasonably certain to exercise a renewal or termination option, all relevant factors that create an economic incentive for exercising the option are considered. After the lease commencement date, the lease term is reassessed if a significant event or change occurs that impacts the ability to exercise or terminate the renewal option. Lease liabilities are measured at the present value of future lease payments, discounted at the lessee's IBR because the implicit interest rate of the lease is not easily determinable. The marginal rate at the reference date is calculated taking into account the entity credit spread using observable inputs.

(e) Allowance for doubtful accounts

The provision for credit impairments reflects estimates of expected losses for the credit portfolio. Provisions have been made for expected credit losses, estimated using the expected credit loss model based on careful monitoring of the credit portfolio quality, current and expected economic conditions and reference markets, as well as past experience with credits of similar credit risk and historical default amounts.

(f) Depreciation and amortization

The cost of property, plant and equipment and intangible assets is depreciated or amortized on a straight-line basis over the estimated useful life of the related assets. The economic useful life of these assets is determined at the time of acquisition, based on historical experience with similar assets, market conditions, and expectations regarding future events that could impact the useful life of the assets, including technological changes. Therefore, the actual economic life may differ from the estimated useful life.

(g) Provisions

The estimation of future costs for asset dismantling and site restoration is a complex process that requires the assessment of liabilities arising from dismantling and restoration obligations, often not fully defined by laws, administrative regulations, or contractual clauses, and which generally must be fulfilled many years in the future.

Provisions related to legal and tax disputes, as well as regulatory proceedings, result from a complex estimation process that also considers the likelihood of an unfavorable outcome.

(h) Employee benefits

Employee benefits, particularly the Italian TFR, are determined based on actuarial assumptions, and changes in these assumptions could have significant effects on these funds.

(i) Revenues

Revenue recognition is influenced by estimates of the amount of discounts, allowances, and returns to be recorded as a direct adjustment to revenue, as well as by the methods used to determine the stand-alone selling price of individual products or services and the determination of the contract duration when renewal options are present.

(j) Income taxes

Income taxes (both current and deferred) are determined according to a prudent interpretation of current tax regulations. This process sometimes involves complex estimates in determining taxable income and the temporary deductible and taxable differences between accounting and tax values. In particular, deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which they can be recovered. The assessment of the recoverability of deferred tax assets, recognized in relation to both carryforward tax losses and deductible temporary differences, considers the estimation of future taxable incomes and is based on prudent tax planning.

(k) Derivatives

Fair value of derivatives not traded in an active market is determined using a mark-to-model valuation technique. Where active markets exist for its component parts, then fair value is determined on the basis of the relevant market prices for the component parts. Valuation techniques that are based on significant inputs that are observable are referred to as Level 2 valuations, while those based on techniques that use significant unobservable inputs are referred to as Level 3 valuations. Estimates and assumptions are made with the support of the corporate functions and, where appropriate, of independent specialists, and are regularly reviewed. For additional information, please refer to Note 22 — *Derivative financial instruments*.

(l) Fair value estimates

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. IFRS 13 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- level 1, defined as observable inputs such as quoted prices (unadjusted) for identical instruments in active markets;
- level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

For additional information, please refer to Note 27 — *Fair value measurement*.

5. Business combination and reverse merger

On November 6, 2023, TIM, Optics BidCo, FiberCop and Teemo Bidco entered into the Transaction Agreement that governed:

- the contribution by TIM of a business unit – consisting of the activities relating to the primary network, the wholesale business and the entire shareholding in the subsidiary Telenergia – to FiberCop, which already managed before such contribution the activities relating to the secondary fiber and copper network; and

- the simultaneous purchase by Optics BidCo of the entire shareholding held by TIM in FiberCop, following the aforementioned contribution.

The Transaction Agreement further provided that, at completion of the transaction, TIM and FiberCop would enter into a master service agreement (“**MSA**”) to govern the terms and conditions of the services provided between the Company and TIM respectively. Pursuant to the MSA FiberCop provides TIM with a variety of access, business and network services as well as real estate services regarding the use by TIM of certain real estate properties owned or rented by FiberCop and other minor services. On the other hand, pursuant to the MSA TIM provides FiberCop with certain ancillary services, including in connection with the use of TIM Group’s data centers as well as with the provision of certain ancillary wholesale services. The MSA has a duration of 15 years, with a renewal mechanism for additional 15 years.

Following the satisfaction of the relevant condition precedents set out in the Transaction Agreement, TIM contributed the business unit to FiberCop with effect as of July 1, 2024 (the “**Closing Date**”) and on the Closing Date TIM sold to Optics BidCo its entire equity interest in FiberCop and signed the MSA with FiberCop.

On the Closing Date, FiberCop and TIM also entered into a Transitional Services Agreement (“**TSA**”) to govern the supply of certain transitional services from TIM to FiberCop, mainly related to the provision of IT services regarding certain so-called hybrid systems and cyber-security services during FiberCop’s startup phase.

In connection with the Business Combination, certain Euro and USD existing notes issued by TIM, have been exchanged by the issue of certain Euro and USD bonds by Optics BidCo pursuant to a liability management exercise launched on April 18, 2024. These bonds were recognized at their fair value of €5,613,293 thousand at July 1, 2024 in FiberCop’s financial statements, following the Reverse Merger.

On December 13, 2024, Optics BidCo and its wholly owned subsidiary FiberCop executed a Reverse Merger by incorporation, which had been previously approved by the shareholders of Optics BidCo and FiberCop on October 8, 2024, with retroactive accounting and tax effect at July 1, 2024. As a result of the Reverse Merger, FiberCop became the surviving entity, and Optics BidCo ceased to exist as a separate legal entity.

Considering that the entire share capital of FiberCop was, immediately prior to the Reverse Merger, wholly owned by Optics BidCo, the Reverse Merger was carried out without determining an exchange ratio and did not involve any cash adjustments. As a result of the Reverse Merger, the shares representing the entire share capital of FiberCop were allocated to Optics HoldCo in its capacity as the sole shareholder of Optics BidCo prior to the Reverse Merger

The Reverse Merger took retroactive accounting and tax effect at July 1, 2024, pursuant to Article 2504-bis, second paragraph, of the Italian Civil Code. Its primary objectives were as follows:

- the rationalization of the structure of the companies involved, enabling FiberCop to fully execute its operational and management activities;
- the streamlining the ownership chain;
- the improvement of organizational and management processes.

The Reverse Merger was accounted for as a corporate reorganization in accordance with the guidelines set forth in OPI 2 - *Accounting Treatment of Mergers in the Financial Statements*. In FiberCop’s Financial Statements, the assets and liabilities of the merged entity were recorded on a continuity-of-book-values basis, with the costs and revenues of the merged entity included from July 1, 2024.

Therefore, following the Reverse Merger of Optics BidCo into FiberCop, this Financial Statements reflects:

- the assets and liabilities of Optics BidCo at their book value prior to the Reverse Merger, including certain Euro and USD existing notes issued by TIM, which have been exchanged by the issue of certain Euro and USD bonds by Optics Bidco in connection with the Business Combination and cash and cash equivalent as of July 1, 2024, amounting to Euro 1.313 million.; and
- the assets and liabilities of FiberCop measured at their fair value at the acquisition date using the acquisition method of accounting in accordance with IFRS 3, which applies the fair value concepts requiring to recognize the assets acquired and the liabilities assumed at their fair values at the acquisition date of July 1, 2024 (with certain exceptions). The following table provides a breakdown of the fair values of the acquired assets and assumed liabilities at July 1, 2024 in FiberCop:

<i>(in € thousand)</i>	At July 1, 2024
Cash and cash equivalents	104,943
Trade receivables	782,716
Inventories	44,322
Right-of-use assets	2,855,716
Intangible assets	6,167,895
Property, plant and equipment	9,673,884
Current and non-current financial receivables	190,749
Other current and non-current assets	319,630
Other current and non-current liabilities	(1,714,523)
Current and non-current debt	(9,225,953)
Trade payables	(1,309,445)
Employee benefits	(297,533)
Current and non-current provisions	(687,613)
Subsidiary acquired with a view to resale	4,722
Deferred tax liabilities	(1,415,452)
Net identifiable assets acquired	5,494,058
Total consideration	11,506,137
Goodwill	6,012,079

The fair value estimates reflected above are preliminary in nature. The final valuations will be completed and the fair values assigned to the assets acquired and liabilities assumed will be finalized by the end of the measurement period of one year from the Closing Date (July, 1 2024) as required by IFRS 3.

The preliminary fair value assessment of the acquired assets and assumed liabilities, conducted with the support of an independent professional in accordance with IFRS 3 (“**Purchase Price Allocation**”), resulted in the recognition of the following main assets and liabilities:

- customer relationships amounting to €5,972,200 thousand (gross of deferred tax liabilities of € 1,721,188 thousand), determined through the *Multi-period Excess Earnings Method* (“**MEEM**”) and considering the present value of net cash flows expected to be generated on long-standing customer relationships;
- network infrastructure and equipment step-down fair value adjustment amounting to €651,548 thousand (gross of deferred tax assets of €187,776 thousand), determined through the depreciated cost approach by computing the difference between the replacement cost at new and the physical, functional and economic obsolescence;
- additional provisions of €469,581 thousand (gross of deferred taxes of €135,333 thousand) mainly related to i) asset retirement obligations on leases and equipment linked to the copper

legacy switch off for which the provision has been estimated based on their sizing, ii) onerous contracts, and iii) other contingent liabilities.

Deferred taxes have been determined using the theoretical National Income Tax rate (IRES 24%) and, where applicable, the Italian Regional Income Tax rate (IRAP 4.82%).

6. Revenues

The following table provides a breakdown for revenues:

<i>(in € thousand)</i>	For the year ended December 31,	
	2024	2023
Access and connectivity	2,269,725	1,171,983
Sale of goods	111,219	207,496
Other services	196,256	71,511
Total revenues	2,577,200	1,450,990

Revenues primarily consist of the sales of services and goods to wholesale customers as part of the Company's ordinary business activities. In particular, the Company generates revenues from TIM, other licensed operators ("OLOs") and public administrators as hereinafter:

- Access and connectivity refers to pay-per-use approach on access services to the proprietary network for both traditional and advanced connectivity, including delivery and activation services as well as repair and maintenance of network;
- Sale of goods refers to the sale of IRU on the secondary network as well as other minor equipment;
- Other services mainly include industrial colocation services in connection with eligible spaces within technical offices suitable for hosting wholesale customers' network elements and equipment, network engineering and energy revenues.

For additional information relating to the revenue recognition of the Company, please refer to Note 3 — *Summary of material accounting policies*.

Information on major customers

For the years ended December 31, 2024 and 2023, the Company's customers that accounted for 10% or more of the total revenues were as follows:

<i>(in %)</i>	For the year ended December 31,	
	2024	2023
Customer A	61%	84%
Customer B	12%	3%
Total	73%	87%

7. Cost of goods and services

The following table provides a breakdown for cost of goods and services:

(in € thousand)	For the year ended December 31,	
	2024	2023
Electricity and other utilities	(197,069)	(825)
Operation and maintenance	(121,290)	(159,376)
IT services	(62,836)	(40)
Access costs	(36,320)	-
External professional services	(17,409)	(3,401)
Insurance	(11,483)	(4,237)
Purchases of raw materials and goods	(7,953)	(10,347)
Other service costs	(46,762)	(2,709)
Total cost of goods and services	(501,122)	(180,935)

For the year ended December 31, 2023, operation and maintenance included the lump-sum costs charged monthly by TIM to FiberCop under the previous MSA. These costs mainly related to: (i) maintenance activities necessary and appropriate to ensure the proper provision of secondary network services, (ii) facility services such as security, cleaning, heating, and electricity and (iii) IT services such as system administration and maintenance and granting of sub-licenses.

For the year ended December 31, 2024 the new MSA structure as well as the transition to a direct relationship with Telenergia has enabled a segregation of these costs by nature.

Other services costs mainly include costs for transportation, company employees' vouchers and miscellaneous costs.

8. Personnel costs

The following table provides a breakdown for personnel costs:

(in € thousand)	For the year ended December 31,	
	2024	2023
Wages and salaries	(376,175)	(5,788)
Social contributions, pension plans and severance indemnities	(140,607)	(2,136)
Personnel benefits	(2,735)	(70)
Share-based payments	(18)	(283)
Other payroll expenses	(10,255)	(412)
Total	(529,790)	(8,689)
Amount capitalized	117,170	679
Total personnel costs	(412,620)	(8,010)

Personnel costs include expenses related to wages and salaries for employees, social and pension contributions, severance indemnities, benefits and other payroll expenses.

Share-based payments include stock option plans and long-term incentive plans granted to certain executives as part of the TIM Group companies which were recognized until the Business Combination and accounted for in accordance with IFRS 2 — *Share-based Payments*.

Other payroll expenses mainly related to miscellaneous personnel administration expenses and contributions to healthcare funds for the employees.

The following table provides the average number of employees for the years ended December 31, 2024 and 2023, divided into the categories:

<i>(in units)</i>	For the year ended December 31,	
	2024	2023
Executive	158	10
Middle managers	1,164	33
White collars	18,466	37
Total	19,788	80

9. Other operating income/(expense)

The following table provides a breakdown for other operating income/(expense):

<i>(in € thousand)</i>	For the year ended December 31,	
	2024	2023
Grants received	18,751	883
Penalties to suppliers	13,182	-
Contributions for telecommunication activities	(3,329)	(1,553)
Contract penalties and administrative fines	(8,555)	(764)
Provisions for risks	(11,474)	(1,963)
Indirect taxes	(26,231)	(6,567)
Other	7,794	1,311
Total net other operating income/(expenses)	(9,862)	(8,653)

Other operating income/(expense) mainly include expenses related to indirect taxes, accruals for legal and fiscal provisions and contributions for telecommunication activities.

Other mainly include income from compensation for damages caused by third parties, partially offset by other miscellaneous expenses.

10. Restructuring and transaction-related costs

The following table provides a breakdown for restructuring and transaction-related costs:

<i>(in € thousand)</i>	For the year ended December 31,	
	2024	2023
Provision for employees	(233,913)	-
Separation costs	(54,399)	-
Costs related to the Business Combination	(34,620)	-
Total restructuring and transaction-related costs	(322,932)	-

Provision for employees mainly relate to the early retirement and associated contributions costs for managers and employees, based on the agreement signed with the trade unions during the third quarter of 2024 under article 4 of the Fornero Law, which allows early retirement.

Costs related to the Business Combination mainly related to external services related to professional consultancy, legal, notary expenses and transaction taxes incurred in connection with the Business Combination.

Separation costs mainly related to external services for professional consultancy, legal, HR, IT and accounting advisory incurred in connection with the separation procedures from TIM.

11. Depreciation and amortization

The following table provides a breakdown for depreciation and amortization:

(in € thousand)	For the year ended December 31,	
	2024	2023
Depreciation of property, plant and equipment	(648,519)	(460,651)
Depreciation of right-of-use assets	(202,297)	(11,958)
Amortization of intangible assets	(116,732)	(3,191)
Total depreciation and amortization	(967,548)	(475,800)

12. Financial income, financial expenses and foreign exchange losses

The following table provides a breakdown for financial income, financial expenses and foreign exchange losses:

(in € thousand)	For the year ended December 31,	
	2024	2023
Financial income		
Interest income	24,356	3,266
Interest income on financial receivables	2,760	-
Total financial income	27,116	3,266
Financial expenses		
Interest expenses on bank borrowings	(210,283)	(67,318)
Interest expenses on bonds and notes	(156,036)	-
Interest expenses on other financial payables	(115,068)	(142,100)
Interest expenses on lease liabilities	(46,350)	(388)
Interest expense in other liabilities	(28,968)	(435)
Bank fees	(10,135)	109
Hedging operations	23,042	-
Total financial expenses	(543,798)	(210,132)
Foreign exchange losses	(4,004)	-
Total net financial expenses	(520,686)	(206,866)

For the years ended December 31, 2024 and 2023, interest expenses on other financial payables primarily included interest expenses related to a Facility Agreement entered into with TIM in conjunction with the business unit transfer on March 31, 2021, which was repaid in 2024 as part of the Business Combination.

For additional information, please refer to Note 21 — *Non-current and current debt*.

The following table provides a breakdown for hedging operations:

(in € thousand)	For the year ended December 31,	
	2024	2023
Release of cash flow hedge reserve - cross currency interest rate swaps	13,864	-
Release of cash flow hedge reserve - Interest rate swaps	13,273	-
Net loss on interest rate swaps	(4,095)	-
Hedging operations	23,042	-

The following table provides a breakdown for the net gain on interest rate swaps:

<i>(in € thousand)</i>	For the year ended December 31,	
	2024	2023
Transfer to the initial value of the hedged item	(4,095)	-
Net gain on interest rate swaps	(4,095)	-

The following table provides a breakdown for the foreign exchange gains/(losses):

<i>(in € thousand)</i>	For the year ended December 31,	
	2024	2023
Release of cash flow hedge reserve - Cross-currency interest rate swaps	61,042	-
Foreign exchange gains	160	-
Foreign exchange losses	(65,206)	-
Foreign exchange losses	(4,004)	-

Foreign exchange losses mainly include the effect from translating US Dollar-denominated notes into Euro at the reporting date and the release of the cash flow hedge reserve related to cross-currency interest rate swaps.

13. Income taxes

The following table provides a breakdown for income taxes:

<i>(in € thousand)</i>	For the year ended December 31,	
	2024	2023
Current taxes	(18,273)	(173,408)
Deferred taxes	(13,252)	10,458
Prior years' income taxes	(119)	1,431
Total income taxes	(31,644)	(161,519)

The recognized deferred taxes primarily relate to temporary differences in property plant and equipment, provisions and accruals as well as other deductible temporary differences expected to be reversed in future periods. The Company recognized deferred tax assets only to the extent of available deferred tax liabilities, while deferred tax assets on tax losses were not recognized.

The table below provides a reconciliation between actual income taxes and the theoretical income taxes, calculated on the basis of the applicable corporate tax rate in effect in Italy, which was 24% for each of the years ended December 31, 2024 and 2023.

<i>(in € thousand)</i>	For the year ended December 31,	
	2024	2023
(Loss)/Profit before tax	(158,910)	570,367
Theoretical income tax rate	24%	24%
Theoretical income taxes	38,138	(136,888)
Tax effect on:		
Unrecognized deferred tax assets	(23,224)	-
Permanent and other differences	(19,200)	10,975
Taxes relating to prior years	(119)	1,431
Income taxes, excluding IRAP	(4,405)	(124,482)
Effective tax rate, excluding IRAP (%)	(2.8%)	21.8%
Italian Regional Income Tax Current (IRAP)	(18,237)	(37,037)
Permanent differences and other differences IRAP	(8,966)	-
Income taxes	(31,644)	(161,519)
Effective tax rate (%)	(19.9%)	28.3%

In order to facilitate the understanding of the tax rate reconciliation presented above, income taxes include a presentation net of the Italian Regional Income Tax ("**IRAP**"), which is based on a measure of income defined by the Italian Civil Code as the difference between operating revenues and costs, before financial income and expense, the cost of fixed term employees, credit losses and any interest included in lease payments. The applicable IRAP rate was 4.82%, for each of the years ended December 31, 2024 and 2023.

Deferred tax assets and deferred tax liabilities

Deferred taxes reflect the net tax effect of temporary differences between the book value and the taxable amount of assets and liabilities. The accounting of assets for deferred taxes was duly adjusted to take account of the effective possibility to be realized. The decision to recognize deferred tax assets is made by assessing whether the conditions exist for the future recoverability of such assets by taking into account the basis of the most recent forecasts from budgets and business plans. Deferred tax assets and deferred tax liabilities are offset as they may be legally offset and management has the intention to settle them through netting.

The following tables provide a breakdown for deferred tax assets and deferred tax liabilities:

<i>(in € thousand)</i>	At December 31, 2023	Business Combination	Recognized in income statement	Recognized in equity	At December 31, 2024
Deferred tax assets arising on:					
Provisions	983	136,207	42,732	-	179,922
Depreciation and amortization	21,064	233,404	(60,825)	-	193,643
Derivative financial instruments	-	-	(20,071)	48,015	27,944
Allowances for doubtful accounts	-	6,492	-	-	6,492
Employee benefits	13	-	-	2,510	2,523
Other	450	17,136	(1,471)	-	16,115
Total deferred tax assets	22,510	393,239	(39,635)	50,525	426,639
Deferred tax liabilities arising on:					
Depreciation and amortization	-	(1,741,926)	21,791	-	(1,720,135)
Leases	-	(93,383)	4,592	-	(88,791)
Other	(370)	(1,364)	-	-	(1,734)
Total deferred tax liabilities	(370)	(1,836,673)	26,383	-	(1,810,660)
Total net deferred tax assets/(liabilities)	22,140	(1,443,434)	(13,252)	50,525	(1,384,021)

<i>(in € thousand)</i>	At December 31, 2022	Recognized in income statement	Recognized in equity	At December 31, 2023
Deferred tax assets arising on:				
Provisions	826	157	-	983
Depreciation and amortization	10,758	10,306	-	21,064
Employee benefits	9	-	4	13
Other	486	(36)	-	450
Total deferred tax assets	12,079	10,427	4	22,510
Deferred tax liabilities arising on:				
Other	(401)	31	-	(370)
Total deferred tax liabilities	(401)	31	-	(370)
Total net deferred tax assets/(liabilities)	11,678	10,458	4	22,140

The following table provides the details of tax losses carried forward for which no deferred tax assets were recognized:

<i>(in € thousand)</i>	At December 31,	
	2024	2023
No expiration	96,767	-
Total	96,767	-

14. Intangible assets

The following table provides a breakdown for intangible assets:

<i>(in € thousand)</i>	Goodwill	Customer relationships	Licenses, trademarks and patents	Intangibles in progress	Total
At January 1, 2023	4,670,277	-	6,109	3,820	4,680,206
Additions	-	-	2,329	793	3,122
Reclassifications	-	-	3,361	(3,361)	-
Amortization	-	-	(3,191)	-	(3,191)
At December 31, 2023	4,670,277	-	8,608	1,252	4,680,137
<i>of which:</i>					-
<i>Historical cost</i>	<i>4,670,277</i>	-	<i>21,765</i>	<i>1,252</i>	<i>4,693,294</i>
<i>Accumulated depreciation</i>	-	-	<i>(13,157)</i>	-	<i>(13,157)</i>
Business Combination	1,341,802	5,972,201	141,352	45,783	7,501,138
Additions	-	-	19,388	40,792	60,180
Reclassifications	-	-	15,978	(15,978)	-
Amortization	-	(80,706)	(36,026)	-	(116,732)
At December 31, 2024	6,012,079	5,891,495	149,300	71,849	12,124,723
<i>of which:</i>					
<i>Historical cost</i>	<i>6,012,079</i>	<i>5,972,201</i>	<i>581,722</i>	<i>71,849</i>	<i>12,637,851</i>
<i>Accumulated depreciation</i>	-	<i>(80,706)</i>	<i>(432,422)</i>	-	<i>(513,128)</i>

Customer relationships were acquired as part of the Business Combination. They are recognized at their fair value at July 1, 2024 and are subsequently amortized on a straight line based on the timing of projected cash flows of the contracts over their estimated useful lives. For additional information, please refer to Note 5 — *Business combination and reverse merger*.

Goodwill increased primarily as a result of the Business Combination. For additional information, please refer to Note 5 — *Business combination and reverse merger*.

In accordance with IAS 36, the Company tests goodwill for impairment on an annual basis, or more frequently if facts or circumstances indicate that the asset may be impaired. For 2024, the recoverable amount of the cash-generating unit ("**CGU**") was determined based on value in use calculations which require the use of assumptions.

The recoverable amount of goodwill recognized is estimated, in accordance with IAS 36, using the unlevered version of the *discounted cash flow model* whereby an asset's value in use is calculated on the basis of estimated future cash flows discounted at an appropriate rate. Cash flow projections beyond the explicit period are extrapolated according to the perpetuity growth method to determine terminal value; the growth rates used ("**g rate**") are in line with those for the markets in which the Company operates.

For the purpose of the impairment test, the Company used the projections of future cash flows taken from the 2024-2030 merger Business Plan approved by the BoD) in September 2024 updated to reflect the deviation arising from 2024 actual results and assumptions included in the 2025 budget, which was approved by the BoD in February 2025. To estimate the terminal value the explicit reference period was extrapolated for an additional 10 years till 2040, adjusted as necessary to take into consideration a suitable level of long-term capital expenditure. The long-term growth rates, used to estimate cash flows beyond the stated forecast period and in determining the terminal value, are determined in light of market data.

Expected future cash flows have been discounted using an after tax Weighted Average Cost of Capital (“**WACC**”) equal to 6.6% and:

- was estimated using the Capital Asset Pricing Model (“**CAPM**”), which is one of the generally accepted application criteria referred to in IAS 36;
- reflects current market estimates of the time value of money and the specific risks associated with the asset groups;
- was calculated using comparative market parameters to estimate the “*Beta coefficient*” and the weighting coefficient of the equity and debt capital components.

The impairment test has shown that the CGU’s recoverable amount exceeds its carrying amount, meaning that no impairment loss was recognized for the period ended December 31, 2024.

The results obtained have been subjected to sensitivity analysis for those assumptions, changes in which might reasonably cause the test results to change materially. The analysis shows that the recoverable amount would be equal to the carrying amount for:

- a 0.8% rise in the WACC (at the value of 7.4%); or
- a growth rate in terminal value of -0.9%; or
- a reduction in gross operating margin of 12.0%.

15. Property, plant and equipment

The following table provides a breakdown for property, plant and equipment:

<i>(in € thousand)</i>	Plant and machinery	Land and Buildings	Industrial and commercial equipment	Other tangible assets	Tangible assets under construction	Total
At January 1, 2023	4,109,314	-	-	61	18,764	4,128,139
Additions	916,976	-	-	20	238,906	1,155,902
Disposals	(14,258)	-	-	-	-	(14,258)
Depreciation	(460,617)	-	-	(34)	-	(460,651)
Reclassifications	7,406	-	-	-	(7,406)	-
Other movements	(2,650)	-	-	-	-	(2,650)
At December 31, 2023	4,556,171	-	-	47	250,264	4,806,482
<i>of which:</i>						
<i>Historical cost</i>	<i>16,953,419</i>	-	-	<i>266</i>	<i>250,264</i>	<i>17,203,949</i>
<i>Accumulated depreciation</i>	<i>(12,394,233)</i>	-	-	<i>(219)</i>	-	<i>(12,394,452)</i>
<i>Accumulated impairment</i>	<i>(3,015)</i>	-	-	-	-	<i>(3,015)</i>
Business Combination	3,539,152	446,822	16,655	31,676	264,904	4,299,209
Additions	615,322	695	2,727	580	1,311,116	1,930,440
Disposals	(6,176)	(55)	(6)	-	-	(6,237)
Depreciation	(628,759)	(9,246)	(3,474)	(7,040)	-	(648,519)
Reclassifications	111,841	310	-	1,193	(113,344)	-
Other movements	230,214	-	-	-	2,946	233,160
At December 31, 2024	8,417,765	438,526	15,902	26,456	1,715,886	10,614,535
<i>of which:</i>						
<i>Historical cost</i>	<i>55,255,407</i>	<i>1,549,619</i>	<i>311,038</i>	<i>401,432</i>	<i>1,715,886</i>	<i>59,233,382</i>
<i>Accumulated depreciation</i>	<i>(46,837,642)</i>	<i>(1,111,093)</i>	<i>(295,136)</i>	<i>(374,976)</i>	-	<i>(48,618,847)</i>

Property, plant and equipment held by the Company increased primarily as a result of the Business Combination. For additional information, please refer to Note 5 — *Business combination and reverse merger*.

16. Right-of-use assets

The following table provides a breakdown for right-of-use assets:

<i>(in € thousand)</i>	Land and Buildings	Plant and machinery	Other tangible assets	Tangible assets under construction	Total
At January 1, 2023	-	213,604	147	2,538	216,289
Additions	-	26,873	170	-	27,043
Disposals	-	(8,262)	(13)	-	(8,275)
Reclassifications	-	2,538	-	(2,538)	-
Depreciation	-	(11,887)	(71)	-	(11,958)
At December 31, 2023	-	222,866	233	-	223,099
<i>of which:</i>					
<i>Historical cost</i>	-	<i>286,379</i>	<i>463</i>	-	<i>286,842</i>
<i>Accumulated depreciation</i>	-	<i>(63,513)</i>	<i>(230)</i>	-	<i>(63,743)</i>
Business Combination	2,519,336	64,037	44,166	10,294	2,637,833
Additions	43,674	6,739	2,068	9,819	62,300
Disposals	(31,550)	-	-	-	(31,550)
Depreciation	(168,520)	(22,153)	(11,624)	-	(202,297)
Other movements	(14)	-	(7)	-	(21)
At December 31, 2024	2,362,926	271,489	34,836	20,113	2,689,364
<i>of which:</i>					
<i>Historical cost</i>	<i>3,060,936</i>	<i>480,497</i>	<i>46,404</i>	<i>20,113</i>	<i>3,607,950</i>
<i>Accumulated depreciation</i>	<i>(698,010)</i>	<i>(209,008)</i>	<i>(11,568)</i>	-	<i>(918,586)</i>

Right-of-use assets held by the Company increased primarily as a result of the Business Combination. For additional information, please refer to Note 5 — *Business combination and reverse merger*.

17. Current and non-current financial assets

The following table provides a breakdown for current and non-current financial assets. For a breakdown of current and non-current financial assets by fair value level, please refer to Note 27 — *Fair value measurement*.

<i>(in € thousand)</i>	At December 31, 2024			At December 31, 2023		
	Non-current financial assets	Current financial assets	Total financial assets	Non-current financial assets	Current financial assets	Total financial assets
Financial receivables for IRUs	30,347	113,024	143,371	63,180	87,098	150,278
Loans to employees	11,031	1,971	13,002	62	38	100
Guarantee deposits	91,123	-	91,123	-	-	-
Other financial receivables	-	28,246	28,246	-	219	219
Total	132,501	143,241	275,742	63,242	87,355	150,597

Current and non-current financial assets mainly related to finance lease agreements for the transfer of irrevocable rights-of-use on infrastructure and secondary network fiber.

Other financial receivables mainly refer to the loan granted to Telenergia S.r.l.

At December 31, 2024, guarantee deposits of €91,123 thousand related to bank guarantees, held in

escrow, issued in favor of Infratel on the advances of National Recovery and Resilience Plan (“NRRP”) contributions of the “Italia 1 Giga” Plans which were transferred from TIM to FiberCop in connection with the Business Combination.

The following table provides the changes for current and non-current financial assets:

<i>(in € thousand)</i>	Financial receivables for IRUs	Guarantee deposits	Loans to employees	Other financial receivables	Total
At December 31, 2023	150,278	-	100	219	150,597
Additions	57,285	91,123	-	80,000	228,408
Business Combination	42,168	-	15,049	814	58,031
Decreases	(111,368)	-	(2,866)	(60,000)	(174,234)
Other movements	5,008	-	719	7,213	12,940
At December 31, 2024	143,371	91,123	13,002	28,246	275,742
- of which current	113,024	-	1,971	28,246	143,241
- of which non- current	30,347	91,123	11,031	-	132,501

For the year ended December 31, 2024, other movements primarily include the ISTAT revaluation applied to financial receivables related to IRUs.

18. Trade receivables

The following table provides a breakdown for trade receivables:

<i>(in € thousand)</i>	At December 31,	
	2024	2023
Trade receivables	921,824	364,332
Allowance for doubtful accounts	(36,025)	-
Total trade receivables	885,799	364,332

The following table provides a breakdown for the loss allowance relating to trade receivables:

<i>(in € thousand)</i>	Allowance for doubtful accounts
At December 31, 2023	-
Business Combination	(31,542)
Increase in loss allowance	(4,483)
At December 31, 2024	(36,025)

The Company applies the simplified approach available under IFRS 9 to always measure the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the debtor creditworthiness and past default experience of, as well as an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date (See Note 28 — Qualitative and quantitative information on financial risks for additional information).

19. Other current and non-current assets

The following table provides a breakdown for other current and non-current assets.

<i>(in € thousand)</i>	At December 31, 2024			At December 31, 2023		
	Other current assets	Other non-current assets	Total	Other current assets	Other non-current assets	Total
Receivables from NRRP	-	207,543	207,543	33,764	-	33,764
VAT and other tax receivables	107,101	-	107,101	29,253	-	29,253
Advances to suppliers	87,200	-	87,200	-	-	-
Deferred expenses	20,636	10,332	30,968	35,965	196,354	232,319
Work-in-progress	21,432	-	21,432	-	-	-
Other receivables	10,797	-	10,797	4,306	-	4,306
Total	247,166	217,875	465,041	103,288	196,354	299,642

The receivables from the NRRP relate to the portion of the contribution accrued for the Italia 1G and 5G Backhauling. The recognition in the income statement of these contributions occurs when the related assets start to depreciate

20. Equity

The following table provides a breakdown for equity:

<i>(in € thousand)</i>	At December 31,	
	2024	2023
Share capital	17,836	10,000
Share premium reserve	8,294,724	4,841,050
Legal reserve	2,000	2,000
Reserve for actuarial gains/(losses) on defined benefit plans	(7,913)	34
Cash flow hedge reserve	(152,048)	-
Other reserves	(105,720)	(105,737)
Retained earnings	1,042,779	633,931
(Loss)/Profit for the year	(190,554)	408,848
Total equity	8,901,104	5,790,126

Share capital

At December 31, 2024, the fully paid up share capital of the Company was €17,836 thousand, consisting of 178,359 shares, with no nominal value (€10,000 thousand, consisting of 100,000 shares, at December 31, 2023).

A pledge over the Company's shares has been granted as part of the security package for FiberCop's bank borrowings and bonds, which also includes an undertaking to assign any potential intercompany loan receivables from Optics HoldCo to FiberCop.

Cash flow hedge reserve

The cash flow hedge reserve reflects the cumulative gains and losses from hedging instruments that are designated to manage exposure to fluctuations in cash flows related to interest rates and foreign currency. At the reporting date, the cash flow hedge reserve shows a negative balance of €152,048 thousand (net of positive tax impact of €48,015 thousand) indicating a net loss from the valuation of these hedging instruments.

Other reserves

At December 31, 2024 and 2023, other reserves mainly included negative reserves related to business combinations completed in previous years.

The following is a detailed breakdown of the individual items, categorized by their origin, usability, and distributability, along with their utilization during the previous financial year.

Nature / Description (in € thousand)	At December 31, 2024	Usage possibility	Available amount for distribution
Share capital	17,836		
Share premium reserve (*)	8,294,724	A,B,C	8,293,157
Legal reserve	2,000	B	-
Reserve for actuarial gains/(losses) on defined benefit plans	(7,913)		-
Cash flow hedge reserve	(152,048)		-
Retained earnings	1,042,779	A,B,C	777,098
Other reserves	(105,720)		-
Total	9,091,658		9,070,255

Legend:

A = for capital increase

B = for loss coverage

C = for distribution to shareholders

(*) The share premium reserve cannot be distributed to shareholders until the legal reserve has reached one-fifth of the share capital, according to article 2431 of the Italian Civil Code.

21. Current and non-current debt

The following table provides a breakdown for current and non-current debt and changes occurred during the period:

(in € thousand)	Bonds and notes	Bank borrowings	Lease liabilities	Other financial payables	Total debt
At January 1, 2023	-	1,489,360	23,041	1,534,665	3,047,066
Additions	-	-	-	537,300	537,300
Repayments	-	-	(1,182)	-	(1,182)
Other movements	-	2,734	(16,320)	9,663	(3,923)
At December 31, 2023	-	1,492,094	5,539	2,081,628	3,579,261
Business Combination	5,613,293	4,507,437	2,109,040	-	12,229,770
Additions	-	-	22,215	195,000	217,215
Repayments	-	(1,500,000)	(146,733)	(2,312,099)	(3,958,832)
Currency exchange differences	65,158	-	-	-	65,158
Other movements	84,344	62,598	(27,079)	35,471	155,334
At December 31, 2024	5,762,795	4,562,129	1,962,982	-	12,287,906
- of which current	112,021	2,799	293,676	-	408,496
- of which non-current	5,650,774	4,559,330	1,669,306	-	11,879,410

Repayments in 2024 primarily consist of the early settlement of the loan previously held by the Company with Unicredit S.p.A.

Other movements reflect the impact of amortized cost adjustments, accrued interest, and other non-cash items. All figures are presented before accounting for the effects of hedging.

Please refer to the following sections for additional information on bond and bank borrowings held by the Company.

The repayment schedule for current and non-current debt is summarized below:

At December 31, 2024 <i>(in € thousand)</i>	Within 1 year	1-5 years	Over 5 years	Total Debt
Bonds and notes	112,021	3,115,335	2,535,439	5,762,795
Bank borrowings	2,799	4,559,330	-	4,562,129
Lease liabilities	293,676	917,098	752,208	1,962,982
Total debt	408,496	8,591,763	3,287,647	12,287,906

Bond and Notes

The following table provides a breakdown for notes at December 31, 2024:

Description	Currency	Nominal amount (in foreign currency)	Interest rate (in bps)	Maturity date	At December 31, 2024	Of which current:
EUR Jan 2026 Notes	€	375,000	287	Jan 28, 2026	373,440	5,405
EUR May 2026 Notes	€	322,003	362	May 25, 2026	323,438	5,852
EUR Oct 2027 Notes	€	507,715	237	Oct 12, 2027	483,633	6,046
EUR Feb 2028 Notes	€	625,000	687	Feb 15, 2028	675,094	16,246
EUR Jul 2028 Notes	€	750,000	787	Jul 31, 2028	841,444	24,758
EUR Jan 2029 Notes	€	500,820	162	Jan 18, 2029	445,885	4,080
EUR Jan 2033 Notes	€	359,142	775	Jan 24, 2033	433,449	13,955
EUR Mar 2055 Notes	€	230,000	525	Mar 17, 2055	227,353	6,054
USD Nov 2033 Notes	\$	500,006	637	Nov 15, 2033	474,832	3,899
USD Sep 2034 Notes	\$	500,001	600	Sep 30, 2034	469,002	7,339
USD Jul 2036 Notes	\$	500,000	720	Jul 18, 2036	502,217	15,631
USD Jun 2038 Notes	\$	500,004	772	Jun 4, 2038	513,008	2,756
Total					5,762,795	112,021

In connection with the Business Combination, certain Euro and USD existing notes issued by TIM, have been exchanged by the issue of certain Euro and USD bonds by Optics Bidco pursuant to a liability management exercise launched on April 18, 2024, which were recognized at their fair value of €5,613,293 thousand at July 1, 2024. For additional information, please refer to Note 5 — *Business combination and reverse merger*.

All notes are bullet, meaning the principal is repaid in full upon maturity, with no scheduled amortization of the principal during the life of the bond. The average residual maturity of these bonds is 8 years and the average interest rate across the portfolio is 569 basis points. All bonds are listed on the Official List of the Luxembourg Stock Exchange (“**Euro MTF Market**”) and are secured.

The Company mitigates the risk of currency exchange fluctuations on 100% of its USD notes by using cross-currency interest rate swaps. For additional information, please refer to Note 22 — *Derivative financial instruments*.

Bank borrowings

The following tables provide a breakdown for bank borrowings at December 31, 2024 and 2023:

Description	Currency	Nominal amount (€ thousand)	Interest rate (in bps)	Maturity date	At December 31, 2024	Of which current:
Term Loan Facility	€	4,692,095	Euribor 3M + (225-350)	Jun 27, 2029	4,562,129	2,799
Total		4,692,095			4,562,129	2,799

Description	Currency	Nominal amount (€ thousand)	Interest rate (in bps)	Maturity date	At December 31, 2023	Of which current:
Term Loan Facility	€	1,500,000	Euribor 3M + (225-350)	December 2026	1,492,094	829
Total		1,500,000			1,492,094	829

As a result of the Business Combination, bank borrowings at December 31, 2024 included the Term Loan Facility under a Senior Facilities Agreement drawn down by Optics BidCo in June 2024 for an amount of €4,579,247 thousand. The Term Loan Facility is bullet, meaning the principal is repaid in full upon maturity, with no scheduled amortization of the principal during the life of the borrowing.

The Term Loan Facility accrues interest based on the 3-month Euribor, plus a variable spread that changes over time as follows: (i) Year 1: 225 bps, (ii) Year 2: 225 bps, (iii) Year 3: 275 bps, (iv) Year 4: 300 bps, and (v) Year 5: 350 bps.

In January 2025, the Company has subscribed to additional commitments related to the Term Loan Facility for an amount of Euro 400 million.

The Company mitigates the risk of fluctuations in interest rates on bank borrowings that bear floating rates of interest by using interest rate swaps. The use of interest rate swaps is exclusively to hedge interest rate risks associated with monetary flows and not for speculative purposes. The coverage ratio is a substantial part of its value. For additional information, please refer to Note 22 — *Derivative financial instruments*.

Debt covenants

The Company's term loans and revolving credit facilities are subject to financial covenants requiring the Company to maintain a ratio equal or lower than 9x of total net debt to Adjusted Reported EBITDA (which both exclude the effects of lease accounting under IFRS 16) for each of the 12-month period ending on June 30 and December 31, as well as negative pledges, pari passu, cross-default and change of control clauses. The ratio can be adjusted to 10x if the Company attains a long-term credit rating of BBB- (or its equivalent) or higher from at least two credit rating agencies. The first measurement date is scheduled for June 30, 2025. Failure to comply with this covenant may provide the lender the option to ask the Company to fully repay the outstanding amounts, unless the Company takes corrective actions through contributions from shareholders or other parties within 20 business days after the due date for reporting the breach. At December 31, 2024, the Company is in compliance with debt covenants requirements.

Lease Liabilities

The Company recognizes lease liabilities in relation to right-of-use assets in accordance with IFRS 16 - *Leases*. At December 31, 2024 and 2023 lease liabilities amounted to €1,962,982 thousand and €5,539 thousand, respectively.

Other financial payables

At December 31, 2023, other financial payables amounted to €2,081,628 thousand, related to a Facility Agreement entered into with TIM in conjunction with the Ramo Contribution on March 31, 2021, which was repaid in 2024 as part of the Business Combination.

Net debt

The following table provides a breakdown of the Company's Net Deb ("Net Debt")t:

<i>(in € thousand)</i>	At December 31,	
	2024	2023
Cash and cash equivalents	996,960	151,905
Current financial assets	143,241	87,355
Cash and cash equivalents and current financial assets	1,140,201	239,260
Current debt	(408,496)	(5,225)
Non-current debt	(11,879,410)	(3,574,036)
Total debt	(12,287,906)	(3,579,261)
Net Debt	(11,147,705)	(3,340,001)

22. Derivative financial instruments

The Company enters into certain derivative contracts in the course of its risk management activities, primarily to hedge cash flows related to floating interest rates and currency exchange risks on its debt. The Company only enters into these contracts for hedging purposes as its financial management policy does not permit trading in financial instruments for speculative purposes. Derivative financial instruments meeting the hedge requirements of IFRS 9 are accounted for using hedge accounting. Changes in the fair value of derivative financial instruments not qualifying for hedge accounting are recognized in profit or loss in the relevant reporting period. The interest rate and currency derivatives used by the Company are over the counter ("**OTC**") instruments, meaning those negotiated bilaterally with market counterparties, and the determination of their current value is based on valuation techniques that use input parameters (such as interest rate curves, foreign exchange rates, etc.) observable on the market (level 2 of the fair value hierarchy defined in IFRS 13).

Derivatives are measured at fair value each reporting date by taking as a reference the applicable foreign currency exchange rates or the interest rates and yield curves observable at commonly quoted intervals.

The following table sets forth a breakdown of derivatives fair value at December 31, 2024, along with the notional amount hedged:

<i>(in € thousand)</i>	At December 31, 2024		
	Negative fair value	Hedged notional <i>(in €)</i>	Hedged notional <i>(in foreign currency)</i>
Cross-currency interest rate swaps	(28,619)	1,925,124	2,000,011
Interest rate swaps	(87,815)	3,500,000	3,500,000
Total	(116,434)		

23. Employee benefits

The following table presents a breakdown of employee benefits.

<i>(in € thousand)</i>	At December 31,	
	2024	2023
Provision for employee termination indemnities (TFR)	308,597	772
Total employee benefits	308,597	772

The following table shows the changes in defined benefit obligations.

<i>(in € thousand)</i>	2024	2023
At January 1,	772	703
Business Combination	296,785	-
Changes through income statement	5,232	26
- of which: <i>Service cost</i>	68	-
- of which: <i>Financial charges</i>	5,164	26
Changes through statement of comprehensive income and loss	10,457	16
Benefits paid	(4,649)	(71)
Other movements	-	98
At December 31,	308,597	772

The following table summarizes the main financial assumptions used to determine the present value of the TFR.

<i>(in %)</i>	At December 31,			
	2024		2023	
	Executives	Non-Executives	Executives	Non-Executives
Discount rate	2.93%	2.93%	3.08%	3.08%
Inflation rate	2.00%	2.00%	2.00%	2.00%
Turn-over rate	0.00%-2.00%	0.00%-1.00%	0.00%-2.00%	0.00%-1.00%

To determine the defined benefit obligations, the Company used the Italian National Institute of Statistics ("ISTAT") benchmark for the estimated mortality rates in Italy, broken down by age and gender.

The following table presents a quantitative sensitivity analysis for the main assumptions relating to the Company's employee benefit obligations:

<i>(in € thousand)</i>	At December 31, 2024		At December 31, 2023	
	+ 50 bps	- 50 bps	+ 25 bps	- 25 bps
Discount rate	(6,954)	7,322	(31)	33
Inflation rate	5,449	(5,282)	25	(24)
Turn-over rate	(9)	10	-	(1)

The average duration of the defined benefit obligations for the TFR in 2024 was 5.4 years (2023: 9 years).

24. Current and non-current provisions

The following table provides the changes for non-current and current provisions:

<i>(in € thousand)</i>	Asset retirement obligations (ARO)	Termination benefits	Onerous contracts	Legal and fiscal risks	Other provisions	Total
At December 31, 2023	127,296	-	-	1,980	-	129,276
Business Combination	496,541	-	19,700	5,716	37,070	559,027
Addition to the statement of financial position	33,305	-	-	-	-	33,305
Addition to income statement	-	222,676	-	7,546	-	230,222
Releases	-	-	-	(1,350)	-	(1,350)
Utilizations	(19,119)	-	-	-	-	(19,119)
Unwind of discounting	12,132	-	-	-	-	12,132
At December 31, 2024	650,155	222,676	19,700	13,892	37,070	943,493
- of which current	-	49,524	-	7,116	-	56,640
- of which non- current	650,155	173,152	19,700	6,776	37,070	886,853

Addition arising as a result of the Business Combination mainly related to the asset retirement obligations, the estimated costs for dismantling and removing equipment, and restoring the sites in leasing on which they are located. For additional information, please refer to Note 5 — *Business combination and reverse merger*.

For the year ending December 31, 2024, the Company recognized provisions amounting to €222,676 thousand for termination benefits. These primarily relate to early retirement and associated contributions costs for managers and employees based on the agreement signed with the trade unions under article 4 of the Fornero Law, which allows early retirement in 2025. This amount is classified within "Restructuring and transaction-related costs" in the income statement.

25. Trade payables

At December 31, 2024 and 2023, trade payables amounted to €2,138,902 thousand and €777,301 thousand, respectively. Trade payables are non-interest bearing and are normally settled by the Company on 120-day terms, including those trade payables that are included in the Company's supplier finance arrangement.

The Company has established supplier finance arrangements that are offered to some of the Company's key suppliers. Participation in the arrangement is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangement may receive early payment on invoices sent to the Company directly from the

Company's external finance provider. If suppliers choose to receive early payment, they pay a fee and a funding cost to the finance provider. The Company is not involved in the financial arrangements between the suppliers and the external financial providers, nor bears any cost.

Since the above arrangements do not modify the terms of the original trade payables, given payment terms with suppliers have not been renegotiated in conjunction with the arrangement, and the financial relationship involves only the suppliers, the external financial providers and does not involve the Company, the payment obligations of the company arising from these agreements are classified within trade payables, as they maintain the same nature and function. The Company settles the original invoice by paying the finance provider in line with the original invoice maturity date. This is also the case when, through separate agreements between the supplier and the financial institution, in which the company is not involved in any way, the supplier may request to receive the amounts due in advance from the financial institution.

The following table provides a breakdown for trade payables that are part of a supplier finance arrangement:

<i>(in € thousand)</i>	At December 31, 2024
Carrying amount of trade payables that are part of a supplier finance arrangement	107,270
<i>of which suppliers have received payment</i>	100,779

26. Other current and non-current liabilities

The following table provides a breakdown for other current and non-current liabilities:

<i>(in € thousand)</i>	At December 31, 2024			At December 31, 2023		
	Other current liabilities	Other non-current liabilities	Total	Other current liabilities	Other non-current liabilities	Total
Government grants	6,672	1,102,759	1,109,431	-	32,880	32,880
Advance payments	97,667	255,672	353,339	8,192	-	8,192
Deferred income	153,134	191,324	344,458	10,909	71,329	82,238
Social security institutions	45,834	-	45,834	480	-	480
Due to employees	38,447	-	38,447	1,609	-	1,609
Tax payables	28,405	-	28,405	148,063	135,194	283,257
Other payables	138,462	-	138,462	10,753	-	10,753
Total	508,621	1,549,755	2,058,376	180,006	239,403	419,409

At December 31, 2024, other payables mainly included tax consolidation liabilities amounting to €135,294 thousand.

27. Fair value measurement

The following table presents the Company's financial assets and financial liabilities measured and recognized at fair value at December 31, 2024 on a recurring basis:

<i>(in € thousand)</i>	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative financial liabilities	-	(116,434)	-	(116,434)

The reported amounts of derivative instruments, whether assets or liabilities, reflect their fair value at the reporting date. The Company did not measure any other financial assets or financial liabilities at fair value on a non-recurring basis at December 31, 2024.

At December 31, 2024, the Company measured its derivative financial instruments at fair value according to the Level 2 fair value hierarchy, which means that the fair value is mainly estimated on the basis of data provided by pricing service providers (non-active markets). These derivatives include cross-currency interest rate swaps, used to hedge foreign currency fluctuations on USD-denominated notes, and interest rate swaps, used to hedge Euribor fluctuations on bank borrowings. The fair value was determined using the *hypothetical derivative method* ("HDM"), which compares the change in the fair value or cash flows of the hedging instrument with the change in the fair value or cash flows of a hypothetical derivative that models the hedged risk. Hedge effectiveness is assessed quantitatively using regression analysis, and any differences between the fair value changes of the actual and hypothetical derivatives are recognized in the cash flow hedge reserve within Equity or as ineffectiveness in the income statement. Credit risk is monitored continuously. The hedge relationships were assessed as highly effective.

Categories of financial assets and liabilities according to IFRS 7

(in € thousand)	At December 31, 2024			At December 31, 2023	
	FVOCI	Amortized cost	Total	Amortized cost	Total
Financial assets					
Cash and cash equivalents	-	996,960	996,960	151,905	151,905
Trade receivables	-	885,799	885,799	364,332	364,332
Current and non-current financial assets	-	275,742	275,742	150,597	150,597
Contract assets	-	207,543	207,543	33,764	33,764
Other current and non-current assets	-	87,200	87,200	-	-
Total financial assets	-	2,453,244	2,453,244	700,598	700,598
Financial liabilities					
Current and non-current debt	-	12,287,906	12,287,906	3,579,261	3,579,261
Trade payables	-	2,138,902	2,138,902	777,301	777,301
Derivative financial liabilities	116,434	-	116,434	-	-
Government grants	-	1,109,431	1,109,431	32,880	32,880
Total financial liabilities	116,434	15,536,239	15,652,673	4,389,442	4,389,442

The carrying amounts of cash and cash equivalents, financial assets and trade receivables, as adjusted for impairment where necessary as required by IFRS 9, approximate their estimated realizable value and their fair value. Lease liabilities are initially recognized at their present value and subsequently measured at amortized cost, while all other financial liabilities are measured at amortized cost, which approximate their fair value.

28. Qualitative and quantitative information on financial risks

The Company is exposed to several financial risks connected with its operations:

- financial market risk, primarily related to foreign currency exchange rates and interest rates;
- liquidity risk relating to the availability of funds and access to credit, if required, and to financial instruments in general;
- credit risk relating to counterparties failing to repay amounts owed or meet contractual obligations.

These risks could significantly impact the Company's financial position, operating results and cash flows. To manage these exposures, the Company identifies and monitors these risks closely, aiming to detect potential adverse effects early and take appropriate mitigation steps. These efforts are primarily managed through the Company's operational and financing activities, and, when necessary, by entering into derivative financial instruments contracts.

Foreign currency risk

The Company is exposed to foreign exchange risk due to its notes denominated in USD. To manage this risk, the Company uses cross-currency interest rate swaps, through which the cash flows of foreign currency liabilities are converted into Euro at fixed exchange rates. At December 31, 2024, the hedging ratio covers a substantial portion of its exposure. Any exchange rate fluctuations not adequately hedged by derivatives could negatively impact operating results and cash flows. An appreciation or depreciation of the Euro against the currencies to which the debt is exposed could positively or negatively affect the Group's operating results and cash flows.

Interest rate risk

The Company is also exposed to the interest rate risk on the portion of its debt that is index-linked to variable rates. The decision to maintain a certain debt structure at fixed and variable rates aims to manage the positive or negative impact of the floating interest rate evolution and is partially achieved through the use of interest rate swaps, through which variable-rate liabilities are synthetically converted into fixed-rate instruments. The use of interest rate swaps is exclusively for the hedging of interest rate risks associated with monetary flows and not for speculative purposes.

At December 31, 2024, the coverage ratio is equal to a substantial part of its value. Any change to floating interest rates that has not been adequately hedged by derivatives may have an impact on the Company's results of operations and cash flows.

For the year ended December 31, 2024, an increase of 100 basis points in interest rates on floating rate borrowings existing at year end not covered by interest rate swaps would have resulted in an increase in loss before taxes of €5,960 thousand.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations related to a financial instrument or a commercial contract, thus leading to a financial loss. The Company is exposed to credit risk deriving from its operating activities, primarily for trade receivables and from its financial assets, such as cash on bank accounts or deposits with banks and financial institutions. At each balance sheet date, an analysis is carried out on the need for an impairment of trade and other financial receivables according to provisions set out by IFRS 9. The maximum exposure to credit risk at the reporting date is the book value of trade and other financial receivables.

Trade and other financial receivables are significantly concentrated among a limited number of key clients, which heightens the potential impact of default by any of these counterparties. At December 31, 2024 the amount of financial assets deemed to be of uncertain recoverability is not significant and is covered by the allowance for doubtful accounts.

The following table provides the aging of trade and other financial receivables:

At December 31, 2024	Current	Overdue between 1-90 days	Overdue between 91-180 days	Overdue between 181-365 days	More than 365 days past due	Total
Gross carrying amount	1,041,222	73,359	41,759	25,585	15,641	1,197,566
Loss allowance	(10,307)	(3,320)	(4,181)	(4,491)	(13,726)	(36,025)

Liquidity risk

Liquidity risk is the risk that financial resources will not be sufficient to meet financial and commercial obligations in accordance with established terms and deadlines. The Company monitors the risk of a shortage of funds using specific planning activities in order to maintain a balance between continuity of funding and the use thereof.

The following tables summarize the main Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

At December 31, 2024 <i>(in € thousand)</i>	Within 1 year	1-5 years	Over 5 years	Total contractual cash flow	Carrying amount
Bonds and Notes	294,420	4,129,855	3,765,357	8,189,632	5,762,795
Bank borrowings	236,959	5,640,806	-	5,877,765	4,562,129
Lease liabilities	375,413	1,130,425	842,994	2,348,832	1,962,982
Derivative financial instruments	-	87,814	28,620	116,434	116,434
Trade payables	2,138,902	-	-	2,138,902	2,138,902
Total	3,045,694	10,988,900	4,636,971	18,671,565	14,543,242

At December 31, 2023 <i>(in € thousand)</i>	Within 1 year	1-5 years	Over 5 years	Total contractual cash flow	Carrying amount
Bank borrowings	831	1,500,000	-	1,500,831	1,492,094
Lease liabilities	3,094	2,444	-	5,538	5,539
Trade payables	777,301	-	-	777,301	777,301
Other financial payables	1,301	2,117,300	-	2,118,601	2,081,628
Total	782,527	3,619,744	-	4,402,271	4,356,562

⁽¹⁾ Total contractual cash flow includes principal interests and excludes the effects of hedging

In order to mitigate the liquidity risk, the Company aims to maintain an adequate level of financial flexibility, in terms of cash and syndicated committed credit lines, enabling it to cover refinancing requirements at least for the next 12-18 months.

At December 31, 2024 and 2023, to meet its short-term obligations, the Company reported cash and cash equivalents amounting to €996,960 thousand and €151,905 thousand, respectively.

In addition, at December 31, 2024 and 2023 the Company had committed credit lines available as detailed below:

<i>(in € thousand)</i>	Currency	Maturity	At December 31, 2024		At December 31, 2023	
			Agreed	Drawn down	Agreed	Drawn down
Revolving Credit Facility (RCF)	€	June 27, 2029	2,000,000	-	-	-
Facility Agreement B	€	March 2028	-	-	3,900,000	617,300
Facility Agreement C	€	March 2028	-	-	150,000	-
Total			2,000,000	-	4,050,000	617,300

The RCF accrues interest based on a base rate, which depends on the currency in which the loan is drawn, plus a variable spread that changes over time from 225bps to 350bps.

29. Related parties' disclosure

The related parties of the Company are all entities and individuals, including their close family members, capable of exercising control, joint control or significant influence over the Company. Related parties include the current Company's sole shareholder, Optics HoldCo, and its subsidiaries as well as Optics HoldCo shareholders and their respective subsidiaries. Related parties also include members of the BoD and executives with strategic responsibilities, as well as their families and entities controlled by them, to the extent capable of exercising control, joint control or significant influence over the Company.

The transactions with related parties were carried out on commercial terms that are normal in the respective markets, considering the characteristics of goods or services involved.

During the year ended December 31, 2024, the Company incurred expenses in connection to the transaction and related advisory activities provided by related parties or in the interest of related parties amounting to €37 million.

The following tables summarize transactions, other than those incurred in connection with the transaction, with related parties, for the year ended December 31, 2024 and 2023 and balances at December 31, 2024 and 2023:

(in € thousand)	For the year ended December 31,					
	2024					
	Revenues	Cost of goods and services*	Personnel costs	Other operating income/(expenses)	Financial income/(expenses)	
						Revenues
Company shareholders, companies controlled by the Company shareholder or its shareholders and other related parties						Cost of goods and services
Parent Shareholders ⁽¹⁾	-	(7,400)	-	-	-	-
EnerNet group ⁽³⁾	528	(153,885)	-	501	2,089	-
TIM ⁽²⁾	600,256	(86,996)	(5)	(4,505)	(83,412)	1,220,359
Other	-	-	(201)	-	-	(163,323)
Total transactions with related parties	600,784	(248,281)	(206)	(4,004)	(81,323)	1,220,359
Total for the Company	2,577,200	(824,054)	(412,620)	(9,862)	(516,682)	1,450,990

* Also includes restructuring and transaction related costs

(in € thousand)	At December 31,					
	2024					
	Non-current assets	Current assets	Non-current liabilities	Current liabilities		
Company shareholders, companies controlled by the Company shareholder or its shareholders and other related parties						
Parent Shareholders ⁽¹⁾	-	-	-	7,400	-	-
EnerNet group ⁽³⁾	-	27,585	-	(50,567)	-	-
TIM ⁽²⁾	213,371	522,636	2,348,447	1,003,032	195,223	-
Other	-	-	-	127	-	-
Total transactions with related parties	213,371	550,221	2,348,447	959,992	195,223	-
Total for the Company	25,778,998	2,359,835	16,125,070	3,112,659	9,991,454	-

(1) Relates to advisory services which mainly include general management consulting services.

(2) Includes transactions with TIM and its subsidiaries or its shareholders, prior to the completion of the Business Combination (see note 5 for additional details on the nature of these transactions).

(3) Relates to transactions with EnerNet S.r.l. ("EnerNet") and Telenergia, which provide energy services and solutions for energy efficiency and renewable energy.

Key Management

The relationships with key management primarily relate to the remuneration of executives with strategic responsibilities and the compensation of the members of the BoD. The remuneration of key management for the years ended December 31, 2024, amounted to €6,182 thousand.

30. Other information

Commitments and guarantees

The guarantees provided to third parties by Fibercop, amounted to €920 million, provided by financial institutions or by insurers, as a guarantee of the proper performance of contractual obligations. More specifically, we report:

- insurance guarantees mainly referred to performance bonds provided by Fibercop in applying legal provisions for contracts of public administrations and similar bodies, which totaled €468 million;
- bank guarantees related to real estate, contracts with public administrations and similar institutions and for the purchase of energy which totaled €451 million;
- insurance and bank guarantees issued in favor of Infratel over the advances of contributions under the NRRP which represented a total exposure of €551 million for insurance guarantees in relation to the “Italia 1 Giga” plans (lots 3, 4, 11, 14 and 15) and “Italia 5G Backhauling” plans (lots 1, 2, 3, 4, 5 and 6) and a total exposure of €208 million for bank guarantees in relation to the “Italia 1 Giga” plans (lots 1 and 5).

Litigations

The Company is involved in several litigations, immaterial both on standalone basis and in the aggregate, regarding surface rights of poles pertaining the aerial network. A specific provision is recognized in the financial statements to cover those litigations for which the outcome of losses is deemed probable.

Regarding the investigation initiated by the Italian Competition Authority (AGCM) in December 2024 (case I874), in which the Authority launched an inquiry under Article 14 of Law No. 287/1990 against FiberCop and TIM to assess potential violations of Article 101 of the TFEU concerning the compatibility of the MSA (Master Services Agreement) with antitrust law: the MSA takes into account issues previously raised by the European Commission regarding the approval decision of the Optics Transaction. The competitive issues related to this have been extensively discussed in the Management Report, to which reference is made to. At the present stage, considering the early phase of the proceeding, it has not been possible to assess the related outcome.

Government Grants

Under Italian Law 124/2017, companies are required to disclose information regarding subsidies, contributions, paid assignments and any economic benefits received from Italian public administrations. The Company did not cash-in any contributions during 2024. In the context of the Ramo Contribution by TIM, FiberCop became the owner of the NRRP advance payment made by Infratel to TIM, amounting to €706 million and referring to Italia 1 Giga and 5G backhauling tenders.

Directors' and statutory auditors' compensation

The table below summarizes the compensation due to directors and statutory auditors for the years ended December 31, 2024 and 2023 by the Company:

<i>(in € thousand)</i>	For the year ended December 31,	
	2024	2023
Directors	757	500
Statutory auditors	164	140
Total	921	640

Audit fees

The following table summarizes the fees of EY S.p.A. for the audit of the Financial Statements and other audit and review services.

<i>(in € thousand)</i>	For the year ended December 31,	
	2024	2023
Audit of the Financial Statements	1,335	482
Other	840	229
Total	2,175	711

Other mainly includes the review of the interim financial statement, opinion on the Reverse Merger plan pursuant to article 2501-bis of the Italian Civil Code and other audit-related services provided in the context on the Ramo Contribution pursuant to articles 2441 and 2437-ter of the Italian Civil Code.

Information on the entity exercising management and coordination activities

The Company is subject to management and coordination activities by Optics HoldCo headquartered in Milan - Via Marco Aurelio, 24.

Optics HoldCo, Fibercop's parent entity, was established in October 2023 and therefore has not yet approved its first statutory financial statements at and for the period ended December 31, 2024. Consequently, the essential data of the company is not yet available for inclusion in the summary paragraph required under Article 2497-bis of the Italian Civil Code.

31. Subsequent events

No events requiring changes to the figures approved occurred between the reporting date of these Financial Statements and the date of their approval by the BoD.

Proposals for the allocation of the loss for the year

The Financial Statements for the year ended December 31, 2024, show a loss of €190,553,084, share capital of €17,835,900 and equity of €8,901,104,268.

Based on these results, the BoD proposes to:

- Approve the Financial Statements as of December 31, 2024; and
- Carry forward the loss for the year of €190,553,084.

Rome, March 18, 2025

For the Board of Directors
The Chairman and Chief Executive Officer

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 (Translation from the original Italian text)

To the Sole Shareholder of
FiberCop S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FiberCop S.p.A. (the Company), which comprise the statement of financial position as at December 31, 2024 and the statement of income, the statement of comprehensive income/ (loss), the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including material accounting policies information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter paragraph

We draw attention to the paragraph "Contents and Structure of the Financial Statements" included in note 2 of the notes to the financial statements, which describes the reasons for which the Directors have reclassified the comparative data of the statement of financial position, the income statement, and the cash flow statement for the year ended December 31, 2023. Our opinion is not modified in respect of this matter.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on compliance with other legal and regulatory requirements

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-bis) and e-ter) of Legislative Decree n. 39 dated 27 January 2010

The Directors of FiberCop S.p.A. are responsible for the preparation of the Management Report of FiberCop S.p.A. as at December 31, 2024, including its consistency with the related financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Management Report, with the financial statements;
- express an opinion of the compliance with the laws and regulations of the Management Report;
- issue a statement on any material misstatement in the Management Report.

In our opinion, the Management Report is consistent with the financial statements of FiberCop S.p.A. as at December 31, 2024.

Furthermore, in our opinion, the Management Report complies with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Turin, March 26, 2025

EY S.p.A.

Signed by: Ettore Abate, Auditor

This report has been translated into the English language solely for the convenience of international readers.

**Audited Combined Carve Out
Financial Information of NetCo
as at 31 December 2023 and 2022**

COMBINED CARVE OUT STATEMENTS OF FINANCIAL POSITION

(million euros)	Notes	12/31/2023	12/31/2022
Non-current assets			
Goodwill	3)	—	—
Intangible assets with a finite useful life	3)	239	241
Property, plant and equipment owned	4)	9,720	9,252
Rights of use assets	5)	2,537	2,394
Other non-current assets		—	—
Other non-current financial assets		80	19
Miscellaneous receivables and other non-current assets	6)	525	541
Deferred tax assets	7)	65	50
Total Non-current assets	(a)	13,166	12,497
Current assets			
Inventories	8)	43	32
Trade and miscellaneous receivables and other current assets	9)	866	774
Current financial assets		276	116
Total Current assets	(b)	1,185	922
Total Assets	(a+b)	14,351	13,419

(million euros)	Notes	12/31/2023	12/31/2022
Non-current liabilities			
Non-current financial liabilities for financing contracts and others	10)	3,571	3,023
Non-current financial liabilities for lease contracts	10)	2,075	1,910
Employee benefits	12)	305	317
Deferred tax liabilities	7)	20	17
Provisions	13)	223	219
Miscellaneous payables and other non-current liabilities	14)	582	575
Total Non-current liabilities	(c)	6,776	6,061
Current liabilities			
Current financial liabilities for financing contracts and others	10)	13	55
Current financial liabilities for lease contracts	10)	253	301
Trade and miscellaneous payables and other current liabilities	15)	1,951	1,676
Income tax payables		2	11
Total Current Liabilities	(d)	2,219	2,043
Total Liabilities	(e=c+d)	8,995	8,104
Invested capital	(f)	5,356	5,315
Total Liabilities and Invested capital	(e+f)	14,351	13,419

COMBINED CARVE OUT INCOME STATEMENT

(million euros)	Notes	Year 2023	Year 2022
Revenues	16)	2,119	1,896
Other income	17)	92	99
Total operating revenues and other income		2,211	1,995
Acquisition of goods and services	18)	(833)	(826)
Employee benefits expenses	19)	(1,041)	(1,056)
Other operating expenses	20)	(99)	(95)
Change in inventories		20	10
Internally generated assets		204	217
Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)		462	245
Depreciation and amortization	3-4-5)	(1,573)	(1,535)
Gains (losses) on disposals of non-current assets		—	—
Operating profit (loss) (EBIT)		(1,111)	(1,290)
Other income (expenses) from investments		—	—
Finance income	21)	4	—
Finance expenses	21)	(340)	(239)
Profit (loss) before tax		(1,447)	(1,529)
Income tax expense	7)	(164)	(182)
Profit (loss) for the year		(1,611)	(1,711)

NOTE 1

GENERAL INFORMATION

During the meeting held on July 6, 2022, the Board of Directors of TIM S.p.A. approved the strategic objective of reorganizing the Group in Italy with a view to overcoming the vertical integration and conferred a mandate on the CEO to assess and submit to the administrative body for all necessary resolutions, any transactions or possible transfer and valuation agreements for certain Group assets, with a view to achieving this strategic objective.

On November 3, 4 and 5, 2023, the Board of Directors of TIM S.p.A., at the outcome of an extensive and thorough examination, conducted with the assistance of leading financial and legal advisors, examined and accepted the binding offer submitted on October 16, 2023 by Kohlberg Kravis Roberts & Co. L.P. ("KKR") for the acquisition of TIM's fixed network assets (the so-called "**NetCo**" perimeter and hereinafter also referred as the "**NetCo business**"), by Optics BidCo (a subsidiary of KKR and with additional investor Azure Vista, a wholly owned subsidiary of Abu Dhabi Investment Authority).

In execution of the resolutions adopted, TIM S.p.A. signed the Transaction Agreement ("**TA**") relating to NetCo with Optics BidCo which regulates the followings steps (collectively "**The Transaction**"):

- the contribution by TIM S.p.A. of a business unit - consisting of activities relating to the primary network, wholesale activity and the entire shareholding in the subsidiary Telenergia S.r.l. - in FiberCop S.p.A., a company that already manages the activities relating to the network secondary fiber and copper, and
- the simultaneous purchase by Optics BidCo of the entire shareholding held by TIM S.p.A. in FiberCop S.p.A. itself, following the aforementioned transfer (FiberCop post transfer of the business unit).

The transaction agreement provides that on the closing date a Master Services Agreement ("**MSA**") will be signed which will regulate the terms and conditions of the services that will be provided by NetCo to TIM S.p.A. following the completion of the transaction, which effects have not been reflected in the present document.

The completion of the transaction is expected in the summer of 2024, once the preliminary activities have been completed and the conditions precedent have been satisfied (completion of the transfer of the primary network, Antitrust authorization, authorization regarding distortive foreign subsidies); the Golden Power authorization was received, as per the press release issued on January 17, 2024.

For the purpose of completing the transaction, this special purpose combined financial statements (the combined carve out financial information) has been prepared for the purpose of preparing the documentation to be included in the Exchange Offering Memorandum. The historical data have been extracted from the audited general purpose financial statements of the TIM Group for the years ended 31 December 2023 and 2022.

It should be noted that:

- up to the effective date of the Transaction, NetCo never operated independently as a separate entity;
- it does not constitute an operating segment within the TIM Group pursuant to IFRS 8 - Operating segments;
- the carve-out entity includes only the business that will form the basis for the Transaction, as agreed between the parties, which may differ from the activities that were part of the business in the periods presented;
- revenues, other than those from third parties, cannot be identified separately in the overall revenue of the TIM Group;
- some categories of historical costs could have been identified only on the basis of various and complex assumptions which would have rendered the calculation difficult and highly subjective;
- the financial information presented are not representative of how NetCo would have performed had it operated as a separate entity and are not indicative of NetCo's future performance.

The NetCo Combined Carve-out Financial Information do not reflect the impact of any changes to the income statements and statement of financial position that might occur as a result of purchase accounting adjustments to be applied as a result of the Transaction by the acquiring entity.

The combined statement of cash flow, the combined statement of changes in net invested capital and the combined statement of comprehensive income have not been prepared because are not suitable to provide any useful information to the users of the present document considering the purpose of this financial information as described below.

NetCo business overview

NetCo's business spans a comprehensive range of activities over its fixed-line network, leveraging broadband and ultrabroadband technologies. NetCo offers connectivity services (for voice and data related services) to telecommunications operators, develops fiber optic networks for wholesale clients and provides active access services and associated equipment to its primary and secondary networks. In addition to these services, NetCo manages the maintenance and repair of its fixed-line network infrastructure and the care of related offices and buildings, as well as the provision of network engineering functions.

NetCo's network infrastructure consists of two main components: the backbone and the access networks. The backbone consists mainly of optical fibers and transport nodes. The access network is split in two sections, primary and secondary access networks, and consists of copper cables, optical cables and access nodes.

NetCo is expected to generate certain revenues and incur certain costs following the Transactions (or when run as an independent business), including but not limited to the following:

- **Revenues from public administrations** related to the access point, for both regulated and non-regulated wholesale services;
- **Revenues from other OLOs** mainly related to access rental, delivery & activation services for traditional and advanced connectivity, ordinary repair and maintenance of fixed network, network related office, interconnection costs related to traditional voices;
- **Revenues from TIM Domestic ServCo¹** mainly related to access rental, delivery & activation services for traditional and advanced connectivity, ordinary repair and maintenance of fixed network, network related office, office building and energy consumption, network engineering, interconnection costs related to traditional voices, based on the conditions set in the Master Services Agreement - MSA whose impacts are not reflected in the present document;
- **Costs** related to both fiber and copper network activation and maintenance activities, ultrabroadband circuit expansion and maintenance activities, infrastructure maintenance;
- **Costs towards TIM Domestic ServCo** related to the use and hosting in data centers, security services and ICT services, based on the conditions set in the MSA whose impacts are not reflected in the present document.

Financial information formats

The financial information formats adopted are consistent with those indicated in IAS 1. In particular:

- the Carve Out **Combined Statements of Financial Position** have been prepared by classifying assets and liabilities according to the "current and non-current" criterion;
- the Carve Out **Separate Combined Income Statement** has been prepared by classifying operating costs by nature of expense.

NOTE 2

SUMMARY OF THE CARVE OUT CRITERIA AND ACCOUNTING POLICIES ADOPTED FOR THE PREPARATION OF THE FINANCIAL INFORMATION

Basis for preparation

The NetCo combined carve out financial information for the year 2023 and 2022 have been prepared on a going concern basis.

The NetCo combined carve out financial information have been extracted from the 2023 and 2022 TIM Group Consolidated Financial Statements which were prepared in accordance with the International Accounting Standards, meaning all applicable "International Financial Reporting Standard", all applicable "International Accounting Standard" (IAS), all applicable interpretations of the "International Financial Reporting Interpretations Committee" (IFRIC), previously called "Standing Interpretations Committee" (SIC) which were subject to approval by the European Union pursuant to the procedure set out in Regulation (EC) no. 1606/2002 of the European Parliament and of the European Council of July 19, 2002 (hereinafter "**IFRS**"), and with the application of the specific carve-out criteria illustrated below.

The carve-out entity includes only the business that will form the basis for the Transaction, as part of the Transaction Agreement agreed between the parties, including an allocation of TIM's indirect structure costs. In particular, the elements of the statement of financial position, as well as the revenues and costs have been allocated, where possible and applicable, using the various methodologies detailed below.

As a result the carve-out entity may differ from the activities that were part of the business in the periods presented and therefore these carve-out financial statements are not general purpose and may not be suitable for another purpose.

This document includes the combined income statements and statement of financial position and the accompanying notes thereto of NetCo as of and for the year ended December 31, 2023, including comparative figures as of and for the year ended December 31, 2022 (the "**NetCo Combined carve out Financial Information**"), which have been prepared using the recognition and measurement criteria set forth in the accounting standards applied in preparing the 2023 TIM Group Consolidated Financial Statements.

The combined statement of cash flow, the combined statement of changes in net invested capital and the combined statement of comprehensive income have not been prepared because are not suitable to provide any useful information to the users of the present document considering the purpose of this financial information as described above.

¹ TIM Domestic ServCo includes the Domestic perimeter of TIM Group after the reorganization process, focused on commercial activities in Enterprise market and fixed and mobile commercial activities in Consumer and Small and Medium Business retail market.

The NetCo combined carve out financial information were prepared in euros, which is the currency of the prevailing economic environment in which the business is conducted. All amounts included in this document are presented in millions of euros, unless otherwise indicated.

The NetCo combined carve out financial information consist of:

- The business constituted by activities relating to TIM's fixed primary network (hereinafter "NetCo ramo carve out", or "NetCo Business")
- FiberCop S.p.A.
- Telenergia S.r.l.

Allocation criteria for the combined carve out financial information

The preparation of the NetCo ramo carve out financial information (i.e., the TIM fixed primary network), used for the purpose of the NetCo combined carve out financial information, required the use of certain allocation criteria as described below.

Financial information related to FiberCop S.p.A. and Telenergia S.r.l. were extracted from the historical financial information prepared by these entities for their inclusion in the consolidated financial statements of TIM Group; consequently, no allocation criteria were necessary.

Combined carve out Statement of Financial Position

As aforementioned, for the purpose of the NetCo combined carve out Statement of Financial Position, the financial figures related to FiberCop S.p.A. and Telenergia S.r.l. were the respective historical individual financial information, while for the NetCo ramo carve out financial information, the assets and liabilities included in the combined carve out financial information as of December 31, 2023 and 2022 were attributed to the NetCo perimeter based on the following criteria:

- assets and liabilities directly attributable to the NetCo perimeter were identified based on their nature, asset class and technical analysis (e.g. fixed assets related to the primary network, employee liabilities related to personnel employed and fully dedicated to the primary network business),
- assets and liabilities not directly attributable to the NetCo perimeter were allocated by using allocation drivers.

With specific reference to the assets and liabilities not directly attributable, the main allocation driver was the Full Time Equivalent ("FTE") contributed to the perimeter, except for mixed-use software that were allocated by using a percentage estimated by TIM engineering department.

In more details, with specific reference to the NetCo ramo carve out financial information included in the NetCo combined carve out financial information, the following allocation criteria have been adopted:

- **Goodwill:** for the purpose of the preparation of NetCo combined carve out financial information, no Goodwill has been allocated to the carve-out business. The NetCo combined carve out financial information does not consider any allocation of goodwill on NetCo and any adjustment as resulting from the purchase accounting process to be applied by the acquiring entity as a consequence of the Transaction;
- **PP&E and intangible assets:** this class of assets includes mainly primary network (copper and fiber), underground and submarine cables, all real estate assets except for data centers, patents and intellectual property rights; such assets have been allocated primarily with a line-by-line direct allocation for the items 100% referable to the NetCo business based on the asset class or through a specific technical analysis, while a portion of such assets has been allocated based on the following drivers: FTE contributed to the perimeter and, for mixed-use software only, a percentage estimated by TIM engineering department;
- **Rights-of-Use assets:** this class of assets is the result of an allocation made primarily on a with a line-by-line basis (direct allocation) for the items 100% referable to the primary network business (mainly lands, buildings and software); for rights-of-use related to vehicles, the allocation has been made based on the FTE contributed to the perimeter;
- **Inventories:** the allocation has been made considering the nature of the technical equipment dedicated and used to conduct the infrastructure transferred to the perimeter (i.e., direct allocation without using any driver);
- **Trade receivables and Trade payables:** the allocation is based on the nature of such receivables/payables (e.g. wholesale business), with the exclusion of certain items as defined within the Transaction Agreement (i.e., trade receivables overdue by more than 365 days, including their related credit notes and bad debt provision and trade payables overdue by more than 365 days that involve suppliers who are also customers having overdue receivables by more than 365 days); VAT payables and receivables were not considered; bad debt provision has been allocated consistently with the allocation of the related trade receivables;
- **Other assets and liabilities:** the allocation is based on the nature of such assets/liabilities (e.g. deferred activation costs and deferred revenues related to the perimeter);
- **Provisions:** as defined within the Transaction Agreement, only the provision related to the asset retirement obligation has been allocated and includes the present value of the expected costs of dismantling/restoring the premises that are part of the perimeter. Based on definition agreed in the Transaction Agreement, certain provisions have been excluded from the carve-out perimeter although related to the NetCo business. Those items include in particular some personnel provision, some provision accrual, some bad debt provision;
- **Provisions for employee benefits:** it has been allocated primarily based on FTE dedicated to the perimeter;

- **Deferred tax assets and liabilities:** the allocation has been based on the assets/liabilities included in the carve-out perimeter, except for DTA of Telenergia relate to losses carried forward that have been excluded from the perimeter according to the TA's definition.

The NetCo combined carve out financial information does not include costs and payables related to the employees terminated in past years, including 2022 and 2023, as a result of the restructuring plans. Also, the NetCo combined carve out financial information does not include any amounts related to the advance payments received by the TIM Group at the end of 2023, related to NRRP within the framework of the tenders for the Italia 1 Giga Plan and the Italia 5G Backhauling Plan nor any guarantees required to be issued in case of advance payments attributable in relation to those tenders.

The Carve-out Financial Statements of the NetCo business are prepared on a carve-out basis from financial information of the Parent. All amounts presented relate to companies or the relevant portions of companies which are directly or indirectly controlled by the Parent; all intercompany accounts within the NetCo business and transactions within the NetCo business are eliminated.

For the purpose of the preparation of NetCo combined carve out financial information, no financial liabilities for financing contracts and others have been allocated to the NetCo business, except for the portion related to the right of used assets allocated to the NetCo business, accounted in accordance with IFRS16.

The "Invested Capital" of the NetCo business represents the net Investment of the Parent in the business. The Parent's historical retained earnings and accumulated other comprehensive income related to the NetCo business are included within "Invested capital" as separate presentation would not be meaningful.

Combined carve out Income Statement

As aforementioned, for the purpose of the NetCo combined carve out Income Statement, the financial figures related to FiberCop S.p.A. and Telenergia S.r.l. were the respective historical individual financial information prepared for their inclusion in the consolidated financial statements of the TIM Group, while for the NetCo ramo carve out financial information, the profit and loss captions included in the combined carve out financial information as at December 31, 2023 and 2022 were attributed to the NetCo perimeter based on certain criteria described below:

- **Revenues:** revenues from other licensed operators (OLOs) can be identified separately in the overall revenues of TIM and, therefore, the determination of the amount attributable to the NetCo ramo carve out did not entail the use of any allocation criteria. As such, revenues related to the NetCo ramo carve out refer to wholesale revenues from access to copper and fiber network towards OLOs. Revenues other than those from OLOs cannot be allocated since the current contracts in place with customers do not explicitly distinguish the portion related to or attributable to the network access, delivery & activation services for traditional and advanced connectivity, ordinary repair and maintenance of fixed network, energy consumption, network engineering and interconnection costs related to traditional voice services. Therefore, the revenues associated with the activities carried out by the NetCo perimeter for the years 2022 and 2023 have not been presented for the purposes of preparing the combined carve out financial information.
- **Costs:** costs for the purchase of materials and services, employee benefits expenses and other operating costs that can be promptly identified and directly attributable to the NetCo perimeter have been included in the combined carve out financial information without the use of any driver/allocation criteria; however, in circumstances where an allocation parameter was deemed more appropriate, the FTE contributed to the NetCo perimeter has been used as driver.
- **Depreciation and amortization:** the allocation has been made consistently with the criteria set out for PP&E and Intangible assets.
- **Internally generated assets:** these items were derived on the basis of the relevant internally generated asset class allocated to the perimeter.
- **Income taxes:** the NetCo ramo carve out shows a net loss for both years 2023 and 2022 and as such no current and deferred taxes have been recognized.

Below is the detail of the allocations through drivers on Income Statements. Please note that such allocations entirely refer to NetCo ramo carve out.

Profit & Loss NetCo Carve out by allocation				
(million euros)	FY 2023		FY 2022	
	NetCo Combined	of which Driver-allocated	NetCo Combined	of which Driver-allocated
Revenues	2,119	43	1,896	38
Other income	92	10	99	6
Total operating revenues and other	2,211	53	1,995	44
Acquisition of goods and services	(833)	(104)	(826)	(113)
Employee benefit expenses	(1,041)	—	(1,056)	(2)
Internally generated assets	204	—	217	—
Other expenses	(79)	(31)	(85)	(29)
EBITDA	462	(82)	245	(100)
Depreciation and amortization	(1,573)	(12)	(1,535)	(13)
EBIT	(1,111)	(94)	(1,290)	(113)

Net financial charges and income taxes were directly allocated without using any drivers.

The allocations through drivers on Balance sheets refer to tangible assets for 24 million euros in 2023 and 25 million euros in 2022 (on a total amount of approximately of 9,720 million euros in 2023 and 9,252 million euros in 2022) and are related to NetCo ramo carve out.

Accounting policies for the combined carve out financial information

Intangible assets

Goodwill

In accordance with IFRS 3 (Business Combinations), goodwill will be recognized in the NetCo combined carve out financial information at the acquisition date (including through mergers or contributions) of companies or business units and will be calculated as the difference between the consideration paid (measured in accordance with IFRS 3, generally determined on the basis of the fair value at the acquisition date) and the fair value at the acquisition date of the identifiable assets acquired net of the identifiable liabilities assumed.

As mentioned above, for the purpose of the preparation of NetCo combined carve out financial information, no Goodwill has been allocated to the carve out business. The NetCo combined carve out financial information does not consider any allocation of goodwill on NetCo and any adjustment as resulting from the purchase accounting process to be applied by the acquiring entity as a consequence of the Transaction. The exercise to determine the fair value of the net assets acquired will be carried out only after the Acquisition Closing Date.

Development costs

Costs incurred internally for the development of new products and services represent either intangible assets (mainly costs for software development) or tangible assets. These costs are capitalized only when all the following conditions are satisfied: i) the cost attributable to the development phase of the asset can be measured reliably, ii) there is the intention, the availability of financial resources and the technical ability to complete the asset and make it available for use or sale, and iii) it can be demonstrated that the asset will be able to generate future economic benefits. Capitalized development costs comprise only incurred expenditures that can be attributed directly to the development process for new products and services.

Capitalized development costs are depreciated/amortized systematically over the estimated product or service life, so that the depreciation/amortization method reflects the way in which the asset's future economic benefits are expected to be consumed by the entity.

Other intangible assets with a finite useful life

Other purchased or internally-generated intangible assets with a finite useful life are recognized as assets, in accordance with IAS 38 (Intangible Assets), when the use of the asset is likely to generate future economic benefits and when the cost of the asset can be reliably measured.

Such assets are recorded at purchase or production cost and amortized on a straight-line basis over their estimated useful lives; the amortization rates are reviewed annually and revised if the current estimated useful life is different from that estimated previously. The effect of such changes is recognized prospectively in the separate combined income statement.

Tangible assets

Property, plant and equipment

Property, plant and equipment are recognized at purchase or production cost. Subsequent expenditures are capitalized only if they increase the future economic benefits embodied in the related item of property, plant and equipment. All other expenditures are recognized in the separate combined income statement as incurred.

The cost of these assets also includes the expected costs of dismantling the asset and restoring the site, if a legal or constructive obligation exists. The corresponding liability is recognized at its present value in a provision for risks and charges in the liabilities. The recognition in the separate combined income statement of the capitalized expenditure is done over the useful life of the related tangible assets through their depreciation.

The calculation of estimates for dismantling costs, discount rates and the dates in which such costs are expected to be incurred is reviewed annually at each financial year-end. Changes in the above liability must be recognized as an increase or decrease of the cost of the related asset; the amount deducted from the cost of the asset must not exceed its carrying amount. The excess, if any, is recorded immediately in the separate combined income statement, conventionally under the line item "Depreciation and Amortization".

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

Depreciation rates are reviewed annually and revised if the current estimated useful life is different from that estimated previously. The effect of such changes is recognized prospectively in the separate combined income statement.

Land, including land pertaining to buildings, is not depreciated.

Rights of use assets

In accordance with IFRS 16, lease liabilities are presented through the recognition of a financial liability in the statement of financial position consisting in the present value of future lease payments, against the recognition of the right of use of the leased asset.

On the commencement date of the lease, the right of use is recognized at cost including: the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, initial direct costs incurred for the signature of the lease and the present value of the estimated restoration and dismantling costs set out in the lease, less any incentives.

Subsequently, the right of use is amortized over the term of the lease (or the useful life of the asset, if lower), subject to impairment and adjusted for any remeasurement of the lease liability.

Consistent with TIM Group accounting policies, NetCo has attracted, under the scope of application of IFRS 16, if the criteria and the requirements laid down by the standard are met, the contract concerning the spectrum of transmission frequencies on optic fiber carriers. This approach is functional to the very innovative specificity of these types of contract, concerning hardware infrastructure and optical transmission.

Capitalized borrowing costs

Under IAS 23 (*Borrowing Costs*), NetCo capitalizes borrowing costs only if they are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time (conventionally more than 12 months) to get ready for its intended use or sale.

Capitalized borrowing costs are recorded in the separate combined income statement and deducted directly from the "finance expenses" line item to which they relate.

Impairment of intangible, tangible and rights of use assets

Tangible and intangible assets with finite useful lives and rights of use assets

At the end of each reporting period, NetCo assesses whether there is any indication that an asset – whether intangible or tangible with finite useful lives or a right of use – may be impaired. Both internal and external sources of information are used for this purpose. Internal sources include obsolescence or physical deterioration, and significant changes in the use of the asset and the operating performance of the asset compared to estimated performance. External sources include the market value of the asset, any changes in technology, markets or laws, trends in market interest rates and the cost of capital used to evaluate investments.

If there is any indication that an asset – whether tangible or intangible with finite useful lives or a right of use – has been impaired, then its carrying amount is reduced to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value in use. In calculating the value in use, the estimated future cash flows are discounted to present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or right. If it is not possible to estimate the recoverable amount, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment losses are recognized in the separate combined income statement.

When the reasons for the impairment subsequently cease to exist, the carrying value of the asset/right-of-use or of the cash generating unit is increased up to the new estimate of the recoverable amount which, however, cannot exceed the amount that would have been determined had no impairment loss been recognized. The reversal of an impairment loss is recognized as income in the separate combined income statement.

Financial instruments

Cash and cash equivalents

Cash and cash equivalents are recorded, according to their nature, at nominal value or amortized cost.

Cash equivalents are short-term and highly liquid investments that are readily convertible to known amounts of cash, subject to an insignificant risk of change in value and their original maturity or the remaining maturity at the date of purchase does not exceed 3 months.

Impairment of financial assets

At every closing date, assessments are made as to whether there is any objective evidence that a financial asset or a group of financial assets has been impaired.

The impairment of financial assets is based on the expected credit loss model.

In particular, impairment on trade receivables and on contract assets is carried out using the simplified approach that involves estimating the loss expected over the life of the receivable at the time of initial recognition and on subsequent measurements. For each customer segment, the estimate is principally made by calculating the average expected uncollectibility, based on historical and statistical indicators, possibly adjusted using forward-looking elements. For some categories of receivables characterized by specific risk elements, specific measurements are made on individual credit positions.

Financial liabilities

Financial liabilities include financial payables, including payables for advances on assignments of receivables where the assignment does not transfer substantially all the risks and rewards, as well as other financial liabilities, and liabilities in respect of assets recognized under finance leases recognized in accordance with IFRS 16.

In accordance with IFRS 9, they also include trade and other payables.

Reverse factoring transactions are also classified under trade payables. NetCo has reverse factoring agreements in place through which it gives its bank partners a mandate to pay its suppliers as invoices become due. Suppliers participating in these programs have the rights to sell (without any cost for NetCo) receivables

due from NetCo. They can exercise this right at their total discretion and incurring all the costs to benefit from collection before the contractual due date.

Financial liabilities are initially recognized at fair value and subsequently measured at amortized cost.

Transfer of receivables

NetCo transfers receivables through factoring and securitization agreements. These transfers, in the majority of cases, are characterized by the transfer of substantially all the risks and rewards of ownership of the receivables to third parties, therefore meeting the requirements of IFRS 9 for derecognition. Special service agreements, under which the purchasers grant NetCo a mandate to oversee the collection and management of receivables, have been entered into to maintain the relationship between NetCo and its customers.

Inventories

Inventories are measured at the lower of purchase or production cost and estimated realizable value; the cost is determined using the weighted average cost formula for each movement, while the estimated realizable value is determined by observing general prices at the end of the year. Provision is made for obsolete and slow-moving inventories based on their expected future use and estimated realizable value.

Employee benefits

Provision for employee severance indemnity

Employee severance indemnity, mandatory for Italian companies pursuant to Article 2120 of the Italian Civil Code, is deferred compensation based on the employee's years of service and on the compensation earned by the employee during the service period.

Under IAS 19 (Employee Benefits), the employee severance indemnity as calculated is considered a "Defined benefit plan" and the related liability recognized in the statement of financial position (Provision for employee severance indemnities) is determined by actuarial calculations.

The remeasurements of actuarial gains and losses are recognized in other components of the Statements of Comprehensive income. Service cost of Italian companies that employ less than 50 employees, as well as interest expenses related to the "time value" component of the actuarial calculations (the latter classified as Finance expenses), are recognized in the separate combined income statement.

Starting from January 1, 2007, the Italian Law gave employees the choice to either allocate their accruing indemnity to supplementary pension funds or it as an obligation of NetCo. Companies that employ at least 50 employees must transfer the employee severance indemnity to the "Treasury fund" managed by INPS, the Italian Social Security Institute. Consequently, the Group's obligation to INPS and the contributions to supplementary pension funds take the form, under IAS 19, of "Defined contribution plans".

Provisions

NetCo records provisions for risks and charges when, having a current legal or constructive obligation to a third party, as a result of a past event, an outflow of NetCo resources is likely to be required to meet that obligation, and when the amount of the obligation can be estimated reliably. Provisions for risks and charges also include those established in the event that the company should stipulate contracts that thereafter became onerous, the non-discretionary costs of which necessary to fulfill the commitments made, exceeding the economic benefits expected from such contracts.

Government grants

Government grants are recognized when there is a reasonable certainty that they will be received and that NetCo will satisfy all the conditions established for their granting by the government, government agencies and equivalent local, national or international entities.

Government grants are systematically recognized in the separate income statements over the periods in which NetCo recognizes the expenses that the grants are intended to offset as costs.

Government grants related to assets received for the acquisition and/or construction of non-current tangible assets are recorded as deferred income in the statement of financial position and systematically credited to the separate income statements over the useful life of the systems the grants relate to.

Revenues

Taking into account the contents of section "Allocation criteria for the combined carve out financial information" in relation to the failure to measure activities carried out in favor of TIM in the years 2023 and 2022, revenues are the gross inflows of economic benefits during the period arising in the course of the ordinary activities.

Amounts collected on behalf of third parties, such as sales taxes, goods and services taxes and value added taxes, are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenues.

The process underlying the recognition of revenues follows the steps set out in IFRS 15:

- **identification of the contract:** this takes place when the parties approve the contract (with commercial substance) and identify the respective rights and obligations: in other terms, the contract must be legally binding, the rights to receive goods and/or services and the terms of payment can be clearly identified, and NetCo considers receipt of payment as probable;

- **identification of the performance obligations:** the main performance obligations identified, i.e. promises to transfer goods and services that are distinct, are services rendered to wholesale customers;
- **determination of the transaction price:** this is the total amount contracted with the other party regarding the entire contractual term; NetCo has determined that the contractual term is the one arising from the contractual obligations between the parties or, in lack of these obligations, it is by convention one month;
- **allocation of the transaction price to the performance obligations:** the allocation is made proportionately to the respective stand-alone selling prices calculated based on the list prices (if present) or estimated by applying an appropriate margin to the cost of purchase/production of the good/service.
- **recognition of revenues:** revenues are stated net of discounts, allowances, and returns in connection with the characteristics of the type of revenue. Revenues from services rendered are recognized in the separate income statements according to the stage of completion of the service, that is based on actual consumption. Traffic revenues from interconnection are reported gross of the amounts due to other TLC operators. Revenues for services rendered to wholesale customers are generally invoiced on a monthly basis and due 60 days after the date of issue.

The recognition of revenues can generate the recognition of an asset or liability deriving from contracts. In particular:

- Contract assets are the right to a consideration in exchange for goods or services that have been transferred to the customer, when the right is conditioned on something other than the passage of time;
- Contract liabilities are the obligation to transfer goods or services to the customer for which the Group has received (or for which it is due) a consideration from the customer.

Contract costs (incremental costs of obtaining a contract and costs to fulfill a contract; mainly technical activation costs and costs for sales network commissions) are deferred and recognized through separate combined income statement depending on the expected term of the contractual relationship with the customers. The TIM Group avails of the practical expedient, permitted under IFRS 15, of recognizing the incremental costs of obtaining a contract in the combined income statement if the amortization period is one year or less.

The recoverability of contract assets and deferred costs is periodically assessed.

Research and advertising costs

Research and advertising costs are directly expensed to the separate combined income statement in the year in which they are incurred.

Finance income and expenses

Finance income and expenses are recognized on an accrual basis and include: interest accrued on the related financial assets and liabilities using the effective interest rate method; changes in the fair value of other financial instruments measured at fair value through the income statement.

Income tax expense (current and deferred)

Income tax expense includes all taxes calculated on the basis of the taxable income of FiberCop S.p.A. and Telenergia S.r.l., while for NetCo ramo carve out, tax expenses are nil considering that the theoretical taxable basis is negative for both years 2022 and 2023.

Deferred tax liabilities/assets are recognized using the "Balance sheet liability method". They are calculated on all the temporary differences that arise between the taxable base of assets and liabilities and the related carrying amounts in the combined financial information.

Tax assets and liabilities are offset, separately for current and deferred taxes, when income tax expense is levied by the same tax authority and when there is a legally enforceable offsetting right. Tax assets and deferred tax liabilities are determined by adopting the tax rates expected to be applicable in the respective jurisdictions of the countries in which the Group companies operate, in the years in which those temporary differences are expected to be recovered or settled.

The other taxes not related to income are included in "Other operating expenses".

Related Parties

Related parties are identified on the basis of the provisions of IAS 24 and mean those that share the same controlling entity with the Netco business, companies that directly or indirectly control it, are controlled, or are subject to joint control by the Netco business and those in which it holds a stake that can exercise a significant influence. The definition of related parties also includes the members of the controlling entity's Board of Directors and managers with strategic responsibilities. Managers with strategic responsibilities are those who have the power and responsibility to plan and control the Netco business' activities, directly or indirectly.

Use of accounting estimates

The preparation of NetCo combined carve out financial information and related notes requires management to make estimates and assumptions based also on subjective judgments, past experience and assumptions considered reasonable and realistic in relation to the information known at the time of the estimate. Such estimates have an effect on the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as on the amount of revenues and costs during the year. Actual results could differ, even significantly, from those estimates owing to possible changes in the factors considered in the determination of such estimates. Estimates are reviewed periodically. The following accounting estimates are the same as those used in the TIM Group Consolidated Financial Statements.

The most significant accounting estimates that involve a high level of subjective assumptions and judgments by management are set out below.

Financial statements area	Accounting estimates
Impairment of tangible and intangible assets with finite useful lives and rights of use assets	At the end of each reporting period, management assesses whether there is any indication that an asset – whether tangible or intangible with finite useful lives or a right of use – has been impaired. Both internal and external sources of information are used for this purpose. Identifying the impairment indicators, estimating future cash flows and calculating the fair value of each asset requires the Management to make significant estimates and assumptions in calculating the discount rate to be used, and the useful life and residual value of the assets. The estimate of expected cash flows took into account the risks arising from climate change, which at present do not have a significant impact on the NetCo's business model. These estimates can have a significant impact on the fair value of the assets and on the amount of any impairment write-down.
Lease liabilities and rights of use assets	The value of lease liabilities and corresponding rights of use is determined by calculating the present value of the lease payments, also bearing in mind whether the renewal of the lease is reasonably certain.
Capitalization/deferment of costs	The capitalization/deferment of internal and external costs is a process that entails elements of estimation and valuation. Specifically, it involves the valuation of: i) the likelihood that capitalized costs will be recovered through correlated future revenues; and ii) the effective increase in the future economic benefits embodied in the related asset.
Provision for bad debts	Impairment on trade receivables and on contract assets is carried out using the simplified approach that involves estimating the loss expected over the life of the receivable at the time of initial recognition and on subsequent measurements. For each customer segment, the estimate is principally made by calculating the average expected uncollectibility, based on historical and statistical indicators, possibly adjusted using forward-looking elements. For some categories of receivables characterized by specific risk elements, specific measurements are made on individual credit positions.
Depreciation and amortization	Changes in the economic conditions of the markets, technology and competitive forces could significantly affect the estimated useful lives of tangible and intangible non-current assets and may lead to a difference in the timing, and thus on the amount of depreciation and amortization expense.
Provisions, contingent liabilities and employee benefits	As regards the provisions for restoration costs, the estimate of future costs to dismantle tangible assets and restore the site is a complex process that requires the valuation of the liabilities arising from such dismantling and restoration obligations, which seldom are entirely defined by laws, administrative regulations or contract clauses, and which normally are to be complied with after an interval of several years. Provisions for employee benefits, especially the provision for employee severance indemnities, are calculated using actuarial assumptions; changes in such assumptions could have a material impact on such liabilities.
Revenues	The recognition of revenues is influenced by estimates of the amount of discounts, rebates and returns to be reported as a direct adjustment to revenues, as well as the methods for defining individual product or service stand-alone selling prices and for determining the duration of the contract when there are renewal options.
Contract costs (IFRS 15)	The recognition of the costs of obtaining and fulfilling contracts is influenced by the estimated expected duration of the relationship with the customer, calculated on the basis of the historical turnover indexes and future estimates. However, this estimate is subject to fluctuations and could only represent customers' future behavior in a limited way, especially if there are new commercial offers or changes in the competitive environment.
Income tax expense (current and deferred)	Income tax expense (current and deferred) are calculated according to a prudent interpretation of the applicable tax laws. This process sometimes involves complex estimates to determine taxable income and deductible and taxable temporary differences between the carrying amounts and the taxable amounts. In particular, deferred tax assets are recognized to the extent that future taxable income will be available against which they can be recovered. The measurement of the recoverability of deferred tax assets takes into account the estimate of future taxable income and is based on conservative tax planning.

As per IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) paragraph 10, in the absence of a standard or interpretation that specifically applies to a transaction, the Management shall use its judgment in developing and applying an accounting policy that results in combined financial statements that represent faithfully the financial position and financial performance, reflect the economic substance of transactions, and are neutral, prudent and complete in all material aspects.

New Standards and Interpretations issued by IASB but not yet applicable

At the date of preparation of these combined financial statements, the IASB had issued the following new Standards and Interpretations which have not yet come into force:

	Mandatory application starting from
New Standards and Interpretations not yet endorsed by the EU	
Amendments to IAS 7: Statements of Cash Flows and IFRS 7 Financial instruments: Supplementary disclosures	1/1/2024
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i>	1/1/2025
New Standards and Interpretations endorsed by the EU	
Amendments to IAS 1 <i>Presentation of Financial Statements</i> : non-current liabilities with covenants	1/1/2024
Amendments to IAS 1 <i>Presentation of Financial Statements</i> : classification of liabilities as current or non-current	1/1/2024
Amendments to IFRS 16: Lease liabilities in a sale and lease-back	1/1/2024

The potential impacts on the NetCo combined carve out financial information from the application of these standards and interpretations are currently being assessed, however the expected impact on main financial and economic data are expected not material.

NOTE 3

GOODWILL AND INTANGIBLE ASSETS WITH A FINITE USEFUL LIFE

(million euros)	12/31/2022	Investments	Amortization	Other changes	12/31/2023
Goodwill	—			—	—
Industrial patents and intellectual property rights	127	45	(77)	66	161
Concessions, licenses, trademarks and similar rights	—		(1)	9	8
Work in progress and advance payments	114	29		(73)	70
Total	241	74	(78)	2	239

Goodwill, for the purpose of the preparation of NetCo combined carve out financial information, no Goodwill has been allocated to the carve-out business. The NetCo combined carve out financial information does not consider any allocation of goodwill on NetCo and any adjustment as resulting from the purchase accounting process to be applied by the acquiring entity as a consequence of the Transaction.

Industrial patents and intellectual property rights at December 31, 2023, essentially consist of the plant operation and application software purchased outright and user license, amortized over a period between 2 and 6 years; they are related mainly to NetCo ramo carve out (152 million euros).

Concessions, licenses, trademarks and similar rights at December 31, 2023 mainly refer to the extension of the license for 28 GHz band, expiring on December 31, 2029.

Work in progress and advance payments mainly relate to investments in Operation & Wholesale System Transformation activities of NetCo ramo carve out.

The main changes in 2022 are the following:

(million euros)	Investments	Amortization
Industrial patents and intellectual property rights	43	(62)
Work in progress and advance payments	85	
Total	128	(62)

NOTE 4

PROPERTY, PLANT AND EQUIPMENT OWNED

(million euros)	12/31/2022	Investments	Depreciation	Disposals	Other changes	12/31/2023
Land	198				(2)	196
Buildings (civil and industrial)	433	3	(27)		6	415
Plant and machinery	8,251	1,211	(1,129)	(7)	116	8,442
Manufacturing and distribution equipment	17	5	(6)		—	16
Other	25	5	(11)		2	21
Construction in progress and advance payments	328	440			(138)	630
Total	9,252	1,664	(1,173)	(7)	(16)	9,720

Land comprises both built-up land and other available land and is not subject to depreciation. It entirely refers to NetCo ramo carve out.

Buildings (civil and industrial) mainly includes buildings for industrial use hosting telephone exchanges, or for office use and light constructions. They entirely refer to NetCo ramo carve out.

Plant and machinery includes the technological infrastructure used for the provision of telecommunications services (transport and distribution of voice/data traffic). The balance at December 31, 2023 is attributable to FiberCop S.p.A. (4,595 million euros) and NetCo ramo carve out (3,847 million euros).

Manufacturing and distribution equipment consists of instruments and equipment used for the operation and maintenance of plant and equipment and refers to NetCo ramo carve out.

Other mainly consists of hardware for the functioning of the network and for work stations, furniture and fixtures and, to a minimal extent, transport vehicles and office machines. It essentially refers to NetCo ramo carve out.

Construction in progress and advance payments include the internal and external costs incurred for the acquisition and internal production of tangible assets, which are not yet in use.

Depreciation for the years 2023 was calculated on a straight-line basis over the estimated useful lives of the assets according to the following minimum and maximum rates:

Buildings (civil and industrial)	3% - 6,66%
Plant and machinery	3% - 50%
Manufacturing and distribution equipment	20%
Other	11% - 33,33%

The main changes in 2022 are the following:

(million euros)	Investments	Depreciation	Disposals
Buildings (civil and industrial)	6	(27)	
Plant and machinery	1,278	(1,117)	(4)
Manufacturing and distribution equipment	5	(8)	
Other	7	(13)	
Construction in progress and advance payments	142		
Total	1,438	(1,165)	(4)

NOTE 5

RIGHTS OF USE ASSETS

(million euros)	12/31/2022	Investments	Increases in lease contracts	Depreciation and amortization	Disposals	Other changes	12/31/2023
Property	2,086	23	421	(275)	(1)	(11)	2,243
Plant and machinery	225	41	1	(26)		(2)	239
Other tangible assets	52		2	(20)	(1)	1	34
Construction in progress and advance payments	30	12				(21)	21
Intangible assets	1			(1)			—
Total	2,394	76	424	(322)	(2)	(33)	2,537

Property includes buildings and land under finance leases and the related building adaptations, attributable to NetCo ramo carve out.

Plant and machinery mainly includes rights of use on infrastructures for telecommunications services. They refer to FiberCop S.p.A. (152 million euros) and NetCo ramo carve out (87 million euros).

Other tangible assets mainly comprises the leases on motor vehicles and they mainly refer to NetCo ramo carve out.

The main changes in 2022 are the following:

(million euros)	Investments	Increases in lease contracts	Depreciation and amortization
Property	14		(262)
Plant and machinery	23	11	(24)
Other tangible assets			(21)
Construction in progress and advance payments	24		
Intangible assets			(1)
Total	61	11	(308)

NOTE 6

MISCELLANEOUS RECEIVABLES AND OTHER NON-CURRENT ASSETS

(million euros)		12/31/2023	12/31/2022
Miscellaneous receivables (non-current)	(a)	—	—
Other non-current assets			
Deferred contract costs		514	531
Other deferred costs		11	11
	(b)	525	542
Total	(a+b)	525	542

Deferred contract costs are mainly related to the deferral of costs related to the activation of new contracts with customers. Contractual costs (mainly technical activation costs) were deferred and charged to the separate income statements according to the expected duration of the contractual relationship with customers (on average around 8 years for the fixed-line business). They refer to NetCo ramo carve out.

NOTE 7

INCOME TAXES

Deferred tax assets and deferred tax liabilities

The net balance of 45 million euros at December 31, 2023 (33 million euros at December 31, 2022) breaks down as follows:

(million euros)	12/31/2023	12/31/2022
Deferred tax assets	65	50
Deferred tax liabilities	(20)	(17)
Total	45	33

The deferred tax assets at December 31, 2023 and 2022 refer to NetCo and Fibercop.

The deferred tax liabilities at December 31, 2023 and 2022 refers to NetCo.

The temporary differences which made up this line item at December 31, 2023 and 2022, as well as the movements during 2023, were as follows:

(million euros)	12/31/2022	Recognized in profit or loss	Other changes	12/31/2023
Deferred tax assets				
Provision for bad debts	2			2
Taxed depreciation and amortization	45	15		60
Other deferred tax assets	3			3
Total	50	15	—	65
Deferred tax liabilities				
Land and buildings	(13)			(13)
Accelerated depreciation	(4)		(3)	(7)
Total	(17)	—	(3)	(20)
Total Deferred tax assets net of Deferred tax liabilities	33	15	(3)	45

Income tax expense

The income tax expense for the years 2023 and 2022 breaks down as follows:

(million euros)	2023	2022
Current taxes for the year	180	186
Net difference in prior year estimates	(1)	—
Total current taxes	179	186
Deferred taxes	(15)	(4)
Total income tax expense for the year	164	182

The income tax expenses includes only the actual income tax expense of FiberCop S.p.A. and Telenergia S.r.l. calculated on a stand alone basis, applying a notional tax rate of 24% for IRES and 4.5% for IRAP.

The total current taxes also include the effect (1 million euros) of the final (lower) estimate of previous year income taxes.

The 2023 deferred taxes for an amount of 9 million euros include the accrual of tax assets on taxed depreciation and amortization of NetCo and FiberCop tangible assets.

NOTE 8

INVENTORIES

(million euros)	12/31/2023	12/31/2022
Finished goods	43	32
Total	43	32

Finished goods essentially consist of fixed telecommunications equipment and refer to NetCo ramo carve out.

NOTE 9

TRADE AND MISCELLANEOUS RECEIVABLES AND OTHER CURRENT ASSETS

(million euros)	12/31/2023	12/31/2022
Trade receivables		
Receivables from customers	648	572
(a)	648	572
Miscellaneous receivables (current)		
Other receivables	51	87
(b)	51	87
Other current assets		
Contract assets	51	—
Deferred contract costs	96	96
Other deferred costs	20	19
(c)	167	115
Total	(a+b+c) 866	774

Trade receivables are stated net of the provision for bad debts. As at December 31, 2023 they are related to NetCo ramo carve out (397 million euros), FiberCop S.p.A. (221 million euros) and Telenergia S.r.l. (30 million euros).

Movements in the provision for bad debts in 2023 were as follows:

(million euros)	12/31/2023
At January 1	10
Provision charges to the income statement	8
Utilization and decreases	(7)
Other changes	
At December 31	11

In 2022 the provision charges for bad debts to the income statement were equal to 4 million euros.

Miscellaneous receivables (current) refer to other receivables and mainly include the credits for Group Value Added Tax (VAT) (35 million euros).

Other current assets mainly include:

- **Contract assets** relating to works carried out in 2023 in connection with the NRRP projects by FiberCop S.p.A. (34 million euros) and NetCo ramo carve out (17 million euros).
- **Deferred contract costs** referred to NetCo ramo carve out and mainly related to technical activation costs. Further details on Deferred contract costs are provided in the Note "Miscellaneous receivables and other non-current assets".

NOTE 10

NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

Non-current and current financial liabilities (gross financial debt) are broken down as follows:

(million euros)	12/31/2023	12/31/2022
Non-current financial liabilities for financing contracts and others		
Financial payables (medium/long-term):		
Amounts due to banks	1,491	1,489
Other financial payables	2,080	1,534
(a)	3,571	3,023
Non-current financial liabilities for lease contracts	(b)	2,075
Total non-current financial liabilities	c=(a+b)	5,646
Current financial liabilities for financing contracts and others		
Financial payables (short term):		
Amounts due to banks	1	—
Other financial payables	12	55
(d)	13	55
Current financial liabilities for lease contracts	(e)	253
Total current financial liabilities	f=(d+e)	266
Financial liabilities directly associated with Discontinued operations/ Non-current assets held for sale	(g)	—
Total Financial liabilities (Gross financial debt)	h=(c+f+g)	5,912
		5,289

Medium/long-term amounts due to banks totaled 1,491 million euros (1,489 million euros at December 31, 2022) and referred to a 5-year Term Loan signed on December 23, 2021 with a pool of international banks.

Other medium/long-term financial payables totaled 2,080 million euros (1,534 million euros at December 31, 2022) and referred to the Facility Agreement between FiberCop S.p.A. and TIM S.p.A. signed at the same time of the business branch transfer on March 31, 2021. During the year 2023, 537 million euros were drawdown from the facility granted by TIM S.p.A. in order to finance investment activities.

Medium/long-term **financial liabilities for lease contracts** amounted to 2,075 million euros (1,910 million euros at December 31, 2022), whilst short-term payables totaled 253 million euros (301 million euros at December 31, 2022) and included 250 million euros in the current portion of financial liabilities for medium/long-term lease contracts (289 million euros at December 31, 2022).

Other current financial payables for the amount of 12 million euros (55 million euros at December 31, 2022) were due to the Parent Company TIM S.p.A..

NOTE 11

NET FINANCIAL POSITION

The **Net financial position** is broken down as follows:

(million euros)	12/31/2023	12/31/2022
Non-current financial liabilities		
Amounts due to banks, other financial payables and liabilities	3,571	3,023
Non-current financial liabilities for lease contracts	2,075	1,910
	5,646	4,933
Current financial liabilities		
Amounts due to banks, other financial payables and liabilities	13	55
Current financial liabilities for lease contracts	253	301
	266	356
Total Gross financial debt	(a) 5,912	5,289
Non-current financial assets		
Non-current financial receivables arising from lease contracts	(63)	—
Financial receivables and other non-current financial assets	(17)	(19)
	(80)	(19)
Current financial assets		
Current financial receivables arising from lease contracts	(118)	(53)
Financial receivables and other current financial assets	(6)	(6)
Cash and cash equivalents	(152)	(57)
	(276)	(116)
Total financial assets	(b) (356)	(135)
Net financial debt carrying amount	(a+b) 5,556	5,154

NOTE 12

EMPLOYEE BENEFITS

(million euros)		12/31/2023	12/31/2022
Provision for employee severance indemnities	(a)	305	317
Provision for pension and other plans		—	—
Provision for termination benefit incentives and corporate restructuring		—	—
Total other employee benefits	(b)	—	—
Total	(a+b)	305	317
<i>of which:</i>			
non-current portion		305	317
current portion (*)		—	—

(*) The current portion refers only to Other provisions for employee benefits.

Please note there are no assets servicing the Provision for employee severance indemnities.

In application of IAS 19, employee severance indemnities have been calculated using the "Projected Unit Credit Method" as follows:

- the future possible benefits which could be paid to each employee registered in the program in the event of retirement, death, disability, resignation etc. have been projected on the basis of a series of financial assumptions (cost-of-living increases, interest rate, increase in compensation etc.). The estimate of future benefits includes any increases for additional service seniority, as well as the estimated increase in the compensation level at the measurement date – only for employees of companies with less than 50 employees during the year 2006;
- the average present value of future benefits has been calculated, at the measurement date, on the basis of the annual interest rate adopted and of the probability that each benefit actually has to be paid;
- the liability of each company concerned has been calculated as the average present value of future benefits that will be generated by the existing provision at the measurement date, without considering any future accruals (for companies with at least 50 employees during the year 2006) or by identifying the amount of the average present value of future benefits which refer to the past service already accrued by the employee in the company at the measurement date (for the others), i.e. adopting the "service pro-rate".

The following assumptions have been made:

FINANCIAL ASSUMPTIONS	Executives	Non-executives
Inflation rate	2.00% per annum	2.00% per annum
Discount rate	3.08% per annum	3.08% per annum
Employee severance indemnities annual increase rate	3.0% per annum	3.0% per annum
Annual real wage growth:		
equal to or less than 40 years of age	1.0% per annum	1.0% per annum
over 40 but equal to or less than 55 years of age	0.5% per annum	0.5% per annum
over 55 years of age	0.0% per annum	0.0% per annum
DEMOGRAPHIC ASSUMPTIONS	Executives	Non-executives
Probability of death	Mortality tables RG48 published by Ragioneria Generale dello Stato	Mortality tables RG48 published by Ragioneria Generale dello Stato
Probability of disability	INPS tables divided by age and sex	INPS tables divided by age and sex
Probability of resignation:		
up to 40 years of age	2.00%	1.00%
from 41 to 50 years of age	2.00%	0.50%
from 51 to 59 years of age	1.00%	0.50%
from 60 to 64 years of age	None	0.50%
aged 65 and over	None	None
Probability of retirement	100% on achievement of the AGO requirements aligned with D.L. 4/2019	
Probability of receiving at the beginning of the year an advance from the provision for severance indemnities accrued equal to 70%	1.5% per annum	1.5% per annum

The application of the above assumptions resulted in a liability for employee severance indemnities of 305 million euros at December 31, 2023.

NOTE 13

PROVISIONS

The provisions break down as follows:

(million euros)	12/31/2022	Increase	Taken to income	Used directly	Other changes	12/31/2023
Provision for restoration costs	218	12	(2)	(7)	1	222
Provision for legal disputes	1	1		(1)		1
Total	219	13	(2)	(8)	1	223
of which:						
non-current portion	219					223
current portion	—					—

The **provision for restoration costs** related to the provision for restoration of leased real estate and the dismantling of tangible assets (in particular: batteries, wooden poles); it is attributable to FiberCop S.p.A. (127 million euros) and NetCo ramo carve out (95 million euros).

NOTE 14

MISCELLANEOUS PAYABLES AND OTHER NON-CURRENT LIABILITIES

The figure breaks down as follows:

(million euros)	12/31/2023	12/31/2022
Miscellaneous payables (non-current)		
Other payables	137	150
(a)	137	150
Other non-current liabilities		
Deferred revenues from customer contracts (Contract liabilities)	21	25
Other deferred revenue and income	160	165
Capital grants	264	235
(b)	445	425
Total	(a+b) 582	575

Miscellaneous payables (non-current) at December 31, 2023 refer to the payables of FiberCop S.p.A. (135 million euros) and Telenergia S.r.l. (2 million euros) to the Parent Company TIM S.p.A. deriving from the tax consolidation.

The **other non-current liabilities** mainly include:

- **Other deferred revenue and income** including deferred revenues related to agreements for the sale of the transmission capacity. They relate mainly to NetCo ramo carve out (149 million euros).
- **Capital grants** representing the component still to be released to the income statement based on the useful life (estimated at around 18 years) of the assets that the grants refer to and is mainly connected to the realization of the infrastructures on the Ultrabroadband-UBB and Broadband-BB projects.

NOTE 15

TRADE AND MISCELLANEOUS PAYABLES AND OTHER CURRENT LIABILITIES

The figure breaks down as follows:

(million euros)	12/31/2023	12/31/2022
Trade payables		
Payables due to suppliers	1,489	1,291
(a)	1,489	1,291
Tax payables	(b)	3
Miscellaneous payables		
Payables for employee compensation	50	63
Payables to social security agencies	1	—
Other	176	111
(c)	227	174
Other current liabilities		
Liabilities from customer contracts (Contract liabilities)	159	145
Other deferred revenue and income	30	30
Other	43	36
(d)	232	211
Total	(a+b+c+d) 1,951	1,676

Trade payables at December 31, 2023 refer to NetCo ramo carve out for 1,375 million euros, to Telenergia S.r.l. for 99 million euros and FiberCop S.p.A. for 15 million euros.

Miscellaneous payables mainly comprise the current portion of the payable of FiberCop S.p.A. to Parent Company TIM S.p.A. deriving from the tax consolidation (148 million euros at December 31, 2023).

Other current liabilities include:

- **Liabilities arising from contracts with customers (Contract liabilities):** this item includes liabilities to customers related to the obligations of Group companies to transfer goods and services for which they have received consideration. Liabilities with customers generally have a maturity of up to 12 months.
- **Other deferred revenue and income:** mainly referred to deferred revenues deriving from contracts for the sale of transmission capacity.
- **Other:** related to payables for advances on network works in progress and referred to NetCo ramo carve out (35 million euros) and FiberCop S.p.A. (8 million euros).

NOTE 16

REVENUES

The breakdown is as follows:

(million euros)	2023	2022
Equipment sales	317	155
Services	1,802	1,741
Total	2,119	1,896

NOTE 17

OTHER INCOME

The breakdown is as follows:

(million euros)	2023	2022
Late payment fees charged for telephone services	7	8
Recovery of employee benefit expenses, purchases and services rendered	11	3
Capital and operating grants	27	26
Damages, penalties and recoveries connected with litigation	14	18
Estimate revisions and other adjustments	11	13
Income for special training activities	3	1
Other	19	30
Total	92	99

NOTE 18

ACQUISITION OF GOODS AND SERVICES

The breakdown is as follows:

(million euros)	2023	2022
Purchase of raw materials and goods (a)	130	86
Costs of services:		
Costs for telecommunications network access services	14	14
Commissions, sales commissions and other selling expenses	5	5
Advertising and promotion expenses	2	2
Utilities	361	365
Maintenance costs	293	329
Professional services, Outsourcing costs and Other Services	21	20
(b)	696	735
Lease and rental costs:		
Rent and leases	1	1
TLC circuit subscription charges	1	1
Other lease and rental costs	5	3
(c)	7	5
Total (a+b+c)	833	826

NOTE 19

EMPLOYEE BENEFITS EXPENSES

The figure breaks down as follows:

(million euros)	2023	2022
Ordinary employee expenses		
Wages and salaries	722	755
Social security expenses	270	282
Other employee benefits	43	15
(a)	1,035	1,052
Costs and provisions for agency contract work	(b)	—
Miscellaneous expenses for employees and other labor-related services rendered		
Corporate restructuring expenses	—	1
Other	6	3
(c)	6	4
Total	(a+b+c)	1,041
		1,056

In 2023 “Employee benefit expenses” refer to NetCo ramo carve out for 1,032 million euros and to FiberCop S.p.A. for 9 million euros.

The average salaried workforce, including agency contract workers, stood at 18,047 employees in 2023 (18,684 employees in 2022). A breakdown by category is as follows:

(number of units)	2023	2022
Executives	136	156
Middle Managers	909	987
White collars	17,002	17,541
Employees on payroll	18,047	18,684
Agency contract workers	—	—
Total average salaried workforce	18,047	18,684

NOTE 20

OTHER OPERATING EXPENSES

The breakdown is as follows:

(million euros)	2023	2022
Write-downs and expenses in connection with credit management	7	4
Provision charges	2	1
TLC operating fees and charges	23	23
Indirect duties and taxes	49	54
Penalties, settlement compensation and administrative fines	8	5
Subscription dues and fees, donations, scholarships and traineeships	3	3
Other	7	5
Total	99	95

NOTE 21

FINANCE INCOMES AND EXPENSES

Financial incomes (expenses) showed in 2023 a net expense of 336 million euros (expense of 239 million euros in 2022) and included:

(million euros)	2023	2022
Finance income	4	—
Finance expenses	(340)	(239)
Finance income (expenses), net	(336)	(239)

The items break down as follows:

(million euros)	2023	2022
Interest expenses and other finance expenses:		
Interest expenses to banks	(64)	(20)
Interest expenses to others	(126)	(52)
Interest expenses on lease liabilities	(107)	(100)
	(297)	(172)
Commissions	(22)	(25)
Other finance expenses	(21)	(42)
	(43)	(67)
Interest incomes and other finance incomes		
Interest income	3	—
Income from financial receivables recorded in non-current assets	1	—
	4	—
Net interests / financial charges	(a) (336)	(239)
Total other components of financial income and expense	(b) —	—
Total net financial incomes (expenses)	(a+b) (336)	(239)

The increase of net financial expense was mainly due to the increase in interest rates.

NOTE 22

RELATED-PARTY TRANSACTIONS

The following tables show the figures relating to related-party transactions and the impact of those amounts on the separate combined income statement and on the combined statements of financial position.

Related-party transactions, when not dictated by specific laws, were conducted at arm's length.

The effects of the related-party transactions on the NetCo separate combined income statement line items for 2023 and 2022 are as follows:

SEPARATE COMBINED INCOME STATEMENT LINE ITEMS 2023

(million euros)	Total	Parent Company	Companies subject to common control	Other related parties	Total related parties	% of financial statement item
	(a)				(b)	(b/a)
Revenues	2,119	29	56	284	369	17.4
Other income	92	1		(11)	(10)	(10.9)
Acquisition of goods and services	833	3	3	39	45	5.4
Depreciation and amortization	1,573			5	5	0.3
Finance income	4			(1)	(1)	(25.0)
Finance expenses	340	145			145	42.6

SEPARATE COMBINED INCOME STATEMENT LINE ITEMS 2022

(million euros)	Total	Parent Company	Companies subject to common control	Other related parties	Total related parties	% of financial statement item
	(a)				(b)	(b/a)
Revenues	1,896	13	55	124	192	10.1
Other income	99		2		2	2.0
Acquisition of goods and services	826		4	76	80	9.7
Depreciation and amortization	1,534			4	4	0.3
Finance expenses	239	73			73	30.5

The effects of related-party transactions on the NetCo combined statements of financial position line items at December 31, 2023 and December 31, 2022, are as follows:

COMBINED STATEMENTS OF FINANCIAL POSITION LINE ITEMS AT 12/31/2023

(million euros)	Total	Parent Company	Companies subject to common control	Other related parties	Total related parties	% of financial statement item
	(a)				(b)	(b/a)
Rights of use assets	2,537			50	50	2.0
Miscellaneous receivables and other non-current assets	525	1			1	0.2
Trade and miscellaneous receivables and other current assets	866	238	17	34	289	33.4
Miscellaneous payables and other non-current liabilities	582	140		32	172	29.6
Trade and miscellaneous payables and other current liabilities	1,951	168	3	33	204	10.5

Related-party transactions on the Net financial position items referred for 2,081 million euros to the Facility Agreement between FiberCop S.p.A. and TIM S.p.A. signed at the same time of the business branch transfer on March 31, 2021.

COMBINED STATEMENTS OF FINANCIAL POSITION LINE ITEMS AT 12/31/2022

(million euros)	Total	Parent Company	Companies subject to common control	Other related parties	Total related parties	% of financial statement item
	(a)				(b)	(b/a)
Rights of use assets	2,394			37	37	1.5
Trade and miscellaneous receivables and other current assets	775	183	23	49	255	32.9
Miscellaneous payables and other non-current liabilities	575	150		30	180	31.3
Trade and miscellaneous payables and other current liabilities	1,676	125	4	46	175	10.4

NOTE 23 SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

(million euros)	2023	2022
Other income:		
Recovery of operating expenses	(11)	2
Acquisition of goods and services, Change in inventories:		
Acquisition of goods and services - Charges related to agreements and the development of non-recurring projects and other charges	(1)	(11)
Employee benefits expenses:		
Charges connected to corporate reorganization/restructuring and other costs	(2)	(3)
Other operating expenses:		
Expenses related to disputes and regulatory penalties and liabilities related to those expenses, other provisions and charges	(3)	(1)
Impact on Operating profit (loss) before depreciation and amortization, capital gains (losses) and impairment reversals (losses) on non-current assets (EBITDA)	(17)	(13)
Impact on Operating profit (loss) (EBIT)	(17)	(13)
Finance income:		
Other finance income	(1)	
Impact on profit (loss) before tax from continuing operations	(18)	(13)
Impact on profit (loss) for the year	(18)	(13)

Non-recurring expenses relate to events and transactions that, in the opinion of management, by their nature do not occur on an ongoing basis in the normal course of operations and which impact results in a significant amount. Specifically, non-recurring events for the year ended December 31, 2023 and 2022 mainly include:

- expenses related to COVID emergency prevention;
- write-off, in 2023, of a positive income related to a Telenergia dispute; and
- personnel costs related to training.

NOTE 24 OTHER INFORMATION

Guarantees

At December 31, 2023 personal guarantees amount to 19 million euros (24 million euros at December 31, 2022), granted to certain suppliers of Telenergia to guarantee the correct fulfilment of its contractual obligations.

The guarantees provided by third parties to NetCo, amount to 789 million euros at December 31, 2023 (725 million euros at December 31, 2022) and are comprised of:

- 218 million euros (156 million euros at December 31, 2022) issued by banks or other financial institutions to guarantee the proper fulfilment of Telenergia's contractual obligations towards its suppliers (147 million euros; 58 million euros at December 31, 2022)) and other obligations (mainly rentals);
- 571 million euros (569 million euros at December 31, 2022) are insurance guarantees of which 353 million euros at December 31, 2023 and December 31, 2022 performance bonds issued in favor of Infratel under the National Recovery and Resilience Plan in relation to "Italia a 1G" and "5G BH" plans.

NOTE 25 EVENTS SUBSEQUENT TO DECEMBER 31, 2023

Golden Power approval for NetCo operation received

On January 17, 2024, TIM, as part of the activities finalized to the closing of the agreement for the sale of NetCo and following the transaction agreement signed with Optics BidCo (a subsidiary of Kohlberg Kravis Roberts & Co. L.P. "KKR"), announces that it has received approval to execute the transaction pursuant to the Golden Power legislation. The authorization measure, by which the Council of Ministers exercised its special powers in the form of prescriptions only, adopted the commitments presented in the course of the procedure. These commitments were deemed by the Government to be fully adequate to guarantee the protection of the strategic interests connected with the assets involved in the transaction.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
TIM S.p.A.

Opinion

We have audited the combined carve out financial information of the fixed network assets business of TIM S.p.A. (the “**NetCo Business**”), which comprise the combined carve out statements of financial position as of December 31, 2023 and 2022, the combined carve out income statements for the years then ended, and notes to the combined carve out financial information, including a summary of material accounting policies information (the “**NetCo Combined Carve out Financial Information**”).

In our opinion, the accompanying NetCo Combined Carve out Financial Information of the NetCo Business for the years ended December 31, 2023, and 2022, are prepared in all material respects, in accordance with the criteria set forth in *Note 2 – Summary of the carve out criteria and accounting policies adopted for the preparation of the financial information* to the NetCo Combined Carve out Financial Information (the “**Criteria**”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the NetCo Combined Carve out Financial Information* section of our report. We are independent of TIM S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to *Note 2 – Summary of the Carve out criteria and accounting policies adopted for the preparation of the financial information* to the NetCo Combined Carve out Financial Information, which describes the basis of accounting. The NetCo Combined Carve out Financial Information are prepared for the sole purpose of preparing the documentation to be included in the Exchange Offering Memorandum for the proposed exchange offers to: i) the holders of certain USD denominated notes for the corresponding series of new USD denominated notes to be issued by Telecom Italia Capital S.A. and guaranteed by TIM S.p.A., ii) the holders of certain Euro denominated notes for the corresponding series of new Euro denominated notes to be issued by Telecom Italia Finance S.A. and guaranteed by TIM S.p.A., and iii) to the holders of certain Euro denominated notes for the corresponding series of new Euro denominated notes to be issued by TIM S.p.A.. As a result, the NetCo Combined Carve out Financial Information and our opinion thereto, may not be suitable for any other purpose. Our opinion is not modified in respect of this matter.

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Other Matters

As stated in Note 1 – *General Information* and Note 2 – *Summary of the Carve out criteria and accounting policies adopted for the preparation of the financial information*, the NetCo Business is an integrated business of the TIM Group and is not a stand-alone business or entity. The NetCo Combined Carve out Financial Information of the NetCo Business reflects the assets, liabilities, revenue and expenses directly attributable to the NetCo Business, as well as allocations deemed reasonable by management, to present the carve out financial position and results of operations of the NetCo Business on a stand-alone basis and includes only the business that will form the basis for the transaction as identified in the Transaction Agreement agreed between the parties, and do not necessarily reflect the financial position and results of operations of the NetCo Business in the future or what they would have been had the NetCo Business been a separate stand-alone business or entity during the years presented.

Responsibilities of Management and Those Charged with Governance for the NetCo Combined Carve out Financial Information

Management is responsible for the preparation of the NetCo Combined Carve out Financial Information in accordance with the Criteria and for such internal control as management determines is necessary to enable the preparation of NetCo Combined Carve out Financial Information that are free from material misstatement, whether due to fraud or error.

In preparing the NetCo Combined Carve out Financial Information, management is responsible for assessing the NetCo Business' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the NetCo Business's financial reporting process.

Auditor's Responsibilities for the Audit of the NetCo Combined Carve out Financial Information

Our objectives are to obtain reasonable assurance about whether the NetCo Combined Carve out Financial Information as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these NetCo Combined Carve out Financial Information.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the NetCo Combined Carve out Financial Information, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NetCo Business internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- we have concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NetCo Business ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the NetCo Combined Carveout Financial Information or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the NetCo Business to cease to continue as a going concern;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the NetCo Business to express an opinion on the NetCo Combined Carve out Financial Information. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

Turin, April 10, 2024

EY S.p.A.



Ettore Abate
(Auditor)

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