NOT FOR GENERAL DISTRIBUTION
IN THE UNITED STATES

Italmatch Chemicals S.p.A.

€690,000,000

€300,000,000 6¼% Senior Secured Notes due 2031
€390,000,000 Senior Secured Floating Rate Notes due 2031

Italmatch Chemicals S.p.A., a joint stock company (*società per azioni*) incorporated under the laws of Italy (the "**Issuer**"), is offering (the "**Offering**") € 300,000,000 in aggregate principal amount of its 6.250% Senior Secured Notes due 2031 (the "**Fixed Rate Notes**") and €390,000,000 in aggregate principal amount of its Senior Secured Floating Rate Notes due 2031 (the "**Floating Rate Notes**" and, together with the Fixed Rate Notes, the "**Notes**"). The proceeds of the Notes are expected to be used, together with cash on balance sheet, to redeem in full the Issuer's Existing Notes (as defined herein), and to pay accrued and unpaid interest thereon and costs, fees and expenses in connection with the Transactions (as defined herein). See "*Use of Proceeds*."

The Notes will be issued by the Issuer under an indenture (the "**Indenture**"), to be dated February 5, 2026 (the "**Issue Date**"), among, *inter alios*, the Issuer and U.S. Bank Trustees Limited, as trustee for holders of the Notes (the "**Trustee**") and BNP PARIBAS, Italian Branch, as security agent and as legal representative (*mandatario con rappresentanza*) and representative (*rappresentante*) pursuant to and for the purposes set forth under Article 2414-*bis*, paragraph 3, of the Italian Civil Code (the "**Security Agent**"). The Notes will mature on February 5, 2031.

The Issuer will pay interest on the Fixed Rate Notes at a rate equal to 6.250% per annum. The Issuer will pay interest on the Fixed Rate Notes semi-annually in arrears on June 30 and December 31 of each year, commencing on June 30, 2026. At any time on or after February 5, 2028, the Issuer may redeem all or part of the Fixed Rate Notes at the redemption prices specified in this offering memorandum (the "**Offering Memorandum**"). Prior to February 5, 2028, the Issuer will be entitled, at its option, to redeem all or a portion of the Fixed Rate Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption, and additional amounts, if any, plus a "make whole" premium. See "*Description of the Notes—Optional Redemption.*" At any time prior to February 5, 2028, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of the Fixed Rate Notes (including any additional Fixed Rate Notes), using the net cash proceeds from certain equity offerings at a redemption price equal to 106.250% of the principal amount thereof, plus accrued and unpaid interest to, but excluding, the applicable redemption date, and additional amounts, if any, provided that at least 50% of the original aggregate principal amount of the Fixed Rate Notes (excluding any additional Fixed Rate Notes) remains outstanding after each redemption. At any time prior to February 5, 2029, the Issuer may redeem during each calendar year up to 10% of the aggregate principal amount of the Fixed Rate Notes originally issued (including any additional Fixed Rate Notes) at its option, from time to time, at a redemption price equal to 103% of the principal amount of the Fixed Rate Notes redeemed, plus accrued and unpaid interest to, but not including, the applicable redemption date, and additional amounts, if any; provided that the Issuer shall have the option to carry-forward and/or carry-back amounts under this redemption provision.

The Issuer will pay interest on the Floating Rate Notes at a rate equal to the sum of (i) three-month EURIBOR (with 0% floor), plus (ii) 4.125 % per annum, reset quarterly. The Issuer will pay interest on the Floating Rate Notes quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, commencing on June 30, 2026. Prior to February 5, 2027, the Issuer will be entitled, at its option, to redeem all or a portion of the Floating Rate Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption, and additional amounts, if any, plus a "make whole" premium. At any time on or after February 5, 2027, the Issuer may redeem all or part of the Floating Rate Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption, and additional amounts, if any. See "*Description of the Notes—Optional Redemption*."

In the event of certain developments affecting taxation, the Issuer may elect to redeem all, but not less than all, of the Notes at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest and additional amounts, if any. In addition, in connection with certain tender offers for the Notes of any series, if holders of not less than 90% in aggregate principal amount of the outstanding Notes of such series validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases all of the Notes of such series validly tendered and not withdrawn by such holders, the Issuer or such third party will have the right to redeem the Notes of such series that remain outstanding in whole, but not in part, following such purchase at a price equal to the price offered to each other holder of Notes of such series. See "*Description of the Notes—Optional Redemption.*" Upon the occurrence of certain events constituting a change of control, each holder of the Notes may require the Issuer to repurchase all or a portion of its Notes at 101% of the principal amount thereof plus accrued and unpaid interest and additional amounts, if any. However, a change of control triggering event will not be deemed to have occurred if a specified consolidated senior secured net leverage ratio is not exceeded in connection with the first such event.

The Notes offered hereby will be senior secured obligations of the Issuer, will rank senior in right of payment to all of the Issuer's future debt that is expressly subordinated in right of payment to the Notes and will rank *pari passu* in right of payment with the Issuer's existing and future debt that is not so subordinated, including the Issuer's obligations under the Revolving Credit Facility. On the Issue Date, the Notes will be guaranteed (the "**Guarantees**") on a senior secured basis by Italmatch USA Corporation, Detrex Corporation, The Elco Corporation, Italmatch Chemicals GB Ltd, and Water Science Technologies, LLC (the "**Guarantors**").

Subject to the Agreed Security Principles, certain material limitations pursuant to applicable laws and certain perfection requirements, on or about the Issue Date and in any event within five (5) Business Days thereof, the Notes will be secured on a senior basis by (i) a pledge over the shares of the Issuer held by its direct parent, Fire (BC) HoldCo Limited ("**HoldCo**"), (ii) security over certain material bank account(s) of the Issuer held in Italy, (iii) security granted by the Issuer over the Intercompany Loans (as defined herein), (iv) pledges over the shares or the membership interests of the Guarantors, as applicable, and (v) security over certain material bank account(s) of the Guarantors (collectively, the "**Collateral**").

The Collateral also secures and, following the Transactions, will continue to secure the Revolving Credit Facility and certain hedging obligations (if any) on a super senior basis. Under the terms of the Intercreditor Agreement (as defined herein), in the event of an enforcement of the Collateral, the holders of the Notes will receive proceeds from such Collateral (on a *pro rata* basis) only after the lenders under the Revolving Credit Facility and counterparties to certain hedging obligations (if any) have been repaid in full. In addition, the Guarantees and the security interests in the Collateral may be released under certain circumstances. Subject to the terms of the Indenture and the Intercreditor Agreement, the Collateral may be pledged to secure future indebtedness. See "*Risk factors—Risks related to the Notes, the Guarantees and the Collateral—Creditors under the Revolving Credit Facility and counterparties to certain hedging obligations and future indebtedness permitted to be incurred under the terms of the Indenture and the Intercreditor Agreement ranking pari passu with the Revolving Credit Facility are entitled to be repaid with proceeds from the enforcement of the Collateral in priority to the Notes*." The security interests in the Collateral will be subject to contractual and legal limitations that will materially limit their enforceability. See "*Risk factors—Risks related to the Notes, the Guarantees and the Collateral*" and "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*."

Subject to and as set forth in "*Description of the Notes—Withholding Taxes*," the Issuer will 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 April 1, 1996 (as the same may be amended or supplemented from time to time, and, starting from January 1, 2027, as repealed and substituted by Articles 62-71 of Legislative Decree No. 33 of March 24, 2025), and any implementing regulations ("**Decree No. 239**") or Italian Legislative Decree No. 461 of November 21, 1997 (as the same may be amended or supplemented from time to time), and any implementing regulations ("**Decree No. 461**") if the Notes are held by a person resident in a country that is not included in the list issued under Article 11(4)(c) of Decree No. 239, and otherwise in the circumstances as described in "*Description of the Notes—Withholding Taxes.*"

This Offering Memorandum includes more detailed information on the terms of the Notes, the Guarantees and the Collateral, including redemption and repurchase prices, security, covenants, events of default and transfer restrictions.

There is currently no market for the Notes. Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit them for trading on the Euro MTF Market thereof. The Euro MTF Market is not a regulated market pursuant to the provisions of Directive 2014/65/EU. This Offering Memorandum constitutes a prospectus for the purposes of Part IV of the Luxembourg law on prospectuses for securities dated July 16, 2019.

The Notes will initially be issued in the form of registered global notes. The Notes will be issued in registered form 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 notes, 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*."

Investing in the Notes involves a high degree of risk. See the "Risk Factors" section of this Offering Memorandum, beginning on page 29.

Issue Price for the Fixed Rate Notes: 100.00% plus accrued interest, if any, from the Issue Date.
Issue Price for the Floating Rate Notes: 100.00% plus accrued interest, if any, from the Issue Date.

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In the United States, this Offering is being made only to "qualified institutional buyers" (as defined in Rule 144A of the Securities Act) in compliance with Rule 144A under the Securities Act ("Rule 144A") and outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. You are hereby notified that the Initial Purchasers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For further details about eligible offerees and resale restrictions, see "*Plan of Distribution*" and "*Notice to Investors*."

Joint Global Coordinators and Joint Physical Bookrunners

BNP PARIBAS **Goldman Sachs International**
(Billing and Delivery)

Joint Global Coordinators and Joint Bookrunners

Citigroup **Crédit Agricole CIB** **UniCredit**

The date of this Offering Memorandum is February 5, 2026.

TABLE OF CONTENTS

Page

In making an investment decision, you should rely only on the information contained in this Offering Memorandum. None of the Issuer, the Guarantors or any of the Initial Purchasers has authorized anyone to provide you with information that is different from the information contained herein. If given, any such information should not be relied upon. None of the Issuer, the Guarantors or any of the Initial Purchasers is making an offer of the Notes in any jurisdiction where this Offering is not permitted. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date on the front cover of this Offering Memorandum. Our business, financial condition, results of operations and prospects may have changed since that date.

IMPORTANT INFORMATION ABOUT THIS OFFERING MEMORANDUM

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES UNLESS THE NOTES ARE REGISTERED UNDER THE SECURITIES ACT, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE. SEE "*PLAN OF DISTRIBUTION*" AND "*NOTICE TO INVESTORS*." INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF ANY SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A UNDER THE SECURITIES ACT.

This Offering is being made on the basis of this Offering Memorandum only. Any decision to purchase Notes in the Offering must be based on the information contained in this Offering Memorandum. None of the Issuer, the Guarantors or BNP PARIBAS, Goldman Sachs International, Citigroup Global Markets Europe AG, Crédit Agricole Corporate and Investment Bank, and UniCredit Bank GmbH (each an "**Initial Purchaser**" and together, the "**Initial Purchasers**") have authorized anyone to provide you with any information or represent anything about the Issuer and its subsidiaries (collectively, the "**Group**"), or any of their respective affiliates, their financial results or this Offering that is not contained in this Offering Memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by the Group or any of the Initial Purchasers. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date on the front of this Offering Memorandum.

This Offering Memorandum has been prepared by the Issuer and the Guarantors solely for use in connection with the Offering. This Offering Memorandum does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes.

We confirm that, to the best of our knowledge, information and belief (having taken all reasonable care to ensure that such is the case), this Offering Memorandum contains all information that is material in the context of the issuance and offering of the Notes and the Guarantees, that the information contained in this Offering Memorandum with regards to us and our subsidiaries, affiliates and the Notes is true and accurate in all material respects and is not misleading in any material respect, that the opinions and intentions expressed in this Offering Memorandum are honestly held and that we are not aware of any other facts, the omission of which would make this Offering Memorandum or any such information misleading in any material respect. The information contained in this Offering Memorandum is correct as of the date hereof. Neither the delivery of this Offering Memorandum nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantors since the date of this Offering Memorandum or that the information contained in this Offering Memorandum is correct as of any time subsequent to that date. Accordingly, we accept no obligation to update the information contained in this Offering Memorandum as a result of new information, future events or otherwise, except as may be required by law.

The information contained in this Offering Memorandum has been furnished by the Issuer and other sources we believe to be reliable. None of the Initial Purchasers, the Trustee, the Paying Agent, the Security Agent, the Transfer Agent, the Calculation Agent, the Registrar or their respective representatives are making any representation or warranty that this information is accurate or complete and are not responsible for this information.

None of the Initial Purchasers nor any employee or affiliate of the Initial Purchasers has authorized the contents or circulation of this Offering Memorandum, and none of the Initial Purchasers, the Trustee, the Paying Agent, the Security Agent, the Transfer Agent, the Calculation Agent, the Registrar nor any employee or affiliate thereof assumes any responsibility for, and no such entity or person will accept any liability for, any loss suffered as a result of, arising out of, or in connection with this document or any of the information or opinions contained in it.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Offering Memorandum and, if given or made, any such information or representation must not be relied upon as having been authorized by the Group, any of its affiliates, or the Initial Purchasers or any of their respective affiliates. This Offering Memorandum does not constitute an offer of any securities other than those to which it relates or an offer to sell, or a solicitation of an offer to buy, to any person in any jurisdiction where such an offer or solicitation would be unlawful.

This Offering Memorandum contains summaries, believed to be accurate, of some of the terms of specific documents, but reference is made to the actual documents, copies of some of which will be made available upon request, for the complete information contained in those documents. By receiving this Offering Memorandum, investors acknowledge that they have had an opportunity to request for review, and have received, all additional information they deem necessary to verify the accuracy and completeness of the information contained in this Offering Memorandum. Investors also acknowledge that they have not relied on the Initial Purchasers in connection with their investigation of the accuracy of this information or their decision whether to invest in the Notes. The contents of this Offering Memorandum are not to be considered legal, business, financial, investment, tax or other advice. Prospective investors should consult their own counsel, accountants and other advisors as to legal, business, financial, investment, tax and other aspects of a purchase of the Notes. In making an investment decision, investors must rely on their own examination of the Group and any of its affiliates, the terms of the Offering and the merits and risks involved.

In addition, for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules and regulations of the Luxembourg Stock Exchange so require, the Issuer will also provide a copy of the foregoing information and reports to the Luxembourg Stock Exchange.

The information contained under the headings "*Summary*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Industry*" and "*Business*" includes extracts from information and data, including industry and market data, prepared by third parties. While the Issuer accepts responsibility for the accurate extraction and summarization of such information and data, the Issuer has not independently verified the accuracy of such information and data and accepts no further responsibility in respect thereof. However, as far as we are aware, no information or data has been omitted which would render reproduced information inaccurate or misleading.

None of the Trustee, the Transfer Agent, the Calculation Agent, the Paying Agent, nor the Registrar (each 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.

This Offering is being made in reliance upon exemptions from registration under the Securities Act for an offer and sale of securities that does not involve a public offering. The Notes have not been registered with, recommended by or approved by the U.S. Securities and Exchange Commission or any other U.S. federal, state or foreign securities commission or regulatory authority, nor has any such commission or regulatory authority reviewed or passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

The laws of certain jurisdictions may restrict the distribution of this Offering Memorandum and the offer and sale of the Notes. Persons into whose possession this Offering Memorandum or any of the Notes come must inform themselves about, and observe, any such restrictions. None of the Group, the Initial Purchasers, the Trustee, the Paying Agent, the Security Agent, the Transfer Agent, the Calculation Agent, the Registrar or their respective representatives are making any representation to any offeree or any purchaser of the Notes regarding the legality of any investment in the Notes by such offeree or purchaser under applicable laws or regulations. For a further description of certain restrictions on the Offering and sale of the Notes and the distribution of the Offering Memorandum, see "*Plan of Distribution*" and "*Notice to Investors.*"

To purchase the Notes, investors must comply with all applicable laws and regulations in force in any jurisdiction in which investors purchase, offer or sell the Notes or possess or distribute this Offering Memorandum. Investors must also obtain any consent, approval or permission required by such jurisdiction for investors to purchase, offer or sell any of the Notes under the laws and regulations in force in any jurisdiction to which investors are subject. None of the Group, the Initial Purchasers, the Trustee, the Paying Agent, the Security Agent, the Transfer Agent, the Calculation Agent, the Registrar or their respective affiliates will have any responsibility therefor.

Neither the Issuer nor any of the Initial Purchasers are making an Offering in any jurisdiction where the Offering is not permitted. No action has been taken by the Initial Purchasers, the Group, or any other person that would permit an Offering or the circulation or distribution of this Offering Memorandum or any offering material in relation to the Group, or any of the Notes in any country or jurisdiction where action for that purpose is required.

The Initial Purchasers reserve the right to withdraw this Offering at any time and to reject any commitment to subscribe for the Notes, in whole or in part. The Group is making this Offering subject to the terms described in this Offering Memorandum and the purchase agreement relating to the Notes and the Guarantees. The Initial Purchasers also reserve the right to allot less than the full amount of Notes sought by investors. The Initial Purchasers and certain related entities may acquire a portion of the Notes for their own accounts. Persons into whose possession this Offering Memorandum or any of the Notes come must inform themselves about, and observe any restrictions on, the transfer and exchange of the Notes. See "*Plan of Distribution*" and "*Notice to Investors*."

The Notes will only be issued in fully registered form and in denominations of €100,000 and integral multiples of €1,000 in excess thereof. Notes will be represented by the Global Notes (as defined herein). The Global Notes will be deposited, on the Issue Date, with, or on behalf of, a common depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depositary. Book-Entry Interests (as defined herein) will be shown on, and transfers of Book-Entry Interests will be effected only through, records maintained by Euroclear and Clearstream and their direct and indirect participants. After the initial issue of the Global Notes, Notes in certificated form will be issued in exchange for the Global Notes only as set out in the Indenture (as defined herein). See "*Book-Entry; Delivery and Form*."

The information set forth in those sections of this Offering Memorandum describing clearing and settlement is subject to any change or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream currently in effect. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures. None of the Group, the Trustee, the Security Agent, the Paying Agent, the Transfer Agent, the Calculation Agent and the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to such book-entry interests.

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit them for trading on the Luxembourg Stock Exchange There can be no assurance that the listing will be maintained and settlement of the Notes is not conditioned on obtaining this listing.

STABILIZATION

IN CONNECTION WITH THIS OFFERING, GOLDMAN SACHS INTERNATIONAL (THE "**STABILIZATION MANAGER**") (OR PERSONS ACTING ON ITS BEHALF), 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 NOT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, THERE IS NO OBLIGATION ON THE STABILIZATION MANAGER (OR PERSONS ACTING ON ITS BEHALF) TO DO THIS. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND MUST BE BROUGHT TO AN END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR ANY PERSON ACTING ON ITS BEHALF) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "*PLAN OF DISTRIBUTION*."

NOTICE TO U.S. INVESTORS

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes are being offered and sold outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**") and within the United States to "qualified institutional buyers" ("**QIBs**") in reliance on Rule 144A of the Securities Act for an offer and sale of the Notes which does not involve a public offering. Prospective investors are hereby notified that sellers of the Notes may be relying on the exemption from the provision of Section 5 of the Securities Act provided by Rule 144A. In making your purchase, you will be deemed to have made certain acknowledgments, representations and agreements. See "*Notice to Investors.*" The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration thereunder or exemption therefrom. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. See "*Notice to Investors*."

The Notes described in this offering memorandum have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC"), any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC, any state securities commission in the United States or any such securities commission or authority passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

NOTICE TO CERTAIN OTHER INVESTORS

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal, that are "accredited investors", as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are "permitted clients", as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights, or consult with a legal advisor.

Pursuant to Section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, Section 3A.4) of National Instrument 33-105 Underwriting Conflicts ("**NI 33-105**"), the Initial Purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

European Economic Area

This Offering Memorandum has been prepared on the basis that all offers of the Notes will be made pursuant to an exemption under Regulation (EU) 2017/1129, as subsequently amended and supplemented, (the "**Prospectus Regulation**"), from the requirement to produce and publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make any offer within the EEA of the Notes should only do so in circumstances in which no obligation arises for us or any of the Initial Purchasers to produce a prospectus pursuant to Article 3 of the Prospectus Regulation, in each case, in relation to such offer. Neither we nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for us or any of the Initial Purchasers to publish a prospectus for such offer. Neither the Issuer nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of Notes contemplated in this Offering Memorandum.

Prohibition of sales to EEA Retail Investors

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

The Offering Memorandum has been prepared on the basis that any offer of the securities in any Member State will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the securities. The Offering Memorandum is not a prospectus for the purposes of the Prospectus Regulation.

This Offering Memorandum has been prepared on the basis that any offer of the Notes in any member state of the EEA (each a "**Member State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Notes. This Offering Memorandum is not a prospectus for the purposes of the Prospectus Regulation. The securities described in this Offering Memorandum 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 (as defined above) in a Relevant State. No key information document required by the PRIIPs Regulation for offering or selling any in scope securities or otherwise making them available to retail investors in a Relevant State has been or will be prepared. Offering or selling the Notes or otherwise making them available to any retail investor in a Relevant State may be unlawful.

Each person located in a Member State to whom any offer of securities is made, or who receives any communication in respect of an offer of securities, or who initially acquires any securities, or to whom the securities are otherwise made available, will be deemed to have represented, warranted, acknowledged and agreed to and with each Initial Purchaser and the Issuer that (i) it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation (or any other relevant laws in that Relevant State); and (ii) it is not a retail investor (as defined above).

MiFID II product governance / Professional Investors and Eligible Counterparties only target market

Solely for the purposes of each manufacturer's approval process, the target market assessment in respect of the securities described in the Offering Memorandum has led to the conclusion that: (i) the target market for such securities is eligible counterparties ("**ECPs**") and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of such securities to ECPs and professional clients are appropriate. Any person subsequently offering, selling or recommending such securities (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 such securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Italy

The offering of the Notes has not been cleared by the *Commissione Nazionale per la Società e la Borsa* ("**CONSOB**") (the Italian securities exchange commission), pursuant to Italian securities legislation and will not be subject to formal review or clearance by CONSOB. Accordingly, no Notes may be offered, sold or delivered, directly or indirectly, nor may copies of this Offering Memorandum or of any other document relating to the Notes be issued, distributed or published in Italy, either on the primary or the secondary market, except (a) to qualified investors (*investitori qualificati*) as referred to in Article 2, paragraph (e), of the Prospectus Regulation; and (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of the Italian Legislative Decree No. 58 of February 24, 1998, as amended (the "**Italian Financial Act**") and Article 34-*ter*, first paragraph, letter (b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the "**Issuer Regulation**") and any other applicable Italian laws and regulations.

The Initial Purchasers have each represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this Offering Memorandum or of any other document relating to the Notes in Italy will be carried out in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Any such offer, sale or delivery of the Notes or distribution of copies of this Offering Memorandum or any other document relating to the Notes in Italy must be in compliance with the selling restrictions under (a) and (b) above and must be:

a) made by *soggetti abilitati* (including investment firms, banks or financial intermediaries, as defined by Article 1, first paragraph, letter r), of the Italian Financial Act), to the extent duly authorized to engage in the placement and/or underwriting and/or purchase of financial instruments in Italy in accordance with the relevant provisions of the Italian Financial Act, CONSOB Regulation No. 20307 of February 15, 2018, as amended ("**Regulation 20307**"), as amended, Italian Legislative Decree No. 385 of September 1, 1993, as amended (the "**Italian Banking Act**"), the Issuer Regulation and any other applicable laws and regulations;

b) in compliance with all relevant 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, as amended from time to time) or any other relevant Italian competent authorities; and

c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy or any other Italian competent 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.

For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Offering Memorandum in Italy, see "*Notice to Investors*."

Singapore

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA, except:

(a) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), or to any person arising from an offer referred to in Section 275(1A) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, it has been determined, and notice is hereby given to all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and "excluded investment products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

The offering of the Notes offered hereby is not a public offering in Switzerland. The Notes offered hereby may not be publicly offered, sold, or advertised, directly or indirectly, in, into, or from Switzerland. This document is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and neither this Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland. The Notes offered hereby will not be listed on the SIX Swiss Exchange Ltd. or on any other exchange or regulated trading facility in Switzerland, and, therefore, the documents relating to the Notes offered hereby, including, but not limited to, this Offering Memorandum, do not claim to comply with the disclosure standards of the Swiss Code of Obligations and the listing rules of SIX Swiss Exchange Ltd. and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange Ltd.

United Kingdom

Prohibition of Sales to UK Retail Investors

The Offering Memorandum has not been approved by an authorized person in the United Kingdom (the "**UK**") and is only being distributed to and is only directed at persons who (i) have professional experience in matters relating to investments and are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) are high net worth companies, unincorporated associations, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order, (iii) are outside the UK, or (iv) are persons to whom an invitation or inducement to engage in investment activity within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the **UK**. For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This Offering Memorandum has been prepared on the basis that any offer of the securities in the UK will be made pursuant to an exemption under the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**") from a requirement to publish a prospectus for offers of the securities. The Offering Memorandum is not a prospectus for the purpose of the UK Prospectus Regulation.

UK MiFIR product governance / Professional Investors and Eligible Counterparties only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the securities described in the Offering Memorandum has led to the conclusion that: (i) the target market for such securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients only, each 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 such securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending such securities (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 such securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes forward-looking statements within the meaning of the securities laws of the United States and other applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this Offering Memorandum, including, without limitation, those regarding the Group future financial position and results of operations, their strategies, plans, objectives, goals and targets, future developments in the markets in which the Group participates or is seeking to participate or anticipated regulatory changes in the markets in which the Group operates or intends to operate. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "future," "guidance," "intend," "may," "ongoing," "possible," "plan," "potential," "predict," "probable," "projected," "seek," "should," "target" or "will" or similar words or phrases, or the negatives of those words or phrases. The absence of these words does not necessarily mean that a statement is not forward-looking.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that our actual results of operations, including our financial condition and liquidity and the development of the industries in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this Offering Memorandum. Our actual results could differ materially from those expected in our forward-looking statements for many reasons, including the factors described in "*Risk Factors*." In addition, even if our results of operations, including our financial condition and liquidity and the development of the industries in which we operate, are consistent with the forward-looking statements contained in this Offering Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. For example, factors that could cause our actual results to vary from projected future results include, but are not limited to:

- global economic and geopolitical conditions;
- supply chain disruption, volatility in the price of the raw materials, and inflation;
- increased energy costs, disruptions in energy supplies;
- cyclicality in the chemicals industry and oil industry, and customer stocking cycles;
- failure to adjust our products or technologies to address our customers' changing requirements;
- exchange rate fluctuations;
- geopolitical, macroeconomic and regulatory risks in various jurisdictions;
- conflicts, military actions, terrorist attacks and general instability;
- risk associated with future acquisitions;
- ability to manage and sustain future growth;
- failure to implement our business and cost reduction strategies or to fully capitalize upon our investments in production capacity;
- disruption in the relationships with suppliers and ability to source raw materials;
- risks associated with the use of third parties for manufacturing;
- risks associated with chemical processing, production, storage, and transportation;
- failure to comply with environmental, health and safety as well as zoning and town planning laws and regulations;
- failure to comply with chemical safety regulations;
- risks associated with climate change and regulations targeting greenhouse gas and other emissions;
- increased scrutiny and changing expectations from market participants on ESG;
- ongoing costs and regulations related to contamination or exposure impacts from our operations or products;

- major operational interruptions or problems at our facilities;
- failure to maximize the utilization of our production facilities;
- failure to adequately protect our intellectual property rights;
- risks associated with litigations on intellectual property rights;
- failure to develop new, commercially viable products or maintain a market for our products;
- competitive environment in which we operate;
- failure to realize the full value of goodwill;
- changes to estimates or projections used to assess the fair value of some of our assets or operating results that are lower than our current estimates;
- information technology systems failures, network disruptions and cybersecurity issues;
- failure to comply with data privacy regulations;
- use of estimates and assumptions in the calculation of certain metrics we present in this Offering Memorandum;
- credit risk of our customers and suppliers;
- risks related to our financial arrangements with respect to receivables factoring;
- changes in exchange and export controls and repatriation restrictions;
- uninsured losses or losses in excess of our insurance coverage;
- product safety and product liability risks;
- risks related to litigation and potential reputational damage;
- impact of rules and regulations governing our products and business activities;
- application of the Italian Golden Power Legislation;
- political uncertainty in Italy;
- tax laws of multiple jurisdictions, including risks in connection with challenges to our tax positions;
- changes to global tax laws;
- liabilities for the actions of our directors, employees, agents, representatives and intermediaries;
- failure to implement adequate monitoring systems and to prevent the violation of laws and regulations;
- ability to attract and retain key personnel and our management team;
- labor disruptions and inability to efficiently reorganize our workforce in the event of a market downturn;
- contributions to our pension schemes;
- other risks related to our capital structure;
- risks related to the Notes, the Guarantees and the Collateral; and
- other factors discussed under "*Risk Factors.*"

We urge you to read the sections of this Offering Memorandum entitled "*Risk factors*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Industry*," "*Business*" and "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security*

Interests" for a more complete discussion of the factors that could affect the Group's future performance and the markets in which it operates. In light of these risks, uncertainties and assumptions, the forward-looking events described in this Offering Memorandum may not occur. The risks mentioned above and other risks described under "Risk Factors" are not exhaustive. Moreover, we operate in a very competitive and rapidly changing environment. Other sections of this Offering Memorandum describe additional factors that could adversely affect our financial position, results of operations and liquidity. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

Any forward-looking statements are only made as at the date of this Offering Memorandum, and we do not intend, and do not assume any obligation, to update forward-looking statements set out in this Offering Memorandum. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this Offering Memorandum, including those set forth under "*Risk factors*." As a result, you should not place undue reliance on these forward-looking statements.

INDUSTRY AND MARKET DATA

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

In drafting this Offering Memorandum, we used industry sources, market research, governmental and other publicly available information, industry publications and other sources of market data and growth rates, including a report (the "**Advancy Report**") prepared by Advancy, a global consulting firm. The Advancy Report provides information about our market share for sales of phosphonates, P2S5, red phosphorus, PCl3 and polymeric esters as well as the underlying market growth for the segments in which we operate. While Advancy has accepted to have its name mentioned as source in the report, Advancy does not accept any liability whatsoever to investors in respect of any data presented in this document and investors should not rely on Advancy data.

We believe such information, including that contained in the Advancy Report, has been accurately reproduced by us in this Offering Memorandum and, as far as we are aware and able to ascertain from the information published by Advancy and other third party sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. Industry publications and forecasts 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 is not guaranteed. The Advancy Report states that the information contained therein has been obtained by relying on various public sources as well as management interviews and internal analyses and estimates. While the Advancy Report states that Advancy has used reasonable care to confirm the reliability of such information, the accuracy and completeness thereof is not guaranteed. Market studies and analyses, including the Advancy Report, 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 Advancy in the Advancy Report and other 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 derived from studies, analyses and third party sources, including the Advancy Report, contained or reproduced in this Offering Memorandum or for the accuracy of third party data on which our estimates are based.

In addition, the markets in which we operate and compete may have shifted or changed since the date that such industry reports, sources, market data, research, assumptions, publicly available information and forecast or our estimates and the relevant underlying information were made or prepared. Therefore, such industry reports, sources, market data, research, publicly available information and forecast or our estimates or the underlying assumptions to any of them may not accurately reflect certain aspects of the current market and industry, and in particular, they may no longer be accurate or relevant to current expectations as they may not contemplate the latest global developments and effects of the political and economic trends and other geopolitical instability. See "*Risk Factors—Risks Related to Our Business and Industry*." As a result, the market statistics and other data included in this Offering Memorandum should be viewed with caution and neither we nor the Initial Purchasers make any representation as to the accuracy or completeness of any such information in this Offering Memorandum.

In many cases, there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market related analyses and estimates. Therefore, this Offering Memorandum also contains estimates of market data and information derived from such data that cannot be obtained from publications by independent sources, including our own internally developed estimates regarding the industry in which we operate, our position in the industry, our market share and the market shares of various industry participants based on our experience, our own investigation of market conditions and our review of industry publications, including information made available to the public by our competitors. The information relating to the Group is partly based on our own market observations, the evaluation of industry information (such as from conferences and sector events) or internal assessments. 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 own estimates have not been checked or verified externally. While we assume that our own market observations are reliable, we give no warranty for the accuracy of our own estimates and the information derived from them. They may differ from estimates made by our competitors or from other independent sources. While we are not aware of any misstatements regarding the industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed under "*Risk Factors*" in this Offering Memorandum. As a result, the market and industry data and statistics included in this Offering Memorandum, including those derived from the Advancy Report, should be viewed with caution and neither we nor the Initial Purchasers make any representation as to the accuracy or completeness of any such information in this Offering Memorandum. See also "*Forward-Looking Statements.*"

TAX CONSIDERATIONS

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the consequences of purchasing, holding and disposing of the Notes, including, without limitation, the application of U.S. federal tax laws to their particular situations, as well as any consequences to them under the laws of any other taxing jurisdiction, and the consequences of purchasing the Notes at a price other than the initial issue price in the Offering. See "*Certain Taxation Considerations*."

TRADEMARKS AND TRADE NAMES

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

Solely for convenience, the trademarks, trade names and copyrights referred to in this Offering Memorandum are listed without the TM, ® or © symbols.

CERTAIN DEFINITIONS

The following terms used in this Offering Memorandum have the meanings assigned to them below:

"**Advanced Water Solutions**" or "**AWS**"........	refers to the Group's end market segment for the sale of water and performance additives.
"**Bain Capital**"......................	Bain Capital Private Equity (Europe), LLP, and its affiliates, including Bain Capital Europe Fund IV, L.P. and, where applicable, the other funds and limited partnerships managed or advised by them, and any co-investors.
"**British pound sterling**" or "**GBP**"	the lawful currency of the United Kingdom.
"**Business Day**".....................	each day that is not a Saturday, Sunday or other day on which banking institutions in Milan, Italy, New York, United States of America, or London, United Kingdom are authorized or required by law to close; *provided*, however, that for any payments to be made to the Holders in euro under the Indenture, such day shall also be a day on which the real time gross settlement system operated by the Eurosystem (T2), or any successor system is open for the settlement of payments in euro.
"**BWA**".................................	BWA Holdings LLC, which was merged into Italmatch USA following the BWA Acquisition.
"**BWA Acquisition**"	the acquisition of 100% of the membership interests in BWA by the Group, which was consummated on February 14, 2019.
"**Calculation Agent**"............	U.S. Bank Europe DAC, as calculation agent under the Indenture.
"**CGU**"	the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.
"Collateral"..........................	has the meaning ascribed to it under "*Summary—The Offering—Security.*"
"**Compass**"............................	Compass Chemical International, a chemical company active in the production and marketing of phosphonates and additives for water treatment and for the oil and gas market, which was acquired by the Italmatch Group in June 2016.
"**Desalination**"......................	refers to the Group's end market segment for the sale of antiscalants, biocides, antifoams and cleaners used in thermal and membrane desalination processes (unless the context otherwise requires).
"**Detrex Corporation**".........	an American company specialized, through its subsidiary, The Elco Corporation, in the production of high-performance lubricant additives, which was acquired by the Italmatch Group in December 2017.
"**Dussur**"	Saudi Arabian Industrial Investments Company, a joint stock company organized and existing under the laws of the Kingdom of Saudi Arabia, with commercial registration number 1010429943, and whose registered address is at Dussur, Roshn Front, Building N4, P.O. BOX 47340, 9462 – King Khalid International Airport Road, Riyadh 13413 – 3686, the Kingdom of Saudi Arabia, together with its affiliates and subsidiaries.
"**Dussur Investment**"	the sale to Dussur of a minority stake in the Group pursuant to a share subscription and purchase deed dated December 8, 2022, together with the concurrent investment by Dussur of €100.0 million through the subscription of a capital increase of MidCo, the proceeds of which were contributed to the Group via equity contribution.
"**EU**".....................................	European Union.
"**EURIBOR**"........................	European Interbank Offered Rate.
"**euro**," "**EUR**" or "**€**"..........	the lawful currency of the EU Member States participating in the European Monetary Union.

"**The Elco Corporation**"......	subsidiary of Detrex Corporation specialized in the production of lubricant additives which was acquired by the Italmatch Group in December 2017.
"**Existing Fixed Rate Notes**"	the Issuer's €300,000,000 in aggregate principal amount of its 10.00% Senior Secured Notes due 2028, which we expect to redeem in full in connection with the Refinancing.
"**Existing Floating Rate Notes**"................................	the Issuer's €390,000,000 in aggregate principal amount of its Senior Secured Floating Rate Notes due 2028, which we expect to redeem in full in connection with the Refinancing.
"**Existing Notes**"..................	the Existing Fixed Rate Notes and the Existing Floating Rate Notes, collectively.
"**Fixed Rate Notes**"	the Issuer's €300,000,000 in aggregate principal amount of its 6.250% Senior Secured Notes due 2031 offered hereby to be issued on or about the Issue Date.
"**Floating Rate Notes**"..........	the Issuer's €390,000,000 in aggregate principal amount of its Senior Secured Floating Rate Notes due 2031 offered hereby to be issued on or about the Issue Date.
"**Functional and Performance Products**" or "**FPP**"................................	refers to the Group's end market segment for the sale of bio-based solutions, phosphorus chlorides and unconventional energy solutions.
"**GHG Protocol Standard**"..	refers to the comprehensive and standardized framework to measure greenhouse gas emissions, entitled 'GHG Protocol Corporate Accounting and Reporting Standard', providing guidance to business undertakings and other organizations to prepare their corporate-level greenhouse gas emissions inventory, as established jointly by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) as amended, supplemented or replaced from time to time.
"**Group**," "**us**," "**we**" **and** "**our**"	collectively, the Issuer and its subsidiaries.
"**Guarantees**".......................	the guarantees to be issued by the Guarantors together with any additional guarantee provided by any other future guarantor of the Notes.
"**Guarantors**"	refers to Italmatch USA Corporation, Detrex Corporation, The Elco Corporation, Italmatch Chemicals GB Ltd, and Water Science Technologies, LLC.
"**HoldCo**".............................	Fire (BC) HoldCo Limited, established as a limited liability company under the laws of England and Wales and as the parent company of the Issuer.
"**IFRS**"	International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board and endorsed by the European Union.
"**Industrial Water Treatment**".......................	refers to the Group's end market segment for sale of antiscalants, biocides, dispersants and corrosion inhibitors used in water-based industrial processes such as water boiling, water cooling and industrial and institutional cleaning, which is a sub-market of AWS. Unless specified otherwise, the Industrial Water Treatment end market includes the Group's geothermal line which offers antiscalants with a focus on treating difficult scales at high temperatures in the harsh environments of geothermal plants.
"**Indenture**"	the indenture governing the Notes to be entered into on the Issue Date.
"**Initial Purchasers**"............	collectively, BNP PARIBAS, Goldman Sachs International, Citigroup Global Markets Europe AG, Crédit Agricole Corporate and Investment Bank, and UniCredit Bank GmbH.
"**Intercompany Loans**"........	collectively: (a) the intercompany loan for an original principal amount equal to $166.6 million between the Issuer, as lender, and Italmatch USA, as borrower, under the Italian law governed intercompany loan agreement entered into on February 13, 2019; and (b) an intercompany loan to Italmatch GB for an original principal amount equal to £41 million under the intercompany loan agreement entered into on February 13, 2019, as amended or as amended and restated from time to time, which are currently expected to remain in place subsequent to the Offering.

"**Intercreditor Agreement**" .	the intercreditor agreement originally dated October 16, 2018, between, among others, the Issuer, U.S. Bank Trustees Limited, as trustee for the holders of the Existing Notes, BNP PARIBAS, Italian Branch, as the facility agent with respect to the Revolving Credit Facility, certain creditors thereunder and the Security Agent, as amended, supplemented and restated from time to time (including on or about the Issue Date by the Intercreditor Amendment and Restatement Agreement), and to which the Trustee will accede on or around the Issue Date as trustee for the holders of the Notes.
"**Intercreditor Amendment and Restatement Agreement**"………………	the amendment and restatement agreement in relation to the Intercreditor Agreement to be entered into on or around the Issue Date by and between, among others, the Issuer, the Trustee, BNP PARIBAS, Italian Branch, as the facility agent with respect to the Revolving Credit Facility and the Security Agent.
"**Issue Date**".........................	the date on which the Notes will be issued.
"**Issuer**"................................	Italmatch Chemicals S.p.A., established as a *società per azioni* under the laws of Italy with registered office at Via E. Vismara 114, 20044 Arese (MI), Italy, headquartered in Via Magazzini del Cotone 17 – Modulo 4, 16128 Genova, Italy and registered under number 13471010150 with the Companies Register of Milano Monza-Brianza Lodi (*Registro delle Imprese di Milano Monza-Brianza Lodi*).
"**Italian Civil Code**"	the Italian civil code (*codice civile*) approved by the Royal Decree No. 262 of March 16, 1942, as subsequently amended and restated.
"**Italian Golden Power Authority**"	the Italian Presidency of the Council of Ministers (*Presidenza del Consiglio dei Ministri*) or any other office, department or branch of the Italian Government competent, under the Italian Golden Power Legislation, to issue and release the relevant authorizations under the Italian Golden Power Legislation.
"**Italian Golden Power Legislation**"	the Italian Law Decree (*decreto legge*) No. 21 of March 15, 2012, as converted into law and amended by Italian Law No. 56 of May 11, 2012; the Italian Law Decree (*decreto legge*) No. 105 of September 21, 2019, as converted into law and amended by Italian Law No. 133 of November 18, 2019; the Italian Law Decree (*decreto legge*) No. 23 of April 8, 2020, as converted into law and amended by Italian Law No. 40 of June 5, 2020; the Italian Law Decree (*decreto legge*) No. 21 of March 21, 2022, as converted into law and amended by Italian Law No. 51 of May 20, 2022; and the Italian Law Decree (*decreto legge*) No. 104 of August 10, 2023, as converted into law and amended by Italian Law No. 136 of October 9, 2023, each as amended and supplemented, and including the relevant implementing decrees adopted from time to time in relation to the abovementioned laws and regulations.
"**Italmatch Acquisition Closing Date**"	October 22, 2018, the date on which Fire (BC) S.p.A. acquired Italmatch Chemicals S.p.A.
"**Italmatch GB**"...................	Italmatch Chemicals GB Limited.
"**Italmatch USA**".................	Italmatch USA Corporation.
"**kt**" or "**ktons**".....................	kilotons.
"**Lubricant and Industrial Solutions**" or "**LIS**"	refers to the Group's end market segment for the sale of industrial and transportation lubricants as well as halogen-free flame retardants.
"**Jiayou**"...............................	Changzhou Jiayou Chemical Co. Ltd. and its wholly-owned subsidiary Changzhou Jiayou Xinye Treding Co. Ltd., a chemical company operating in phosphonate production, which were acquired on March 6, 2018.
"**MidCo**"	Fire (BC) Midco Limited, established as a limited liability company under the laws of England and Wales and as the parent company of HoldCo.
"**Notes**"................................	collectively, the Fixed Rate Notes and the Floating Rate Notes.
"**Offering**"............................	the offering of the Notes pursuant to this Offering Memorandum.
"**Offering Memorandum**" ...	this Offering Memorandum in relation to the Notes.

"Paying Agent" .... U.S. Bank Europe DAC, as paying agent under the Indenture.

"Polartech"........................... the business assets of the Afton group operating in the metalworking fluid market, most of which was acquired by the Group on June 15, 2018 while the remaining Indian assets were acquired on July 20, 2018.

"RCF Maturity Date" .... has the meaning ascribed to it under "*Summary—The Transactions—The Revolving Credit Facility Amendment and Restatement.*"

"Refinancing"....................... the transactions described under "*Summary—The Transactions—The Refinancing.*"

"Registrar" .... U.S. Bank Europe DAC, as registrar under the Indenture.

"Revolving Credit Facility". the super senior €117.0 million revolving credit facility under the Revolving Credit Facility Agreement, described in more detail in "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*."

"Revolving Credit Facility Agreement" .... the super senior revolving credit facility agreement governing the Revolving Credit Facility entered into on October 16, 2018 by and between, among others, Fire (BC) S.p.A. (now merged by way incorporation into the Issuer), the Agent (as defined therein), the Security Agent and the Original Lenders (as defined therein), as amended, supplemented and restated from time to time, and as amended and restated pursuant to the Revolving Credit Facility Amendment and Restatement Agreement, which is described in more detail in "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement.*"

"Revolving Credit Facility Amendment and Restatement Agreement" the amendment and restatement agreement in relation to the Revolving Credit Facility Agreement expected to be entered into on or prior to the date of this Offering Memorandum by and between, among others, the Issuer, the Agent (as defined therein) and the Security Agent.

"Saudi Phosphorus" .... Saudi Phosphorus Industrial Company LLC, a 51%-indirectly-owned subsidiary of the Issuer incorporated in Saudi Arabia.

"Scope 1" .... means direct greenhouse gas emissions, as defined in the GHG Protocol Standard.

"Scope 2" .... means electricity indirect greenhouse gas emissions, as defined in the GHG Protocol Standard.

"Scope 3" .... means other indirect greenhouse gas emissions, as defined in the GHG Protocol Standard.

"Securities Act".................... the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Security Agent".................. BNP PARIBAS, Italian Branch, in its capacity as (i) security agent and legal representative (*mandatario con rappresentanza*) for the secured creditors, including the holders of the Existing Notes, the lenders under the Revolving Credit Facility and, from the Issue Date, the holders of the Notes and the Trustee, and (ii) representative (*rappresentante*) of the holders of the Existing Notes and of the holders of the 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 "*Description of the Notes—Certain Definitions.*"

"Shareholders Agreement". has the meaning ascribed to it under "*Principal Shareholders—Shareholders' Agreement Between Bain and Dussur.*"

"Sponsor" .... Bain Capital.

"Sudamfos".......................... Sudamfos do Brasil Ltda, a Brazilian distribution company specialized in the marketing of phosphonates, which was acquired by the Italmatch Group in October 2017.

“**TopCo**”................................	Fire (BC) S.à r.l., established as a *société à responsabilité limitée* under the laws of the Grand Duchy of Luxembourg.
“**Transactions**”	the transactions described under “*Summary—The Transactions.*”
“**Transfer Agent**”	U.S. Bank Europe DAC, as transfer agent under the Indenture.
“**Trustee**”	U.S. Bank Trustees Limited, as trustee under the Indenture.
“**United States**,” “**US**” or “**U.S.**”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.
“**U.S. Dollars**,” “**dollars**,” “**USD**,” “**U.S.$**” or “**$**”	the lawful currency of the United States.
“**U.S. GAAP**”........................	generally accepted accounting principles in the United States.
“**WST**”	Water Science Technologies, LLC.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial statements

All historical financial information presented in this Offering Memorandum is that of the Issuer and its consolidated subsidiaries.

In particular, we have presented in this Offering Memorandum the historical consolidated financial information comprising:

- the audited consolidated financial statements of the Issuer as of and for the years ended December 31, 2022, 2023 and 2024 (the "**Audited Financial Statements**"); and

- the unaudited condensed consolidated interim financial statements of the Issuer as of and for the nine months ended September 30, 2025, including comparative figures for the nine months ended September 30, 2024 (the "**Unaudited Condensed Financial Statements**" and, together with the Audited Financial Statements, the "**Financial Statements**").

The Audited Financial Statements were prepared for this Offering and show each of the past three fiscal years on the basis of a financial period ending on December 31 of each relevant year. The Audited Financial Statements are presented in euro and have been prepared in accordance with IFRS as issued by the International Accounting Standards Board and endorsed by the European Union.

The Unaudited Condensed Financial Statements were prepared on the basis of nine-month period ending on September 30, 2025, are presented in euro and have been prepared in accordance with IAS 34 (Interim Financial Reporting) as issued by the International Accounting Standards Board and endorsed by the European Union.

The Audited Financial Statements prepared in connection with this Offering and presented in this Offering Memorandum are distinct from the statutory consolidated financial statements that the Issuer has previously filed before the relevant companies register (the "**Statutory Financials**"). Certain amounts presented in the Financial Statements are presented differently than in the Statutory Financials.

The Financial Statements contained in the F-Pages to this Offering Memorandum should be read in conjunction with the relevant notes thereto.

Comparability of the Financial Statements

Acquisitions

Over time, we completed certain acquisitions of companies through which we changed the size of our operations and which enabled us to expand and/or consolidate into new geographical markets and product markets. In general, such transactions affect the comparability of our results of operations from period to period as our results following the date of such acquisitions consolidate, in full or in part, the results of any acquired businesses into our results thereby affecting the comparability with prior or future periods. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting the Comparability of our Results of Operations.*" For example, in June 2022, we completed the acquisitions of Aubin Group, a key strategic developer and supplier of innovative chemical solutions for the oil and gas industry and the renewable energy sector. Our audited consolidated financial statements as of and for the year ended December 31, 2022 include, on a consolidated basis, the results of Aubin Group from July 1, 2022. As a result, our consolidated statements of profit and loss and other comprehensive income data and statements of cash flow for the year ended December 31, 2023 cannot be directly compared with the corresponding statements for the year ended December 31, 2022 due to the consolidation of the revenue generated, costs incurred and cash generated or utilized by the Aubin Group on a full-year basis for the year ended December 31, 2023 compared to a partial-year basis for the year ended December 31, 2022.

Furthermore, in March 2024, through our wholly owned subsidiary Italmatch Química do Brasil Ltda, we completed the acquisition of a majority of the shares of Alcolina Química & Derivados ("**Alcolina**"), a Brazilian chemicals company specializing in water treatment products for bioethanol, sugar production and industrial applications. The assets and liabilities of Alcolina have been consolidated into our consolidated balance sheets data from March 31, 2024, and the results of operations and cash flows of Alcolina have been consolidated into our consolidated statements of profit and loss and other comprehensive income data and statements of cash flow from April 1, 2024. As a result, our results of operations and cash flow statements for the year ended December 31, 2024 include a partial-year contribution from Alcolina, whereas the corresponding information for the year ended December 31, 2023 reflects no such contribution. Correspondingly, our results of operations and cash flow statements for the nine months ended September 30, 2025 reflect a full nine-month contribution from Alcolina, while the corresponding period in 2024 reflects only a partial contribution from Alcolina. Consequently, our consolidated statements of profit and loss and other comprehensive income and statements of cash flow for the year ended December 31, 2024 and for the nine months ended September 30, 2025 cannot be directly compared with the statements for the respective corresponding prior periods due to the partial contribution of revenue generated and costs incurred by Alcolina in 2024. The comparisons between these periods should be made with due regard to the timing of this acquisition. Revenue attributable to Alcolina represented approximately 4% of our revenue for the year ended December 31, 2024 as well as for the twelve months ended September 30, 2025. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting the Comparability of our Results of Operations—Acquisitions.*"

Changes to Accounting Standards

We made certain changes to accounting standards during the periods under review, which, however, did not have a significant impact on prior periods and are not expected to significantly affect the current or future periods. See notes 2 (*Adoption of new and revised Standards*) to the Audited Financial Statements for further information on accounting policies adopted during the relevant period.

Non-IFRS Financial Measures

In this Offering Memorandum, we present certain non-IFRS measures, including Adjusted EBITDA, Further Adjusted EBITDA, Adjusted EBITDA Margin, Further Adjusted EBITDA Margin, Contribution Margin, Contribution Margin per Ton, Fixed Costs, Variable Costs, Variable Costs as a Percentage of Total Variable and Fixed Costs, Fixed Costs as a percentage of Total Variable and Fixed Costs, Variable Costs as a percentage of revenue, Fixed Costs as a percentage of revenue, Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Fixed Costs. In particular, we define:

- "**Adjusted EBITDA**" as profit (loss) before tax and after adding back finance income, finance costs, depreciation and amortization as well as impairment losses on financial assets, impairment losses on goodwill and certain management adjustments and non-recurring costs.

- "**Further Adjusted EBITDA**" as Adjusted EBITDA further adjusted for certain cost savings and other synergies that we expect to realize from the Alcolina acquisition, the optimization of certain organizational functions, the Arese cogeneration project, the new U.S. brownfield development in Smyrna, Georgia, and digitization and operational-excellence initiatives.

- "**Adjusted EBITDA Margin**" as Adjusted EBITDA divided by revenue and expressed as a percentage.

- "**Further Adjusted EBITDA Margin**" as Further Adjusted EBITDA divided by revenue and expressed as a percentage.

- "**Contribution Margin**" as revenue *less* raw materials, production utilities and other costs comprising transportation costs for sales to third parties, purchased raw materials and consumables and commission expenses, excluding utilities and transportation costs not directly related to sales to third parties, *plus* inventory write-down provisions accrued in the period and less any utilization thereof. Contribution Margin does not include third-party production and maintenance costs, employee benefit expenses, other operating expenses (other than commission expenses), depreciation and amortization and impairment losses on goodwill. Contribution Margin is calculated based on unaudited management accounts that do not reconcile to our statutory accounts due to the exercise of management judgment in determining the qualification of other cost items.

- "**Contribution Margin per Ton**" as the ratio between the Contribution Margin and total volumes sold (presented in kilotons), expressed on a euro-per-ton basis.

- "**Fixed Costs**" as other operating expenses and employee benefits expense. Fixed Costs do not include depreciation and amortization and impairment losses on goodwill.

- "**Variable Costs**" as costs for raw materials, consumables and production utilities, third party production and maintenance and transportation costs.

- **"Variable Costs as a Percentage of Total Variable and Fixed Costs"** as the percentage of Variable Costs divided by the sum of Variable Cost and Fixed Costs.

- **"Fixed Costs as a percentage of Total Variable and Fixed Costs"** as the percentage of Fixed Costs divided by the sum of Variable Cost and Fixed Costs.

- **"Variable Costs as a percentage of revenue"** as the percentage of Variable Costs divided by revenue.

- **"Fixed Costs as a percentage of revenue"** as the percentage of Fixed Costs divided by revenue.

- **"Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs"** as the percentage of costs of raw materials, consumables and production utilities divided by Variable Costs.

- **"Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Fixed Costs"** as the percentage of costs of raw materials, consumables and production utilities divided by the sum of Variable Costs and Fixed Costs.

We believe that Adjusted EBITDA, Further Adjusted EBITDA, Adjusted EBITDA Margin, Further Adjusted EBITDA Margin, Contribution Margin, Contribution Margin per Ton, Fixed Costs, Variable Costs, Variable Costs as a Percentage of Total Variable and Fixed Costs, Fixed Costs as a percentage of Total Variable and Fixed Costs, Variable Costs as a percentage of revenue, Fixed Costs as a percentage of revenue, Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Fixed Costs are useful indicators of our ability to incur and service our indebtedness and can assist certain investors, security analysts and other interested parties in evaluating us. Furthermore, we believe that Adjusted EBITDA, Further Adjusted EBITDA, Adjusted EBITDA Margin, Further Adjusted EBITDA Margin, Contribution Margin, Contribution Margin per Ton, Fixed Costs, Variable Costs, Variable Costs as a Percentage of Total Variable and Fixed Costs, Fixed Costs as a percentage of Total Variable and Fixed Costs, Variable Costs as a percentage of revenue, Fixed Costs as a percentage of revenue, Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Fixed Costs are relevant measures for assessing our performance because they are adjusted for certain items which, we believe, are not indicative of our underlying operating performance and/or give effect to certain cost savings and/or synergies, thus aiding in an understanding of our profit.

Adjusted EBITDA, Further Adjusted EBITDA, Adjusted EBITDA Margin, Further Adjusted EBITDA Margin, Contribution Margin, Contribution Margin per Ton, Fixed Costs, Variable Costs, Variable Costs as a Percentage of Total Variable and Fixed Costs, Fixed Costs as a percentage of Total Variable and Fixed Costs, Variable Costs as a percentage of revenue, Fixed Costs as a percentage of revenue, Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Fixed Costs and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing Adjusted EBITDA, Further Adjusted EBITDA, Adjusted EBITDA Margin, Further Adjusted EBITDA Margin, Contribution Margin, Contribution Margin per Ton, Fixed Costs, Variable Costs, Variable Costs as a Percentage of Total Variable and Fixed Costs, Fixed Costs as a percentage of Total Variable and Fixed Costs, Variable Costs as a percentage of revenue, Fixed Costs as a percentage of revenue, Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Fixed Costs as reported by us to Adjusted EBITDA, Further Adjusted EBITDA, Adjusted EBITDA Margin, Further Adjusted EBITDA Margin, Contribution Margin, Contribution Margin per Ton, Fixed Costs, Variable Costs, Variable Costs as a Percentage of Total Variable and Fixed Costs, Fixed Costs as a percentage of Total Variable and Fixed Costs, Variable Costs as a percentage of revenue, Fixed Costs as a percentage of revenue, Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Fixed Costs of other companies. Adjusted EBITDA and Further Adjusted EBITDA as presented here differ from the definition of "Consolidated EBITDA" contained in the Indenture as described under the caption "*Description of the Notes*," or for the purposes of any of our other indebtedness. The information presented by Adjusted EBITDA, Further Adjusted EBITDA, Adjusted EBITDA Margin, Further Adjusted EBITDA Margin, Contribution Margin, Contribution Margin per Ton, Fixed Costs, Variable Costs, Variable Costs as a Percentage of Total Variable and Fixed Costs, Fixed Costs as a percentage of Total Variable and Fixed Costs, Variable Costs as a percentage of revenue, Fixed Costs as a percentage of revenue, Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Fixed Costs 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 the SEC's requirements would require us to make changes to the presentation of this information. None of Adjusted EBITDA, Further Adjusted EBITDA, Adjusted EBITDA Margin, Further Adjusted EBITDA Margin, Contribution Margin, Contribution Margin per Ton, Fixed Costs, Variable Costs, Variable Costs as a Percentage of Total Variable and Fixed Costs, Fixed Costs as a percentage of Total Variable and Fixed Costs, Variable Costs as a percentage of revenue, Fixed Costs as a percentage of revenue, or Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs is a measurement of performance under IFRS and you should not consider Adjusted EBITDA, Further Adjusted EBITDA, Adjusted EBITDA Margin, Further Adjusted EBITDA Margin, Contribution Margin, Contribution Margin per Ton, Fixed Costs, Variable Costs, Variable Costs as a Percentage of Total Variable and Fixed Costs, Fixed Costs as a percentage of Total Variable and Fixed Costs, Variable Costs as a percentage of revenue, Fixed Costs as a percentage of revenue, Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Fixed Costs as an alternative to profit/(loss) after tax determined in accordance with IFRS, as the case may be, or to cash flows from operations, investing activities or financing activities. Adjusted EBITDA, Further Adjusted EBITDA, Adjusted EBITDA Margin, Further Adjusted EBITDA Margin, Contribution Margin, Contribution Margin per Ton, Fixed Costs, Variable Costs, Variable Costs as a Percentage of Total Variable and Fixed Costs, Fixed Costs as a percentage of Total Variable and Fixed Costs, Variable Costs as a percentage of revenue, Fixed Costs as a percentage of revenue, Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Fixed Costs have limitations as analytical tools, and you should not consider them in isolation. Some of these limitations are:

- they do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;

- they do not reflect changes in, or cash requirements for, our working capital needs;

- they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on our debt;

- although depreciation and amortization are non-cash charges, the assets depreciated and amortized will often need to be replaced in the future and Adjusted EBITDA, Further Adjusted EBITDA, Contribution Margin, Contribution Margin per Ton, Fixed Costs, Variable Costs, Variable Costs as a Percentage of Total Variable and Fixed Costs, Fixed Costs as a percentage of Total Variable and Fixed Costs, Variable Costs as a percentage of revenue, Fixed Costs as a percentage of revenue, Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Fixed Costs do not reflect any cash requirements that would be required for such replacements;

- some of the exceptional items that we eliminate or add in calculating Adjusted EBITDA and Further Adjusted EBITDA reflect cash payments that were made or received, or are expected in the future to be made or received; and

- the fact that other companies in our industry may calculate Adjusted EBITDA, Further Adjusted EBITDA, Adjusted EBITDA Margin, Further Adjusted EBITDA Margin, Contribution Margin, Contribution Margin per Ton, Fixed Costs, Variable Costs, Variable Costs as a Percentage of Total Variable and Fixed Costs, Fixed Costs as a percentage of Total Variable and Fixed Costs, Variable Costs as a percentage of revenue, Fixed Costs as a percentage of revenue, Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Costs of Raw Materials, Consumables and Production Utilities as a percentage of Variable Costs and Fixed Costs differently than we do, which limits their usefulness as comparative measures.

We also present the non-IFRS measures of Net Working Capital, Net Capital Expenditure, Recurring Net Capital Expenditure as a percentage of revenue, Total Net Capital Additions, Total Financial Debt, and Cash Flow Conversion. In particular, we define:

- "**Net Working Capital**" as inventories *plus* trade receivables *less* trade payables.

- "**Net Capital Expenditure**" as Investments in property, plant and equipment, Disposal of property, plant and equipment and Investments in goodwill and other intangible assets. We further categorize our Net Capital Expenditure into: (a) "Recurring Net Capital Expenditure" as expenditure for maintenance, health and safety, industrial automation and production technologies as well as expenditures to increase productivity and the quality of our products; and (b) "Expansion and Non-Recurring Net Capital Expenditure" as expenditures for plant construction and expansion, measures to enhance our production capacity as well as software to enhance productivity.

- "**Recurring Net Capital Expenditure as a percentage of revenue**" as the percentage of Recurring Net Capital Expenditure divided by revenue.

- "**Total Net Capital Additions**" as Net Capital Expenditure *plus* the addition of (a) right of use assets and (b) goodwill, intangible and property, plant and equipment from business combination, in each case for the relevant period.

- "**Total Financial Debt**" as the sum of the aggregate principal amount of the Existing Notes, other debt, and lease liabilities (see "*Capitalization*") as of September 30, 2025.

- **"Cash Flow Conversion"** as the Adjusted EBITDA *less* Recurring Net Capital Expenditure, divided by Adjusted EBITDA.

We use Net Working Capital, Net Capital Expenditure, Recurring Net Capital Expenditure as a percentage of revenue, Total Net Capital Additions, Total Financial Debt, and Cash Flow Conversion to monitor cash flow generation. Net Working Capital, Net Capital Expenditure, Recurring Net Capital Expenditure as a percentage of revenue, Total Net Capital Additions, and Total Financial Debt are not measures of liquidity under IFRS or U.S. GAAP and have limitations as an analytical tool, some of which include:

- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on our debt; and
- the fact that other companies in our industry may calculate Net Working Capital, Net Capital Expenditure, Recurring Net Capital Expenditure as a percentage of revenue, Total Net Capital Additions, and Total Financial Debt differently than we do, which limits their usefulness as comparative measures.

Net Working Capital, Net Capital Expenditure, Recurring Net Capital Expenditure as a percentage of revenue, Total Net Capital Additions, Total Financial Debt, and Cash Flow Conversion 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 meet our obligations. You should compensate for these limitations by relying primarily on the Financial Statements and using these non-IFRS Financial Measures only supplementary to evaluate our performance. Other companies in the industries in which we operate may calculate Net Working Capital, Net Capital Expenditure, Recurring Net Capital Expenditure as a percentage of revenue, Total Net Capital Additions, Total Financial Debt, and Cash Flow Conversion, or other similarly titled measures differently than us, limiting their usefulness as a comparative measure.

The information presented by each of the non-IFRS Financial Measures 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 the SEC's requirements would require us to make changes to the presentation of this information.

Financial Information for the Twelve Months Ended September 30, 2025

In this Offering Memorandum, we have also presented certain unaudited financial information for the twelve months ended September 30, 2025, which is calculated by taking the results of operations of the Issuer for the nine months ended September 30, 2025, adding them to the results of operations for the year ended December 31, 2024, and subtracting the results of operations for the nine months ended September 30, 2024. The financial information for the twelve months ended September 30, 2025 is not necessarily indicative of the results that may be expected for the year ending December 31, 2025, and should not be used as the basis for or prediction of an annualized calculation. Such financial information has not been audited, is not required by or presented in accordance with IFRS or any other generally accepted accounting principles and has been prepared for illustrative purposes only. We believe that the financial information for the twelve months ended September 30, 2025 is a useful indicator of our ability to develop our business and operating cash flow and to serve our indebtedness. We present this information as it is the basis for certain ratios and as adjusted financial information included in this Offering Memorandum that we believe is useful as supplemental measures for investors in assessing the impact of the Transactions and our ability to incur and service our debt, including under the Notes.

As Adjusted Financial Information

This Offering Memorandum includes certain financial information as of and for the twelve months ended September 30, 2025 on an adjusted basis to give effect to the Transactions and the application of proceeds therefrom. Such as adjusted financial information as of and for the twelve months ended September 30, 2025 as adjusted to give effect to the Transactions, as if the Transactions had occurred on September 30, 2025 with respect to certain balance sheets information (including our cash and cash equivalents and our indebtedness), and on October 1, 2024 with respect to our interest expense. See "*Summary—Summary Historical Financial and Other Information—Non-IFRS and As Adjusted Financial Information*" and "*Capitalization.*" The as adjusted financial information is based on available information and certain assumptions and estimates that we believe are reasonable and may differ from actual amounts. The as adjusted financial information as of and for the twelve months ended September 30, 2025 has been prepared for illustrative purposes only and does not purport to represent what our results or any other metric would have actually been had the Transactions occurred on the dates presented or to project our results of operations or financial position for any future period or our financial condition at any future date. In particular, such information does not represent what our indebtedness or interest expense would have been had the Transactions occurred on September 30, 2025 or October 1, 2024, respectively, nor does it purport to project our indebtedness or interest expense at any future date. The as adjusted financial information as of and for the twelve months ended September 30, 2025 has not been prepared in accordance with IFRS, the requirements of Regulation S-X under the Securities Act, the Prospectus Regulation or any generally accepted accounting standards. Neither the assumptions underlying the adjustments nor the resulting adjusted financial information as of and for the twelve months ended September 30, 2025 have been audited or reviewed in accordance with any generally accepted auditing standards.

Non-Financial Operating Data

Certain key performance indicators and other non-financial operating data included in this Offering Memorandum are derived from management estimates, are not part of our financial statements or financial accounting records, and have not been audited or otherwise reviewed by independent auditors or outside consultants or experts. Our use or computation of these performance indicators and other non-financial operating data may not be comparable to the use or computation of similarly titled indicators and data reported by other companies. Any or all of these indicators and data should not be considered in isolation or as an alternative measure of performance under IFRS or any other general accepted accounting principles.

Guarantors Coverage

This Offering Memorandum includes certain information with respect to the relative proportion of our aggregated revenues, assets and EBITDA represented by the Issuer and the Guarantors on a combined basis (the "**Guarantors Coverage Information**"). As of and for the twelve months ended September 30, 2025, the Issuer and the Guarantors accounted for approximately 63% of aggregate revenue, approximately 54% of aggregate EBITDA and approximately 79% of aggregate total assets.

For purposes of this calculation, aggregate EBITDA is calculated as profit/(loss) before tax and after adding back finance income, finance costs, depreciation and amortization as well as impairment losses on financial assets, impairment losses on goodwill. Aggregate financial information differs from consolidated financial information in that aggregate financial information does not reflect deductions for intercompany eliminations.

The Guarantors Coverage Information is subject to important limitations and investors should view the Guarantors Coverage Information with caution. The Guarantor Coverage Information included in this Offering Memorandum has not been audited or reviewed, has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act, the Prospectus Regulation, IFRS or any generally accepted accounting standards and does not give effect to any normalization adjustments, annualizations, cost savings or synergies such as those applied in calculating the Adjusted EBITDA and the Further Adjusted EBITDA for the twelve months ended September 30, 2025. We cannot assure you that the Guarantor Coverage Information will accurately reflect the relative earnings or assets of our subsidiaries in the future.

Other Segment, Geographic and Operating Data

Starting with our results of operations as of and for the nine months ended September 30, 2024, we have adopted a new classification of our main end markets for our product portfolio with the aim of providing a more concise and simplified representation of our business activities. As a result, our accounting segments under IFRS 8 (*Operating Segments*) in our Financial Statements have been revised to reflect this new end market classification. Accordingly, the revenue breakdowns for all periods presented in this Offering Memorandum, including retrospectively for any periods prior to the nine months ended September 30, 2024, reflect the breakdowns of our revenue according to the new classification that we first adopted for the nine months ended September 30, 2024, as follows:

- *AWS*, which includes our results deriving from the sale of phosphonates and polymer derivatives additives, mainly used as antiscalant in wastewater and cleaning;
- *LIS*, which includes our results deriving from the sale of base oils and additives used in both industrial and transportation lubricants and of additives such as flame retardants; and
- *FPP*, which includes our results deriving from the sale of specialty chemical intermediates for agriculture, water treatment, EV batteries, oleochemical products and unconventional energy (fracking).

We present information according to end markets in this manner because we believe it reflects a useful framework to discuss our operations and strategic focus. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

We also present certain financial and business information classified according to the geographic areas in which we operate. In each instance, the geography of sale is reported as the geography of the customer making the relevant purchase, irrespective of the location of the relevant parent or commercial subsidiary booking the sale. See "*Business—Our Products Overview.*" We also present herein breakdowns of our volumes by our main end markets for our product portfolio.

This Offering Memorandum also includes certain qualitative information with respect to our Contribution Margin split by end market and by specialty and commodity products. Such information reflects management's judgment, estimates and internal assessments of our business and operating profile and is intended to provide contextual and directional information rather than quantified financial measures. This information has been presented for illustrative purposes only, is not part of or derived from our statutory consolidated financial statements or financial accounting records and has not been audited or otherwise reviewed by independent auditors or outside consultants or experts. Such information has not been prepared in accordance with IFRS or any other accounting standards. Accordingly, such information is not intended to represent, and should not be relied upon as, a measure of financial performance or operating results under IFRS or any other accounting standard. Our use or computation of these indicators may not be comparable to the use or computation of similarly titled indicators and data reported by other companies. Any or all of these indicators and data should not be considered in isolation or as an alternative measure of performance under IFRS or any other general accepted accounting principles. Investors are cautioned not to place undue reliance on such information.

Rounding

Certain numerical figures set out in this Offering Memorandum, including financial information and certain operating data, have been subject to rounding adjustments and, as a result, the totals of the data in this Offering Memorandum may vary slightly from the actual arithmetic totals of such information. In addition, as a result of such rounding, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform exactly to the total percentage given.

(This page has been left blank intentionally.)

SUMMARY

This summary highlights certain information about the Issuer, the Group and the Transactions contained in this Offering Memorandum. This summary is not complete and does not contain all the information that you should consider before investing in the Notes. The following summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information included in this Offering Memorandum, including the consolidated financial statements of the Issuer and the related notes therein. You should carefully read the entire Offering Memorandum to understand the business of the Group, 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 in this Offering Memorandum. See "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Industry and Market Data," "Industry" and "Business."

This summary includes certain technical terms that are commonly used in our industry. See "Glossary of Selected Terms" for a detailed explanation of these terms. Unless the context indicates otherwise, all references to "we," "us," "our" and the "Group" in this "Summary" are to the combined business of the Issuer and its subsidiaries.

Overview

We are a leading innovative specialty chemicals group, focused on the manufacturing of a broad range of specialty chemical additives and solutions-oriented, value-added formulations that we offer to a diversified and global customer base. Our products, such as phosphorus derivatives, specialty polymers and esters, are critical and strategic components in many sectors, including industrial applications, desalination, hygiene and cleaning, personal care, pharmaceuticals, transportation, pharmaceuticals, semiconductors, plastics, agriculture and energy. Our products enhance the performance of applications such as water or oil solutions used in industrial processes, industrial lubricants and electrical equipment.

We hold leading market positions both in Europe and globally for a majority of our key products. For example, for the year ended December 31, 2024, we were:

- the market leader in Europe and the United States for the production and sale of phosphonate scale inhibitors for industrial water treatment (with a market share of approximately 30% in each such region) and the global leader for the production and sale of scale inhibitor formulations for desalination (with a market share of approximately 20-25% worldwide);

- the market leader in Europe and a top two player in Asia for anti-wear lubricant intermediates (with a market share of approximately 60% and 45%, respectively) and the market leader globally for the production and sale of polymeric esters for lubricants, with a market share of approximately 55% worldwide;

- the market leader in Europe for the sale of red phosphorus flame retardants, with a market share of approximately 60-70%; and

- the market leader in Europe for the sale of PCl_3, a key raw material used in the production of phosphonates, with a market share of approximately 40%.

We divide our product offering into three end market segments: Advanced Water Solutions (AWS), Lubricants and Industrial Solutions (LIS) and Functional and Performance Products (FPP). The following overview highlights the key features of our product offering by end market segment:

- ***Advanced Water Solutions (AWS):*** Our range of AWS products includes phosphonates, polymers and inulin derivatives, which are used as antiscalants in water solutions for industrial processes and biocides, dispersants and corrosion inhibitors used in water-based industrial processes (such as water boiling, water cooling and membrane desalination processes) as well as corrosion inhibitors, biocides, flocculants, antifoam used, among others, in geothermal processes and industrial and institutional cleaning agents. Our portfolio also includes geothermal energy, household detergents and mining and metal recovery applications. For the twelve months ended September 30, 2025, we generated €271.1 million in revenue from the AWS end market, representing 41.8% of our revenue for the same period. We estimate that, for the year ended December 31, 2024, the vast majority of the Contribution Margin generated by AWS products was driven by higher-value specialty products, while a smaller portion was attributable to commodity or commodity-like products, such as HEDP for simple industrial water applications.

- ***Lubricants and Industrial Solutions (LIS):*** Our range of LIS products includes high value intermediates, additive components and packages, such as high-performance lubricant additives for the industrial and transportation markets. Our portfolio also includes high performance halogen-free, phosphorus-based flame retardants for electrical and electronics applications, including datacenters and electric vehicles. Finally, our offering also includes other specialty products, such as high-purity HCl for semiconductor manufacturing as well as for food and pharmaceutical applications, high-purity, phosgene-free acid chlorides particularly for personal care products. For the twelve months ended September 30, 2025, we generated €273.1 million in revenue from the LIS end market, representing 42.1% of our revenue for the same period. We estimate that the contribution margin generated by the LIS end market for the year ended December 31, 2024 was nearly entirely driven by specialty products, reflecting the performance-critical and formulation-intensive nature of our LIS portfolio, with only a limited contribution from commodity and commodity-like products.

- ***Functional and Performance Products (FPP)***: Our range of FPP products includes functional and performance solutions across three sub-segments: (i) bio-based solutions, (ii) phosphorus chlorides and (iii) unconventional energy. Our bio-based additives, mainly used for polymers, personal care and food and beverage applications, are metallic stearates, polymer lubricants, esters and stabilizers. We are also a trusted supplier of phosphorus chlorides solutions, mainly used in the agrochemical sector, for downstream water and plastic applications, as well as for the production of LI-ion batteries for electric vehicles. Lastly, we are at the forefront of the development of additives and chemical formulations for unconventional energy production facilities, particularly in the United States. Our main focus in this sector is on antiscalants and biocides. For the twelve months ended September 30, 2025, we generated €103.7 million in revenue from the FPP end market, representing 16.0% of our revenue for the same period. We estimate that, for the year ended December 31, 2024, the Contribution Margin generated by the FPP end market was driven by a balanced mix of specialty products and commodity or commodity-like products, with specialty solutions contributing meaningfully due to their functional performance characteristics.

Our scale, offering and end market exposure have undergone a meaningful transformation since Bain Capital assumed majority indirect ownership in 2018. In 2018, we operated a predominantly specialty-oriented business with a meaningful level of Adjusted EBITDA generation and stable margins, supported by a Contribution Margin mix in which specialty products represented the majority. At that time, the portfolio provided a sound earnings base, but still reflected a meaningful exposure to commoditized, lower-margin activities and an end-market mix that had not yet been aligned with our highest-margin applications. In particular, profit/(loss) after tax amounted to €(4.3) million for the year ended December 31, 2019, €(82.6) million for the year ended December 31, 2023 and €(49.5) million for the twelve months ended September 30, 2025. Over the course of Bain Capital's ownership, Adjusted EBITDA and Adjusted EBITDA Margin progressively increased, and evolved from €94.4 million and 18.2%, respectively, for the year ended December 31, 2019, to €108.5 million and 16.2%, respectively, for the year ended December 31, 2023, and further to €128.2 million and 19.8%, respectively, for the twelve months ended September 30, 2025. During this time span, we expanded our business offering in specialty chemicals and functional solutions, and estimate that the proportion of our operating profit attributable to specialty products increased from representing a majority in 2019 to constituting a predominant share for the twelve months ended September 30, 2025. We also estimate that specialty products represented the vast majority of our total Contribution Margin for the twelve months ended September 30, 2025, with their relative contribution progressively increasing since 2019.

We estimate that between 2018 and 2024, our Adjusted EBITDA grew at a CAGR that exceeded that of our specialty chemical peer group, both on a total basis and on an organic basis. Overall, our combination of organic growth and acquisitions resulted in a higher Adjusted EBITDA growth profile relative to the sector.

In terms of end markets, we significantly expanded our AWS exposure through organic innovation and selective M&A. In 2019, we generated total revenue of €510.6 million, of which AWS represented approximately 45%, LIS approximately 36% and FPP approximately 19%. In the twelve months ended September 30, 2025, our total revenue amounted to €647.9 million, with AWS contributing 41.8% of total revenues and LIS contributing 42.2% of total revenues, reflecting a convergence in their relative weight within our revenue base. Over the same period, FPP accounted for 16.0% of total revenues, representing a modest reduction in its relative contribution compared to 2023. Overall, between 2019 and the twelve months ended September 30, 2025, our revenue mix shifted toward a more balanced contribution between AWS and LIS, while FPP remained broadly stable in percentage terms.

We serve a large and established customer base, characterized by long-term partnership-like relationships, many of which involve co-developing bespoke products to meet customers' specifications. Our customer base is also diversified across geographies and sectors, with no customer accounting for more than 7% of our revenue and our top ten customers only accounting for approximately 29%, respectively, of our revenue for the nine months ended September 30, 2025.

We have a global manufacturing and distribution footprint with 14 core production facilities, which are located adjacent to major industrial hubs in Europe, Middle East and Africa (collectively, "**EMEA**"), the Americas and the Asia-Pacific region ("**APAC**") and complemented by three tolling sites, four blending facilities and one storage plant in Poland. We also maintain and invest in seven research and development ("**R&D**") centers of excellence in Europe and the United States, which are part of our strategic focus on continuous innovation and underpin our strong pipeline of new launches.

For the twelve months ended September 30, 2025, our revenue, operating profit and Contribution Margin were €647.9 million, €54.6 million and €260.6 million, respectively, and our profit/(loss) after tax, Further Adjusted EBITDA, and Further Adjusted EBITDA Margin were €(49.5) million, €137.1 million and 21.2%, respectively. For a reconciliation to the corresponding IFRS measures, please see "*Summary Historical Financial and Other Information—Non-IFRS and As Adjusted Financial Information*" and "*Summary Historical Financial and Other Information—Other Financial Information, Segment, Geographic and Operating Data.*"

Our Strengths

Global leader in key specialty additives, with a broad portfolio of products in attractive and protected end markets driven by structural tailwinds

We focus on manufacturing high-value specialty chemical products for attractive and resilient niche markets characterized by steady growth. We have developed a well-balanced and diversified portfolio through a combination of organic and inorganic growth and a continued repositioning towards specialty and complex formulations, supported by our robust R&D activity, which helps to stabilize our revenue against negative fluctuations in the demand for any particular product or from any specific customer or geography.

We manufacture and distribute specific specialty chemicals that are of strategic importance to our customers in each of our end market segments, which result in robust demand across our product portfolio. Our products are based on complex formulations that require specialized handling, which, in turn, serve as high barriers to entry for competitors seeking to access our markets. Such barriers are further entrenched by our partnership-like relationships with customers in high-growth end-market segments, that value our continuous attention to R&D and innovation.

- ***Advanced Water Solutions***: In our AWS end market segment, our customers operate primarily in the cleaning and industrial water treatment, household and institutional cleaning, mining and metal refining, desalination and geothermal industries. In the cleaning and industrial water treatment industries, underlying trends supporting demand for our products include an enhanced regulation of water quality and a shift towards higher consumption of reused water. We have also been experiencing an increase in demand for our products used for desalination, particularly membrane desalination, which we expect will continue in the medium term, as we offer a broad range of products including antiscalants, biocides, antifoams and cleaners used in both thermal and membrane desalination processes. An additional factor supporting stable demand for our AWS products is that, while our products are additives that typically comprise a relatively moderate fraction of the value of our customers' formulations (for example, our additives represent approximately 15-20% of the final price for cooling water formulations), our additives are critical to the maintenance of our customers' sophisticated capital equipment. Moreover, demand for these products is not wholly dependent on the ultimate volume of goods sold by our end customers but rather on the need to operate their equipment regardless of the change in output between periods. Based on estimates by Advancy, our reference AWS market is projected to grow at approximately 4-5% CAGR between 2025 and 2030, supported by these trends.

  We are the market leader for the production and sale of phosphonate scale inhibitors with a market share of approximately 20-25% for scale inhibitors formulation for desalination worldwide for the year ended December 31, 2024. In Europe and the United States, we have a leading market share of approximately 30% in each jurisdiction for industrial water treatment. We also have a leading market position for geothermal antiscalants in Europe and LATAM with approximately 25% market share in each.

- ***Lubricants and Industrial Solutions***: In our LIS customers' industries, underlying trends supporting demand for our products include increased performance requirements (in respect of motor vehicles, wind turbines and metalworking fluids), a general shift towards sustainable energy sources, exemplified by an expected increase of wind turbines installations over the next five years and substitution of conventional lubricants and flame retardants with more sustainable, safer and high-performance chemical lubricants. Our additive products comprise a relatively moderate portion of the value of our customers' products (for example our performance polymer additives represent approximately up to 10-15% of the overall polymer price), but are critical to performance. The LIS end market segment also features customized products developed in close cooperation with customers, further supporting demand. We are a global supplier of different families of highly effective phosphorus- and nitrogen-based halogen-free flame retardant for thermoplastic and thermoset polymers and are well positioned to fully benefit from increasing regulatory trends supporting the development of halogen-free flame retardants due to safety and environmental concerns.

  We are the market leader for the sale of polymeric esters for lubricants, with a market share of 55% globally, for the year ended December 31, 2024. We are the market leader in Europe for anti-wear lubricant intermediates (the second largest position in the Asian market), one of the most common anti wear lubricant additives for engine oil and industrial lubricants. We are the market leader in Europe for the production and sale of red phosphorus flame retardants, with a market share of approximately 60-70% for the year ended

December 31, 2024. We are currently the sole producer to meet the required high standards for the production of inorganic phosphinate and we are the only U.S. producer of cGMP-grade high-purity HCl in a certified facility. Moreover, we are the market leader in Europe for the production of PCl_3-based acid chlorides, with a market share of approximately 40%.

- ***Functional and Performance Products**:* We are positioned across three verticals, addressing consumer demands with specialty solutions, namely bio-based solutions, phosphorus chlorides and unconventional energy. We expect demand for our products to be supported by stable demand for PCl_3 and derivative products and increased demand for personal care functional ingredients.

  We are the market leader in Europe for the sale of PCl_3, a key raw material used in the production of phosphonates, with a market share of approximately 40% for the year ended December 31, 2024, and sole player in Europe in the production of PCl_5, a phosphorus chloride used as chlorinating reagent in the manufacturing of antibiotics and for the production of lithium-ion battery electrolytes.

For the year ended December 31, 2024, we estimate that our Contribution Margin by end market was substantially aligned with our revenue by end market. In particular, LIS and AWS were similarly significant contributors, and FPP contributed a smaller share. This balanced mix supports margin resilience and reduces reliance on any single end market. In addition to enhanced stability of our diversification towards economic and raw material cycles, our geographic diversity and reach, along with our broad customer portfolio, enhance the efficiency of the distribution channels. Moreover, by manufacturing specialty additives that are critical for our customers' operations and have a low cost-to-value ratio, we benefit from elevated and steady margins through the economic cycles in the markets where we operate, further supported by our flexible and lean asset and cost bases.

We believe that replicating our offering and positioning in key end markets would be challenging for competitors. Our global footprint of production plants forms the foundation of our "local-for-local" business model. By manufacturing close to our customers in each market, we can source certain materials locally, adapt products to regional preferences, and maintain supply-chain resilience. In turn, this enables flexibility of production and limits the impact of global trade obstacles, promotes our role as the go-to partner for specialty grade polymers and allows for co-developed solutions with our customers. Our innovation is protected by an extensive IP portfolio, including patented product offerings which are often customized to customers' needs.

Long-term partnership-like relationships with blue-chip customers and diversified supplier base

We are the supplier of choice for our established and diverse customer base. Our customer base includes global blue-chip companies. The average length of our customer relationships ranges from approximately 15 to 20 years in our AWS and LIS end market segments to 20 years in our FPP end market segment. No customer accounts for more than 7% of our revenue and our top ten customers account for approximately 29% of our revenue for the nine months ended September 30, 2025.

The quality of our customer relationships is based on several factors, the first of which is our reliability in supplying high-quality and mission-critical products maintaining a low cost-to-value ratio. Supply security is critical for blue-chip customers given the high importance of our additives in end clients' products and one way in which we differentiate ourselves from our competition. A second factor supporting our customer relationships is our global industrial footprint, allowing us to offer facilities operating under high environmental, health and safety ("**EHS**") standards closer to our customers and end markets. The third factor supporting our high-quality customer relationships is that, unlike vertically-integrated competitors, we do not compete with our customers in their end markets, which also allows us to focus on best servicing our customers including through the co-development of products and solutions. Finally, our innovative offering and solution-oriented approach allow us to further cement our relationships through co-development and through the building of reciprocal partnerships, rather than mere supplier-client sales channels.

We believe that our partnership-like customer relationships foster cross-selling opportunities as well as sustainable organic and inorganic growth, such as through expansion into new markets or geographies jointly with our customers supported by long-term supply agreements. Our high-quality customer relationships also create opportunities for us to secure long-term sales agreements, by co-developing new products with our customers. For example, in 2019, we were asked by a customer with whom we have a long-term partnership in the lubricant market to develop a high-specification dispersant product to support their end-market needs. In addition, in 2024, a key customer in the lubricant sector with whom we have a long-standing relationship asked us to enter into a partnership for the development a new brownfield project, supported by such customer, for the production and supply of a new component for automatic transmission fluids. We have accepted this offer which we are currently carrying out and the brownfield plant is expected to be completed in the first quarter of 2026. For example, in the AWS end market segment, a global oil and gas customer asked us to co-develop a specialized antiscalant designed for both topside and downhole applications, including use in a highly challenging oil field, which we believe is a significant technological innovation for the market. We believe that this cooperative product development with our customers reduces our time-to-market for new product innovations and helps our customers better differentiate their product portfolio, which, in turn, incentivizes our customers to maintain their business with us.

In our production, we rely on a wide variety of raw material inputs, with relatively few of them constituting a material percentage of our total input costs, with our top one, five and ten raw material inputs accounting for approximately 18.6%, 30.9% and 37.2% of our total input costs for the year ended December 31, 2024, respectively. The diversified nature of our raw material input requirements helps to stabilize the supply volume and costs and reduces our dependence on a limited number of suppliers. We have generally been able to mitigate raw material shortages caused by, among other factors, COVID-19-related restrictions and supply chain disruptions. As a result of our ability to monitor trends in our key raw material prices, generally we are also able to periodically pass on raw material price fluctuations to customers, while seeking to maintain a long-term approach to customer relationships. In addition, relying at least in part on a network of third-party suppliers, blenders and manufacturers, who purchase raw materials on our behalf under long-term tolling contracts, further mitigates risks of fluctuations in raw material prices.

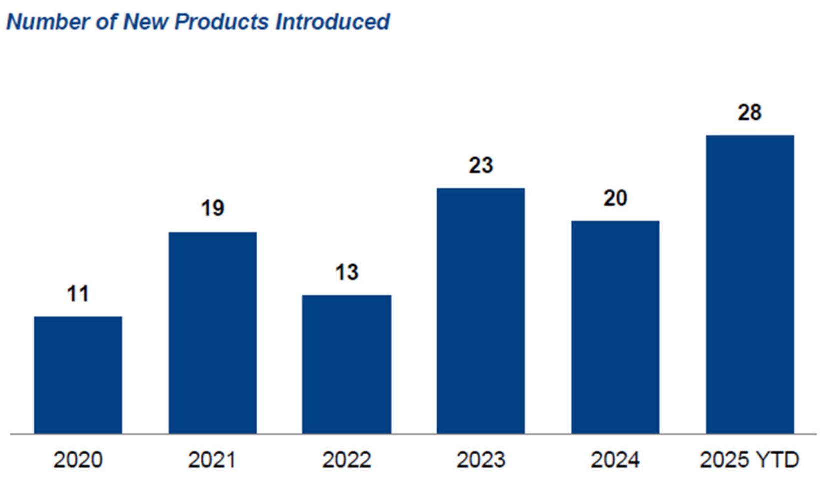
Proven innovation platform strengthened by sustainability tailwinds and successful development projects

We combine an entrepreneurial approach to helping our customers solve problems with a deep commitment to R&D and innovation, allowing us, in certain cases, to co-develop new products with our customers. Our R&D efforts form a robust foundation for introducing innovative chemistry and tailored application solutions, backed by specialized expertise that enhances our product portfolio. We consistently allocate substantial resources to R&D, spanning organic and inorganic chemistry alongside comprehensive application testing to evaluate both established and emerging formulations in real-world scenarios. The core objective of our research remains to address customer-specific needs while driving cost efficiency, mitigating risks, and ensuring environmental sustainability. We operate seven state-of-the-art R&D centers of excellence focusing on customer and market-led initiatives, including in respect of water, lubricants and personal care, and approximately 90 of our full-time employees are dedicated to R&D. Our R&D commitment is evidenced by the fact that approximately 5% of our revenues for the year ended December 31, 2024 were generated from products launched over the past five years. Since 2019, we have launched on average 10 to 20 new products yearly, and, in the nine months ended September 30, 2025, we launched 28 new products.

Our business and R&D activities are well positioned to benefit from the energy transition and circular economy trends, with our product portfolio including a variety of solutions critical to accommodate the customer and market shift towards sustainability. Our commitment towards sustainability is demonstrated by the "Beyond Innovation Project," a strategic project, which we launched in 2018, in order to identify more sustainable practices for the future and establish our long term innovation priorities. The Beyond Innovation Project targets the most competitive and high-potential sectors through an excellence-based monitoring and evaluation framework of the following global market macro trends: plastic recycling, energy saving, CO2 reduction, nano chemistry, electrical car lubrification and batteries, regulatory water future trends and bio-based opportunities. For example, the Beyond Innovation Project team is developing new hydrate inhibitors derived from salmon waste and is exploring new metal separation technologies to extract precious metals from wastewater, the latter supported by the acquisition of the Magpie startup and its associated R&D project.

In addition to our capabilities in innovating through internal R&D, we have a proven track record in successfully executing complex projects involving the set-up, construction and ramp-up of new facilities via brown-field or green-field projects. For instance, in 2019 we completed construction of a 14 ktons capacity plant for the production of P2S5 in Fangcheng, China in partnership with a key customer seeking to expand its ZDDP business. This project expanded our production capacity in APAC and is supported by long-term contracts to supply 80% of our customers' requirements for P2S5. In October 2022, we started the expansion of the Fangcheng facility through the construction of a new flame retardant product line, which enlarged the Phoslite product line range capacity and serves domestic as well as overseas markets. As we are seeing an increasing demand for P2S5 in Asia, we are founding a second production line in Fangcheng, which is expected to become operational in mid-2027. We also purchased a 50 kt capacity facility in Jiayou, China from Ecolab, a key AWS customer, that produces phosphonate, a key input in our AWS end market. In 2020, we completed further improvements to increase capacity to produce additional products such as PCl3 and amino-phosphonate. The Jiayou facility benefits from favorable raw material procurement conditions due to lower-cost inputs available in China and presents a long-term supply agreement in place for a portion of the projected capacity.

The following graph shows the number of new products introduced in recent years:



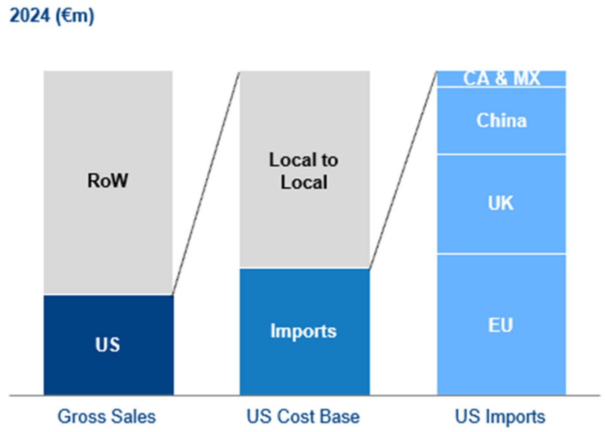
Well-invested and flexible global manufacturing footprint with "local-to-local" presence and solid EHS track record

We operate 14 core productions facilities, which are located adjacent to major industrial hubs in the EMEA, the Americas and APAC, complemented by three tolling sites, four blending facilities and one storage plant in Poland. We seek to have either manufacturing or logistics and commercial centers in proximity to key markets and operate facilities adjacent to major industrial hubs in China, North America and Central Europe.

The following graph shows the locations of our core production sites globally.

The wide geographic reach of our production and commercial centers improves our efficiency by minimizing the logistical burden and costs of transporting our raw materials to our facilities and our products to our customers, which further favors us in the current supply chain scenario. Our scale also allows us to benefit from economies of scale in managing complex logistics and input sourcing. Our wide-reaching asset base provides us with flexibility to optimize production across our facilities, such as by shifting from one plant to another to better match customer needs. At several of our production facilities, we are able to produce large and diversified batch chemistries handling a variety of raw materials.

Our global footprint of production plants forms the foundation of our "local-for-local" business model. By manufacturing close to our customers in each market, we can source materials locally, adapt products to regional preferences, and maintain supply-chain resilience. This characteristic of our production and commercial setup allowed us to meaningfully mitigate the impact from the tariffs introduced by the United States in April 2025. In line with this approach, in the nine months ended September 30, 2025, approximately 60% of our sales in the Unites States were produced locally. Accordingly, although the United States represents a meaningful share of our revenue, we import only approximately €60 million of goods into the United States every year and anticipate that, as a result of tariff exclusions and our continuous mitigation efforts, we can reduce our level of unmitigated tariff impact to zero. We estimate at total unmitigated tariff impact of approximately €6 million, which we are addressing through various measures, including negotiations with suppliers, stock on hand in the United States and pass-throughs of costs to our clients via increase in prices. Notably, the tariff environment may bolster our competitive position, as few competitors possess a comparable geographic footprint. The selective localization of our supply chain not only mitigates exposure to tariff shocks but also creates a distinct advantage in speed, cost efficiency and market responsiveness that many competitors would struggle to replicate.



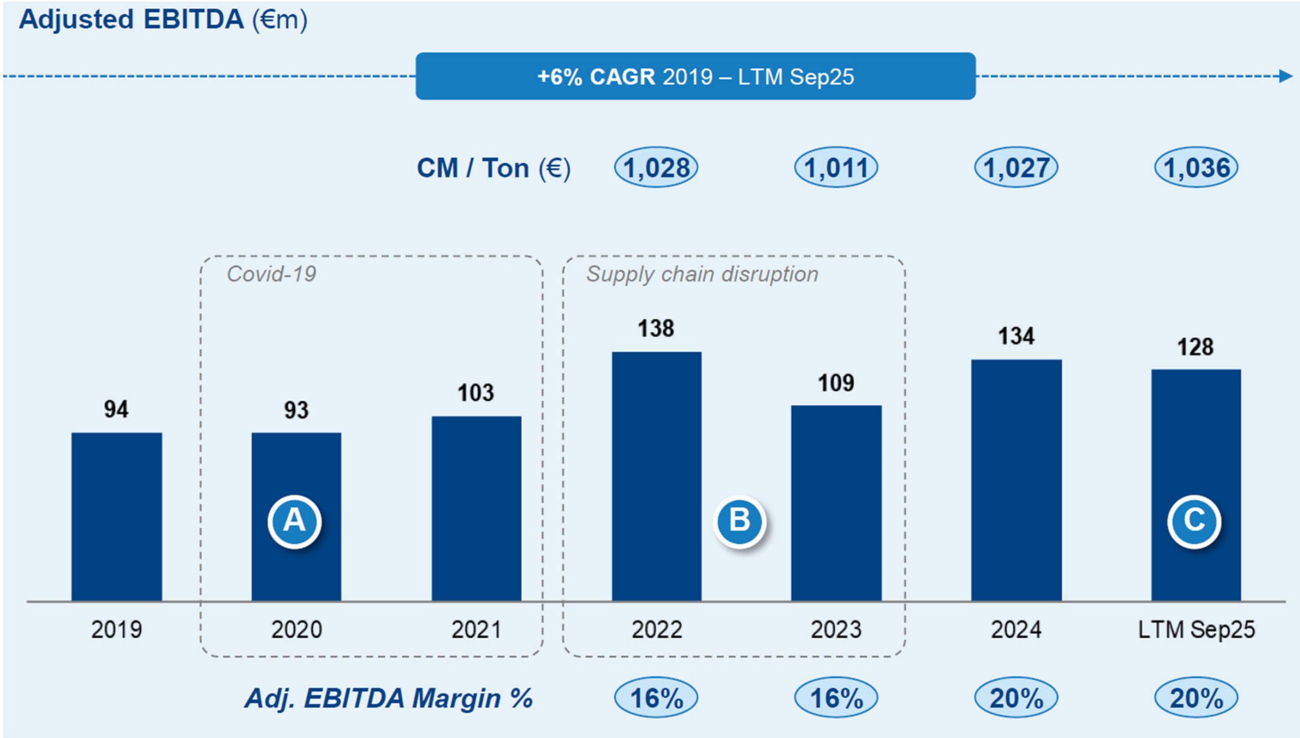
Our EHS strategy is built on a comprehensive, sustainable, and ethical development framework, integrating economic performance, technological leadership, and innovation. Safety key performance indicators (“**KPIs**”) are embedded in managers’ performance evaluations (MBO), linking incentives to EHS outcomes and reinforcing a culture of responsibility. Our production network EHS managers are present at each site, reporting to site managers, ensuring direct accountability and localized oversight. Our facilities are also well-invested and comply with best practices in EHS, as exemplified by our ISO 9001, ISO 14001 and ISO 45001 certifications and our adhesion to Responsible Care, a program for the development and monitoring of new policies and initiatives to protect the health and safety of workers and to ensure environmental protection practices. The safety of our people and stakeholders is a top priority, as demonstrated by our history of no significant occupational incidents and over 90% of plant employees being trained in EHS.

Attractive and resilient financial profile of profitable growth, high and sustainable margins and low capital expenditure needs due to our specialty chemical profile

We have a track record of resilient and profitable growth through economic cycles, with our Adjusted EBITDA growing or remaining substantially stable year-on-year during eighteen out of the past twenty years (with the exception of the year ended December 31, 2020 when it declined by less than 1% year-on-year, and the year ended December 31, 2023 where the decline was mainly driven by the industry-wide de-stocking effect, reversing the over-stocking experienced in 2022).

Our Adjusted EBITDA grew from €93.7 million for the year ended December 31, 2019 to €128.3 million for the twelve months ended September 30, 2025 as a result of a mix of external growth driven by value-accretive and strategic acquisitions targeting specific complementary businesses, as well as to resilient organic growth, driven by supportive tailwinds in our reference end markets, technical expertise and innovation, longstanding relationships and co-development projects with our customers, and our effective and timely management of increases in the price of raw materials and energy costs.

We have also historically achieved high, steady and robust Contribution Margins and Contribution Margins per Ton, growing from approximately 35% and €1,028 for the year ended December 31, 2022, to approximately 42% and €1,056, respectively, for the twelve months ended September 30, 2025. Our Contribution Margin and profitability performance is attributable to our continuous focus and shift towards specialty products (accounting for the vast majority of our Contribution Margin for the year ended December 31, 2024), the high value our customers place on our products (while having an overall limited cost for them, being primarily additives) and our highly flexible, rigorously controlled cost base. Since 2022, our Variable Costs represented an average of more than 80% of the sum of Fixed Costs (which do not include depreciation and amortization and impairment losses on goodwill) and Variable Costs. Our Contribution Margin and Adjusted EBITDA are further supported by our diversification of products, customers, geographies and raw materials, helping to mitigate negative fluctuations in revenues or costs.



Further, our well-invested facilities require relatively limited operating and maintenance capital expenditure (our Recurring Net Capital Expenditure has amounted to approximately 2-3% of our revenue per year since 2022), which has contributed to a strong and consistent Cash Flow Conversion over the past twenty years. Our Net Capital Expenditure has remained broadly stable over the 2020 to 2024 period, averaging approximately €30 million per year, reflecting the low maintenance capital intensity of our operations.

Highly experienced management team with a proven track record of successfully developing us into a leading global player

We have an experienced senior management team overseen by our Group CEO who has over 30 years of experience in the chemicals industry throughout Italy, China and the United States. Our senior management has successfully grown our business from an inorganic phosphorus derivatives business to a leading global producer of a diversified product offering across our three end market segments. Our management has achieved growth both through organic expansion into new products and markets as well as through acquisitions that have expanded our presence and product offerings. In particular, our management team has an excellent track record of identifying targets, integrating acquired mid-sized businesses and extracting synergies, completing 14 highly synergistic acquisitions in the past ten years at attractive valuations. Among the most recent transactions, our management successfully oversaw the acquisition of: (a) BWA, which placed greater emphasis on higher-margin products, expanded our global presence and increased our operational and production efficiency; (b) Eco Inhibitors, a technology startup company based in Norway which further demonstrated our focus on highly innovative R&D and sustainability; (c) WST, a leading blender and chemical solutions provider for the North American oil and gas and industrial water treatment industries, which broadened our AWS and FPP portfolios and industry know-how through high-end in-house laboratory equipment coupled with cutting-edge competence and logistic service capabilities; (d) RecoPhos Project Technology, which reaffirmed our focus on innovation as well as our commitment to promote sustainability and circular economy; (e) Aubin Group, a key strategic developer and supplier of innovative chemical solutions for the oil and gas industry and the renewable energy sector; and (f) Alcolina, which enabled us to access to Brazilian sugar refineries and bioethanol industries. Moreover, our management team benefits from the market expertise, business relationships, knowledge and experience of our principal shareholders, namely Bain Capital, one of the most active sponsors both in the broader industrial space and in chemicals, and the Saudi Arabian Industrial Investments Company ("**Dussur**"), strategic industrial investment company. The extensive experience and deep networks in our industry enable our principal shareholders to understand the complexities of the industry and support the Group's management team. Bain Capital also has a strong track record of driving cost savings and improvements in margin, while at the same time growing their portfolio companies both organically and through targeted acquisitions. Moreover, as a result of the completion of the Dussur Investment, our partnership with Dussur significantly strengthened our existing presence in the Middle East region and will enable us to expand our offering in this strategic fast-growing market. Moreover, the commitment to growth of our Group CEO and Group General Manager, Corporate is further evidenced by the co-investment in our Group together with our Sponsor.

Strong focus on sustainability and ESG initiatives

Our business is well positioned to benefit from the energy transition and circular economy trends, and we maintain a sharp strategic focus on elevating environmental, social and governance ("**ESG**") performance. We have a clear ESG roadmap and are committed to achieving our sustainability targets from our ESG strategy announced in 2023 through rigorous tracking and structured initiatives.

Our product portfolio includes a variety of solutions aimed at supporting our customers in reducing their environmental footprint and transitioning towards more sustainable sources of energy. In particular, we implemented long-term ESG driven innovation initiatives, focusing on recovery and circularity. In addition, we have secured funding from the European Union for multiple sustainable solutions projects such as IPCEI 2 and FlashPhos. Under IPCEI 2, we support research and innovation across the entire battery value chain – from raw material extraction to recycling and disposal – with a focus on advancing Europe's electric vehicle (EV) battery ecosystem sustainably.

In addition, we also continue to take steps to scale back our own environmental footprint and improve ESG metrics. The recent performance of our environmental KPIs for the years ended December 31, 2024 confirms this trend: (i) our Scope 1 and 2 emissions decreased by 15% compared to the 2021 baseline, and we are on track to achieve our 42% reduction target by 2030; (ii) we are on track to achieve our 25% reduction target for Scope 3 emissions by 2030; (iii) we have successfully ensured our entire workforce fair salary standards compared to local benchmarks, receiving Fairwage Network certification; (iv) we were rated "A" by CDP in 2025, reflecting steady progress from past years' ratings ("A-" in 2024); and (v) we were awarded the Gold Medal in the 2024 Ecovadis assessment on sustainability, ranking among the top 5% of companies evaluated.

We continue to identify new processes aimed at the recovery of chemicals with the aim of re-using materials and reducing their end-of-life environmental impact, and to improve their carbon footprint by favoring their use for multiple applications. We have a wide product portfolio and technology for recycling, including, for example, chemical solutions to effectively separate and isolate precious metals and critical raw materials for efficient recovery from waste. Moreover, on the R&D side, we are working on technology for chemical recycling, where the material is broken down into its original chemical components and re-reacted to produce new molecules.

Our Strategies

Focus on organic growth driven by maximizing value of existing customer relationships, continued innovation and rigorous cost control

We believe that our existing customer relationships provide a strong foundation for further organic growth through selling greater volumes and different new products to existing customers, developing new customer relationships, identifying opportunities for diversification in new products and chemistries through strategic co-developments and cross-selling opportunities for recently integrated product lines. We have built trustworthy relationships with key customers based on our proven capabilities to understand and respond to challenging demands and our ability to reliably deliver critical products. These relationships have provided compelling opportunities for both new greenfield developments, such as at Fangcheng, and M&A opportunities, such as the acquisition of Polartech and Jiayou.

We also believe that our customer- and market-led innovation approach will support further organic growth. We plan to leverage our continuous investments in R&D to develop high-value, defensible products. Our R&D pipeline includes new projects for the synthesis and application of chemical compounds and spans across 43 projects at different stages of development.

To complement organic growth, we also expect to continue our focus on rigorous cost control and maximizing synergies from acquisitions, including through assessing select acquisitions of strategic suppliers or producers of complementary product portfolios operating in target markets and segments. For instance, our acquisition of Aubin Group strengthened our position in the oil and gas and renewable energy sectors and in key strategic markets such as the Middle East, the United States and the North Sea.

Leverage strategic projects with highly visible financial impact to expand production capacity and optimize industrial cost structure

We continue pursuing special operational projects with highly visible financial impact. For instance, in 2019, we completed construction of a 14 ktons capacity plant for the production of P2S5 in Fangcheng, China in partnership with a key customer seeking to expand its ZDDP business. This project expanded our production capacity in APAC and is supported by long-term contracts to supply 80% of our customer's requirements for P2S5. In October 2022, we started the expansion of the Fangcheng facility through the construction of a new flame retardant product line, which enlarged the Phoslite product line range capacity and serves domestic as well as overseas markets. As we are seeing an increasing demand for P2S5 in Asia, we are founding a second production line in Fangcheng, which is expected to become operational in mid-2027.

We also purchased a facility in Jiayou, China from Ecolab, a key AWS customer, that produces phosphonate, a key input in our AWS end market. In 2020, we completed further improvements to increase capacity to produce additional products such as PCl_3 and amino-phosphonate. The Jiayou facility benefits from favorable raw material procurement conditions due to lower-cost inputs available in China and presents a long-term supply agreement in place for a portion of the projected capacity.

In 2018, we also began exploring opportunities in Saudi Arabia to competitively produce and source P4 as raw material. Even though this process started as a segue to secure our competitive and integrated P4 access, this initiative has since then led into several attractive downstream projects supported by major partners. We expect this development project to strengthen our flexibility and diversified global presence, further improving our local-to-local, flexible, and reliable supply to global customers.

Pursue value-accretive and strategic acquisitions to develop and consolidate our global platform

Our global footprint and diverse product portfolio create opportunities for acquisitions that bolster our existing platform. We intend to selectively consider further bolt-on or strategic acquisitions to capitalize on our competitive strengths, increase our geographic presence and preserve or improve our financial performance and profitability. For example, we believe that we may be able to further develop our AWS and LIS end market segments through mid-size acquisitions that would expand our applicative know-how and ability to produce active ingredients. Through the acquisition of BWA, which we completed in February 2019, we added to our group a premier global provider of complex water treatment solutions focused on high value specialty products servicing three end market segments, Treatment for Oil & Gas, Industrial Water Treatment and Desalination, in which BWA held leading positions and benefited from a strong and defensible niche position due to its long-standing customer relationships. In addition, in 2019, we also acquired Eco Inhibitors, a technology startup company based in Norway that has developed chemical solutions to produce a new generation of eco-friendly hydrate inhibitors for oil and gas applications, and WST, a leading blender and chemical solutions provider for the North American oil and gas and industrial water treatment industries, which broadened our AWS and FPP portfolios and industry know-how through high-end in-house laboratory equipment coupled with cutting-edge competence and logistic service capabilities. Through the acquisition of RecoPhos Project Technology in January 2020, we reaffirmed our focus on innovation as well as our commitment to promote sustainability and circular economy. In June 2022, we acquired Aubin Group, a key strategic developer and supplier of innovative chemical solutions for the cementing and the renewable energy sectors, which further strengthened our position in the oil and gas and renewable energy sectors in key strategic markets such as the Middle East, the United States, and the North Sea. Lastly, in 2024, we also acquired the Brazilian company Alcolina. The acquisition provided us access to the local sugar and ethanol markets due to Alcolina's capillary distribution network in the sugar industry in the Brazilian market, which accounts for over 30% of the global sugarcane production. We plan to continue to take a disciplined approach to evaluating potential investments and maintain prudent overall liquidity and leverage.

Recent Trading

Based on preliminary results derived from our unaudited management accounts and other information currently available, the key drivers affecting our performance for the eleven months ended November 30, 2025 are substantially in line with those that affected our performance and results of operations for the nine months ended September 30, 2025, including significant macroeconomics trends and currency exchange volatility during the relevant period.

In particular, we estimate that our volumes and Contribution Margin for the eleven months ended November 30, 2025 showed the same trend as for the nine months ended September 30, 2025, whereas the period-over-period change in our Adjusted EBITDA for the eleven months ended November 30, 2025 was slightly better than that for the nine months ended September 30, 2025, despite negative currency exchange effects in October and November 2025.

We estimate our Further Adjusted EBITDA for the twelve months ended November 30, 2025 to be substantially in line with our Further Adjusted EBITDA for the twelve months ended September 30, 2025.

We currently expect that our volumes in December 2025 will be lower compared to recent months, especially driven by usual seasonality, but we expect unit margin to continue to remain strong.

The preliminary financial results presented above are derived from the accounting records and internal management accounts of the Group. This information has not been audited or reviewed, nor have any procedures been performed by our independent auditors with respect thereto. Accordingly, you should not place undue reliance on it, and no opinion or any other form of assurance is provided with respect thereto. Our preliminary financial results are based upon a number of assumptions and judgments that are subject to inherent uncertainties and are subject to change, and are not intended to be a comprehensive statement of our financial or operational results for the eleven or twelve months ended November 30, 2025 or any other periods. We have not prepared and do not plan on preparing any condensed interim consolidated financial statements for the eleven months ended November 30, 2025. Accordingly, the preliminary financial *results presented above may change and those changes may be material. See "Risk Factors" and "Forward-Looking Statements" for a discussion of factors that could affect our future performance and results of operations.*

Our Principal Shareholders

Bain Capital

Bain Capital is a leading global private equity firm that advises and manages capital across several asset classes, including private equity, credit, venture capital, and real estate. Since its inception in 1984, Bain Capital and its affiliates have completed over 1,450 primary and add-on investments in more than 415 companies in a broad range of industries. Bain Capital's global team of approximately 820 investment professionals, 85 portfolio professionals and over 1,850 employees creates value for its portfolio companies through its global platform and depth of expertise, managing approximately $205 billion in total and leveraging the firm's shared platform to capture opportunities in strategic areas of focus. The firm not only has a strong track record of investments in the chemical industry, including its investments in Diversey (leading global provider of cleaning and hygiene solutions to institutional and industrial end markets), Feixiang Chemicals (leading Chinese fatty amine and surfactant manufacturer), Innophos (leading North American phosphate manufacturer), IMCD (leading distributor of specialty chemicals in Europe, Asia and Oceania), Brenntag (leading global distributor of specialty and industrial chemicals), but also in transformational investments in Europe, including its investments in Engineering, Cerved, Nexi, TeamSystem and Fedrigoni. Bain Capital's investments in Europe include Stada, Arxada, Kantar and ITP. Bain Capital has investors from across the world that include sovereign wealth funds, public pension funds, foundations, insurance companies, family offices, high-net-worth individuals and funds of funds. Headquartered in Boston, Bain Capital and its affiliates have offices in Chicago, Dublin, Guangzhou, Hong Kong, Lisbon, London, Luxembourg, Madrid, Mauritius, Melbourne, Mumbai, Munich, New York, Osaka, Palo Alto, San Francisco, Seoul, Shanghai, Singapore, Sydney and Tokyo.

Dussur

The Saudi Arabian Industrial Investments Company ("**Dussur**") is a strategic industrial investment company established by Royal Decree and owned by the Public Investment Fund, Saudi Aramco, and SABIC. Dussur invests in sustainable industrial projects, jointly with world class partners, to build strategic industrial value chains, promote economic diversification, and create long term value for its partners, shareholders, and stakeholders.

The Transactions

The Refinancing

We intend to use the cash proceeds from the Offering, together with cash on balance sheet, to:

(i) redeem in full, on or about the Issue Date, (i) the Existing Fixed Rate Notes at a price of 102.5% of the aggregate principal amount thereof, *plus* any accrued and unpaid interest thereon to, but excluding, the date of redemption, and additional amounts, if any and (ii) the Existing Floating Rate Notes at a price of 100% of the aggregate principal amount thereof, *plus* any accrued and unpaid interest thereon to, but excluding, the date of redemption, and additional amounts, if any; and

(ii) pay certain costs, fees and expenses in connection with the Transactions.

Throughout this Offering Memorandum, we collectively refer to the Offering and the application by the Issuer of the proceeds of the Offering as the "**Refinancing**." See "*Use of Proceeds,*" "*Capitalization,*" "*Description of Certain Financing Arrangements,*" "*Description of the Notes*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.*"

Amendment to the Revolving Credit Facility

To further support our liquidity, we expect that on or prior to the date of this Offering Memorandum, certain lenders have entered into the Revolving Credit Facility Amendment and Restatement Agreement pursuant to which they have agreed that, on or prior to the Issue Date and subject to completion of the Offering and the satisfaction of customary conditions precedent, they will participate in an upsize of the total commitments under the Revolving Credit Facility from €107.0 million to €117.0 million by way of the Revolving Credit Facility Amendment and Restatement. As part of the Revolving Credit Facility Amendment and Restatement, the maturity of the Revolving Credit Facility is expected to be extended to the earlier of (x) four years and six months from the Issue Date and (y) the date falling six months prior to the maturity date of the Notes (such earlier date being, the "**RCF Maturity Date**"), and subject to certain exceptions, certain of the incurrence covenants and related definitions are expected to be amended on or about the Issue Date as the Issuer and the Agent (as defined in the Revolving Credit Facility Agreement) consider necessary (each acting reasonably and in good faith) to align certain of the terms of such covenants to the equivalent covenants and definitions of the Notes (to the extent applicable) as will be set out in the Indenture.

Throughout this Offering Memorandum, we collectively refer to the Refinancing, the Revolving Credit Facility Amendment and Restatement and any actions or steps related thereto as the "**Transactions**." See "*Use of Proceeds,*" "*Capitalization,*" "*Description of Certain Financing Arrangements,*" "*Description of the Notes*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.*"

Sources and Uses

The aggregate principal amount of the Notes offered hereby is €690.0 million. The following table shows the estimated sources and uses of funds related to the Transactions, including the use of proceeds from the Offering. Actual amounts will vary from estimated amounts depending on several factors, including the timing of the Transactions, the actual amount of costs, accrued interest, and other costs and fees and expenses compared to our estimates. See "*Use of Proceeds*" and "*Capitalization.*"

Sources of Funds	Amount	Uses of Funds	Amount
	(€ million)		(€ million)
Notes[(1)]	690.0	Redemption of Existing Notes[(2)]....................................	690.0
Cash on balance sheet.............	18.0	Existing Fixed Rate Notes redemption premium[(3)]............	7.5
		Estimated costs, fees and expenses[(4)]................................	10.5
Total Sources	**708.0**	**Total Uses ....**	**708.0**

(1) Represents the aggregate principal amount of the Notes offered hereby.

(2) Represents the total aggregate principal amount of the Issuer's (i) Existing Fixed Rate Notes that are expected to be redeemed in full at a price of 102.5% of the aggregate principal amount thereof, plus any accrued and unpaid interest thereon to, but excluding, the date of redemption, and additional amounts, if any and (ii) Existing Floating Rate Notes that are expected to be redeemed in full at a price of 100% of the aggregate principal amount thereof, plus any accrued and unpaid interest thereon to, but excluding, the date of redemption, and additional amounts, if any. The amount presented in the table excludes (i) the accrued interest on the Existing Fixed Rate Notes and the Existing Floating Rate Notes from their respective latest interest payment dates (being December 31, 2025 for each series of Existing Notes) and (ii) the redemption premium on the Existing Fixed Rate Notes, which we will be required to pay in connection with the redemption of the Existing Notes and is otherwise included under "*Existing Fixed Rate Notes redemption premium*" (see footnote (3) below). We expect that the redemption of the Existing Notes will occur on or about the Issue Date.

(3) Represents the estimated premium payable in connection with the redemption of the Existing Fixed Rate Notes, which we expect to redeem on or after February 6, 2026 at a price of 102.5% of the principal amount thereof.

(4) Represents estimated costs, fees, accrued and unpaid interest on the Existing Notes, taxes and expenses associated with the Transactions. These costs, fees and expenses have been estimated as of the date of this Offering Memorandum and are subject to change.

Risk factors

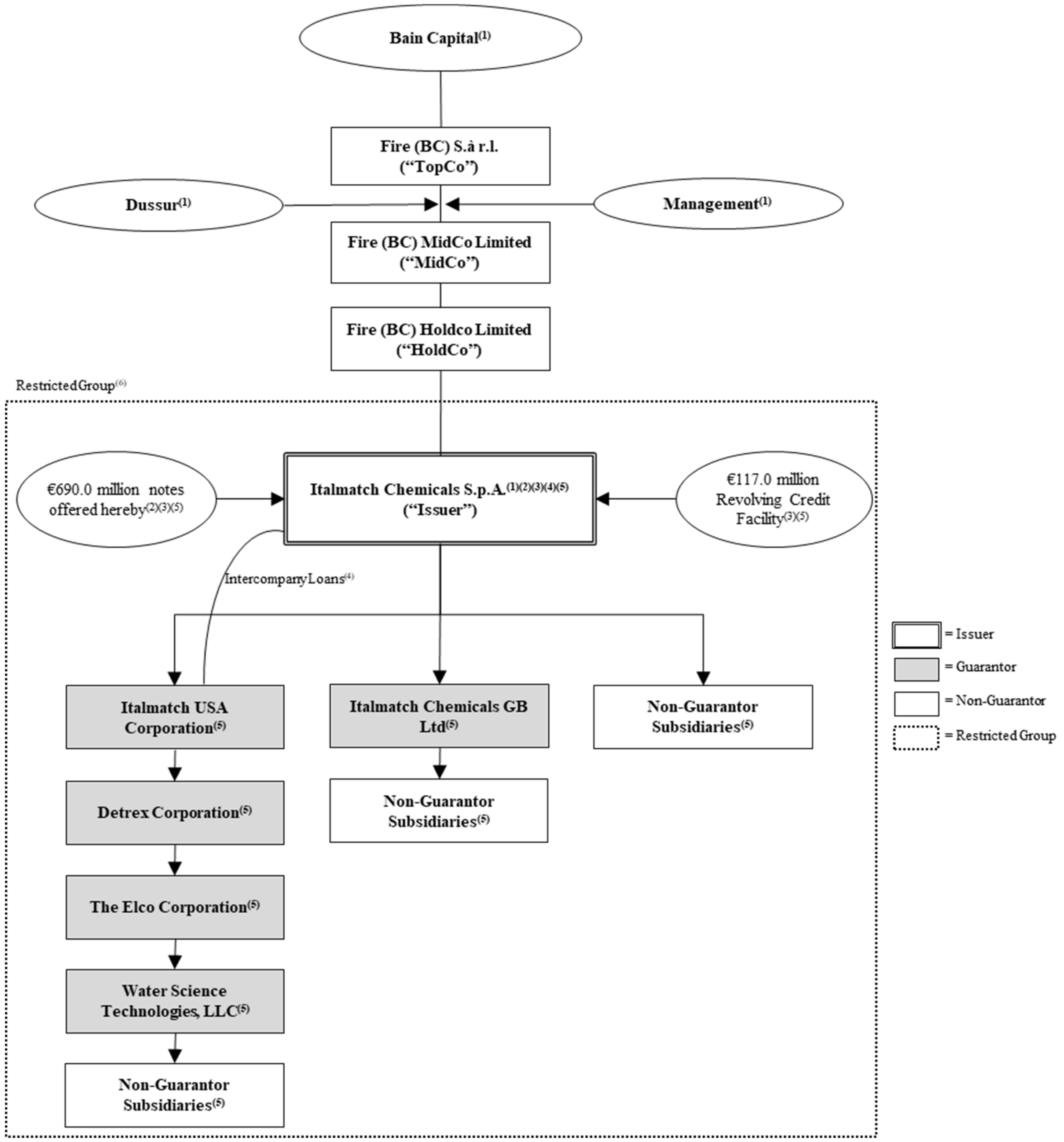
Investing in the Notes involves substantial risks. Please see the "*Risk Factors*" section for a description of certain of the risks you should carefully consider before investing in the Notes.

Additional information

The Issuer, Italmatch Chemicals S.p.A., was incorporated as a private joint stock company (*società per azioni*) organized under the laws of Italy on June 14, 2001, has its registered office at Via E. Vismara 114, 20044 Arese (MI), Italy, and headquartered in Via Magazzini del Cotone 17 – Modulo 4, 16128 Genova, Italy and is registered under number 13471010150 with the Companies Register of Milano Monza-Brianza Lodi (*Registro delle Imprese di Milano Monza-Brianza Lodi*). As of the date of this Offering Memorandum, the Issuer has an authorized share capital of €10,420,470.00 divided into 10,420,470 fully paid shares with a par value of €1.00 each. The Issuer is a wholly-owned direct subsidiary of HoldCo, which is indirectly controlled by the Sponsor. See also "*Principal Shareholders.*" The Issuer's Legal Entity Identifier (LEI) Code is 815600E7294ACCE76074.

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following chart shows a simplified summary of our corporate and financing structure as of the date of this Offering Memorandum adjusted to give effect to the Transactions. The diagram does not include all entities in the Group, nor all of the debt obligations thereof. All entities shown below are 100% directly or indirectly owned unless otherwise indicated or described. For a summary of the debt obligations identified in this diagram, please refer to the sections entitled "Description of the Notes," "Description of Certain Financing Arrangements" and "Capitalization." See also "Principal Shareholders."



(1) Bain Capital currently holds approximately 73% of the issued share capital of MidCo, with the remaining stake of approximately 7% being held by minority shareholders, comprising the Group's Chief Executive Officer, the Group General Manager, Corporate and, to a limited extent, the wider management team of the Group, and 20% held by Dussur. The rights of Bain Capital and the management team of the Group as shareholders in MidCo are governed by a customary shareholders' agreement. Moreover, in connection with the Dussur Investment, certain affiliates of Bain Capital and Dussur have entered into a shareholders' agreement (the "**Shareholders' Agreement**"). See "*Principal Shareholders—Shareholders' Agreement between Bain and Dussur.*" MidCo is the direct owner of 100% of the share capital of Fire (BC) HoldCo Limited ("**HoldCo**"), which, in turn, is the direct owner of 100% of the share capital of the Issuer. See "*Principal Shareholders.*"

(2) The Issuer is offering €690.0 million in aggregate principal amount of Notes. Subject to the Agreed Security Principles, certain material limitations pursuant to applicable laws and certain perfection requirements, on or about the Issue Date and in any event within five (5) Business Days thereof, the Notes will be secured on a senior basis by (i) a pledge over the shares of the Issuer held by HoldCo, (ii) security over certain material bank

account(s) of the Issuer held in Italy, (iii) security granted by the Issuer over the Intercompany Loans (as defined herein), (iv) pledges over the shares or the membership interests of the Guarantors, as applicable, and (v) security over certain material bank account(s) of the Guarantors (collectively, the "**Collateral**"). The Collateral also secures and, following the Transactions, will continue to secure the Revolving Credit Facility and certain hedging obligations (if any) on a super senior basis. Under the terms of the Intercreditor Agreement (as defined herein), in the event of an enforcement of the Collateral, the holders of the Notes will receive proceeds from such Collateral (on a *pro rata* basis) only after the lenders under the Revolving Credit Facility and counterparties to certain hedging obligations (if any) have been repaid in full. In addition, the Guarantees and the security interests in the Collateral may be released under certain circumstances. Subject to the terms of the Indenture and the Intercreditor Agreement, the Collateral may be pledged to secure future indebtedness. See "*Risk factors—Risks related to the Notes, the Guarantees and the Collateral—Creditors under the Revolving Credit Facility and counterparties to certain hedging obligations and future indebtedness permitted to be incurred under the terms of the Indenture and the Intercreditor Agreement ranking pari passu with the Revolving Credit Facility are entitled to be repaid with proceeds from the enforcement of the Collateral in priority to the Notes*." The security interests in the Collateral will be subject to contractual and legal limitations that will materially limit their enforceability. See "*Risk factors—Risks related to the Notes, the Guarantees and the Collateral*" and "*Limitations on Validity and Enforceability of the Guarantees and Security Interests Under Italian Law*."

(3) The total committed amount of the Revolving Credit Facility is €107.0 million and, as of September 30, 2025 and the date of this Offering Memorandum, was and is undrawn. See "*Use of Proceeds*." To further support our liquidity, certain lenders have entered into the Revolving Credit Facility Amendment and Restatement Agreement pursuant to which they have agreed that, on or prior to the Issue Date and subject to completion of the Offering and the satisfaction of customary conditions precedent, they will participate in an upsize of the total commitments under the Revolving Credit Facility from €107.0 million to €117.0 million by way of the Revolving Credit Facility Amendment and Restatement. As part of the Revolving Credit Facility Amendment and Restatement, the maturity of the Revolving Credit Facility is expected to be extended to the earlier of (x) four years and six months from the Issue Date and (y) the date falling six months prior to the maturity date of the Notes (such earlier date being, the "**RCF Maturity Date**"), and subject to certain exceptions, certain of the incurrence covenants and related definitions are expected to be amended on or about the Issue Date as the Issuer and the Agent (as defined in the Revolving Credit Facility Agreement) consider necessary (each acting reasonably and in good faith) to align certain of the terms of such covenants to the equivalent covenants and definitions of the Notes (to the extent applicable) as will be set out in the Indenture. The Revolving Credit Facility is secured on a first-ranking basis by the Collateral and by virtue of a special lien (*privilegio speciale*) over certain movable assets of the Issuer in accordance with Article 46 of the Italian Banking Act. Such special lien (*privilegio speciale*) shall not secure the Notes pursuant to applicable Italian law and will be limited in the secured amount to the own obligations of the Issuer as borrower under the Revolving Credit Facility from time to time. See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*." Pursuant to the terms of the Intercreditor Agreement, any liabilities in respect of obligations under the Revolving Credit Facility or certain hedging obligations will receive priority in relation to any proceeds received upon any enforcement action over any Collateral. Any remaining proceeds received upon any enforcement action over any Collateral will be applied *pro rata* to the repayment of all obligations under the Indenture and any other senior secured indebtedness of the Issuer and the Guarantors permitted to be incurred and secured by the Collateral pursuant to the Indenture and the Intercreditor Agreement. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—Creditors under the Revolving Credit Facility and counterparties to certain hedging obligations and future indebtedness permitted to be incurred under the terms of the Indenture and the Intercreditor Agreement ranking pari passu with the Revolving Credit Facility are entitled to be repaid with proceeds from the enforcement of the Collateral in priority over the Notes*" and "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

(4) The Intercompany Loans include: the intercompany loan between the Issuer, as lender, and Italmatch USA, as borrower, under the intercompany loan agreement entered into on February 13, 2019, as amended or as amended and restated from time to time, for an amount outstanding as of September 30, 2025 of approximately €174.2 million. The Intercompany Loans are currently expected to remain in place after the Refinancing. We may repay all or part of one or more of the Intercompany Loans at any time. In addition, further intercompany loans have been granted in various currencies by the Issuer, as lender, to certain other companies of the Group, as borrowers, namely Italmatch GB for an amount outstanding as of September 30, 2025 of approximately €29.2 million and other companies of the Group for an amount outstanding as of September 30, 2025 of approximately €19.4 million. It is expected that the Issuer's receivables in respect of the Intercompany Loans (i.e. the intercompany loans under (a) through (e) above) will comprise part of the Collateral on or about the Issue Date and in any event within five (5) Business Days thereof, subject to the Agreed Security Principles. See "*Description of Certain Financing Arrangements—Intercompany Loans*."

(5) The Notes offered hereby will be general, senior secured obligations of the Issuer, will rank senior in right of payment to all of the Issuer's future debt that is expressly subordinated in right of payment to the Notes and will rank *pari passu* in right of payment with the Issuer's existing and future debt that is not so subordinated, including the Issuer's obligations under the Revolving Credit Facility. The Collateral also secures and, following the Transactions, will continue to secure the Revolving Credit Facility and certain hedging obligations (if any) on a super senior basis. Under the terms of the Intercreditor Agreement, in the event of an enforcement of the Collateral, the holders of the Notes will receive proceeds from such Collateral (on a *pro rata* basis) only after the lenders under the Revolving Credit Facility and counterparties to certain hedging obligations (if any) have been repaid in full. On the Issue Date, subject to the Agreed Security Principles and to certain material limitations pursuant to applicable laws, the Notes will be guaranteed (the "**Guarantees**") on a senior secured basis by Italmatch USA, Detrex Corporation, The Elco Corporation, Italmatch GB, and WST (the "**Guarantors**"). As of and for the twelve months ended September 30, 2025, the Issuer and the Guarantors accounted for approximately 63% of aggregate revenue, approximately 54% of aggregate EBITDA and approximately 79% of aggregate total assets. As of September 30, 2025, after giving effect to the Transactions, the Issuer and the Guarantors had €1.2 million in aggregate principal amount of external third-party indebtedness (excluding €690.0 million of Notes), none of which was secured and all of which is expected to remain in place following the Refinancing. As of September 30, 2025, the Group's indebtedness outstanding at non-Guarantor subsidiaries was nil. Non-Guarantor subsidiares of the Issuer include Italmatch Spain S.l., which is 99% directly held and whose results are fully consolidated into our financial statements, Italmatch Biolab Industrial LCC, a 60%-indirectly-owned subsidiary, whose results are fully consolidated into our financial statements, Saudi Phosphorus Industrial Company LLC ("**Saudi Phosphorus**"), a 51%-indirectly-owned subsidiary, whose results are fully consolidated into our financial statements, and Alcolina, a 70%-indirectly-owned subsidiary, whose results are fully consolidated into our financial statements. The acquisition agreement we entered into for the acquisition of Alcolina includes an obligation for us to purchase a further 20% of Alcolina's shares in 2026. See "*Capitalization*."

(6) The entities in the "Restricted Group" will be subject to the covenants of the Indenture and the Revolving Credit Facility Agreement. As of the Issue Date, all of the Issuer's subsidiaries will be part of the Restricted Group.

THE OFFERING

The following summary of the Offering contains basic information about the Notes, the Guarantee and the Collateral. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete description of the terms of the Notes, the Guarantee and the Collateral including certain definitions of terms used in this summary, see "Description of the Notes."

Issuer	Italmatch Chemicals S.p.A., a joint stock company (*società per azioni*) incorporated under the laws of Italy.
Notes Offered	€690,000,000 in aggregate principal amount of Senior Secured Notes due 2031 (the "**Notes**") to be issued by the Issuer under the Indenture, consisting of: €300,000,000 6.250% Senior Secured Notes due 2031 (the "**Fixed Rate Notes**"); and €390,000,000 Senior Secured Floating Rate Notes due 2031 (the "**Floating Rate Notes**").
Issue Date	On or about February 5, 2026.
Issue Price	
Fixed Rate Notes...................	100.00%, plus accrued interest, if any, from the Issue Date.
Floating Rate Notes	100.00%, plus accrued interest, if any, from the Issue Date.
Maturity Date	February 5, 2031.
Interest Rate	
Fixed Rate Notes...................	6.250% per annum.
Floating Rate Notes	Three-month EURIBOR (with a 0% floor) *plus* 4.125% per annum, reset quarterly.
Interest Payment Dates	
Fixed Rate Notes...................	Interest on the Fixed Rate Notes will be payable semi-annually in arrears on June 30 and December 31 of each year, commencing on June 30, 2026.
Floating Rate Notes	Interest on the Floating Rate Notes will be payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, commencing on June 30, 2026.
Form and Denomination.............	The Issuer will issue the Notes on the Issue Date in global registered form 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.
Ranking of the Notes	The Notes: • will be general, senior obligations of the Issuer; • will be secured as set forth under "*Description of the Notes—Security*;" • will rank *pari passu* in right of payment to any existing and future senior indebtedness of the Issuer that is not expressly subordinated in right of payment to the Notes, including the Issuer's obligations under the Revolving Credit Facility Agreement; • 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 be effectively senior to any existing and future indebtedness of the Issuer that is unsecured to the extent of the value of the Collateral;

- 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, or that secures such other indebtedness on a super senior basis, to the extent of the value of the property and assets securing such other indebtedness or obligation; and

- will be structurally subordinated to any existing or future indebtedness or obligations of subsidiaries of the Issuer that do not guarantee the Notes, including obligations owed to trade creditors and any guarantees of the Revolving Credit Facility by subsidiaries of the Issuer that do not guarantee the Notes (if any).

Guarantees .... On the Issue Date, the Notes will be guaranteed (the "**Guarantees**") on a senior secured basis by Italmatch USA Corporation, Detrex Corporation, The Elco Corporation, Italmatch Chemicals GB Ltd, and Water Science Technologies, LLC (the "**Guarantors**").

The obligations of the Guarantors and any future guarantors of the Notes will be limited as described under the heading "*Description of the Notes—The Guarantees*."

The Guarantees will be subject to certain contractual and legal limitations.

See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*." By virtue of these limitations, a Guarantor's obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral —Corporate benefit, financial assistance laws, capital maintenance and other limitations on the Guarantees and the Collateral may adversely affect the validity and enforceability of the Guarantees and the Collateral*." In addition, the Guarantee may be released under certain circumstances. See "*Description of the Notes—The Notes Guarantees—Notes Guarantee Release*."

As of and for the twelve months ended September 30, 2025, the Issuer and the Guarantors accounted for approximately 63% of aggregate revenue, approximately 54% of aggregate EBITDA and approximately 79% of aggregate total assets. As of September 30, 2025, after giving effect to the Transactions, the Issuer and the Guarantors had €1.2 million in aggregate principal amount of external third-party indebtedness (excluding €690.0 million of Notes), none of which was secured and all of which is expected to remain in place following the Refinancing. As of September 30, 2025, the Group's indebtedness outstanding at non-Guarantor subsidiaries was nil.

Ranking of the Guarantee........... The Guarantees will upon their issuance:

- be a senior obligation of the Guarantors;

- be secured as set forth under "*Description of the Notes—Security*;"

- rank *pari passu* in right of payment with any existing and future indebtedness of the Guarantors that is not expressly subordinated in right of payment to the Guarantees, including the Guarantors' guarantee of the Revolving Credit Facility;

- rank senior in right of payment to any existing and future indebtedness of the Guarantors that is expressly subordinated to the Guarantees;

- be effectively subordinated to any existing or future indebtedness or obligation of the Guarantors that is secured by property and assets that do not secure the Guarantees, or which secures such other indebtedness on a super senior basis, to the extent of the value of the property and assets securing such other indebtedness or obligation; and

- be structurally subordinated to any existing or future indebtedness or obligations of subsidiaries of the Guarantors, in each case that are not guarantors, including obligations owed to trade creditors of such subsidiary.

Security... Subject to the Agreed Security Principles , certain material limitations pursuant to applicable laws and certain perfection requirements, on or about the Issue Date and in any event within five (5) Business Days thereof the Notes will be secured on a senior basis by (i) a pledge over the shares of the Issuer held by HoldCo, (ii) security over certain material bank account(s) of the Issuer held in Italy, (iii) security granted by the Issuer over the Intercompany Loans (as defined herein), (iv) pledges over the shares or the membership interests of the Guarantors, as applicable, and (v) security over certain material bank account(s) of the Guarantors (collectively, the "**Collateral**").

The Collateral also secures and, following the Transactions, will continue to secure the Revolving Credit Facility and certain hedging obligations (if any) on a super senior basis. Under the terms of the Intercreditor Agreement (as defined herein), in the event of an enforcement of the Collateral, the holders of the Notes will receive proceeds from such Collateral (on a *pro rata* basis) only after the lenders under the Revolving Credit Facility and counterparties to certain hedging obligations (if any) have been repaid in full. In addition, the Guarantees and the security interests in the Collateral may be released under certain circumstances. Subject to the terms of the Indenture and the Intercreditor Agreement, the Collateral may be pledged to secure future indebtedness. See "*Risk factors—Risks related to the Notes, the Guarantees and the Collateral—Creditors under the Revolving Credit Facility and counterparties to certain hedging obligations and future indebtedness permitted to be incurred under the terms of the Indenture and the Intercreditor Agreement ranking pari passu with the Revolving Credit Facility are entitled to be repaid with proceeds from the enforcement of the Collateral in priority to the Notes*." The security interests in the Collateral will be subject to contractual and legal limitations that will materially limit their enforceability. See "*Risk factors—Risks related to the Notes, the Guarantees and the Collateral*" and "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*."

Use of Proceeds .... The proceeds from the Offering are expected to be used, together with cash on balance sheet, to redeem in full the Existing Notes, and to pay accrued and unpaid interest thereon and costs, fees and expenses in connection with the Transactions. See "*—The Refinancing*" and "*Use of Proceeds*."

Optional Redemption

Fixed Rate Notes................... Prior to February 5, 2028, the Issuer will be entitled, at its option, to redeem all or a portion of the Fixed Rate Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption, and additional amounts, if any, plus a "make whole" premium.

At any time on or after February 5, 2028, the Issuer may redeem all or part of the Fixed Rate Notes at the redemption prices specified in this Offering Memorandum. See "*Description of the Notes—Optional Redemption*."

At any time prior to February 5, 2028, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of the Fixed Rate Notes (including any additional Fixed Rate Notes), using the net cash proceeds from certain equity offerings at a redemption price equal to 106.250% of the principal amount thereof, plus accrued and unpaid interest to, but excluding, the applicable redemption date, and additional amounts, if any, provided that at least 50% of the original aggregate principal amount of the Fixed Rate Notes (excluding any additional Fixed Rate Notes) remains outstanding after each redemption.

At any time from time to time prior to February 5, 2029, the Issuer may redeem during each calendar year up to 10% of the original principal amount of the Fixed Rate Notes (including the original principal amount of any additional Fixed Rate Notes) at its option, from time to time, at a redemption price equal to 103% of the principal amount of the Fixed Rate Notes redeemed, plus accrued and unpaid interest to, but not including, the applicable redemption date, and additional amounts, if any; provided that the Issuer shall have the option to carry-forward and/or carry-back amounts under this redemption provision.

Floating Rate Notes .... Prior to February 5, 2027, the Issuer will be entitled, at its option, to redeem all or a portion of the Floating Rate Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption, and additional amounts, if any, plus a "make whole" premium.

At any time on or after February 5, 2027, the Issuer may redeem all or part of the Floating Rate Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption, and additional amounts, if any. See "*Description of the Notes—Optional Redemption*."

Additional Amounts .... All payments made by or on behalf of the Issuer or any Guarantor with respect to the Notes or the Guarantees, as applicable, will be made free and clear of and without withholding or deduction for, or on account of, taxes, except to the extent required by law. If withholding or deduction for, or on account of, any taxes imposed or levied by or on behalf of any Relevant Taxing Jurisdiction (as defined in "*Description of the Notes—Withholding Taxes*") is required by law to be made with respect to any payment under the Notes or the Guarantees, the Issuer or the Guarantor will, subject to certain exceptions, pay additional amounts so that the net amount received by each holder in respect of such payments after such withholding or deduction (including any withholding or deduction in respect of the additional amounts) is not less than that such holder would have received in the absence of such withholding or deduction.

The Issuer is organized under the laws of the Republic 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. Subject to and as set forth in "*Description of the Notes—Withholding Taxes*," the Issuer will not be liable to pay any additional amounts to holders of the Notes if any withholding or deduction is required pursuant to Decree No. 239 or pursuant to Italian Legislative Decree No. 461 of November 21, 1997 ("**Decree No. 461**"), except where the procedures required under Decree No. 239 in order to benefit from an exemption have not been complied with due solely to the actions or omissions of the Issuer or its agents.

Although we believe that, under current law, Italian withholding tax will not be imposed under Decree No. 239 or Decree No. 461 where a holder of the Notes is resident for tax purposes in a country which allows for a satisfactory exchange of information with the Italian tax authorities (as identified currently in the Italian Ministerial Decree of the Minister of Economy and Finance of September 4, 1996 as amended and supplemented from time to time and, in the future, in any decree to be issued under Article 11(4)(c) of Decree No. 239; any such decree, the "**White List**") and such holder of the Notes complies with certain certification requirements, there is no assurance that this will be the case. Moreover, holders of the Notes will bear the risk of any change in Decree No. 239 after the date hereof, including any change to the White List. See "*Certain Taxation Considerations—Certain Italian Tax Considerations*", "*Description of the Notes—Withholding Taxes*" and "*Risks Related to the Notes, the Guarantees and the Collateral—Holders of the Notes are unlikely to be entitled to a gross-up for any Italian withholding taxes, unless such Italian withholding tax is caused by our failure to comply with certain procedures.*"

Tax redemption........................... If certain changes in the law of any Relevant Taxing Jurisdiction become effective that would impose withholding taxes or other deductions on the payments on the

Notes, 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, if any, to the date of redemption and additional amounts, if any. See "*Description of the Notes—Redemption for Taxation Reasons*."

Change of Control .... Upon the occurrence of certain events constituting a change of control the Issuer will be required to make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of the purchase and additional amounts, if any. However, a change of control triggering event will not be deemed to have occurred if a specified consolidated senior secured net leverage ratio is not exceeded in connection with the first such event. See "*Description of the Notes—Change of Control*."

Tender Offers............................... In connection with certain tender offers for the Notes of any series, if holders of not less than 90% in aggregate principal amount of the outstanding Notes of such series validly tender and do not withdraw such Notes in the tender offer and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases all of the Notes of such series validly tendered and not withdrawn by such holders, the Issuer or such third party will have the right to redeem the Notes of such series that remain outstanding in whole, but not in part, following such purchase at a price equal to the price offered to each other holder of Notes of such series. See "*Description of the Notes—Optional Redemption—General*."

Certain Covenants....................... The Indenture will include covenants that, among other things, limit the ability of the Issuer and its restricted subsidiaries to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- pay dividends on, redeem or repurchase our capital stock;
- make certain restricted payments;
- make certain investments;
- create or permit to exist certain liens;
- impose restrictions on the ability of our subsidiaries to pay dividends or make other payments to us;
- merge or consolidate with other entities, or make certain asset sales;
- enter into certain transactions with affiliates; and
- impair the security interests for the benefit of the holders of the Notes.

Certain of the covenants and events of default will be suspended if and for so long as we achieve investment-grade ratings. There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating will be maintained. See "*Description of the Notes—Certain Covenants—Suspension of Covenants on Achievement of Investment Grade Status*."

Each of the covenants in the Indenture are subject to significant exceptions and qualifications. See "*Description of the Notes—Certain Covenants*."

Transfer Restrictions.................. The Notes and the Guarantee have not been registered under the Securities Act or the securities laws of any other jurisdiction and will not be so registered. The Notes are subject to restrictions on transferability and resale. See "*Notice to Investors*." Holders of the Notes will not have the benefit of any exchange or registration rights.

Original Issue Discount............... The Fixed Rate Notes and/or Floating Rate Notes may be issued with original issue discount ("**OID**") for U.S. federal income tax purposes. A U.S. holder (as defined in "*Certain Taxation Considerations—Certain United States Federal Income Tax Considerations*") of the Fixed Rate Notes or Floating Rate Notes, as applicable, generally will be required to include any OID on such Notes in gross income (as ordinary income) on an annual basis under a constant yield accrual method regardless of their regular method of accounting for U.S. federal income tax purposes. As a result, such holders will generally include any OID in income in advance of the receipt of cash attributable to such income. See "*Certain Taxation Considerations—Certain United States Federal Income Tax Considerations—Original Issue Discount.*"

Risk Factors .... Investing in the Notes involves substantial risks. You should consider carefully all the information in this Offering Memorandum and, in particular, you should evaluate the risk factors set forth in the "*Risk Factors*" section before making a decision whether to invest in the Notes.

No Prior Market .... The Notes will be new securities for which there is no existing 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 is no assurance that an active trading market will develop for the Notes.

Listing .... Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit them for trading on the Euro MTF Market of the Luxembourg Stock Exchange. There can be no assurance that such listing will be maintained.

Governing Law .... The Notes, the Indenture and the Guarantees will be governed by New York law, other than certain provisions that will be subject to mandatory provisions of Italian law.

The Intercreditor Agreement is governed by the laws of England and Wales. Each Security Document is, or will be, governed by applicable local laws.

Trustee .... U.S. Bank Trustees Limited

Security Agent .... BNP PARIBAS, Italian Branch

Transfer Agent, Calculation Agent, Paying Agent and Registrar .... U.S. Bank Europe DAC

SUMMARY HISTORICAL FINANCIAL AND OTHER INFORMATION

The summary consolidated statement of profit or loss and other comprehensive income data, consolidated balance sheet data and consolidated statement of cash flows data of the Issuer set forth below as of and for the years ended December 31, 2022, 2023 and 2024 were derived from the Audited Financial Statements and the notes thereto, prepared in accordance with IFRS as issued by the International Accounting Standards Board and endorsed by the European Union, and included elsewhere in this Offering Memorandum. The summary consolidated statement of profit or loss and other comprehensive income data, consolidated balance sheet data and consolidated statement of cash flows data of the Issuer set forth below as of and for the nine months ended September 30, 2025, including comparative figures for the nine months ended September 30, 2024, were derived from the Unaudited Condensed Financial Statements and the notes thereto, prepared in accordance with IAS 34 (Interim Financial Reporting) as issued by the International Accounting Standards Board and endorsed by the European Union. The financial information of the Issuer for the twelve months ended September 30, 2025 has been calculated by taking the results of operations of the Issuer for the nine months ended September 30, 2025, adding them to the results of operations for the full year ended December 31, 2024, and subtracting the results of operations for the nine months ended September 30, 2024.

The financial information presented in the tables below provide certain as adjusted financial information on an as adjusted basis to give effect to the Transactions, 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 balance sheets information and cash and cash equivalents as of and for the twelve months ended September 30, 2025 as adjusted to give effect to the Transactions, including our indebtedness, as if the Transactions had occurred on September 30, 2025 and our interest expense as if the Transactions had occurred on October 1, 2024.

The summary consolidated financial information presented below includes certain non-IFRS financial and other measures, such as, among others, Adjusted EBITDA, Adjusted EBITDA Margin, Further Adjusted EBITDA, Further Adjusted EBITDA Margin, Net Working Capital, Net Capital Expenditure, Total Net Capital Additions, Contribution Margin, Contribution Margin per Ton, Cash Flow Conversion and Total Financial Debt, that we use to evaluate our economic and financial performance. These measures are not identified as accounting measures under IFRS and therefore should not be considered a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are prepared in accordance with IFRS. The non-IFRS financial information for the Group included herein has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act or any generally accepted accounting standards. The assumptions underlying such adjusted financial information have not been audited or reviewed in accordance with any generally accepted accounting standards. Any reliance you place on this information should fully take this into consideration. See "Presentation of Financial and Other Information—Non-IFRS Financial Measures."

Results of operations for prior years or periods are not necessarily indicative of the results expected for any full year or future period. Prospective investors should bear in mind that the performance indicators, ratios or other similarly titled measures that we report herein are not financial measures defined in accordance with IFRS and, as such, other companies in the industries in which we operate may calculate them using different methodologies and having different results. Therefore, these performance indicators, ratios or other similarly titled measures are not directly comparable to similar figures, ratios or other similarly titled measures reported by other companies in the industries in which we operate.

The following information should be read in conjunction with the information contained in "Presentation of Financial and Other Information," "Capitalization," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Financial Statements and the notes thereto included elsewhere in this Offering Memorandum.

Consolidated Statement of Profit and Loss and Other Comprehensive Income Data

	Year ended December 31,			**Nine months ended September 30,**		**Twelve months ended Septem ber 30,**
(€ million)	**2022**	**2023**	**2024**	**2024**	**2025**	**2025**
Revenue	**861.9**	**671.2**	**686.2**	**529.8**	**491.5**	**647.9**
Other income	5.5	17.2	7.5	4.5	11.8	14.8
Raw materials, consumables and production utilities	(549.3)	(428.8)	(393.2)	(304.0)	(277.6)	(366.8)
Third-party production and maintenance	(37.3)	(33.1)	(40.0)	(28.8)	(31.1)	(42.3)
Transportation costs	(47.9)	(22.7)	(26.8)	(17.4)	(15.5)	(24.9)
Employee benefits expense	(74.3)	(73.5)	(75.9)	(56.1)	(56.2)	(76.0)
Other operating expenses	(28.9)	(32.9)	(34.0)	(23.2)	(25.4)	(36.2)

Depreciation and amortization	(56.8)	(56.1)	(61.3)	(43.5)	(44.0)	(61.7)
Impairment losses on goodwill	—	(34.1)	—	—	—	—
Operating profit/(loss)	**72.6**	**7.1**	**62.5**	**61.3**	**53.4**	**54.6**
Impairment losses on financial assets	(1.6)	(0.8)	(0.1)	—	—	(0.1)
Finance income	34.3	18.8	32.5	11.1	7.5	28.9
Finance costs	(67.4)	(101.6)	(82.7)	(63.4)	(98.1)	(117.4)
Net finance income/(costs)	**(34.7)**	**(83.6)**	**(50.3)**	**(52.3)**	**(90.6)**	**(88.6)**
Profit/(loss) before taxes	**37.9**	**(76.5)**	**12.2**	**9.0**	**(37.2)**	**(34.0)**
Income tax expense	(9.9)	(6.1)	(18.0)	(11.2)	(8.7)	(15.5)
Profit/(Loss) after tax	**28.0**	**(82.6)**	**(5.8)**	**(2.2)**	**(45.9)**	**(49.5)**

Consolidated Balance Sheets Data

	As of December 31,			**As of September 30,**
(€ million)	**2022**	**2023**	**2024**	**2025**
Total non-current assets	946.7	873.9	888.4	841.6
Total current assets	372.9	346.1	360.9	345.3
Total assets	**1,319.7**	**1,220.0**	**1,249.3**	**1,186.9**
Total non-current liabilities	747.5	689.1	706.7	712.8
Total current liabilities	167.1	118.3	136.2	124.9
Total liabilities	**914.6**	**807.4**	**842.9**	**837.7**
Total equity attributable to equity holders of the parent	403.8	408.7	396.3	340.3
Total equity attributable to non-controlling interest	1.2	3.8	10.2	8.9
Total equity	**405.1**	**412.5**	**406.5**	**349.2**
Total equity and liabilities	**1,319.7**	**1,220.0**	**1,249.3**	**1,186.9**

Consolidated Statement of Cash Flows Data

	Year ended December 31,			**Nine months ended September 30,**	
(€ million)	**2022**	**2023**	**2024**	**2024**	**2025**
Cash flows (used in)/from operating activities	0.1	101.5	42.6	44.1	39.7
Cash flows (used in)/from investing activities	(31.5)	(30.1)	(39.2)	(25.7)	(24.7)
Cash flows (used in)/from financing activities	21.7	19.2	(9.4)	(5.8)	(2.5)
Increase/(decrease) in cash and cash equivalents	**(9.7)**	**90.7**	**(6.0)**	**12.6**	**12.5**
Opening Cash and cash equivalents	36.3	26.9	116.9	116.9	112.1
Closing Cash and cash equivalents	**26.9**	**116.9**	**112.1**	**129.3**	**121.8**

Non-IFRS and As Adjusted Financial Information

	Year ended December 31,			**Nine months ended September 30,**		**Twelve months ended September 30,**
(€ million except percentages)	**2022**	**2023**	**2024**	**2024**	**2025**	**2025**
Adjusted EBITDA[1]	138.1	108.5	134.2	108.5	102.5	128.2
Adjusted EBITDA Margin[1]	16.0%	16.2%	19.6%	20.5%	20.9%	19.8%
Further Adjusted EBITDA[1]						137.1
Further Adjusted EBITDA Margin[1]						21.2%
As Adjusted Cash and Cash Equivalents[2]						103.8
As Adjusted Total Financial Debt[3]						698.6
As Adjusted Net Financial Debt[4]						594.8
As Adjusted Senior Secured Net Financial Debt[5]						586.2
As Adjusted Cash Interest Expense[6]						43.6
Ratio of As Adjusted Net Financial Debt[4] to Further Adjusted EBITDA[1]						4.3x
Ratio of As Adjusted Senior Secured Net Financial Debt[5] to Further Adjusted EBITDA[1]						4.3x

Ratio of Further Adjusted EBITDA[(1)] to As Adjusted Cash Interest Expense[(6)]	3.1x

(1) We define Adjusted EBITDA as profit (loss) before tax and after adding back finance income, finance costs, depreciation and amortization as well as impairment losses on financial assets, impairment losses on goodwill and certain management adjustments and non-recurring costs. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by revenue, expressed as a percentage. Our profit/(loss) margin (as a percentage of revenue) for the twelve months ended September 30, 2025 amounted to 7.6%. We define Further Adjusted EBITDA as Adjusted EBITDA as further adjusted for certain cost savings and other synergies that we expect to realize from the Alcolina acquisition, the optimization of certain organizational functions, the Arese cogeneration project, the new U.S. brownfield development in Smyrna, Georgia, and digitization and operational-excellence initiatives. We define Further Adjusted EBITDA Margin as Further Adjusted EBITDA divided by revenue, expressed as a percentage. In evaluating Adjusted EBITDA and Further Adjusted EBITDA you should be aware that, as an analytical tool, Adjusted EBITDA and Further Adjusted EBITDA are subject to certain limitations. See "*Presentation of Financial and Other Information—Non-IFRS Financial Measures.*" Adjusted EBITDA and Further Adjusted EBITDA are not measurements of performance or liquidity under IFRS and you should not consider each such measure as an alternative to (a) operating income or net profit (as determined in accordance with IFRS) as a measure of our operating performance, (b) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance or liquidity under IFRS or generally accepted accounting principles. Neither our independent auditors, nor any other independent accountants, have audited, reviewed, verified, compiled, examined or performed any procedures with respect to our Adjusted EBITDA or Further Adjusted EBITDA, nor have they expressed any opinion or any other form of assurance on such information or its achievability.

Set forth below is a reconciliation of our net profit to Adjusted EBITDA and Further Adjusted EBITDA for the periods indicated.

	Year ended December 31,			**Nine months ended September 30,**		**Twelve months ended September 30,**
(€ million)	**2022**	**2023**	**2024**	**2024**	**2025**	**2025**
Profit/(Loss) after tax	**28.0**	**(82.6)**	**(5.8)**	**(2.2)**	**(45.9)**	**(49.5)**
Income tax expense	9.9	6.1	18.0	11.2	8.7	15.5
Finance income	(34.3)	(18.8)	(32.5)	(11.1)	(7.5)	(28.9)
Finance costs	67.4	101.6	82.7	63.4	98.1	117.4
Impairment losses on financial assets	1.6	0.8	0.1	—	—	0.1
Depreciation and amortization and impairment losses on goodwill	56.8	90.2	61.2	43.5	44.0	61.7
Management adjustments and non-recurring items[(a)]	8.7	11.2	10.5	3.8	5.1	11.8
Adjusted EBITDA	**138.1**	**108.5**	**134.2**	**108.5**	**102.5**	**128.2**
Cost savings and other synergies[(b)]						8.9
Further Adjusted EBITDA						**137.1**

(a) Refers to:

(i) in respect of the year ended December 31, 2022, (x) management adjustments for €6.5 million, which include: add-backs of transaction related costs, including internal indirect costs (€1.5 million), such as the cost of time spent by our employees in carrying out M&A-related functions and external costs (€1.6 million), such as M&A advisors and due diligence expenses, in each case concerning both realized and unrealized acquisitions; €1.7 million of add-backs of non-recurring items mainly related to reorganization and personnel settlement costs; the elimination of €0.2 million relating to the depreciation component included in the change in inventory recorded in the consolidated statement of profit or loss and other comprehensive income; and €1.9 million of add-backs of non-operating management fees charged by the shareholders to the Issuer; and (y) non-recurring items for €2.2 million, which include: €0.5 million of add-backs of costs related to previous years; €0.5 million of add-backs of losses on the disposal of assets; €0.3 million of add-backs of one-off write-down of inventories located in Brazil; €0.2 million of add-backs of one-off costs related to a production accident involving the factory located in Spoleto and occurred in September 2022, which costs were not recovered from the insurance company; and €0.7 million of add-backs of other minor adjustments.

(ii) in respect of the year ended December 31, 2023, (x) management adjustments for €9.8 million, which include: €2.8 million of add-backs of transaction related costs, such as M&A advisors and due diligence expenses, concerning both realized and unrealized acquisitions; €2.4 million of add-backs of non-recurring items mainly related to reorganization and personnel settlement costs; €1.2 million of add-backs relating to the depreciation component included in the change in inventory recorded in the consolidated statement of profit or loss and other comprehensive income; and €3.4 million of add-backs of non-operating management fees charged by the shareholders to the Issuer; and (y) non-recurring items for €1.4 million, which include: €0.5 million of add-backs of one-off costs related to production accidents involving the factories located in Cleveland and Newport and occurred in February 2023 and March 2023, which costs were not recovered from the insurance company; €0.2 million of add-backs of legal costs; €0.1 million of add-backs of losses on the disposal of assets; and €0.6 million of add-backs of other minor adjustments.

(iii) in respect of the year ended December 31, 2024, (x) management adjustments for €5.1 million, which include: €3.0 million of add-backs of transaction related costs, such as M&A advisors and due diligence expenses, concerning both realized and unrealized acquisitions; €1.8 million of add-backs of non-recurring items mainly related to reorganization and personnel settlement costs; the elimination of €1.0 million relating to the depreciation component included in the change in inventory recorded in the consolidated statement of profit or loss and other comprehensive income; €1.3 million of add-backs of non-operating management fees charged by the shareholders to the Issuer; and (y) non-recurring items for €5.4 million, which include: €3.1 million of add-backs of costs related to the accrual to the inventory provision and scraps of inventory, due to the new production strategy adopted by the Group starting from 2024; €1.4 million of add-backs of certain non-recurring and one-off costs relating to mandatory registration fees for our existing chemical products under the REACH regulation, which we regard as non-recurring because they relate to initial, rather than ongoing, compliance costs; €0.4 million of add-backs of one-off costs related to a production accident involving the factory located in Spoleto and occurred in June 2024, which costs were not recovered from the insurance company; €0.1 million of add-backs of losses on the disposal of assets; and €0.4 million of add-backs of other minor adjustments.

(iv) in respect of the nine months ended September 30, 2024, (x) management adjustments for €3.2 million, which include: €1.6 million of add-backs of transaction related costs, such as M&A advisors and due diligence expenses, concerning both realized and unrealized acquisitions; €1.0 million of add-backs of non-recurring items mainly related to reorganization and personnel settlement costs; the elimination of €0.4 million relating to the depreciation component included in the change in inventory recorded in the consolidated statement of profit or loss and other comprehensive income; €1.0 million of add-backs of non-operating management fees charged by the shareholders to the Issuer; and (y) non-recurring items for €0.6 million, which include: €0.3 million of add-backs of one-off costs related to a production accident involving the factory located in Spoleto and occurred in June 2024, which costs were not recovered from the insurance company; €0.1 million of add-backs of losses on the disposal of assets; and €0.2 million of add-backs of other minor adjustments.

(v) in respect of the nine months ended September 30, 2025, (x) management adjustments for €2.9 million, which include: €2.0 million of add-backs of transaction related costs, such as M&A advisors and due diligence expenses, concerning both realized and unrealized acquisitions; €0.5 million of add-backs of non-recurring items mainly related to reorganization and personnel settlement costs; the elimination of €0.7 million relating to the depreciation component included in the change in inventory recorded in the consolidated statement of profit or loss and other comprehensive income; and €1.1 million of add-backs of non-operating management fees charged by the shareholders to the Issuer; and (y) non-recurring items for €2.2 million, which include: €1.0 million of add-backs of one-off costs related to a production accident involving the factory located in Zuera and occurred in July 2025, which costs were not recovered from the insurance company; €1.0 million of add-backs of consultancy costs aimed at optimizing costs; and €0.2 million of add-backs of other minor adjustments.

(vi) in respect of the twelve months ended September 30, 2025, (x) management adjustments for €4.8 million, which include: €3.4 million of add-backs of transaction related costs, such as M&A advisors and due diligence expenses, concerning both realized and unrealized acquisitions; €1.3 million of add-backs of non-recurring items mainly related to restructuring and personnel settlement costs; the elimination of €1.3 million relating to the depreciation component included in the change in inventory recorded in the consolidated statement of profit or loss and other comprehensive income; and €1.4 million of add-backs of non-operating management fees charged by the shareholders to the Issuer; and (y) non-recurring items for €7.0 million, which include: €3.1 million of add-backs of costs related to the accrual to the inventory provision and scraps of inventory, due to the new production strategy adopted by the Group at the end of the financial year; €1.4 million of add-backs of certain non-recurring costs relating to mandatory registration fees for our existing chemical products under the REACH regulation, which we regard as non-recurring because they relate to initial rather than on-going compliance costs; €1.1 million of add-backs of one-off costs related to production accidents involving the factories located in Spoleto and Zuera and occurred in June 2024 and July 2025, respectively, which costs were not recovered from the insurance company; €1.0 million of add-backs of consultancy costs aimed at optimizing costs; and €0.4 million of add-backs of other minor adjustments.

See "*Risk Factors—Risks Relating to Our Business and Industry—Each of our Adjusted EBITDA and Further Adjusted EBITDA presented in this Offering Memorandum is based upon management estimates and assumptions in respect of certain cost savings, revenue synergies and other initiatives. Such estimates and assumptions might prove to be materially incorrect as a result of factors that are beyond our control and are subject to known and unknown risks, uncertainties and other factors.*"

(b) Includes:

(i) €1.0 million of estimated annual revenue synergies arising from the acquisition of Alcolina, which we expect to realize in full by 2027, mainly from cross-selling of Alcolina products, and which are commercial in nature and do not contemplate any material reorganizational integration or implementation costs.

(ii) €0.2 million of estimated annual cost savings that we expect to have realized in full by the fourth quarter of 2025 as a result of the optimization of certain organizational functions, with no material reorganizational or implementation costs incurred or envisaged.

(iii) €0.9 million of estimated annual cost savings that we expect to realize in full by 2027, mainly derived from the completion of the construction of a natural gas co-generation plant in Arese aimed at reducing energy costs. We estimate that the full realization of this investment will require approximately €3.0 million of expenditures, which we have funded through a leasing agreement requiring us to pay period instalments, and of which €0.1 million has already been incurred as of September 30, 2025. As of September 30, 2025, the project continued to progress in line with the revised timeline, with installation and construction activities underway following receipt of the required authorizations in late 2024 and ongoing technical adjustments, with no material adverse impacts or cost overruns reported to date.

(iv) €1.2 million of estimated annual revenue synergies derived from the new U.S. brownfield development in Smyrna, Georgia, aimed at producing a new hydraulic-fluid component for our LIS end market segment. We expect the initial benefits to materialize in the first quarter 2026, with full realization of these benefits by the first quarter of 2027, subject to successful commissioning and obtaining all required authorizations from the competent authorities. We estimate that the full realization of these initiatives will require approximately €8.0 million of expenditures, of which €7.2 million has already been incurred as of September 30, 2025.

(v) €5.6 million of estimated annual cost savings that we expect to realize in full within the next twelve months, related to digitization and operational-excellence initiatives launched in 2025. These benefits primarily arise from digital workflow enhancements, production-tracking systems, maintenance optimization and process improvements implemented across our manufacturing footprint. We estimate that the full realization of these initiatives will require approximately €3.0 million of expenditures, of which €1.6 million has already been incurred as of September 30, 2025.

See "*Risk Factors—Risks Relating to Our Business and Industry—Each of our Adjusted EBITDA and Further Adjusted EBITDA presented in this Offering Memorandum is based upon management estimates and assumptions in respect of certain cost savings, revenue synergies and other initiatives. Such estimates and assumptions might prove to be materially incorrect as a result of factors that are beyond our control and are subject to known and unknown risks, uncertainties and other factors.*"

(2) As Adjusted Cash and Cash Equivalents reflects our cash and cash equivalents as of September 30, 2025, adjusted to give effect to the Transactions, as if the Transactions had occurred on September 30, 2025. As Adjusted Cash and Cash Equivalents as of September 30, 2025 does not include any other adjustments to our cash and cash equivalents due to working capital expansion or contraction or any other cash generation or utilization since September 30, 2025. As Adjusted Cash and Cash Equivalents has been prepared for illustrative purposes only and does not represent what our actual cash position would have been had the Transactions occurred on September 30, 2025, nor does it purport to project our cash position at any future date. As a result, our cash and cash equivalents as of the estimated Issue Date might differ from our estimates shown in the table above due to a number of factors. For further information, see "*Use of Proceeds*" and "*Capitalization.*"

(3) As Adjusted Total Financial Debt represents our Total Financial Debt as of September 30, 2025, as adjusted to give effect to the Transactions, including the application of the proceeds from the Offering and without giving effect to amortization costs. As Adjusted Total Financial Debt includes €0.8 million of recourse factoring arrangements and €0.3 million of non-repayable grants. As Adjusted Total Financial Debt excludes (x) €13.6 million relating to the Alcolina acquisition, which reflects the present value of €16.4 million of nominal amounts, comprising (i) €9.0 million of deferred consideration payable in 2026 in respect of the acquisition of an additional 20% equity interest in Alcolina, which amount is subject to adjustment based on Alcolina's performance in 2025, and (ii) €7.4 million relating to the seller warranty fund established in connection with the

prior acquisition of the 60% equity interest, of which 50% is scheduled to be released in 2029 and the balance released over the following two years; and (y) €7.7 million of accrued and unpaid interest on the Existing Fixed Rate Notes as of September 30, 2025. For further information, see "*Capitalization.*"

(4) As Adjusted Net Financial Debt represents our As Adjusted Total Financial Debt *less* As Adjusted Cash and Cash Equivalents.

(5) As Adjusted Senior Secured Net Financial Debt represents our As Adjusted Net Financial Debt after excluding any unsecured financial debt. As Adjusted Senior Secured Net Financial Debt comprises the aggregate principal amount of the Notes. As Adjusted Senior Secured Net Financial Debt does not include any amounts under the Revolving Credit Facility, which, as of September 30, 2025, was undrawn. See "*Use of Proceeds*" and "*Capitalization*."

(6) As Adjusted Cash Interest Expense reflects the as actual interest expense of the Group for the twelve months ended September 30, 2025, as if the Transactions had occurred on October 1, 2024. This estimate reflects (i) the issuance of the €300.0 million 6.250% Fixed Rate Notes; and (ii) the issuance of the €390.0 million Floating Rate Notes carrying an interest rate of three-month EURIBOR (subject to a 0% floor) plus 4.125 % (assuming the three-month EURIBOR rate as of January 26, 2026 was in effect for the entire period). As Adjusted Cash Interest Expense also includes interest accruing on €7.5 million of leases that we expect will remain outstanding following the Transactions and is calculated gross of the debt issuance costs in connection with the Transactions. The estimate does not reflect any commitment fee or interest expense in relation to borrowings under the Revolving Credit Facility, which we have assumed would have remained undrawn throughout the entire period. As Adjusted Cash Interest Expense is presented for illustrative purposes only and does not purport to represent what our interest expense would have actually been had the Transactions occurred on the date assumed, nor does it purport to project our interest expenses for any future period or our financial condition at any future date. The foregoing may differ from the manner in which consolidated interest expense is defined in accordance with the Indenture. See "*Use of Proceeds*" and "*Capitalization.*"

Other Financial Information, Segment, Geographic and Operating Data

Net Capital Expenditure and Total Net Capital Additions

The table below sets forth our Net Capital Expenditure by category based on cash flows for the periods presented.

(€ million)	Year ended December 31, 2022	2023	2024	Nine months ended September 30, 2024	2025	Twelve months ended September 30, 2025
Net Capital Expenditure	**29.4**	**30.1**	**32.3**	**21.8**	**24.7**	**35.2**
Of which:						
Recurring Net Capital Expenditure[(a)]	23.7	22.8	21.8	16.2	15.5	21.1
Expansion and Non-Recurring Net Capital Expenditure[(b)]	5.7	7.3	10.5	5.6	9.2	14.1

(a) Recurring Net Capital Expenditure includes expenditure for maintenance, health and safety, industrial automation and production technologies as well as expenditures to increase productivity and the quality of our products.

(b) Expansion and Non-Recurring Net Capital Expenditure includes expenditures for plant construction and expansion, measures to enhance our production capacity as well as software to enhance productivity.

The table below sets forth our Net Capital Expenditure and Total Net Capital Additions for the periods presented.

(€ million)	Year ended December 31, 2022	2023	2024	Nine months ended September 30, 2024	2025	Twelve months ended September 30, 2025
Investments in property, plant and equipment	24.5	24.8	28.8	18.8	21.5	31.5
Disposal of property, plant and equipment	—	—	—	—	—	—
Investments in goodwill and other intangible assets	4.9	5.3	3.5	3.0	3.2	3.7
Net Capital Expenditure	**29.4**	**30.1**	**32.3**	**21.8**	**24.7**	**35.2**
Right of use assets - Additions	3.1	4.7	4.9	3.9	5.2	6.2
Addition of goodwill, intangible and property, plant and equipment arose from business combination[(a)]	6.4	—	26.6	21.7	—	4.9
Total Net Capital Additions	**38.9**	**34.8**	**63.8**	**47.3**	**29.9**	**46.3**

(a) Refers to entities which we acquired in the relevant periods (namely, Aubin for the year ended December 31, 2022, and Alcolina for the year ended December 31, 2024).

Net Working Capital

The table below sets forth our Net Working Capital as of the dates indicated.

(€ million)	As of December 31, 2022	2023	2024	As of September 30, 2025
Inventories	215.2	129.4	151.9	134.7
Trade receivables	79.3	59.9	70.3	63.6
Trade payables	(99.4)	(70.4)	(82.6)	(72.5)
Net Working Capital	**195.1**	**118.9**	**139.6**	**125.8**

Cash Flow Conversion

The table below sets forth our Cash Flow Conversion for each period presented.

(€ million, except percentages)	Year ended December 31, 2022	2023	2024	Nine months ended September 30, 2024	2025	Twelve months ended September 30, 2025
Adjusted EBITDA[(a)]	138.1	108.5	134.2	108.5	102.5	128.2
Recurring Net Capital Expenditure	23.7	22.8	21.8	16.2	15.5	21.1
Cash Flow Conversion (%)[(b)]	82.8	79.0	83.8	85.1	84.9	83.5

(a) In evaluating Adjusted EBITDA you should be aware that, as an analytical tool, Adjusted EBITDA is subject to certain limitations. See "*Presentation of Financial and Other Information—Non-IFRS Financial Measures.*" Adjusted EBITDA is not measurements of performance or liquidity under IFRS and you should not consider such measure as an alternative to (a) operating profit or net profit (as determined in accordance with IFRS) as a measure of our operating performance, (b) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance or liquidity under IFRS or generally accepted accounting principles. Neither our independent auditors, nor any other independent accountants, have audited, reviewed, verified, compiled, examined or performed any procedures with respect to our Adjusted EBITDA, nor have they expressed any opinion or any other form of assurance on such information or its achievability.

(b) Cash Flow Conversion is defined as Adjusted EBITDA *less* Recurring Net Capital Expenditure, divided by Adjusted EBITDA.

Contribution Margin

The table below sets forth our Contribution Margin on an absolute basis and as a percentage of revenue for each period presented.

(€ million)	Year ended December 31, 2022	2023	2024	Nine months ended September 30, 2024	2025	Twelve months ended September 30, 2025
Revenue	861.9	671.2	686.2	529.8	491.5	647.9
Raw materials	(498.8)	(397.2)	(359.7)	(280.2)	(257.9)	(337.4)
Accrual to inventory position	20.9	—	2.6	—	—	2.6
Production utilities	(38.9)	(22.5)	(23.2)	(16.8)	(16.0)	(22.4)
Other cost[(a)]	(47.8)	(10.5)	(29.7)	(17.2)	(17.5)	(30.0)
Contribution Margin[(b)]	297.3	240.9	276.1	215.7	200.1	260.6
as a percentage of revenue (%)	34.5	35.9	40.2	40.7	40.7	40.2

(a) Other costs include transportation costs for purchased raw materials and consumables and commission expenses, excluding utilities and transportation costs not directly referred to sales to third parties.

(b) Contribution Margin is defined as revenue *less* raw materials, production utilities and other costs comprising transportation costs for purchased raw materials and consumables and commission expenses, excluding utilities and transportation costs not directly referred to sales to third parties, *plus* inventory write-down provisions accrued in the period and less any utilization thereof. Contribution Margin does not include third-party production and maintenance costs, employee benefit expenses, other operating expenses (other than commission expenses), depreciation and amortization and impairment losses on goodwill. Contribution Margin is calculated based on unaudited management accounts that do not reconcile to our statutory accounts due to the exercise of management judgment in determining the qualification of other cost items. For the years ended December 31, 2022, 2023 and 2024, the nine months ended September 30, 2024 and 2025 and the twelve months ended September 30, 2025, our operating profit amounted to €72.7 million, €7.1 million, €62.5 million, €61.3 million, €53.4 million and €54.7 million, respectively, and our operating profit margin (as a percentage of revenue) amounted to 8.4%, 1.1%, 9.1%, 11.6%, 10.9% and 8.4%, respectively.

Contribution Margin per Ton

The table below sets forth our Contribution Margin per ton, calculated using Contribution Margin and total volumes sold (presented in kilotons) for each of the periods presented, with kilotons converted into tons for purposes of the calculation.

	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
(€ million)	**2022**	**2023**	**2024**	**2024**	**2025**	**2025**
Contribution Margin (€ million)	297.3	240.9	276.1	215.7	200.1	260.6
Total Volumes by End Market (kt)	289.1	238.3	268.8	207.5	190.3	251.6
Contribution Margin per Ton (€/t)	**1,028.4**	**1,010.9**	**1,027.2**	**1,039.5**	**1,051.5**	**1,035.8**

Revenue by End Market

The table below sets forth our revenue classified by end market for each of the periods presented. For a description of our main end market segments, see "*Business—Our Products Overview*."

	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
(€ million)	**2022**	**2023**	**2024**	**2024**	**2025**	**2025**
AWS	375.8	281.3	296.3	229.5	204.3	271.1
LIS	332.1	267.5	274.7	210.9	209.3	273.1
FPP	154.0	122.4	115.2	89.4	77.9	103.7
Total	**861.9**	**671.2**	**686.2**	**529.8**	**491.5**	**647.9**

Revenue by Geography

The table below sets forth our revenue classified by geographic location of the purchaser for each of the periods presented.

	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
(€ million)	**2022**	**2023**	**2024**	**2024**	**2025**	**2025**
Italy	78.5	70.7	66.8	51.7	46.9	62.0
Rest of Europe and the United Kingdom	297.2	222.6	206.7	161.8	145.8	190.7
U.S.	253.8	203.5	194.0	147.4	136.1	182.7
Rest of North America	18.5	13.8	16.8	13.1	13.8	17.5
Asia Pacific	132.1	96.5	113.5	87.8	87.0	112.7
Middle East and Africa	55.5	45.8	44.7	34.2	31.7	42.2
Latin America	26.2	18.4	43.6	33.8	30.3	40.1
Total	**861.9**	**671.2**	**686.2**	**529.8**	**491.5**	**647.9**

Volumes by End Market

The table below sets forth our volumes sold classified by end market for each of the periods presented.

Year ended December 31,	Nine months ended September 30,	Twelve months ended September 30,

(k ton)	2022	2023	2024	2024	2025	2025
AWS	143.5	113.7	133.9	102.9	94.5	125.5
LIS	77.9	65.5	73.3	56.4	55.2	72.1
FPP	67.7	59.1	61.6	48.3	40.6	54.0
Total Volumes by End Market	**289.1**	**238.3**	**268.8**	**207.5**	**190.3**	**251.6**

RISK FACTORS

An investment in the Notes involves a high degree of risk. Prospective investors in the Notes should carefully consider the risks described below and the other information contained in this Offering Memorandum before making a decision to invest in the Notes. Any of the following risks, individually or together, could adversely affect our business, financial position, results of operations and prospects, and accordingly the value of the Notes. This section describes the risks and uncertainties that we believe could be material, but these risks and uncertainties may not be the only ones that we face. Additional risks and uncertainties, including those of which we are currently unaware or those which we deem immaterial, may also result in decreased sales, assets and cash inflows, increased expenses, liabilities or cash outflows or other events that could result in a decline in the value of the Notes, or which could have a material adverse effect on our business, financial position, results of operations and prospects. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on our business, financial position, results of operations and prospects or on the trading price of the Notes. In addition, our past financial performance may not be a reliable indicator of 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

Our business is sensitive to global economic and geopolitical conditions

Our business is dependent on global economic and geopolitical conditions, especially in Europe, America, and Asia, which drive demand in our end markets. Our business may be impacted by fluctuations in consumer demand in the end markets where our customers operate, the global economic environment, changes in interest rates, inflation, instability in securities markets around the world, and international conflicts, including the ongoing conflict between Russia and Ukraine and the impact of financial and economic sanctions on the regional and global economy. Declining economic conditions in any of our end markets—or negative perceptions of economic conditions—could result in a substantial decrease in demand therein and adversely affect our business. Lingering macroeconomic effects associated with the pandemic and the financial crisis that followed, further exacerbated by ongoing geopolitical instability, may adversely affect customer demand, input costs, supply chain reliability and access to financing. We cannot give any assurance that the growth exhibited in recent years will continue, or that the global economy will not, in the near future, experience a significant and prolonged downturn. Furthermore, weakening of currencies in some emerging countries from time to time increases the risk of financial contagion in emerging markets globally. Any extended recession or other periods of declining economic conditions, either globally or in any of the locations in which we operate, could substantially decrease the demand for our products and adversely affect our business, financial condition and results of operations.

In recent years, the global macroeconomic and geopolitical environment has become increasingly unstable and fragmented, creating structural uncertainty for international trade, logistics, capital flows and regulatory frameworks. Deteriorating economic conditions in certain key markets, evolving trade and customs regimes, regulatory divergence, heightened market volatility and currency fluctuations have contributed to periodic disruptions across global supply chains and cross-border operations. These conditions reduce visibility into demand, increase operating and financing costs and may adversely affect operational efficiency, access to capital and overall financial performance.

Economic, political and social conditions in the Middle East and North Africa region ("**MENA**") in particular can be volatile and may deteriorate in the future. The ongoing hostilities in the Middle East, along with their spillover effects and their impact on shipping routes through the Red Sea and Strait of Hormuz, could materially impact our results of operations. The effects of the Israel–Hamas conflict, which began in the final months of 2023, affected key global shipping routes, including the Red Sea, the Strait of Hormuz and the Suez Canal, resulting in longer transit times, supply-chain delays and increased transportation expenses, including for shipments originating from Asia. As of the date of this Offering Memorandum, we do not have any material exposure to Israel and have not faced any material consequences of the local conflict on our international sales. For the nine months ended September 30, 2025, our sales to Israel amounted to €1.6 million. The length, impact and outcome of the ongoing military conflicts in the Middle East are highly unpredictable and there can be no assurance that further unforeseen events related to these conflicts will not have a material adverse effect on our operations in the future.

Recent geopolitical events and the effects thereof are further compounded by government responses to geopolitical developments, including sanctions regimes, tariff measures and other protectionist trade policies that restrict the free flow of goods and services between markets. Since February 2022, the United States, Canada, the European Union and other countries have imposed extensive economic sanctions on Russia. The EU has also imposed sanctions restricting operations of Russian logistics companies within the EU, banning the export and import of certain goods, and prohibiting Russian individuals and entities from participating in public tenders within the EU. As a supporter of Russia's military action in Ukraine, Belarus has also been targeted by such sanctions. In response, the Russian Federation has expanded its countersanctions on so-called "unfriendly" states (which specifically includes countries of the EU). In order to comply with such sanctions regimes relating to the Russia–Ukraine conflict, as of September 30, 2025, we have reduced our revenue from Russia, Belarus and Ukraine to nil. Armed conflicts such as the Russia–Ukraine and Israel–Hamas conflicts have also affected general economic conditions, levels of demand in end markets and the flow of global supply chains. Additionally, retaliation measures enacted by some states may also affect results of operations by limiting companies' ability to satisfy demand from certain markets, resulting in lost commercial opportunities and revenue contraction. Any such present and future trade barriers, including potential tariff or economic measures the European Union may adopt in response to President Trump's assertion of strategic interest over Greenland, could adversely affect global economic growth and, eventually, our results of operations.

The current geopolitical landscape is also affected by government protectionist policies enacted by some countries which result in trade barriers, such as the recent tariff actions adopted by the United States on imports from China and the European Union, and by retaliatory measures adopted by the targeted states. The continuation or expansion of such trade policies could contribute to a global economic slowdown, with adverse effects on our business, financial condition and results of operation. Ongoing macroeconomic and geopolitical uncertainty in Europe, including the deterioration of the UK economy, the continued effects of Brexit, evolving UK-EU regulatory divergence, any additional shifts in trade and customs procedures, fluctuating market confidence, and currency volatility, has also resulted in periodic disruption to supply chains, cross-border operations, capital markets and the broader European economic environment. These factors may continue to adversely affect demand, operational efficiency, access to financing and the stability of the euro area, and could therefore have a material adverse effect on our business, financial condition and results of operations.

Economic factors, including inflation and fluctuations in interest rates, could have a negative impact on our business. Mismatches between the supply and demand of goods and services, partially as a result of the COVID-19 pandemic and, more recently, the Russia-Ukraine and the resulting impact on energy markets, have contributed to a rise or persistence in global inflation from 2021 through 2025. In response, central banks in major economies implemented monetary policy tightening measures, including benchmark interest rate increases and the reduction or discontinuation of asset purchase programs. For example, in the United States, the Federal Reserve System ended its large-scale asset purchases, reduced its bond holdings and raised benchmark interest rates, and, since September 2024, has begun to gradually reduce such rates in light of moderating inflation and slower economic growth. Similarly, beginning in June 2024, the European Central Bank has reduced key policy rates while maintaining the discontinuation of its net asset purchase programs. Although global inflation levels and interest rates have moderated since 2024, they remain elevated by historical standards, and economic growth in certain of our key markets may be negatively affected. If our costs are impacted by significant inflationary pressures or by higher interest rates, we may not be able to fully offset such increases through pricing or other measures, which could adversely affect our margins and results of operations. In addition, a prolonged period of restrictive monetary policy, together with high inflation driven in part by supply chain disruptions and elevated energy prices related to the Russia-Ukraine conflict and other geopolitical instability, could contribute to a regional or global recession or other economic downturn. Any extended recession or other period of deteriorating economic conditions, whether globally or in any of the locations in which we operate, could substantially reduce demand for our products and adversely affect our business, financial condition and results of operations.

Adverse economic conditions have caused, and could, in the future, cause significant adverse changes in our customers' financial position, increasing our credit risk relating to certain customers' receivables or limit our ability to collect accounts receivable from such customers. Continued weakness in the global economy for a significant period of time, or a further deterioration of global economic conditions, could result in our customers experiencing periods of reduced profitability in their businesses, cash flow shortages, and difficulty in obtaining financing, which may ultimately lead to write-offs or, eventually, liquidations or bankruptcies. Any of these occurrences could cause us to limit or discontinue business with those customers, which could result in a decrease in sales volumes and have a negative impact on our results of operations. Our suppliers may also experience similar conditions, which could impact their ability to fulfill their obligations to us. Any of these events could have a material adverse effect on our ability to maintain a high Contribution Margin, and, in general, on our business, financial condition and results of operations. See also "*—Supply chain disruptions and inflation may impact our production costs and the cost of goods sold, and we may not be able to pass on such cost increases to our customers promptly, if at all, which may adversely affect our business, financial conditions and results of operations. Volatility in raw materials prices can also affect our inventory levels, business, financial conditions and results of operations*" "*—We face significant competition in the chemical market, for the development, production and sale of certain of our products, which could negatively impact our business*" and "*—We could be affected by the possibility of disruption in our supplier relationships, which could affect our ability to source raw materials*"

Moreover, adverse conditions in the credit and financial markets could prevent us from obtaining financing or credit at favorable terms in order to fulfill our financing needs (including the need to refinance or repay our debt obligations, including with respect to the Notes). If we are unable to repay our debt obligations or access the credit and capital markets, we may not be able to pursue certain of our business plans which could have a material adverse effect on our business, financial condition and results of operations.

Supply chain disruptions and inflation may impact our production costs and the cost of goods sold, and we may not be able to pass on such cost increases to our customers promptly, if at all, which may adversely affect our business, financial conditions and results of operations. Volatility in raw materials prices can also affect our inventory levels, business, financial conditions and results of operations

Affordable, high-quality raw materials and auxiliary materials are essential to our business due to the nature of the products we develop and manufacture, and our margins significantly depend on the difference between the prices that we are able to charge for our products and the costs of the raw materials required to make these products, which, in turn, vary based on market conditions. The availability and price of these and other raw materials are influenced by factors over which we have limited control, such as market conditions, inflation and high energy costs, general global economic prospects, public health restrictions, such as the ones experienced during the COVID-19 pandemic, production capacity, production constraints on the part of our suppliers, fluctuations in prices, infrastructure failures, political conditions, including conflicts such as the ongoing conflict between Russia and Ukraine and the conflict between Israel and Hamas, military action, terrorist attacks and general political and economic instability, particularly in energy-producing nations, weather conditions, regulations and other factors. For example, despite strong tallow production which would typically lead to lower prices, market demand for vegetable and synthetic oils, as well as strong demand for tallow from the biodiesel industry, have continued to push up tallow prices.

Global supply chain disruptions, including temporary shutdowns and production slowdowns at supplier facilities, such as occurred during the COVID-19 pandemic, may lead to raw material shortages, labor availability constraints, reduced customer demand, increase in logistical costs, and significant price increases. Historically, we have not used derivatives to hedge the price fluctuation risk of raw materials, relying instead on our ability to pass through volatility through pricing as a result of spot purchases.

We rely heavily on the supply of phosphorus, the price of which is largely affected by general supply demand as well as local policies. In in the second and third quarters of 2022 our phosphorus supply chain was disrupted by the temporary closure of our key supplier of white phosphorus in Kazakhstan. Over the same period, the phosphorus market was influenced by export restrictions imposed by China and a robust demand from the agricultural sector. These disruptions limited the availability of phosphorus in the global market and, in turn, exerted upward pressure on prices. As of today, prices have stabilized in the short term, as they are strongly correlated to the increase in industrial demand, but also to the availability of raw materials and the level of energy prices. We remain primarily exposed to yellow phosphorus (YP), whose price dynamics are partially influenced by downstream by-products and fertilizers (MAP/DAP/superphosphates and natural phosphates), as well as upstream raw materials such as coke, phosphorites, and energy. In particular, energy and logistics costs continue to play a critical role in shaping price trends. Although we maintain long-term relationships with suppliers in other regions which have allowed us to effectively manage such events in the past, we cannot guarantee that relying on such suppliers will be possible or sufficient in the event of future supply disruptions.

In case of increased costs of raw materials, including due to rationing, shortages or inflationary pressure, and/or those costs relating to their storage and delivery that may not be promptly passed on to our customers through price increases may impact our operating costs, margins and liquidity, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Historically, most of our contracts with suppliers and customers have allowed for price renegotiation on a monthly or quarterly basis or for automatic price adjustment based on the average price of the relevant commodity according to different price indices. In response to ongoing inflationary pressures, our sales contracts generally include pricing mechanisms whereby pricing is adjusted through an agreed formula or negotiated on a spot basis, which enables us to pass on increases in raw material costs to our customers when the contract price is reset. There is, however, no guarantee that this flexibility will be sufficient to adapt our contracts to current or future business conditions in a way that is suitable to us, or at all. In addition, while we have implemented the foregoing measures to pass through increases in raw material costs, any decreases in such costs may prevent us from preserving our current revenue and margins over volume. See "*—Our business is sensitive to global economic and geopolitical conditions*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting our Results of Operations and Financial Condition—Fluctuation in the Prices of Raw Materials*" and "*Business—Raw Materials and Consumables.*"

Raw materials, consumables and production utilities decreased from €428.8 million for the year ended December 31, 2023 (representing 63.9% of our revenue for the same period) to €393.2 million for the year ended December 31, 2024 (representing 57.3% of our revenue for the same period), mainly as a result of cost of raw materials decreasing from €397.2 million (representing 59.2% of our revenue for the year ended December 31, 2023) to €359.7 million (representing 52.4% of our revenue for the year ended December 31, 2024) over the same period (a 9.4% decrease period over period), primarily due to lower prices as well as stock variations. Similarly, raw materials, consumables and production utilities decreased by €26.4 million, or 8.7%, from €304.0 million for the nine months ended September 30, 2024 (representing 57.4% of our revenue) to €277.6 million for the nine months ended September 30, 2025 (representing 56.5% of our revenue), as a result of cost of raw materials decreasing from €280.2 million (representing 52.9% of our revenue for the nine months ended September 30, 2024) to €257.9 million (representing 52.5% of our revenue for the nine months ended September 30, 2025) over the same period (a 8.0% decrease period over period) and cost of consumables decreasing from €7.0 million to €3.7 million over the same period, mostly due to a slight decrease in volumes sold. In general, the last few years have seen lower costs for raw materials, following a decrease in demand volumes. This trend is mainly attributable to a general sense of uncertainty, caused by the market headwinds outlined above. Any increased pressure on our margins and reduced cash flow could materially adversely affect our business, financial condition and results of operations, as well as impair our ability to fulfil our financing needs (including the need to repay our obligations) or make further investments in our business.

Shortages or delays in the shipment of raw materials can also result in difficulties synchronizing the procurement of such raw materials with the production needs, which could in turn result in increased inventory or require production requalification or the postponement of certain development and manufacturing processes for our customers. Accumulation of inventory could place strains on our working capital requirements.

If prices for most of the raw materials we require continue to be volatile in the future, we will constantly need to adjust sales prices, in particular in an environment of rising raw material prices, in order to maintain sufficient profitability. In an increasing price environment, demand can decline as customers postpone, decrease or cancel orders to contain costs. In response to changes in demand levels, our competitors may price their products more aggressively in order to retain market share, which can result in an adverse market environment for us in the short term until the market reaches a new equilibrium. High raw material prices also increase production costs and, if these are not passed on to customers, reduce unit Contribution Margins, affecting our results of operations. There may be other unforeseen effects which we cannot predict given the volatility of raw material prices. On the other hand, if prices for raw materials decline, this could lead to an impairment of the carrying value of our inventory.

There can be no assurance that any increase in the cost of the raw materials we use to manufacture our products or their scarcity, including due to the impacts of macroeconomic events on the overall supply chain, will be transitory. If these conditions materialize or persist, our business, financial conditions, results of operations and prospects may be adversely affected. Moreover, the distribution of our products may be delayed or made impossible due to price changes or shortages of such ingredients and materials. See "*—We could be affected by the possibility of disruption in our supplier relationships, which could affect our ability to source raw materials*."

The costs of raw materials may also be negatively affected by environmental regulations, aimed at reducing the use of polluting substances by increasing the acquisition price. For example, the Carbon Border Adjustment Mechanism ("**CBAM**") is an EU policy designed to put a carbon price on imports of certain goods from outside the EU. See "*—Climate change, and the regulatory and legislative developments related to climate change, may materially adversely affect our business and financial condition, and we must comply with current and future regulations targeting greenhouse gas and other emissions. Due to required compliance with environmental regulation, we may face higher production costs than our foreign competitors.*"

The cost of production may also be adversely impacted by the rise in transportation costs, particularly in maritime freight rates as a consequence of global supply chain disruptions, as caused by the COVID-19 pandemic and the ongoing conflicts between Russia and Ukraine and Israel and Hamas. For example, during the COVID-19 pandemic, the delivery time for our raw material supplies increased but our ability to negotiate shipping costs was limited, due to the scarcity in availability of less expensive means of transportation. Our transportation costs kept increasing further in 2022, even after the loosening of pandemic measures, due to inflationary effects. While current transportation costs have decreased compared to the prices experienced during the pandemic and in 2022, they remain elevated compared to prices generally experienced prior to COVID-19. Such elevated costs or further increases may result in material adverse effects on our production costs.

Increased energy costs or disruptions in energy supplies could have a material adverse effect on our business, financial condition and results of operations

Our business is dependent on the steady supply of significant amounts of energy, in particular electricity and natural gas. Energy costs are affected by various factors, including the availability of supplies of particular sources of energy, energy prices and regulatory decisions. In particular, prices for oil, gas and electricity have been volatile in recent years as a result of various economic and geo-political factors, including the ongoing conflict between Russia and Ukraine. We are headquartered and have active manufacturing facilities in Italy. As a result of Italy's high dependence on Russian natural gas for energy, we have experienced rising energy costs caused by Russia's invasion of Ukraine and the reduced gas flows from Russia to Europe. In addition, the post-pandemic economic recovery caused demand to rise across the European markets, whereas supply fell as a result of reduced Russian exports. Consequently, the prices of energy sources experienced unexpected surges during the course of 2022 due to the widening gap between supply and demand and the conflict between Russia and Ukraine. Although responses by the European Union and national governments included significantly reducing the imports of gas from Russia and replacing it with spot-priced LNG, the transition has not fully stabilized energy prices.

An additional factor influencing the energy cost in Europe is the EU ETS directive's carbon pricing strategy. Compliance with this directive has significantly increased costs of operations for producers, particularly in energy-intensive sectors such as the chemical one. See "*—Climate change, and the regulatory and legislative developments related to climate change, may materially adversely affect our business and financial condition, and we must comply with current and future regulations targeting greenhouse gas and other emissions. Due to required compliance with environmental regulation, we may face higher production costs than our foreign competitors.*"

As of 2025, while the cost of energy has progressively decreased from the peaks experienced in 2022, it remains elevated compared to historical levels and higher than those faced by United States companies. The European energy market continues to be affected by supply chain adjustments, regulatory changes, and geopolitical tensions, which may lead to further volatility in energy prices. As such, we may still face an adverse effect on our business, financial condition and results due to the volatility of energy costs. In particular, the cost of natural gas at our European plants, increased by approximately 1.7% from €5.4 million for the nine months ended September 30, 2024 to €5.5 million for the nine months ended September 30, 2025. Our costs for electricity at our European plants reported a similar increase as the cost of electricity increased by approximately 2.0% from €4.2 million for the nine months ended September 30, 2024 to €4.3 million for the nine months ended September 30, 2025. Since the number of energy suppliers is generally limited, we may not be able to negotiate favorable terms when our energy supply agreements are up for renewal and we may be required to accept significant increases in the costs of our energy purchases, including as a result of inflationary pressure.

The Group has initiated several projects aimed at reducing energy costs, as well as diversifying energy sources and reducing CO2 emissions. These include the construction of a cogeneration plant in Arese (Milan, Italy), whose authorization process has been completed in December 2024, and the development of renewable energy production facilities, particularly photovoltaic projects in Italy and Spain. Despite these initiatives, there is no guarantee that they will effectively mitigate the risks associated with energy cost volatility. Furthermore, these projects may face delays, cost overruns, or operational challenges that could prevent them from being completed on time or within budget. Any failure to effectively manage these risks could have a material adverse effect on our business, financial condition, and results of operations.

We also may not be able to agree on pass-through mechanisms and other periodic price adjustments with our customers, in part or at all, or to rely on back-up solutions (including turning to alternative fuel solutions). Any limitation on, or delay in, passing these increased energy costs to our customers or relying on other back-up solutions may lead to a reduction of our margins and/or our production capacity, either temporarily or for an extended period of time, which could have a material adverse effect on our business, financial condition, results of operations and prospects. We may also become less competitive vis-à-vis our competitors based in geographies less impacted by the increasing energy costs in Europe.

Starting from 2023, the Group has implemented forward hedging strategies to cover a portion of past and future energy costs. There can be no assurance, however, that hedging will continue to be available on commercially reasonable terms. Hedging itself carries certain risks, including that we may need to pay fees, a significant amount (including costs) to terminate any hedging arrangements, that break clauses might be required or that hedges will limit any benefit that we might otherwise receive from favorable movements in energy rates.

Increases in energy prices may also drive inflationary pressures and adversely affect general economic conditions and, ultimately, consumer spending. See also "*—Supply chain disruptions and inflation may impact our production costs and the cost of goods sold, and we may not be able to pass on such cost increases to our customers promptly, if at all, which may adversely affect our business, financial conditions and results of operations. Volatility in raw materials prices can also affect our inventory levels, business, financial conditions and results of operations*" and "*—We could be affected by the possibility of disruption in our supplier relationships, which could affect our ability to source raw materials.*"

The chemicals industry, generally, and the specialty chemicals industry, to a lesser extent, is subject to cyclicality, recently exacerbated by customers stocking cycles, and indirect effects from trends in the final product markets, which may cause fluctuations in our results of operations. We are exposed to the cyclicality of oil industry and in particular to the demand for fracking activities

Historically, the chemicals industry, as a whole, and, to a lesser extent, the specialty chemicals industry in which we operate have experienced alternating periods of capacity shortages leading to tight supply conditions, followed by periods when substantial capacity was added resulting in oversupply, and our future results of operations may be affected by this cyclicality and variability in the future. Key drivers of cyclicality in the specialty chemicals industry include the level of global economic growth, industrial manufacturing production, capacity utilization, and the balance of industry supply and demand. Moreover, several factors that have historically contributed to volatile results in the chemicals industry, and in our business particularly, most of which are beyond our control, include:

- exchange rate fluctuations for producers with a global manufacturing footprint or distribution;
- oversupply due to unforeseen capacity expansions by existing or new competitors;

- regulatory requirements driving required technology and manufacturing changes; and
- political and economic conditions, which drive rapid changes in prices for key raw materials.

Industry-wide capacity constraints, driven by strong demand, government-imposed restrictions, raw materials scarcity, supply chain disruptions or other factors, may lead to a rise in sales prices for our raw materials and therefore to a corresponding rise in the prices of our products, which could cause our existing customers, for certain products, to switch to substitutes or to reduce the quantities of our products they purchase, which could also materially adversely affect our business, financial condition and results of operations.

Although demand for our products is not wholly dependent on the volume of goods sold by our end customers, but rather on the need to operate their equipment regardless of fluctuations in output between periods, uncertainty in the global economic environment (which could result in lower demand) and the implications of the variable supply and demand balance in the chemicals industry may result in increased supply, as customers adapt their procurement activities to the expected growth rates of their business and expectations regarding downstream inventory levels. This could increase pressure on our margins and could materially adversely affect our business, financial condition and results of operations. In particular, we produce PVC stabilizers that are used in the construction market, a market that has exhibited cyclicality of demand over the historical periods presented. We believe this cyclicality, a function of general economic conditions, has subjected, and will continue to subject, the demands of our products to economic cyclicality. In addition, following our acquisition of Alcolina, our AWS end market segment became subject to the historical seasonal demand patterns of the Alcolina product portfolio, which is tied to the sugar cane harvesting seasonality, and experiences higher volumes during the period from October to March. In the particular case of Alcolina, the price trends in the sugar market also impact volume demand. For example, the price of sugar is currently experiencing a significant decrease, globally and particularly in Brazil, due to overproduction. This trend significantly affects results of operations also for chemical companies producing compounds in the sugar refining process. As a result, certain of our product lines may exhibit greater intra-year variability or general decrease in productivity, following the cyclicality of the market, seasonality of plantations and fluctuations in final product prices.

We are also exposed to risks associated with the cyclicality of the energy industry, such as the increased prices of oil and gas on a global scale and the seasonality of renewable energy markets, for which we produce compounds. Some of our products are designed to aid in the efficiency and productivity of fracking and are sold to key companies engaged in the fracking industry. Demand for these products is dependent on the levels of activity in oil and natural gas exploration, development and production, and particularly, on the number of oil and natural gas wells completed as well as the quantity of chemicals used in the completion and maintenance of such wells.

Industry conditions that impact the activity levels of oil and natural gas producers are influenced by numerous factors over which we have no control, including:

- governmental regulations, including the policies of governments regarding the exploration for and production and development of their oil and natural gas reserves;
- global weather conditions and natural disasters;
- worldwide political, military, public health and economic conditions;
- the cost of producing and delivering oil and natural gas;
- stockholder activism or activities by non-governmental organizations to limit certain sources of funding for the energy sector or to restrict the exploration, development and production of oil and natural gas;
- commodity prices; and
- development of alternative energy sources.

A prolonged increase in oil and natural gas prices, such as the one Europe is currently experiencing, would generally depress the level of oil and natural gas consumption, which could result in a corresponding decline in the demand for the products we produce and deliver. In addition, any future decreases in the rate at which oil and natural gas reserves are developed, whether due to increased governmental regulation, limitations on exploration and drilling activity or other factors, could have a material adverse effect on our business, even in a stronger oil and natural gas price environment. If there is a decrease in the demand for our products, we may be unable to sell or deliver volumes, or be forced to reduce our sales prices. Although only approximately 6% of our revenues are attributable to the unconventional energy market, primarily through the supply of compounds used in the fracking process, the trends described above could adversely affect our business, financial condition and results of operations. In addition, we are making substantial investments in developing products designed for the renewable energy sector. While these products may help offset the decrease in revenue caused by the transition away from oil and gas, we cannot guarantee that they will fully compensate for the losses.

We may not be able to adjust our products or technologies to address our customers' changing requirements or competitive challenges in a timely manner, or our customers may substitute our products with other products or interrupt the production of a product that relies on our compounds.

The market segments where our customers compete are subject to periodic technological changes, ongoing product improvements, product substitution and changes in customer requirements. Increased competition from existing or newly developed products offered by our competitors or companies whose products offer a similar functionality to our products may negatively affect demand for our products. Customers may interrupt or reduce the sale of certain products for which they required our assistance in providing solutions for the production process. In such cases, decision made by our customers may result in temporary oversupply and negatively affect our results of operation. The impact of this risk largely depends on our ability to reorganize production as to target more profitable end markets. For example, one of our customers recently disrupted the production of herbicide and pesticides for agricultural applications, which relied on our PCl_3 supply. In this specific instance, we were able to direct our products towards the electrical and battery market, but, as switching costs are usually high from one market to the other, we cannot assure you we will always be able to limit the negative effects of oversupply due to decisions taken by our customers.

We work to identify, develop and market innovative products on a timely basis to meet our customers' changing requirements and competitive challenges. If we are unable to substantially maintain or further develop our product portfolio, customers may elect to source comparable products from competitors which could have a detrimental impact on our business, financial condition and results of operations.

We cannot be certain that the investments we make in our technology and development will result in proportional increases in net sales or profits. Our research and development and application technology teams work closely with our customers to develop high-quality, innovative products and applications that are tailored to meet their specific requirements. See "*Business—Research and Development.*" We may not be able to develop products that adequately address our customers' needs. In addition, the timely commercialization of products may be disrupted or delayed by manufacturing or other technical difficulties, various exceptional circumstances, industry acceptance or insufficient industry size to support a new product, competitors' new products, and difficulties in moving from the experimental stage to the production stage. These disruptions or delays could adversely affect our business, financial condition and results of operations.

Alternative materials, procedures or technologies may be developed, or existing ones may be improved, and replace those we currently offer. If such newly developed or improved products are being offered at lower prices, have preferable features or other advantages, particularly from a regulatory perspective, and we are not able to offer similar new or improved products, we may lose substantial business, which could have an adverse effect on our business, financial condition and results of operations.

Our business may be negatively affected by trade barriers and other governmental protectionist measures, any of which can be imposed with immediate effect and absent any warning. Uncertainties associated with the geopolitical and economic policies pursued by the current U.S. administration in relation to the European Union, China or other entities may lead to the implementation of additional trade tariffs and the development or exacerbation of trade wars. While the most significant part of direct effects of tariffs, such as short-term increases in raw material prices, temporary inventory build-ups, and adjustments in supply logistics, may be offset through price pass-throughs and other commercial mitigation efforts, they may result in higher cost structures and operational inefficiencies. In addition, although we largely produce and sell within the same country, which lessens exposure to cross-border tariffs, a significant portion of our operations may be affected by changes in trade policy. Indirect effects of tariffs may have greater significance for our business and operations. These include inconsistent demand patters, reductions in volumes in certain regions compared to others, and shifts in supply flows, which are the result of geopolitical and trade uncertainty, in turn influencing customer purchasing behavior and the timing of orders.

End markets for our products that have performed relatively well or have generally grown in the past, becoming important factors to our success, may not continue their strong performance or recover following the negative impacts of the COVID-19 pandemic, the ongoing conflicts, protectionist measures, or changes in the regulatory environment and demand for our products may suffer as a result. For example, in November 2025, the Biocidal Products Committee, the scientific body that advises the European Chemicals Agency (ECHA) under the EU Biocidal Products Regulation (Regulation (EU) No 528/2012), issued a non-approval decision regarding BCDMH compounds. Unless overturned, this decision will lead to the removal of all products containing BCDMH from the European market. Although timeline remains uncertain, this regulatory development may require us to discontinue the production of certain biocides used for household and institutional cleaning solutions from our AWS end market product offer. If we are not able to efficiently adapt our production process to comply with new regulatory limitations, these may impact our ability to effectively serve our customers and, consequently, may negatively affect our sales volumes and revenues. In addition, support for government spending may diminish if local economies continue to struggle, do not recover as quickly as the public expected or experience additional economic downturns, and, as a result, governments may be forced to cancel or reduce such spending. Similarly, worsening economic conditions may negatively affect customers in end markets for our products, leading to their reduced spending and destocking, which, in turn, may level or decrease demand for our products. A decrease in demand or spending in key end markets could have a material adverse effect on our business, financial condition and results of operations.

Our operations require the use of several different currencies, exposing us to both transaction and translation effects of exchange rate fluctuations

We currently conduct our business operations across multiple jurisdictions, including, among others, Italy, Germany, Spain, the United Kingdom, China, Brazil, India and the United States. Although we engage in some currency hedging, our business is subject to risks normally associated with international operations operating in multiple currencies, including the need to convert currencies that may be received for sales of our products into currencies in which we purchase raw materials or pay for services, which, especially given the recent volatility of the euro to U.S. dollar exchange rate, could result in a gain or loss depending on fluctuations in exchange rates.

Our local subsidiaries may incur costs in, and generate income in, currencies other than their respective reporting currencies, exposing them to foreign currency transaction risk. We are also at risk of incurring in exchange rate losses arising from loans made in a currency other than the lender's reporting currency. Moreover, a significant portion of our capital expenditure is denominated in currencies other than the euro. As a result, to the extent that the euro declines in value against the currency in which capital expenditure is to be incurred and we do not have sufficient cash flows in the respective currency to make such capital expenditure, the effective cost of making such capital expenditure may be higher.

In addition, we translate our local currency financial results into euro based on average exchange rates prevailing during the reporting period or the exchange rate at the end of that period. During times of a strengthening euro, our reported international sales and earnings may be reduced because the local currency may translate into fewer euro. Conversely, the depreciation of the euro against the U.S. dollar could adversely affect our U.S. dollar-denominated purchases and could impact our revenue. Furthermore, during periods of high volatility or rapid changes in the exchange rate, especially in the euro to U.S. dollar exchange rate, the translation of our local results into euro at the end of a given period may not accurately represent the value of the sales and earnings at the time they were recorded. Because we currently have significant operations located outside the EU, especially in the United States, we are exposed to fluctuations in global currency rates which may result in gains or losses on our financial statements. In addition, the value of our inventory and cash balances in U.S. dollars when translated into euro for purposes of the preparation of our financial statements may affect our balance sheet and the reporting of our working capital, including our reported net debt. We are also exposed to fluctuations in exchange rates because we translate US dollar denominated intragroup loans into Euro at period end.

In particular, our net sales are generated, and costs are incurred in numerous currencies, including the U.S. dollar, pound sterling, AED, SAR, BRL and QAR. Consequently, portions of our costs, profit margins and asset values are affected by fluctuations in the exchange rates among the above-mentioned currencies. The Group's geographic mix and resulting breadth of transactions in non-euro markets, exposes us to foreign exchange fluctuations. As a result, the strengthening of the euro against the local currency of the jurisdiction in which we operate will result in a decrease in our revenue as reported in euros, which could adversely affect our business, financial condition and results of operations. In addition, a significant portion of our assets and liabilities are also in currencies other than the euro, principally US dollars, British pound sterling and, following the Alcolina acquisition, Brazilian real. Therefore, assets and liabilities are translated into euro at the prevailing exchange rates on the balance sheet date for inclusion in our consolidated financial statements. We also resort to intragroup loans which are frequently provided to our U.S. and UK subsidiaries, which are influenced by fluctuations in exchange rates. If the foreign currencies depreciate against the euro, this may adversely affect our reported consolidated financial results.

In general, although operating in such a variety of currencies guarantees a level of resilience, the fluctuation of exchange rates may negatively affect the ultimate results of our operations. For the nine months ended September 30, 2025, the effects of exchange rate fluctuations resulted in a negative impact of €33.1 million in profit/(loss) after tax and a decrease of €2.4 million in Adjusted EBITDA, in each case compared to the nine months ended September 30, 2024.

Conducting operations and sales in several different countries, including developing countries, exposes us and our facilities to various geopolitical, macroeconomic and regulatory risks within each jurisdiction

We sell and market our products in Europe, North America, APAC, MENA and Latin America ("**LATAM**") and currently have active manufacturing facilities located in Germany, Italy, Spain, the United Kingdom, the United States, Brazil and China as well as tolling facilities in India, Japan, Saudi Arabia as well as the United Kingdom. We employ sales staff and agents strategically located around the world to serve our global customer base. Our business is therefore subject to risks related to the differing legal, political, social and regulatory requirements and economic conditions of many jurisdictions. Risks inherent in international operations include exposure to the following:

- unexpected or adverse changes in laws or regulatory requirements in various jurisdictions;

- adverse changes in the general economic, social or political conditions in the countries in which we operate;

- difficulty enforcing intellectual property rights;

- compliance with a variety of laws and regulations in various jurisdictions, including anti-corruption laws and sanctions regulations;

- increasing transportation and other shipping costs;

- variations in business practices;

- the imposition of withholding taxes or other taxes or royalties on our income, or the adoption of other restrictions on foreign trade or investment, including currency exchange controls;

- adverse changes in export duties, including as a result of protectionist measures, trade wars, quotas and tariffs and difficulties in obtaining export licenses;

- possible customs seizures of supplies or products as a result of multiple and complex import/export and customs laws and regulations;

- instability of foreign governments, including the threat of war, military conflict, civil unrest, mass migration and terrorist attacks;

- economic sanctions programs in the jurisdictions in which we and/or our customers operate;

- staffing difficulties, national or regional labor strikes or other labor disputes;

- the imposition of any price controls or anti-dumping rulings; and

- difficulties in enforcing agreements (including related to intellectual property rights) and collecting receivables.

The occurrence of any of the above could materially and adversely affect our business, financial condition and results of operations.

We have operations in developing countries such as Brazil and India. We may also expand our business and operations into other high-growth emerging markets, including other parts of Asia, South America and the Middle East, as we have, for example, through the establishment in Saudi Arabia of two majority-owned subsidiaries. See "*Business—Global Platform and Supply Chain.*" Our operations in developing countries are subject to the risks inherent in operating in developing countries, including legal and regulatory uncertainties (such as difficulties in securing intellectual property rights), political instability or conflict, as well as rapid changes in economic or political conditions in emerging markets, which may result in greater risks of inflation, fluctuations in exchange rates and interest rates, and a negative impact on the demand for our products. For example, our operations in China expose us to risks associated with changes in Chinese laws and regulations, or their interpretation, or the imposition of confiscatory taxation, restrictions on currency conversion, imports and sources of supply, devaluations of currency or the nationalization or other expropriation of private enterprises, all of which could have a material adverse effect on our business, results of operations and financial condition. See also "*—Our business is sensitive to global economic and geopolitical conditions.*"

Furthermore, doing business worldwide requires us to comply with the laws and regulations of various jurisdictions, including the U.S. Foreign Corrupt Practices Act of 1977 (the "**FCPA**") and the United Kingdom Bribery Act of 2010 (the "**Bribery Act**"), and economic sanctions laws and regulations, including sanctions programs administered by the United Nations, the European Union and the Office of Foreign Assets Control of the U.S. Department of the Treasury. The FCPA prohibits providing anything of value to a foreign official for the purpose of obtaining or retaining business or securing any improper business advantage. As a result of doing business in foreign countries, we are exposed to a risk of violating anti-corruption or sanctions laws and regulations applicable to our business activities in, with or involving those countries where we or our partners or agents operate. Some locations in which we operate lack a developed legal system and have high levels of corruption. Our continued expansion and worldwide operations, including in developing countries, the development of joint venture relationships worldwide and the employment of local agents in the countries in which we operate increases the risk of violations of anti-corruption or sanctions laws and regulations. As a result, from time to time we may be subject to proceedings and investigations relating to such laws and regulations. Violations of anti-corruption or sanctions laws and regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any major violations could have a significant impact on our reputation and consequently on our ability to win future business. While we believe that we have a strong culture of compliance and adequate systems of control, we seek to continuously improve our systems of internal controls and to remedy any weaknesses identified. There can be no assurance, however, that our internal policies and procedures have been or will be followed at all times (including by companies that we acquired) or effectively detect and prevent violations of applicable anti-corruption or sanctions laws and regulations by one or more of our directors, officers, employees, consultants, agents or partners and, as a result, we could be subject to enforcement actions and penalties, including government investigations, government-appointed compliance monitors and restrictions on our activities, which in turn could have a material adverse effect on our business, results of operations and financial condition. If any of the risks described above materialize, it could materially adversely affect our business, condition and results of operations.

We are exposed to conflicts, military actions, terrorist attacks and general instability, in particular in certain energy-producing nations, along with increased security regulations related to our industry

Conflicts, military actions and terrorist attacks can create economic instability and turmoil in financial markets which, in turn, particularly in energy-producing nations, may result in raw material cost increases. The uncertainty and economic disruption resulting from hostilities, including the ongoing armed conflict between Russia and Ukraine, the ongoing conflict between Israel and Hamas, military action or acts of terrorism may affect any or all of our facilities and operations or those of our suppliers or customers. Accordingly, any conflict, military action or terrorist attack that impacts us or any of our suppliers or customers, could have a material adverse effect on our business, results of operations or financial condition. In specific reference to the ongoing Russia-Ukraine conflict, we have taken actions to comply with sanctions imposed by the international community on Russia and Belarus. As a result of our compliance with the sanctions imposed by the international community on Russia and Belarus, our sales exposure to Russia and Belarus has continued to decline. We reduced our turnover from Russia to nil in 2023 and through 2024 and for the nine months ended September 30, 2025 and adopted a similar approach for our Belarus turnover for 2025. Revenues from sales in Ukraine in 2024 were, to our knowledge, entirely carried out in Ukrainian-government controlled territories, while they were reduced to nil for the nine months ended September 30, 2025. As of September 30, 2025, our trade receivables from Russia and Belarus amounted to €0.1 million and €0.4 million, which were due to be paid in 2022 and 2023, respectively. We hold trademarks and patents registered in numerous countries, including, in some cases, Iran, Belarus, and Russia. We manage these registrations through an external IP firm and have not identified any instances where they violate applicable sanctions.

We are also impacted by the resulting increase of energy costs, particularly the cost of natural gas used by our Italian plants, transportation and logistics issues following the EU’s ban on transport of goods on EU territory by vehicles registered in Russia and Belarus, and the suspension of our technical joint cooperation with certain Russian companies in mining and metal recovery. Although we have managed to counteract these challenges through the introduction of temporary energy surcharges, which we pass on to our customers, the implementation of contingency plans based on alternative fuel sources for our European plants, and the maximization of intermodal transportation, we cannot guarantee that these solutions will endure. Our inability to manage these risks may limit our operations, make the manufacturing and sale of our products internationally more difficult and impact our margins, which could negatively affect our business and results of operations. Our business has also been indirectly affected by the ongoing Israel-Hamas conflict, particularly with regards to the continuity of supply chains. In fact, this conflict has forced the search for alternative routes to avoid navigation through the Suez Canal and the Red Sea, which in turn has resulted in the lengthening of transportation timelines. For details on the impacts of such conflicts on our business, see “*—Our business is sensitive to global economic and geopolitical conditions.*”

In addition, a number of governments have instituted regulations attempting to increase the security of chemical plants and the transportation of hazardous chemicals, which could result in higher operating costs and could have a material adverse effect on our business, results of operations or financial condition.

We operate in a competitive landscape when placing bids for targets and we may carry out acquisitions which may not deliver anticipated benefits

We have made 19 acquisitions since 2007, including the acquisitions of WST, BWA, Aubin Group, Compass, The Elco Corporation, Polartech, certain business assets from Solvay, certain products operating in the water additives and desalination business as well as in the mining and anti-corrosion business, and Alcolina, as described in the section entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Acquisitions*.” We may continue to acquire companies or assets in the future if we identify appropriate acquisition targets or divest assets to streamline our business. We operate in a competitive landscape when placing bids for targets and we may not always be successful in the bidding process. As a portion of our recent growth is a result of the acquisitions we have made in recent years, our growth may be negatively impacted as a result of the competitive landscape and unsuccessful bids.

Furthermore, we may use debt financing for any acquisitions, which would increase our debt service requirements, or we may use operating cash flows to finance acquisitions, which would decrease our retained earnings and the amount of cash on our balance sheet. To manage any acquisitions we successfully complete, we will need to expand and continue to improve our operational, financial and management information systems. Our excess cash may be limited, and we may not be able to invest in the acquired company to integrate the acquired business and achieve the desired synergies. Our ability to realize anticipated cost savings and synergies may be affected by a number of factors, including, but not limited to:

- our ability to complete acquisitions within the anticipated timeline and budget;
- the ability of business units and employees with different corporate heritages to work together effectively and our ability to retain key employees of acquired businesses;
- our ability to implement our EHS and compliance standards in the acquired business;
- our ability to reduce expenses by eliminating duplicative overhead and functions and rationalizing manufacturing capacity in a timely manner;
- our ability to leverage a low-cost, efficient distribution system, and optimize procurement savings with respect to raw materials and energy costs; and
- the impact of foreign currency effects, with specific reference to translation effects (in case of non-euro denominated figures of acquired entities) other than transaction-related risk.

Our inability to address these risks for our recent or future acquisitions could cause us to fail to realize the anticipated benefits of such acquisitions, including operational and organizational synergies.

If making acquisitions or integrating any acquired businesses demands excessive management attention from the operations or our current businesses, this could adversely affect our financial condition and results of operations. Any acquisition or divestiture we consummate may not ultimately provide the benefits we originally anticipated or may diminish our profitability, Contribution Margin and net financial position. Furthermore, we may not succeed in identifying attractive acquisition or divestiture candidates or financing, if necessary, on favorable terms. In addition, the acquired business may operate with a lower production quality standard than we do. A decline in production standards or a fault or interruption in production may result in an increase in customer complaints and customer and/or regulatory actions, including fines, which may lead to reputational damage and the loss of our customers or business and ultimately have an adverse impact on our business, financial condition, results of operations and prospects.

In addition, in connection with any acquisitions, in spite of the due diligence we perform, we may inadvertently or unknowingly acquire actual or potential liabilities or defects, including legal claims, claims for breach of contract, local authority proceedings, employment related claims, environmental claims and liabilities, liabilities related to the release of, or exposure to, hazardous materials, substances or wastes, anti-corruption and sanctions laws violations or tax liabilities. Finally, to the extent we divest any of our businesses, we may also incur contingent liabilities in connection with any indemnity we provide to the purchaser in connection with such divestiture. If any of the above were to materialize, this could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, any acquisitions, particularly material acquisitions of larger businesses or business units, may prove more difficult to integrate into our business. Any increased difficulty would require greater financial and operating resources. In addition, acquisitions of businesses in foreign countries may present additional challenges due to legal, cultural and linguistic differences and the difficulties presented by integrating and managing a business that is geographically more remote. Moreover, significant acquisitions may result in unfavorable external perceptions of the transaction or us, creating the potential for ratings downgrades or adversely affecting the market price of the Notes. In addition, our ability to realize anticipated cost savings and synergies may be adversely affected by the impact of foreign currency effects. Where the results of acquired businesses are denominated in currencies other than the euro, adverse movements in exchange rates, including currency devaluations, may reduce the euro-denominated contribution of such businesses to our consolidated results, including where such devaluations are more significant than initially anticipated, as experienced in connection with the Alcolina acquisition due to the devaluation of the Brazilian Real. In addition, adverse foreign currency movements may result in price increases for products sold into certain markets, including the United States, which may not be fully pass-throughable to customers and could adversely affect competitiveness, volumes and margins.

Future acquisition opportunities, mergers or other comparable structural initiatives affecting our organizational or ownership framework may require approvals from antitrust authorities under antitrust regulation in force at the time in any one of a number of jurisdictions. If such approvals of a proposed acquisition, merger or other strategic or organizational initiatives prove necessary, approval of the transaction may require, based on the relevant antitrust authority's evaluation of prevailing market conditions and our position in the market, that we divest certain businesses in order to carry out the transaction. We may also be prohibited by antitrust authorities from carrying out the transaction. Furthermore, we could, as a consequence of our strong positions in certain of our markets, be considered by antitrust regulatory authorities to have a dominant position which could subject us to certain limitations in our ability to act on the market by adjusting our prices or otherwise. Any of these factors could materially adversely affect our ability to execute our strategy and our business, financial condition and results of operations. Moreover, transformational or material acquisitions or comparable structural initiatives affecting our organizational or ownership framework, may result in unfavorable external perceptions of the transaction or us, creating the potential for downgrades of ratings or adversely affecting the market price of the Notes.

In addition, our future acquisition may require us to operate in new jurisdictions in which we are unfamiliar or may be less familiar than our competitors. Our new businesses may be discrete from our legacy business and require us to hire and train new staff, implement new operations and develop a strategy for moving forward in a new space. If we fail to properly plan for, operationalize, or make profitable decisions regarding our expansion into these businesses, we could be forced to discontinue either or both businesses, which could have a material adverse effect on our business, financial condition and results of operations.

Finally, we may enter into joint ventures, business alliances or collaboration agreements, which could involve the same or similar risks and uncertainties as are involved in acquisitions. Joint ventures, for example, generally involve a lesser degree of control over business operations, which may in the future present financial, legal, operational and/or compliance risks. We may invest substantial amounts in these joint ventures and cannot be assured that they will produce expected returns.

We may not be able to manage future growth effectively and may be unable to sustain our growth at the same level as in previous periods

During the periods under review, our business and operations have experienced significant growth at various stages. This growth has been due, in part to high demand of our innovative products, continuous attention to research and development as well as the several acquisitions made in the recent years, and we cannot assure you that we will be able to sustain our current level of growth in the future. Furthermore, the growth of our business has placed, and will continue to place, significant demands on our operational and financial infrastructure, as well as upon our management.

As part of our growth strategy, we intend to continue expanding our activities in geographic areas where we believe that there is potential for growth, including Saudi Arabia through, among others, two indirectly-majority-owned subsidiaries. There can be no assurances that these or other investments will produce their intended results and, as we continue to grow in Saudi Arabia or other geographic areas, we could encounter difficulties, such as (i) obtaining operating licenses or other permits necessary for conducting our business, (ii) completing the construction of new plants in a timely manner and (iii) obtaining sufficient and satisfactory financing to support our planned expenditures. Many of these risks are beyond our control and could materially affect our plans for future growth. Because we are not always able to predict these risks or contractually regulate their occurrence, we may be unable to effectively manage or minimize their impact. In addition, such circumstances may lead to disputes, claims, or litigation with counterparties or authorities, further delaying project timelines and adversely impacting our ability to achieve our strategic objectives.

In addition, our growth strategy could be negatively affected by downturns in the global economy and other macroeconomic factors beyond our control. An inability to effectively manage our growth and geographical expansion could have a material adverse effect on our business, results of operations and financial condition. See "*—Supply chain disruptions and inflation may impact our production costs and the cost of goods sold, and we may not be able to pass on such cost increases to our customers promptly, if at all, which may adversely affect our business, financial conditions and results of operations. Volatility in raw materials prices can also affect our inventory levels, business, financial conditions and results of operations*" *and* "*—Conducting operations and sales in several different countries, including developing countries, exposes us and our facilities to various geopolitical, macroeconomic and regulatory risks within each jurisdiction.*"

We may be unable to implement our business and cost reduction strategies or fully capitalize upon our investments in production capacity

Our future financial performance and success depend on our ability to implement our business strategies successfully. Our business strategies are based on assumptions about future demand, our ability to successfully develop new products profitably and to optimize utilization of our existing and future production facilities. Each of these factors depends on, among other things, our ability to innovate to keep up with changes in technology or competitive environment, acquire suitable targets, integrate acquired businesses, finance our operations and product development activities, maintain and expand high-quality and efficient manufacturing operations, efficiently manage our supply chain, respond to competitive and regulatory changes, comply with competition regulations in various jurisdictions, access quality raw materials in a cost-effective and timely manner, efficiently manage cost increases as regards raw materials, consumables, energy, personnel and utilities and retain and attract highly skilled personnel, including technical, managerial, marketing and finance personnel. For example, our strategy of enhancing our manufacturing capacity at our existing manufacturing sites, optimizing our industrial footprint to improve our cost positions and increasing the capacity of our sites to meet customer demand of growth markets is dependent on our management's ability to identify risks and anticipate benefits.

The implementation timing of our business and cost reduction strategies may be influenced by external factors, such as market fluctuations affecting key raw materials or end-markets, as well as unforeseen operational disruptions at our manufacturing sites. Moreover, our ability to complete capacity expansions and optimize utilization of our production facilities may be delayed or interrupted by the need to obtain environmental and other regulatory approvals, the availability of labor and materials, temporary production interruptions resulting from industrial incidents or force majeure-type events, unforeseen hazards, such as weather conditions, and other risks customarily associated with construction projects as well as global market conditions. Capital expenditures that we estimate for use in such capacity expansion projects or in the construction of new plants may be insufficient to cover the actual cost. We have experienced in the past and may experience cost overruns in the future, and the cost of capacity expansion projects could have a negative impact on our financial results until capacity utilization is sufficiently high to absorb the incremental costs associated with the expansion.

Any failure to develop, revise or implement our business strategies, including any cost reduction strategy, in a timely and effective manner, or any postponement in the realization of anticipated synergies or savings due to external factors, together with poor execution, may adversely affect our ability to service our debt and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We could be affected by the possibility of disruption in our supplier relationships, which could affect our ability to source raw materials

Any disruption or delay in the supply of raw materials from a particular supplier, any disruption in any of the countries from which we supply our raw materials, any inability to source raw materials of appropriate quality, and any dispute with a supplier or loss of a supplier where we are unable to find a suitable alternative may hinder our ability to fill customers' orders on a timely and cost-effective basis or in the required quantities, which could result in order cancellations, decreased net sales or loss of market share and damage to our reputation. Most of our raw materials are sourced from providers based in Vietnam and Italy, followed by the U.S. and China. We source our raw materials from multiple suppliers, but for certain raw materials, we also depend on key strategic suppliers that are generally based in multiple production locations, or which guarantee backup solutions in the event of supply interruptions. Further, volatility in costs and pricing can result in contractual disputes or lengthy discussions with suppliers or an inability to contract on mutually satisfactory terms. The adverse resolution of any such disputes or contract negotiations could have a negative effect on our results of operations. In addition, the quality of raw materials may vary based on geography. Any interruption in the supply of raw materials could lead to a decrease in quality or production volumes and consequently a loss of customers, an increase in our costs or a decrease in our revenue. The inability of a supplier to meet our raw material needs could therefore have a material adverse effect on our business, financial condition, and results of operation.

We purchase raw materials on the basis of short- and medium-term contracts. If any of our suppliers were unable or unwilling to supply us with the raw materials we require, we could experience disruptions in production. For example, continuous waves of COVID-19 infections hindered the continuity of supply of raw materials. Temporary shutdowns and production slowdowns at certain of our facilities as well as those of our suppliers, particularly in China, generated shortages and price fluctuations. In addition to the COVID-19-related restrictions, local authorities in China imposed emission-control measures on various chemical plants, including partial or complete suspensions of work, or even permanent closures, due to their non-compliance with mandated safety and environmental standards (the so-called "Green Revolution"). While our production activity was not severely affected or restricted, as a result of these measures, various chemical plants, including ours, were required to install mandated pollution-control measures and temporarily suspended work in certain instances when weather conditions exacerbated the levels of pollution. Moreover, in certain Chinese provinces, including in Jiangsu, where one of our plants is located, the "dual-control" policy adopted by the Chinese government to limit total energy consumption and energy intensity levels was implemented through power rationing and production curbs, which in turn resulted in price increases and a diminished production of raw materials. While the dual-control policy has been in place for several years, these measures remain significant as China works toward its carbon peaking and neutrality targets, which can still affect raw material availability and pricing. Such disruptions could result in substantial delays if we are not able to find suitable replacement raw materials on commercially viable terms. While risks connected with COVID-19-related restrictions have gradually decreased, geopolitical tensions and the uncertainty around the tariffs' legal framework represent a factor of uncertainty affecting supplier relationships and, consequently, our ability to source raw materials. See also "—*Supply chain disruptions and inflation may impact our production costs and the cost of goods sold, and we may not be able to pass on such cost increases to our customers promptly, if at all, which may adversely affect our business, financial conditions and results of operations. Volatility in raw materials prices can also affect our inventory levels, business, financial conditions and results of operations*."

Many of our suppliers have operations that are subject to the EHS risks associated with the use of hazardous materials. Any EHS-related incidents affecting these suppliers may result in significant regulatory actions, fines and other penalties, including restrictions, prohibitions or sanctions on their operations. Such consequences in turn could impair their ability to meet their obligations to us under present or future supply agreements and we may be forced to incur higher costs to obtain the necessary raw materials elsewhere or, in certain limited cases, may not be able to obtain the raw materials at all.

We do not manufacture certain products ourselves and the use of third parties for manufacturing subjects us to risks, including the risk of disruptions in business and potentially increased costs

We do not manufacture certain products ourselves, but rely on a network of third-party suppliers, blenders and manufacturers. Although we have progressively increased in-house production of certain products that acquired businesses used to outsource, such as phosphonates, polymers and quats, there can be no assurance that alternate sources for the remaining products can be procured at reasonable terms, or at all, if problems arise with existing suppliers. Furthermore, there is a risk that new suppliers will not provide adequate quantities of sufficient quality on a timely basis, and that new supplier pricing may be higher than anticipated. If we are unable to obtain necessary items on a timely basis, at acceptable prices, and of sufficient quality, we could lose current or future business or our reputation in the marketplace could suffer. Additionally, we may be forced to pay additional transportation costs or to invest in capital projects for pipelines or alternative facilities to accommodate alternate delivery methods or to replace other services. The inability to source necessary items or to pass on increased costs associated with such alternative suppliers to our customers could have a material adverse effect on our business, financial conditions, and results of operations. In addition, the use of third-party manufacturing involves additional risks, such that there can be no assurance that suppliers are observing proper internal control practices, adequate labor practices and quality controls.

Our production processes and operations are subject to the inherent hazards and other risks associated with chemical processing, production, storage, and transportation

Our production processes and operations are subject to the hazards and risks associated with chemical processing, production and the related storage and transportation by us or our subcontractors. Our production processes rely on hazardous substances such as chlorine, which can present major risks to the health and safety of workers, other persons at our premises, neighboring populations and the environment. Other potential hazards associated with chemical production and operations include accidents, explosions, fires, inclement weather, transport risks, terrorist attacks, natural disasters (including earthquakes, also in light of the fact that certain of our plants are located in seismic areas, such as Spoleto and Qualiano, both in Italy), mechanical failure, transportation interruptions, remediation, pipeline leaks and ruptures, storage tank leaks, chemical spills, discharges or releases of toxic or hazardous substances or gases and other risks. We have experienced incidents of similar nature in the past. For example, a small explosion occurred in June 2024 in the red phosphorus production area at our Spoleto plant. In addition, fires occurred in July 2025 in the storage area of our Zuera manufacturing site and in September 2025 in the building housing one of the four production lines at our Qualiano facility. In connection with the September 2025 incident at our Qualiano facility, the competent Italian authorities opened a routine criminal investigation relating to the event, as is customary under Italian law following industrial incidents. The affected area was subject to temporary seizure in accordance with applicable procedures, which has since been partially lifted to allow clean-up and remediation activities. We cannot assure that further extensions of such measures or additional restrictions will not be imposed. While these incidents were swiftly managed without reported injuries or environmental damage, the fire at the Zuera facility resulted in a temporary production pause, with an estimated volume impact of 3 kt. There can be no assurance that similar or more severe incidents will not occur in the future. Such events could expose workers, suppliers, the community and others to toxic chemicals and other hazards, contaminate property and the environment, damage property, result in personal injury or death, lead to an interruption, relocation or suspension of operations and materially adversely affect the productivity and profitability of a particular production facility or our business operations as a whole, and result in governmental enforcement, regulatory shutdowns, the imposition of government fines and penalties and claims brought by governmental entities or third parties. In such an event, we face the risk that individuals could seek damages for personal injury due to exposure to chemicals or other hazardous substances we use, manufacture, store, transport, dispose, and sell. Moreover, we could be exposed to criminal liability in relation thereto. Additionally, a periodic shutdown at one of our facilities supplying inputs internally to another of our product groups could have a temporary impact on our overall ability to fully serve our clients or on our input costs. Although we believe that we have adopted and maintained adequate safety precautions (pursuant, *inter alia*, to the applicable safety precaution, health and safety rules and environmental regulation), the occurrence of any such event, which is not entirely preventable despite the application of a high standard of care, could be seriously detrimental to our reputation and harm our ability to obtain or maintain its existing licenses or its key commercial, regulatory, and governmental relationships. In addition, we work with contractors, over whom we have little control and who may perform duties on our behalf in a manner that may cause harm to the health and safety of other workers, other persons at our premises, neighboring populations and the environment.

While we believe our insurance policies are in accordance with customary industry practice, such insurance may not cover all risks associated with the hazards of our business and is subject to limitations, including deductibles and maximum liabilities covered. We recently faced damages following the above-mentioned explosion and the outbreak of a fire, respectively, in two of our facilities. We have effectively opened insurance claims, both settled for an amount covering significant portions of the losses. However, we cannot ensure that we will always be effective in pursuing insurance recoveries for damage caused by hazardous events, or that the indemnification will not be subject to delays. See "—*Uninsured losses, losses in excess of our insurance coverage for certain risks and unanticipated changes in our insurance costs could have a material adverse effect on our business, competitive or financial position or our results of operation.*" The costs associated with any of these events may be substantial and may exceed or otherwise not be covered by our insurance coverage. Each of these scenarios could materially adversely affect our business, financial condition, results of operations and prospects.

Under applicable Italian law, in cases where workers suffer injury in connection with the execution of their obligations under the relevant employment contract, and, as a result, are absent from work for more than 40 days, the relevant public prosecutor must open an investigation into workplace safety and, depending on the circumstances, may bring criminal proceedings against our officer in charge of workplace safety or against our management or chief executive officer. In addition, failures or omissions related to workplace safety may expose us to liabilities under Italian Legislative Decree No. 231/2001 ("**LD 231/2001**") and could have a material adverse effect on our business, financial condition, results of operations and prospects. See "*—We may fail to implement adequate monitoring systems or they might be insufficient to prevent the violation of laws and regulations.*"

We cannot assure you that we will not become involved in future proceedings related to our release of hazardous or extremely hazardous substances or that, if we were held responsible for damages in any existing or future proceedings, such costs would be covered by insurance, or would be covered by third party indemnities, or would not be material. See "*—We may be subject to ongoing costs and regulations related to contamination or exposure impacts from our operations or products*" and "*—We may incur litigation-related expenses and/or reputational damage, among other losses, which could harm our business*."

Additionally, some of our products are water-based, with approximately 50% or higher water content. Transportation and storage of these products can be costly, given the size and weight of water-based products as well as the hazards inherent in transporting and storing chemicals.

Compliance with EHS and zoning and town planning laws and regulations and the retention of requisite permits related to our operations could result in significant ongoing costs and may result in further obligations and liabilities associated with our business

Our businesses are subject to a wide range of EHS as well as zoning and town planning laws and regulations that govern our facilities, operations and products. Such laws and regulations govern activities including the manufacture, storage, handling, treatment, transportation and disposal of hazardous substances and wastes, wastewater discharges, greenhouse gas ("**GHG**") emissions, noise emissions, operation and closure of landfills, human health and safety, process safety and risk management, seismic risk prevention (and related anti-seismic compliance programs), fire safety, and the clean-up of contaminated sites and are present in all of the jurisdictions in which we operate. Many of our operations require permits and controls to monitor or prevent pollution, and these permits are subject to modification, renewal and revocation by issuing authorities and are frequently issued subject to conditions requiring the implementation of improvement works at the relevant sites. Typically, our permits require continuous compliance with certain conditions in order to maintain the permits. Our permits may include requirements and conditions which have not yet been finally determined, and which could result in significant additional costs or environmental obligations for us. We have incurred, and will continue to incur, substantial ongoing capital and operating expenditures to ensure compliance with current and future EHS laws and regulations.

The EHS laws, regulations and permits that govern our operations tend to become increasingly stringent over time, and we could in the future assume additional obligations or be forced to discontinue certain product lines or make changes to our operations as a result of future laws and regulations imposing restrictions or bans on the usage of certain critical inputs and production processes. Consequently, we may incur substantial incremental costs to ensure our continued regulatory compliance. For example, the land where our Jiayou plant is located may be subject to certain zoning and planning restrictions which, in turn, may restrict our ability to expand or operate the plant or even require us to relocate.

Zoning and town planning laws and regulation applicable in the areas where our sites are located can become more stringent in the future, also as a result of unforeseeable natural events, such as earthquakes, and we could consequently incur in additional obligations and restrictions to operations, including duty to relocate one or more plants or part thereof, as well as incremental costs to ensure regulatory compliance. For example, in 2009 we started an administrative proceeding against the Municipality of Spoleto which, in 2008, adopted a Town Planning Act providing, *inter alia*, for restrictions that resulted in the duty to relocate the Spoleto plant (the "**2008 Town Planning Act**"). However, by an administrative order issued by the Municipality of Spoleto on August 28, 2017 (the "**Spoleto Administrative Act**"), we reached an agreement with the Municipality of Spoleto for the adoption of a new Town Planning Act countermanding the relocation of the Spoleto plant (although such new Town Planning Act has not been fully adopted yet). According to the Spoleto Administrative Act, the abovementioned administrative proceeding must be voluntarily dismissed by us and by the Municipality of Spoleto upon the expiry of the time for the lodging of an appeal of such new Town Planning Act (*i.e.* 120 days from the date of the approval of the new Town Planning Act). On September 6, 2023, the Italian Supreme Administrative Court (*Consiglio di Stato*) confirmed that the restrictions introduced with the 2008 Town Planning Act mentioned above are unlawful. With respect to the Arese Plant, according to the town planning act adopted by the Municipality of Arese, expansions of the Arese Plant are subject to the approval of a landscape permit (*autorizzazione paesaggistica*) and may not increase the risk of major accidents involving dangerous substances in the areas surrounding the plant nor increase the gross floor area (*superficie lorda calpestabile*) of the plant. Moreover, under local zoning regulations, the land on which the Arese Plant is located is designated for residential use once industrial operations cease. This significantly increases the cost of our end-of-life remediation obligations, as regulatory requirements and thresholds are more stringent for areas zoned for residential rather than industrial use.

The regulatory environment for our business activities is continuously changing at international and national levels, including as a result of technological progress, the public's increasing awareness with respect to environmental protection, product safety and sustainable development and our customers' increased demands regarding product safety, quality and specifications. If we do not accurately predict and adequately provision for the amount or timing of costs of any future compliance or if we misinterpret our obligations under any of these regulatory changes, we may find ourselves in violation of EHS laws, regulations or permits. Most of our plants are subject to complex environmental authorizations (such as, for instance the Integrated Environmental Permit (AIA) issued on September 11, 2018, by the Municipality of Milan (*Città Metropolitana di Milano*) and valid until September 2030. This kind of authorization covers air emissions, wastewater discharge, waste, and noise emissions and imposes burdensome compliance requirements. While we strive to comply with these requirements, certain obligations may present challenges in terms of cost feasibility. Such authorizations are subject to review process undertaken by the competent governmental authorities, which determine the compliance of such authorization with the best available techniques standards issued by the competent regulators. From time to time, we have received warnings and administrative fines and/or criminal penalties from competent governmental authorities regarding non-compliance with the relevant authorizations. Certain of our sites are also subject to EU Directive No. 2012/18 ("**Seveso III Directive**"), implemented in Italy by Legislative Decree No. 105 of June 26, 2015, which aims at controlling major accident hazards involving dangerous substances, especially chemicals. The operators of plants subject to Seveso III Directive are subject to burdensome requirements, such as the adoption of internal policies and procedures aimed at preventing major accidents and the submission to the relevant fire prevention authorities of a periodic safety report.

Given the nature of our business, violations of EHS requirements, whether current or future, may result in substantial fines or penalties, the imposition of other civil or criminal sanctions, clean-up costs and other remediation or restoration requirements, claims for personal injury or property damages, the installation of costly pollution control equipment, or restrictions on, or the suspension of, our operating permits or activities. In addition, our facilities are subject to periodic inspections by regulatory authorities to assess compliance with the applicable EHS laws and regulations. If we were to violate the applicable laws and regulations, we could be fined, and the competent regulator could impose a complete shutdown of the non-compliant manufacturing facility. The impact on our business, financial condition or results of operations in any period in which such costs need to be incurred could be material.

Aside from formal laws and regulations, sustainability programs and societal norms also may affect market demand for our products. This trend toward greater sustainability and "green chemistry" could cause us to incur additional direct costs or to discontinue certain product lines and to make changes to our operations and inputs in order to comply with any new regulations and customer requirements.

Maintaining compliance with the chemical safety laws and regulations applicable to both our products and raw materials could adversely affect our business

We must comply with a broad range of laws and regulations relating to the testing, manufacturing, labelling and safety analysis of our products or the products of our suppliers. In some jurisdictions, including the United States and the European Union, these types of regulatory controls and restrictions have become increasingly demanding, and we expect this trend to continue.

In particular, in the European Union, our products and raw materials produced in, exported from or imported into and/or sold in the European Union are subject to extensive environmental and industrial hygiene regulations governing the registration and safety analysis of the substances contained in them. The European Union Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (Regulation (EC) No. 1907/2006) ("**REACH**") (as amended and updated from time to time), imposes significant obligations on the chemicals industry as a whole with respect to the testing, evaluation, assessment and registration of building block and semi-specialty chemicals. REACH is reviewed annually and, as a result, new regulations that further impact our businesses and operations may be proposed and implemented in the future. The European Union Regulation on classification, labelling and packaging (Regulation (EC) No 1272/2008) ("**CLP**") imposes further obligations in relation to the classification, labelling and packaging of chemicals and the Biocidal Products Regulation ("**BPR**") requires that all biocidal products obtain authorization before being sold in the European Union (although sale in the European Union may be permitted while a product is under review).

As of September 30, 2025, we believe we have registered all substances currently required to be registered under REACH. We still expect, however, to incur certain ongoing compliance costs as well as costs associated with the registration of any applicable new products. In connection with the REACH regulation and the CLP regulation, any raw material, chemical or substance, including our products, as well as being subject to the registration, classification, labelling and packaging requirements that these regulations impose, could be classified as having a toxicological or health related impact on the environment, on users of our products or on our employees. In particular, REACH requires a costly and time-consuming authorization process for any chemical that has been deemed to be a Substance of Very High Concern and which has been listed by the European Commission in Annex XIV to REACH to remain on the market. Inclusion of a product in Annex XIV triggers various obligations to produce information on the product and its properties to customers and downstream users. As part of the authorization process, we would have to demonstrate that the risks to human health or the environment associated with uses of this substance are adequately controlled or that the socio-economic benefits of its use outweigh the risks. We must also analyze whether there are safer suitable alternatives or technologies available. If authorization is obtained, it will only be for a limited period after which there is a risk that such authorization will not be renewed or that an alternative would have been found. In addition, the European Chemicals Agency performs periodic compliance checks on all registered substances. Following these assessments, the Agency may require the registrants to provide further documentation. A few of our products are currently undergoing compliance checks and, should the outcome result in a requests for additional data from the Agency or REACH, we may incur in additional registration costs. Furthermore, we believe that all of our products subject to the BPR are being marketed in the European Union in compliance with the BPR because the chemicals in such products are under review in compliance with the BPR. We may incur material costs related to further testing of certain products' compliance with the BPR, and such products may fail to receive the required authorization. If a product subject to BPR is not granted authorization, or if other adverse regulatory actions are taken, we could be forced to reformulate products or discontinue their manufacture or sale in certain countries, which could have a significant impact on our bottom line. Finally, certain substances contained in our products have never been subject to review by the relevant authorities in the European Union and on this basis will not be introduced and marketed in the European Union.

The regulation or reclassification of any of our raw materials or products could result in a ban or restriction on its purchase or sale, adversely affect the availability of raw materials or the marketability of our products or require us to incur increased costs to comply with notification, labeling, handling, processing, distribution, sale and transport requirements, each of which could result in a material adverse effect on our business, financial condition and/or results of operations. For instance, European institutions are currently discussing a proposal for the restriction on the use of BCDMH, a chemical compound employed in certain of our applications, beginning in 2027.

In the United States, our operations are subject to federal regulation of chemicals, including the Toxic Substances Control Act ("**TSCA**") and the Federal Insecticide, Fungicide and Rodenticide Act ("**FIFRA**"), as well as state legislation, such as the Ohio Environmental Protection Agency ("**OEPA**"). In June 2016, legislation significantly amending TSCA was enacted into law, entitled the "Frank R. Lautenberg Chemical Safety for the 21st Century Act". The legislation mandates that the U.S. Environmental Protection Agency ("**EPA**") conduct safety evaluations for all chemicals in active commerce and require new chemicals and significant new uses of chemicals to be deemed likely to be safe before entering the market. EPA performed a risk evaluation of the first ten chemicals selected for review, and adopted a rule setting forth procedures for prioritizing additional chemicals for risk evaluation. On December 20, 2019, EPA finalized the designation of 20 chemical substances as high priority for upcoming risk evaluations, and on February 20, 2020, EPA finalized the designation of 20 chemical substances as low priority. EPA continues to conduct risk evaluations on chemical substances designated as "High-Priority Substances" through this prioritization process. While the full impact of these amendments to TSCA remains uncertain, it is possible that they could trigger risk screening of certain of our products by EPA, and this risk screening could lead to new or more stringent regulatory obligations and/or restrictions, including, potentially, prohibitions on manufacture and sale of certain products. In turn, these regulations could significantly impact our cost of doing business.

Additionally, EPA has alleged that our Smyrna, Georgia, facility may be in noncompliance with TSCA requirements pertaining to the import and export of chemicals and chemical data reporting and we are in the process of contesting these allegations. We cannot exclude the possibility that EPA will seek fines or other penalties, though we currently do not anticipate that any such fines or penalties would be material. As to FIFRA, although we believe that all of our products and operations subject to FIFRA are in compliance with that statute, it is possible that EPA could require new or additional information or tests regarding scientific properties of our products, and the costs of providing such information could be significant. In addition, non-compliance with FIFRA's registration, labeling, and import requirements, among others, could subject the Group to enforcement actions and civil and/or criminal penalties, which could be material to our business.

We are also subject to certain chemical safety regulatory requirements in other jurisdictions where we have operations, including outside of the EU and United States. For more information about the material laws and regulations affecting our business, see "*Regulation*."

Climate change, and the regulatory and legislative developments related to climate change, may materially adversely affect our business and financial condition, and we must comply with current and future regulations targeting greenhouse gas and other emissions. Due to required compliance with environmental regulation, we may face higher production costs than our foreign competitors

The impacts of climate change may materially and adversely impact the cost, production and financial performance of our operations. Any impacts on our business and financial condition as a result of climate change are likely to occur over a sustained period of time and are therefore difficult to quantify with any degree of specificity. For example, extreme weather events may result in adverse physical impacts on our sites or portions of our infrastructure, which could disrupt our supply chain and ultimately our business operations. In addition, disruption of transportation and distribution systems could result in reduced operational efficiency and interruption of deliveries and higher costs. Climate related events have the potential to disrupt our business, including the business of our customers, and may cause us to experience higher attrition, losses and additional costs to resume operations. Lastly, compliance with environmental regulations could cause an increase in our production costs and, consequently, place us at a competitive disadvantage compared to foreign producers that are not subject to such regulations.

A number of governments or governmental bodies have introduced or are contemplating legislative and regulatory changes in response to various climate change interest groups and the potential impact of climate change. The chemicals industry may become a target for future regulation regarding climate change. Legislation and increased regulation regarding climate change could impose significant costs on us and our suppliers, including costs related to equipment, environmental monitoring and reporting, and other costs to comply with such regulations. Any future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. Given the political significance and uncertainty around the impact of climate change and how it should be addressed, we cannot predict how legislation and regulation will affect our financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could harm our reputation. Any of the foregoing could result in a material adverse effect on our business, prospects, results of operations, or financial condition.

Our operations result in emissions of GHGs, such as carbon dioxide and methane. Growing concern about the sources and impacts of global climate change has led to a number of regional, national and supranational legislative and administrative measures, both proposed and enacted, to monitor, regulate and limit carbon dioxide and other GHG emissions.

In the EU, our emissions are regulated under the European Union Emissions Trading System ("**EU ETS**"), an EU-wide trading system for industrial GHG emissions, which also covers greenhouse gas emissions. The EU ETS is proposed to become progressively more stringent over time, including by reducing the number of allowances to emit GHG, including those that EU Member States will allocate without charge to industrial facilities (which are proposed to be entirely phased out in due course), and also is expected to cover more sectors than it currently does. Such measures could result in increased costs for us to: (i) operate and maintain our facilities; (ii) install new emission controls; (iii) purchase or otherwise obtain allowances to emit GHGs; and (iv) administer and manage our GHG emissions program. The EU has also implemented the Carbon Border Adjustment Mechanism ("**CBAM**"), a system that imposes an additional cost for the embedded carbon emissions generated by the production process of an imported product. In addition, the implementation of the CBAM could, in the future, affect the cost of raw materials and require adjustments to our contribution margins. See *"—Supply chain disruptions and inflation may impact our production costs and the cost of goods sold, and we may not be able to pass on such cost increases to our customers promptly, if at all, which may adversely affect our business, financial conditions and results of operations. Volatility in raw materials prices can also affect our inventory levels, business, financial conditions and results of operations."* The EU ETS objective significantly increases compliance costs for chemical producers, as the price of carbon continues to rise and relief measures, such as the CBAM, offer only limited protection. European producers already operate under higher costs, compared to other regions, due to elevated energy and labor costs. The additional burden of carbon pricing under the EU ETS, and the registration costs under REACH, add to these challenges, with product margins increasingly dependent on the willingness of customers to pay a premium for more environmentally sustainable alternatives, compared to low-price imported alternatives.

The cumulative impact of rising carbon costs and regulatory complexity has contributed to a wave of capacity rationalization across Europe. Over the past year, high production costs combined with lower demand have contributed to global overcapacity, with consequent closures plant closures and restructuring initiatives across the value chain. If these trends persist, the European petrochemical industry risks further erosion of competitiveness, reduced investment, and accelerated plant closures, which could materially affect our operations and financial performance.

In the United States, significant uncertainty currently exists as to how GHG regulations will impact large stationary sources, such as our facilities in the United States, and what costs or operational changes these regulations may require in the future. We continue to monitor the situation closely. We are required to monitor and report to the EPA annual GHG emissions from certain of our U.S. facilities. EPA in the past has taken steps to regulate GHG emissions under the Clean Air Act ("**CAA**"). For example, the EPA has promulgated regulations which subject the GHG emissions of certain newly constructed or modified facilities to pre-construction and operating program requirements. Pursuant to these requirements, newly constructed or modified facilities with the potential to emit certain quantities of GHGs in addition to other regulated pollutants, are required to implement "best available control technology", which can include carbon efficiency standards, GHG emission concentration limits, specific technology requirements or other measures. Significant uncertainty exists as to how newer or stricter GHG regulations will in the future impact stationary sources, such as our facilities in the U.S., and what costs or operational changes these regulations may require. Additionally, in May 2024, the EPA finalized a butadiene maximum achievable control technology ("**MACT**") rule. In March 2025, the EPA announced that the agency was reconsidering a number of applicable air regulations and standards, including MACT standards. No formal rule changes have yet been proposed, however, and we are required to comply with existing requirements and timelines pending the completion, if any, of such reconsideration and formal rule making. On April 9, 2024, the EPA issued a final rule amending the CAA's New Source Performance Standards for emissions from the Synthetic Organic Chemical Manufacturing Industry (known as the "**HON Rule**"). The HON Rule includes MACT standards for ethylene oxide. On July 27, 2025, President Trump signed an executive order that extended the compliance deadline under the HON Rule until July 2027. In addition, the EPA has promulgated regulations related to the emission of ethylene oxide known as the Chemical Manufacturing Area Sources National Emission Standards for Hazardous Air Pollutant.

In addition, the U.S. Congress has from time to time considered adopting legislation to reduce emissions of GHGs and numerous U.S. states have already taken legal measures to reduce emissions of GHGs. In the absence of such federal climate legislation, almost one-half of U.S. states have taken legal measures to reduce emissions of GHGs primarily through the planned development of GHG emission inventories and/or regional GHG cap-and-trade programs. Although the U.S. Congress has not adopted such legislation at this time, it, or additional U.S. states, may do so in the future, and we cannot yet predict the form such regulation will take or, consequently, estimate any costs that we may be required to incur in respect of such requirements. Such requirements could also adversely affect our energy supply, the costs (and types) of raw materials we use for fuel, or the demand for our products. See "*Regulation—U.S. Regulations—Clean Air Act*" and "*Regulation—U.S. Regulation—Climate Change and Greenhouse Gas Emissions Rules*."

At the international level, many nations have agreed to limit emissions of GHGs pursuant to the United Nations Framework Convention on Climate Change, also known as the "Kyoto Protocol." Methane, a primary component of natural gas, and carbon dioxide, a byproduct of the burning of oil, natural gas, and refined petroleum products, are GHGs addressed by the Kyoto Protocol. Although the United States is not participating in the Kyoto Protocol at this time, a number of EU nations are signatories. Furthermore, in December 2009, 27 nations, including the United States and China, signed the Copenhagen Accord, which includes a non-binding commitment to reduce GHG emissions. As a result of commitments made at the UN climate conference in Durban, South Africa in December 2011, certain members of the international community negotiated a treaty at the December 2015 Conference of Parties in Paris (the "**Paris Agreement**"). The Paris Agreement, which became effective in November 2016 and to which the U.S. is a signatory, requires developed countries to set targets for emissions reductions once the Agreement is adopted by those individual countries within their respective national or federal law. Additional measures addressing GHG emissions may also be implemented, including, for example, measures to achieve the EU's target to reduce GHG emissions by at least 55% by 2030 compared to 1990 levels and to achieve climate neutrality by 2050.

In recent years, a number of jurisdictions have imposed or discussed imposing bans on internal combustion engines in motor vehicles for the purpose of reducing GHG emissions, and these bans could expand to additional jurisdictions in the future. Such regulation of internal combustion engines could reduce demand for our automotive products and traditional energy exploration products.

Compliance with current or future GHG regulations governing our operations, including those discussed above, may result in significantly increased capital expenditures to install more environmentally efficient technology or the purchase of allowances to emit carbon dioxide or other GHGs.

Future regulations could have a significant impact on us and any costs that we may be required to incur with respect to these or any other future requirements could be significant. In addition, such requirements could also adversely affect our energy supply, or the costs (and types) of raw materials we use for fuel and ultimately reduce demand for our products. The realization of any or all of these consequences could have a material adverse effect on our business, prospects, financial condition or results of operations. For more information about the GHG regulation relevant to our operations, see "*Regulation*."

Beyond financial and regulatory effects, the projected severe effects of climate change have the potential to directly affect our facilities and operations. Increasingly frequent and severe extreme weather events, including floods, storms, droughts and heatwaves, could disrupt our production processes, damage facilities, impair the availability and quality of key raw materials and utilities (such as water), and cause interruptions across our upstream and downstream supply chain. Acute events could lead to temporary shutdowns, reduced plant efficiency, higher maintenance and repair costs, and delays or penalties associated with delivery failures. Chronic climate trends, such as rising average temperatures and long-term water scarcity, could increase our energy consumption, strain cooling systems and other critical infrastructure, and adversely affect employee health and safety. These factors could reduce our sales and production volumes, increase our operating costs, and negatively impact our overall financial condition. In addition, climate change may lead to increased volatility in raw material prices, constraints on water-intensive processes, and higher insurance premiums or reduced insurance coverage due to elevated physical risk exposure. There can be no assurance that our risk-mitigation measures, such as diversification of suppliers, investments in efficiency improvements, adaptation of production processes, or enhancements to environmental management systems, will be sufficient to fully offset these impacts. As a result, the physical effects of climate change, individually or in the aggregate, could materially and adversely affect our business, results of operations and cash flows.

Increasing scrutiny and changing expectations from investors, lenders, customers and other market participants with respect to our environmental, social and governance, or ESG, policies may impose additional costs on us or expose us to additional risks

Companies across all industries are facing increased scrutiny relating to their ESG policies. Investor advocacy groups, certain institutional investors, investment funds, lenders and other market participants are increasingly focused on ESG practices and have placed increased importance on the implications and social cost of their investments. The increased focus may hinder access to capital, as lenders or other capital providers may decide to reallocate capital as a result of their assessment of a company's ESG practices. Reduced access to capital could hinder our growth. If we do not adapt to or align our business and operations with industry expectations and standards, which are evolving, or if we are perceived not to have responded appropriately or timely to the growing concern for ESG issues, regardless of whether we are under a legal obligation to do so, we may suffer from reputational damage and the future business and financial condition could be materially and adversely affected. We may face increasing pressure from stakeholders to prioritize ESG policies, including introducing sustainable practices and reducing our carbon footprint. We may be required to incur additional costs and engage additional resources to monitor, report and comply with new ESG requirements or policies which could have a material adverse impact on our business, prospects, financial condition and results of operations.

In addition to industry expectations, there is a global trend towards the imposition of new ESG-related financial disclosure obligations. In particular, with regard to sustainability reporting, we are subject to the Corporate Sustainability Reporting Directive (the "**CSRD**") entered into force on January 5, 2023. The CSRD requires large enterprises to report on sustainability according to European Sustainability Reporting Standards starting from the 2025 fiscal year. However, on February 26, 2025, following publication of the European Commission's so-called "**Competitiveness Compass**" policy document, the European Commission adopted a package of proposals (the so-called "**Omnibus Package**") intended to, among others, amend reporting obligations pursuant to the CSRD. The Omnibus Package led to the adoption of Directive (EU) 2025/794 (the "**Stop-the-clock Directive**") that was adopted on April 14, 2025, pursuant to which the application of the CSRD has been officially postponed by two years for companies not yet subject to reporting obligations, whose first reporting deadline is now set for 2029. In addition, on July 5, 2024, the EU institutions adopted the Directive (EU) 2024/1760 (the European Corporate Sustainability Due Diligence Directive, the "**CSDDD**"). The CSDDD sets obligations for large companies regarding the implementation of effective due diligence policies aimed at identifying, preventing and mitigating actual or potential adverse impacts on human rights and the environment, with respect to their operations, those of their subsidiaries and those carried out by their business partners. Failure to comply with its obligations may lead to fines amounting to at least 5% of the net worldwide turnover of the company. The original transposition into national law deadline was July 26, 2026, with obligations for the largest companies to begin in 2027. However, under the Stop-the-clock Directive, both the transposition deadline and the entry into force of the first phase of obligations have been postponed by one year, to 2027 and 2028 respectively.

We may be subject to ongoing costs and regulations related to contamination or exposure impacts from our operations or products

Many of our sites have an extended history of industrial chemical processing, storage and related activities. Some environmental laws, regulations and court decisions impose liability on present and former owners, operators or users of, or the generators of waste disposed at, facilities and sites or contamination at such facilities and sites without regard to causation, negligence or knowledge of contamination. In addition, most of our environmental authorization impose end-of-life remediation obligations, which will apply once the industrial operations have ceased. From time to time, we are required to investigate and remediate contamination at or arising from these sites, including funding the restoration of impacted natural resources. From time to time, we are also notified of our potential liability for such investigation and remediation and invited to negotiations with regulators pertaining to the same, such as in connection with the Lower Neponset River Superfund Site. Contained amounts of asbestos-containing materials, PCB-containing materials and polychlorinated biphenyls have been found in some of our plants. Although, where recommended, we have undertaken plans for its removal or management in place, we could be subject to claims by government authorities, individuals and other third parties seeking damages for alleged personal injury or property damage resulting from hazardous substance contamination or exposure caused by our facilities or to our products. We also could be responsible for investigating and cleaning up contamination at off-site locations where we have sent our waste for disposal or for treatment of its hazardous properties. Certain of our sites have undergone soil and groundwater remediation as a result of previous contaminant releases, additional investigatory and remedial work is ongoing and expected in the future at some of these sites, and the additional work could cause us to incur certain costs. With respect to certain sites, in 2013, Detrex entered into an environmental liability transfer agreement ("**ELTA**") whereby Detrex transferred to Environmental Liability Transfer, Inc. ("**ELT**") liability for investigating and remediating certain sites with known or potential environmental contamination ("**ELTA Sites**"). In April 2024, ELT provided notice that it is unable to perform under the ELTA, claiming that the costs it has to bear thereunder would be materially higher than those estimated and therefore the ELTA should be terminated. While we are pursuing our rights via litigation against ELT and certain related parties as well as related coverage under available insurance, we cannot guarantee ELT's performance of the agreement or coverage of our claims under our insurance policy, and related costs associated with remediation of the sites may be significant. See *"Business—Legal and Regulatory Proceedings."* The discovery of previously unknown contamination, or the imposition of new obligations to investigate or remediate contamination at, or in connection with, our facilities (including as a result of certain substances classified as dangerous or potentially dangerous), could result in substantial unanticipated costs.

Additionally, we are required to obtain certain certifications for carrying out particularly dangerous production processes, which may cause us to incur additional costs. See *"—Compliance with EHS and zoning and town planning laws and regulations and the retention of requisite permits related to our operations could result in significant ongoing costs and may result in further obligations and liabilities associated with our business."* While our efforts are directed at being compliant with all relevant regulations, we cannot assure you that we will always be able to obtain the required certifications. In addition, we may face significant additional costs to comply with certification requirements or implement remedial measures requested by authorities. In such instances, our approach is to work collaboratively with regulators to identify equally effective and cost efficient alternative solutions.

Our Ashtabula and Smyrna plants have a long history of industrial use, some of which predates more modern environmental regulations. As a result, we are subject to certain environmental obligations, including ongoing remediation activities and monitoring. See *"—We may incur litigation related expenses and/or reputational damage, among other losses, which could harm our business."* While we believe and have strongly argued that, in some cases, responsibility for remediation costs lies with third parties (such as at the Smyrna Plant), we cannot assure you that we will not become involved in future proceedings related to the release of hazardous or extremely hazardous substances. If we were held responsible for damages in any existing or future proceedings, we cannot guarantee that such costs would be covered by insurance, or would be covered by third party indemnities, or would not be material. Similarly, our Spoleto Plant has historically been used as a dumping ground for waste from phosphorous manufacturing until 1965. While we have performed certain remediation activities, in accordance with the competent authorities, we cannot exclude any future liability in relation thereto. See "*Business—Environmental, Social and Governance—Environmental, Health and Safety*."

The occurrence of major operational interruptions or problems at our facilities could have a material adverse effect on our level of asset utilization as well as our overall business, financial condition and results of operations

We also have scheduled shutdowns at our production facilities in order to perform necessary inspections and testing to comply with industry regulations and to permit us to carry out maintenance that may be necessary. Scheduled shutdowns may require longer downtime than anticipated. Unscheduled shutdowns may occur due to technical failure or other reasons, including government orders or workforce shortages, similarly to what was experienced as a result of COVID-19 restrictions or infections.

Our production facilities are also subject to periodic inspections by regulatory authorities to assess compliance with the relevant regulations. If we were to violate the applicable regulations, we could be fined, and the competent regulator could impose a complete shutdown of the non-compliant manufacturing facility. If we cannot successfully manufacture materials that conform to our specifications and the requirements of the relevant regulatory authorities, we will not be able to secure or maintain regulatory approval for our production facilities. See also "*—Compliance with EHS and zoning and town planning laws and regulations and the retention of requisite permits related to our operations could result in significant ongoing costs and may result in further obligations and liabilities associated with our business*" and "*—We are subject to rules and regulations governing our products and business activities which could adversely impact our business.*"

Extended downtime at any of our major operating facilities, whether the result of a scheduled shutdown or an incident, could reduce rates of asset utilization and undermine our ability to maintain high production volumes and meet our commitment to customers, which could materially adversely affect our business, financial condition and results of operations. For example, in 2025 we experienced two fire events, one at our Zuera plant and another at our Qualiano plant. Following the fire incident, the Zuera facility experienced a temporary reduction in production volumes estimated to be approximately 3 kt, while operations at the Qualiano plant were not materially impacted. While we maintain insurance coverage for damages resulting from accidents inherent to the hazardous nature of our operations, we cannot guarantee that our policy will cover the temporary decrease in volumes and revenues. For both incidents mentioned above, we were able to receive indemnification both for direct and indirect damages from our insurance. See also "*—Our production processes and operations are subject to the inherent hazards and other risks associated with chemical processing, production, storage, and transportation*." Any significant interruption occurring from time to time in operations at our facilities, including interruptions caused by the events described above, may exceed the limitations of our current insurance coverage, see "*—Uninsured losses, losses in excess of our insurance coverage for certain risks and unanticipated changes in our insurance costs could have a material adverse effect on our business, competitive or financial position or our results of operation*" below and thus require increased capital expenditure, and may materially reduce the productivity and profitability of a particular production plant, or our business as a whole, during and after such interruptions. If any of the foregoing were to occur, it could adversely affect our business, financial condition and results of operations.

We may not be able to maximize the utilization of our production facilities

Our business is materially influenced by the degree to which we utilize our production assets to achieve maximum production volumes. In order to maximize production and efficiency, we strive to operate our production facilities around-the-clock and at near-maximum capacity. Moreover, certain of our facilities have minimum capacities below which they cannot be properly operated. If our manufacturing facilities operate at lower than optimal capacity, we may not be able to absorb fixed costs in relation to the operations of our facilities and plants. Our only planned production outages occur to perform necessary inspections, tests to comply with industry regulations and any maintenance activities that may be necessary. In the event of an unplanned production outage, the majority of our production, particularly for products in our AWS and LIS end markets, can be transferred to other back-up plants. Such a transfer would be subject to the effective implementation of supply lines and compliance with extensive EHS regulations. Accordingly, we cannot guarantee that a transfer to our back-up plants would be effective or expeditious, which may, in turn, lead to an extended interruption of our operations. For example, unplanned outages may in the future have, an effect on our business, financial condition and results of operations, even if such outages are covered by insurance. On the other hand, if our facilities operate at full or over capacity, we may be forced to turn business opportunities down due to saturation of our plants. We cannot guarantee, however, that we will be able to implement our strategy of maximizing utilization of assets in accordance with our plans, or at all. For additional information on temporary shutdowns and production slowdowns at certain of our facilities as well as those of our suppliers, see "*—We could be affected by the possibility of disruption in our supplier relationships, which could affect our ability to source raw materials.*"

We may not be able to adequately protect our intellectual property rights

Proprietary protection of our products and processes is important to our business success and competitive position, and we have an extensive portfolio of registered patents and trademarks. We currently hold approximately 281 patents recognized globally. Our actions to protect our proprietary rights may be insufficient to prevent others from developing similar products to ours.

Despite our efforts, the laws of many foreign countries do not protect our intellectual property rights to the same extent as do the laws of Italy, the European Union or the United States. Furthermore, any pending patent application filed by us may not result in an issued patent, or if patents are issued to us, such patents may not provide meaningful protection against competitors or against competitive technologies. The expiration of a patent or the failure of our patents to protect our formulations, processes, apparatuses, technology or proprietary know-how could result in intense competition, with consequent erosion of profit margins. In addition, our competitors and any other third parties may obtain patents that restrict or preclude our ability to lawfully manufacture and market our products in a competitive manner, which could materially adversely affect our business, results of operations and financial condition.

We also rely significantly upon unpatented proprietary know-how and continuing technological innovation, along with other trade secrets, to develop and maintain our competitive position. Third parties (including our competitors) may develop such knowledge or technology independently without violating our trade secret rights. While it is our policy to enter into confidentiality agreements with our employees and third parties to protect our intellectual property:

- the implemented safeguards and security measures may be insufficient to provide trade secrets protection to our confidential information, documents and materials;
- our confidentiality agreements may be breached;
- such agreements may not provide meaningful protection for our trade secrets or proprietary know-how; or
- adequate remedies may not be available in the event of an unauthorized use or disclosure of these trade secrets and know-how.

Insufficient protection of intellectual property may limit our ability to make use of technological advantages or result in a reduction of future profits. This may cause competitive restrictions and have a material adverse effect on our business, financial condition and results of operations.

Litigation may be necessary to enforce and protect our intellectual property rights or limit the scope of intellectual property rights claimed by others. Litigating claims related to intellectual property rights is very expensive and can be burdensome in terms of management time and resources, which could adversely affect our business, financial condition and results of operations. Any litigation related to intellectual property rights could result in loss or compromise of our intellectual property rights, could subject us to significant liabilities, require us to seek licenses with unfavorable terms, if available at all, prevent us from manufacturing or selling products and require us to redesign, relabel, or, in the case of trademark claims, rename our products, which could adversely affect our business, financial condition and results of operations. In addition, we may owe past or future royalties arising from intellectual property rights claims which may adversely affect our business, financial condition and results of operations. In addition, we rely on both registered and unregistered trademarks to protect its names and brands. We cannot assure you that the Group's trademark applications will be approved. Failure by the Group to adequately maintain the quality of its products and services associated with the Group's trademarks or any loss to the distinctiveness of the trademarks may cause the Group to lose certain trademark protection, which could result in the loss of goodwill and brand recognition in relation to the Group's names and products. For example, the Group does not own trademark registrations in all locations where its products are sold. Accordingly, the Group cannot assure that it will be able to procure registrations for its trademarks or, where third parties have or acquire the same or similar marks to those of the Group's products, to continue to sell its products under such trademarks in those jurisdictions.

If third parties claim we are infringing or if we are sued for infringing on intellectual property rights of third parties, it may be costly and time-consuming, and an unfavorable outcome in any litigation would harm our business

The use of intellectual property in our industry may expose us to claims litigation, regarding either intellectual property claims made by or against us. For a description of the risks inherent in being a litigation defendant, see "*—We may incur litigation-related expenses and/or reputational damage, among other losses, which could harm our business.*" We may spend significant time and effort and incur significant litigation costs if we are required to defend ourselves against intellectual property rights claims brought against us, regardless of whether the claims have merit. If we are found to have infringed on the patents or other intellectual property rights of others, we may be subject to substantial claims for damages, which could materially affect our business, financial condition and results of operations. We may also be required to cease development, use or sale of the relevant products or processes, or we may be required to obtain a license on the disputed rights, which may not be available on commercially reasonable terms, if at all. Even where we initiate litigation, such legal activity is costly and may divert technical and management personnel from their normal responsibilities. Furthermore, we may not prevail in any such litigation or proceeding. A determination in an intellectual property litigation or proceeding that results in a finding of a non-infringement by others to our intellectual property or an invalidation of our patents may result in the use by competitors of our technologies or processes and sale by competitors of products that resemble our products, which may adversely affect our ability to compete as well as create increased supply and corresponding downward pricing pressure.

In addition, a number of governments have instituted regulations attempting to increase the security of chemical plants and the transportation of hazardous chemicals, which could result in higher operating costs and could have a material adverse effect on our business, results of operations or financial condition.

We may fail to develop new, commercially viable products or find sufficient commercial use for those products we have already developed

An important driver in our business is the continuous development of new and innovative products, including environmentally sustainable products and manufacturing processes. While we typically bring to market between 10 to 20 new products per year, we might not be able to maintain the same flow of innovative products in the future, which could significantly affect our position in the market. In addition, the development timeline of new products is approximately between four to five years and results in each case are uncertain. Some new products may require a longer development period to achieve commercial adoption depending on their innovative nature or other requirements. For example, certain new technologies developed for use in the oil and gas industry are subject to extensive qualification, testing and validation processes and heightened safety requirements, and customers may be reluctant to deviate from established protocols, which can delay adoption notwithstanding successful technical testing. A significant amount of capital needs to be dedicated to develop new products, for which the process is lengthy and results are uncertain. See "*Business—Research and Development*." Therefore, it is difficult to estimate the commercial success of new products unproven in the marketplace. Potential new products that appear promising during the development stage may fail to reach the market or have only limited commercial success. This could be attributable to any number of factors, including efficacy or safety concerns, an inability to obtain necessary regulatory approvals in certain geographic markets, difficulties in manufacturing or excessive manufacturing costs, erosion of patent terms as a result of a lengthy development period, infringement of patents or other intellectual property rights of others or an inability to differentiate the product adequately from our competitors. We may also commit errors in planning and misallocate resources, develop products that require large investments in research and development and capital expenditures but are not commercially viable, fail to anticipate the impact of new and emerging technology or changes in trends, fail to accurately determine market demand for new products and services, experience cost overruns, delays in delivery or performance problems and create market confusion by making changes to our existing products and services.

Some innovation takes longer than planned to gain market share. An example is our P&A breakthrough technology in O&G where filled tests although successful are run with extra care due to the sensitivity of the industry towards safety aspects and tendency to keep existing protocols. Any failure to develop commercially viable products or to develop additional uses for existing products could make us less competitive and could in turn have a material adverse effect on our financial results. If our expectations for the market performance of products launched in the prior five years are not realized, we may be unable to recover development costs or to keep pace with the innovations of new or existing competitors, we may lose existing customers or be unable to attract new customers, any of which could reduce demand for any of our key products and may have a material adverse effect on our business and results of operations.

We face significant competition in the chemical market, for the development, production and sale of certain of our products, which could negatively impact our business

We are a global operator in the field of specialty chemicals, focusing on continuous product innovation as a fundamental element of our business strategy, as opposed to developments pursued only on the basis of requests from customers. We face intense competition in the development, production and sale of our products. Changes in the competitive landscape could make it difficult for us to retain our leadership position in various products and markets throughout the world.

The chemical market is currently characterized by intensifying price competition, particularly driven by China's export and structural overcapacity in commodity chemicals. Chinese producers, who have expanded their capacity rapidly since 2020, are now facing a general economic slowdown in their home markets. As a response, they have adopted aggressive export strategies, expanding in foreign markets with products at a very competitive price targeting, in particular, European and U.S. markets. This is explained because Chinese producers produce at a significantly lower cost compared to their European counterparts, due to lower energy and labor costs, and receive state support, enabling them to sell at prices significantly below the European offering. In many cases, it is economically preferable for Chinese producers to export excess production at low prices rather than reduce plant capacity.

These dynamics have severe implications for European producers, who face higher costs tied to energy consumption, particularly following limitations to the access to Russian gas, and to environmental policies, such as carbon pricing. Low-priced imports from China increased significantly in the first half of 2025, in particular for carbon-intensive products, that are produced with lower energy costs and no carbon price. This trend has reduced profitability for European producers and triggered a wave of plant closures among major players in the market. While our ability to redirect our production towards growing markets and increasing the quality of our products have proved effective in limiting the negative effects of market saturation and competition, we may not be able to do so for all our product lines and switching costs may be economically inconvenient.

These challenges have decreased demand from local producers and triggered imbalances between supply and demand, as well as a trend of oversupply, including in the market for agricultural chemicals. The combination of overcapacity, trade policy disputes, and geopolitical uncertainty has resulted in a volatile demand and consequent uncertainty in the market.

Under these challenging market conditions, U.S. and European chemical producers have seen a decrease in both volumes and revenues for commodity products. While our constant focus on increasing the quality value and sustainability of our products differentiates us from our peers and has allowed us to navigate such competitive market, we may be unable to sustain our competitive position, which could result in declines in net revenue, profitability, and market share, and could have a material adverse effect on our business, operating results, and financial condition. Although antidumping complaints and potential policy interventions, such as carbon border adjustments, are under consideration at the European Union level, their effectiveness remains uncertain. Without meaningful regulatory support or structural adjustments, continued exposure to low-cost imports and global oversupply could lead to further plant closures, reduced capacity utilization, and long-term erosion of competitiveness for European producers.

Certain of our current or future competitors may possess greater financial or operational resources than we do, enabling them to better face such competitive market conditions and further expand their market share. Competitors may also adopt aggressive pricing strategies and export practices, which could require us to lower our prices to remain competitive. Our competitors may have greater financial resources than us, may, from time to time, benefit more than us from favorable foreign currency exchange rates or may be able to produce certain products more economically than us because they have greater access to raw materials.

Furthermore, a number of our customers are participants in markets that are undergoing consolidation. We could lose individual customers to competitors if they are acquired by, or consolidate with, other companies that have relationships with our competitors. Even when consolidation does not occur, key customers across Europe face a competitive threat from low-cost producers in Asia. If our customers are unable to successfully compete with Asian manufacturers, such customers may decrease the size of their purchases from us going forward, or cease making such purchases altogether, and we may not be able to compensate the loss with increasing sales to the Asian manufacturers. In addition, producers in the United States generally incur in lower gas and energy costs compared to European producers, therefore placing the former at a competitive advantage. Although our balanced production footprint in the United States allows us to effectively compete domestically, we cannot guarantee we will not experience competitive pressure from producers that face lower production costs in our European markets.

Although we are engaged in a range of research and development programs to develop new products and processes, to improve and refine existing products and processes and to develop new applications for existing products, the failure to develop new products, processes or applications could make us less competitive. Moreover, if any of our current or future competitors develop proprietary technology that enables them to produce products at a significantly lower cost, our technology could be rendered uneconomical or obsolete.

Intensified competition in any of our product classes could compel us to reduce our prices, which could result in reduced profit margins, especially in a high inflation environment, and loss of market share and have a material adverse effect on our business, financial condition and results of operations.

We have recorded a significant amount of goodwill and we may not realize the full value thereof

We have recorded a significant amount of goodwill. As of September 30, 2025, our total goodwill, which represents the excess of the cost of acquisitions over our interest in the net fair value of the assets acquired and liabilities and contingent liabilities assumed, amounted to €494.4 million, representing 41.6% of our total assets, which amounted to €1,186.9 million as of September 30, 2025.

Our results of operations may vary due to the impairment of goodwill relating to acquisitions, as well as other intangible assets relating to acquired trademarks and licenses and acquired customer-related intangible assets, deterioration in our performance, a decline in expected future cash flows, adverse market conditions, adverse changes in applicable laws and regulations and a variety of other factors. We conduct annual impairment tests on goodwill and annual assessments of the carrying values of intangible and tangible assets when impairment indicators exist. There is significant judgment required in the analysis of a potential impairment of goodwill, intangible assets, and tangible assets. If the fair value of our assets decreases as a result of a general economic slowdown, deterioration in one or more of the markets in which we operate, impairment in our financial performance and/or future outlook, or declines in the values of comparable companies, we may determine that the value of goodwill, brands or other intangible assets is impaired. An impairment charge would be recorded if the estimated fair value of the assets is lower than the carrying value and any such impairment charge could have a material adverse effect on our business, financial condition and results of operation.

Our total assets include tangible assets, including property and equipment and assets with an indefinite life, principally goodwill. Changes to estimates or projections used to assess the fair value of these assets, or operating results that are lower than our current estimates, may cause us to incur impairment charges

Our total assets include tangible assets, including property and equipment and assets with an indefinite life, principally goodwill. We make certain estimates and projections in connection with impairment analyses for these long-lived assets. We also review the carrying value of these assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. We will record an impairment loss when the carrying value of the underlying asset, asset group or reporting unit exceeds its fair value. These calculations require us to make a number of estimates and projections of future results. If these estimates or projections change, we may be required to record additional impairment charges on certain of these assets, which could adversely affect our business, results of operations or financial condition.

We may be subject to information technology systems failures, network disruptions and breaches of cyber security. A cyber incident could occur and result in information theft, data corruption, operational disruption and/or financial loss

Our industry has become increasingly dependent on information technology to conduct certain processing activities. For example, we depend on information technology to perform many of our services and to process and record financial and operating data. However, the more we have become digitalized, the more cyber incidents, including deliberate attacks, have increased. Our technologies, systems and networks, and those of our vendors, suppliers and other business partners, may become the target of cyberattacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of proprietary and other information, or other disruption of business operations. In addition, certain cyber incidents, such as surveillance, may remain undetected for an extended period. While we are continuously updating our mechanisms for detecting cyberthreats as well as our disaster recovery plans and backup infrastructure, our systems for protecting against cyber security risks may not be sufficient. As cyber incidents continue to evolve, we will likely be required to expend additional resources to continue to modify or enhance our protective measures or to investigate and remediate any vulnerability to cyber incidents. Furthermore, acquisitions may pose complex integration issues related to streamlining and integrating our information technology systems and processes.

While we have dedicated resources for maintaining levels of cyber-security that we deem appropriate and we utilize third-party technology, products, and services to help identify, protect, and remediate our information technology systems and networks against security breaches and cyber-incidents, our measures may not be adequate or effective to prevent, identify or mitigate attacks by hackers or breaches caused by employee error, malfeasance, or other disruptions. Furthermore, given the increasing complexity and sophistication of the techniques used to obtain unauthorized access or disable or degrade systems, such intrusions may be difficult to detect for periods of time. While we maintain what we believe is sufficient insurance coverage to cover certain aspects of third-party cyber-security claims and business interruption, our insurance coverage may not always cover all costs or losses.

Additionally, we rely on our information technology systems for regulatory compliance, including the EU-wide General Data Protection Regulation (the "**GDPR**") which went into effect on May 25, 2018 and 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, employee negligence or the actions of our vendors, we may be subject to legal claims by individuals, fines or other enforcement action. *See* "*—More stringent regulations in the area of data privacy could adversely affect our business, financial condition, results of operations and prospects.*"

Information technology systems failures, including risks associated with upgrading our systems, network disruptions and breaches of data security could disrupt our operations by impeding our operational efficiencies, delaying processing of transactions and inhibiting our ability to protect customer or internal information (such as business data, ancillary and general company data as well as personal data of, among others, our employees, customers, contractors, suppliers and other business partners). 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. Our computer systems, including our backup systems, could be damaged or interrupted by power outages, computer and telecommunications failures, computer viruses, internal or external security breaches, events such as fires, earthquakes, floods, tornadoes and hurricanes, and/or errors by our employees. Although we have taken steps to address these concerns by implementing sophisticated network security, backup systems and internal control measures, a system failure or data security breach could occur and materially adversely affect our business, financial condition and results of operations.

More stringent regulations in the area of data privacy could adversely affect our business, financial condition, results of operations and prospects

In the ordinary course of business, we process personally identifiable information on customers, business partners, employees, third parties and others (including name, address, age, bank details and personal sensitive information) and therefore we must comply with strict data protection and privacy laws and regulations. Any processing of personally identifiable information of individuals located in the European Economic Area 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 personally identifiable information 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 personally identifiable information. In particular, starting from May 25, 2018, our operations are subject to the provisions of Regulation (EU) 2016/679 of April 27, 2016 ("**General Data Protection Regulation**" or "**GDPR**") and to the Italian Privacy Code (Legislative Decree no. 196/2003, as amended by Legislative Decree no. 101/2018, which adapted Italian rules to GDPR). The GDPR increased both the number and the restrictive nature of the obligations binding us in particular with respect to the collection, processing and use of personally identifiable information. Such obligations include, for example, (i) the processing of personal data in accordance with the transparency, data minimization, accuracy, storage limitation, security and confidentiality principles, (ii) the ability to demonstrate compliance with such principles (accountability), (iii) the obligation to identify a legal basis before the processing, (iv) the obligation to ensure the rights of data subjects, such as, among others, transparency, a 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, while implied/opt-out consent has at times been deemed sufficient under the former regime. The GDPR obligates 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, as opposed to fines of less than €1 million under the former regime. 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 Legislative Decree No. 196/2003, certain criminal sanctions could be applied to individuals involved in unlawful processing activities.

We adapted our internal procedures and operations to the requirements imposed by the GDPR and the Italian Privacy Code and have taken actions to ensure the constant and complete implementation of the best practices for compliance with the applicable data protection regulatory framework. Nevertheless, there can be no assurance that we carried out the GDPR and the Italian Privacy Code implementation effort in an appropriate effective and timely manner, and any related failure in complying with the applicable data protection and privacy regulatory framework could have a material adverse effect on our business, financial condition, results of operations and prospects.

The European Commission has proposed to replace Directive 2002/58/EC on Privacy and Electronic Communications (the "**ePrivacy Directive**") with a new regulation primarily aimed at aligning certain provisions of the ePrivacy Directive to the GDPR. The Proposal for a Regulation on Privacy and Electronic Communications (the "**ePrivacy Regulation**") was published by the European Commission on January 10, 2017 and is currently under negotiation in light of the draft proposals issued by the European Parliament and the European Council. The draft ePrivacy Regulation proposes heightened regulatory requirements in connection with unsolicited communications, the use of cookies, security of personally identifiable information, confidentiality of communications, consent, data security and data integrity. In line with the GDPR, breaches of the ePrivacy Regulation may result in maximum fines equal to the greater of €20 million and 4% of the annual global turnover of the sanctioned company.

Moreover, on December 14, 2022, the EU Institutions adopted Directive (EU) 2022/2555 setting forth measures for a high common level of cybersecurity across the EU (the "**NIS2 Directive**"), which has been transposed in Italy with Italian Legislative Decree No. 138/2024. The new cybersecurity risk management and incident reporting requirements introduced by the NIS2 Directive entered into force in 2025. We are directing our efforts to reaching compliance with the NIS2 Directive, which is the European Union's updated cybersecurity framework. The goal of this directive is to indicate specific principles and measures for companies to follow in order to limit their exposure to cybersecurity risks. In this context, we conduct ongoing risk assessments, provide regular employee training on data privacy, and have developed targeted procedures to detect and prevent scams.

The regulatory environment governing our use of data relating to identifiable individuals (customers, employees and others) is complex. Privacy 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.

Any failure, or perceived failure, by us 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/entities, 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. Even the perception of privacy 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. Furthermore, in the aftermath of temporary personnel initiatives implemented as a result of the COVID-19 pandemic, such as a reliance on remote working, as well as an increased amount of employee health data being processed, our exposure to this risk is temporarily heightened.

Each of our Adjusted EBITDA and Further Adjusted EBITDA presented in this Offering Memorandum is based upon management estimates and assumptions in respect of certain cost savings, revenue synergies and other initiatives. Such estimates and assumptions might prove to be materially incorrect as a result of factors that are beyond our control and are subject to known and unknown risks, uncertainties and other factors

Each of our Adjusted EBITDA and Further Adjusted EBITDA presented in this Offering Memorandum has not been subject to audit or review by our auditors, consultants or experts and the adjustments and assumptions that have been used to prepare it may prove to be inaccurate or may be affected by other factors that have not been accounted for. Each of our Adjusted EBITDA and Further Adjusted EBITDA is based on a number of assumptions and estimates, including estimates with respect to certain cost savings, revenue synergies and other initiatives, some of which we expect to generate following the Transactions from initiatives that have not been initiated or have been initiated only in part as of the date of this Offering Memorandum (see "*Summary—Summary Historical Financial and Other Information—Non-IFRS and As Adjusted Financial Information*"). These estimated savings and synergies are forward-looking by nature and therefore subject to a number of assumptions about the timing, execution and costs associated with implementing the underlying initiatives. Such assumptions are inherently uncertain and are subject to significant business, economic and competition factors which are difficult to predict and some of which are beyond our control, and other risk factors identified in this Offering Memorandum.

Although we believe the estimates and assumptions we have used to calculate each of our Adjusted EBITDA and Further Adjusted EBITDA are reasonable, there can be no assurance that such assumptions will turn out to be correct. In addition, the effects of these initiatives may be offset by deterioration in the markets in which we operate, increases in other expenses or unrelated challenges in the business. As a result, the amount of cost savings and/or synergies that we will actually realize, if any, and the timing of any such realization may differ significantly from (and may be significantly lower or occur later than) the ones that we currently estimate and have presented herein. In addition, the costs and other expenditures we may incur in trying to realize these initiatives and other benefits described herein may be substantially higher than our current estimates and may outweigh any benefit.

Each of our Adjusted EBITDA and Further Adjusted EBITDA and the underlying calculations were not prepared with a view to compliance with the published guidelines of the SEC or the guidelines published by any other regulatory or industry body regarding estimates, and therefore have not been, and cannot be, audited, reviewed or verified by any independent accounting firm. Each of our Adjusted EBITDA and Further Adjusted EBITDA is included in this Offering

Memorandum because we believe that it provides a useful indication of what the results of the Group may be upon the completion of certain cost saving and other initiatives following the Transactions; however, this information does not constitute a measure of financial performance under IFRS or other generally accepted accounting principles, and you should not consider any of this information as an alternative to operating profit for the year/period or any other performance measure derived in accordance with IFRS or as a measure of our results of operations or liquidity. If any of our assumptions or estimates prove to be incorrect, we may not generate sufficient cash flow to redeem the principal of and pay interest on the Notes when they become due.

We are exposed to credit risk related to both our customers and suppliers

A number of our customers and suppliers rely on access to credit to adequately fund their operations. The ability of both our customers and suppliers to access necessary credit may be limited for a number of reasons, including adverse economic conditions. If our customers are unable to access credit facilities they may be unable to pay for products we supply them in a timely fashion or at all, which may adversely affect our business by reducing our sales and increasing our exposure to bad debt, thereby reducing our profitability. As of September 30, 2025, our provision for doubtful debt was €1.7 million.

Similarly, a significant adverse change in a customer's financial position, as a result of adverse economic conditions or otherwise, could increase our credit risk relating to that customer's receivables or limit our ability to collect accounts receivable from that customer. For example, as of the nine months ended September 30, 2025, the Group had trade receivables from Russian and Belarussian customers for €0.1 million and €0.4 million, per respective country. In addition, although our products are generally produced as part of a wider group with similar specifications, certain products are tailored to meet our customers' needs. Even though we do not consider ourselves materially exposed to any single customer, there is no assurance that customer concentration will not pose a risk in the future. In addition, there is no assurance that customers affected by a declining local economy or, in the case of certain countries including Russia and Belarus, the imposition of sanctions (including full blocking sanctions on financial institutions used by Russian and Belarussian customers for payments), will be able to pay the due receivables.

Additionally, any inability by our suppliers to access credit facilities, for whatever reason, may adversely affect our business by increasing prices for raw materials and transportation, which could have an adverse effect on our margins.

We are exposed to risks related to our financial arrangements with respect to receivables factoring

From time to time, we enter into factoring arrangements with financial institutions to sell certain of our accounts receivables from customers. As of September 30, 2025, we had €52.7 million of factoring outstanding, of which €37.4 million under the CALF Factoring Agreement (as defined below) that provides for a total capacity of €45.0 million. As of September 30, 2025, the amount of outstanding factoring on a recourse basis amounted to €0.8 million, all of which under the CALF Factoring Agreement. See "*Description of Certain Financing Arrangements—Factoring*." If we were to cease entering into such or other factoring arrangements, our business, financial condition, results of operations, cash flow and prospects could be adversely impacted. By entering into these arrangements we are exposed to additional risks. If any of these financial institutions or other counterparties experiences financial difficulties or is otherwise unable to honor the terms of our factoring arrangements with them, we may experience material financial losses which could have an adverse impact upon our business, financial condition, results of operations, cash flow and prospects.

Changes in exchange and export controls and repatriation restrictions could affect the Group's profitability

In the year ended December 31, 2024, 90.3% of our revenue was generated outside of Italy. In general, when an entity in a foreign jurisdiction repatriates cash to Italy, the amount of such cash is taxable at Italian tax rates. In particular, our subsidiaries in China, Brazil and India are subject to significant restrictions, including exchange controls, limitations on shareholder loans and capital controls.

Exchange controls may alter the terms on which foreign suppliers are willing to do business with the Group or their willingness to do business at all. As we expand our operations into certain countries, we may encounter government regimes with repatriation restrictions, thus limiting our ability to freely transfer revenue within our group company. The ability to manage these risks could be difficult and may limit our operations and make the manufacture and sale of our products internationally more difficult, which could negatively affect our business and results of operations.

Uninsured losses, losses in excess of our insurance coverage for certain risks and unanticipated changes in our insurance costs could have a material adverse effect on our business, competitive or financial position or our results of operation

We maintain various insurance policies, including, among others, multi-risk insurance, which provides coverage for damages caused to buildings, machinery, equipment, furnishings, mechanical failures, business interruption and our products and raw materials, as well as for environmental liability, marine cargo, and director and officer liability. Our insurance may not cover all risks associated with the hazards of our business and is subject to limitations, including deductibles and maximum liabilities covered. We may incur losses beyond these maximum limits or outside the coverage of our insurance policies. If this occurs, and we face liability, our business, financial condition and results of operations could be materially adversely affected. For details of such potential liabilities, see "*—We may be subject to information technology systems failures, network disruptions and breaches of cyber security. A cyber incident could occur and result in information theft, data corruption, operational disruption and/or financial loss*".

In addition, from time to time, various types of insurance for companies in our industries have not been available on commercially acceptable terms. In the future, we may not be able to obtain coverage at current levels, and/or our premiums and deductibles for certain insurance policies may increase significantly on the coverage that we currently maintain or coverage may be revised from time to time. Our insurance program has been renewed following its expiration at the end of 2025, maintaining the same categories of risk coverage. The renewal has resulted in increased insurance premiums for 2026 compared to 2025, as well as revisions to certain policy terms and conditions, including deductibles and business interruption provisions. In addition, in connection with the renewal process, we have agreed to implement enhanced risk mitigation and prevention measures, which are expected to require the anticipation of certain capital expenditures over the next few years. These measures are intended to improve our overall risk profile and support continued access to the insurance market on acceptable terms; however, they may not prevent the occurrence of future insured or uninsured events, may increase our costs and may not be sufficient to fully mitigate the financial impact of such events. If insurance is not available at economically acceptable premiums, there is a risk that our insurance coverage does not cover the full scope and extent of claims against us or losses that we incur, including, but not limited to, claims for environmental or industrial accidents, occupational illnesses, pollution and product liability and business interruption. As a result, future losses may expose us to higher out-of-pocket costs, delayed recoveries or reduced coverage. Any such increased insurance costs, higher deductibles, delays in reimbursement or a failure to maintain adequate insurance coverage could materially adversely affect our business, financial condition and results of operations.

Furthermore, we could be required to increase our debt or divert resources from other investments in our business to discharge an uninsured claim or while we wait for the reimbursement of insurance proceeds. For example, we received insurance indemnities for damages resulting from the June 2024 incident in the Spoleto Plant toward the end of 2025, while related cash proceeds are expected in the beginning of 2026. Costs associated with unanticipated events in excess of our insurance coverage, or a failure to maintain such coverage could materially adversely affect our business, financial condition and results of operations.

We are exposed to product safety and product liability risks

Our business is subject to product safety risks and we have established processes for the assessment of product safety. However, there can be no guarantee that our processes will prevent all product safety issues or that there will be no gaps in the completion of the safety assessment. Furthermore, some of our products present inherent dangers, including due to the presence of chemicals, which if mishandled or misused, could result in significant damage.

As a product manufacturer, we are subject, from time to time, to certain legal proceedings and claims arising out of our products, including as a result of unanticipated side effects or issues that become evident only after products are widely introduced into the marketplace. We have paid in the past and may be required in the future to pay, compensation for losses or injuries that are allegedly caused by our products. See "*—We may incur litigation-related expenses and/or reputational damage, among other losses, which could harm our business.*" Product liability claims may arise, among other things, from claims that our products are defective, contain contaminants, provide inadequate warnings or instructions, or cause personal injury to persons or damage to property. We have settled product liability claims in the past and may be exposed to additional product liability claims in the future, which, if resolved unfavorably, or if settled, could result in injunctions and/or may require us to pay substantial damages and related costs, including punitive damages, as well as result in the imposition of civil and criminal sanctions. For example, in 2024, we faced a claim of product defectiveness and non-conformity, which required us to settle the case with the complaining customer for a minimal amount. If one of our products is found to be defective, we could be required to recall it, and/or may be required to alter our trademarks, labels or packaging, which could result in adverse publicity, significant expenses, potential disruptions in the supply chain and loss of revenue.

We have in the past voluntarily implemented, and may in the future face product quality concerns and voluntarily implement, product recalls, which could expose us to product liability claims. Additionally, complaints, investigations and litigation by consumers or government authorities relating to any of our products, our competitors' products or individual ingredients may result in judgments that affect us, our ability to do business in the affected jurisdictions and/or the industries in which we operate, including with respect to other products not directly implicated in such complaints, investigations and litigation. Product quality concerns may also require us to implement a product recall, which could be costly and result in product liability claims. A recall of any of our products, or of a third-party product that is similar to ours, could result in reputational damage and a decline in consumer confidence about our products, including those not directly implicated in the recall. Further, whether real or perceived, reports of inadequate quality control (with respect to either our products or those of competing manufacturers) could adversely impact our business by contributing to a perceived safety risk throughout the industry. The risk of reputational harm is magnified through rapid, digital dissemination of information through news reports, social media or otherwise. State and local governments and municipalities could also propose or pass legislation banning the use of our products. Any of the foregoing could materially adversely impact our business, financial condition, results of operations and prospects.

Furthermore, we may not be insured fully, or at all, in respect of such risks, and we have in the past faced, currently face, and may in the future face, disputes with our insurers in the event that they refuse to cover a particular claim. In such instances, we may be required to bear substantial losses, which could materially adversely affect our business, financial condition and results of operations.

We may incur litigation-related expenses and/or reputational damage, among other losses, which could harm our business

From time to time, we are involved in various litigation matters, which may include, but are not limited to, actions relating to product liability claims, alleged violation on trade confidentiality, intellectual property, tax laws, implementation of regulatory requirements, commercial arrangements, environment, health and safety, joint venture or other agreements with third-parties, labor and employment or other harms including those resulting from the actions of individuals or entities outside of our control. We cannot predict with certainty the cost of defense, the cost of prosecution or the ultimate outcome of litigation and other proceedings filed by or against us, including remedies granted or award of damages, and adverse results in any litigation and other proceedings may materially harm our business.

Our operations involve the use and sale of hazardous materials and we have been from time to time, and in the future may be, subject to claims made in relation to our property or former property, operations, or for personal injury, including adverse health effects, to employees and other persons who may have used or been exposed to our products, resulting from EHS impacts of our operations. Additionally, with respect to certain sites, we have pursued litigation, which remains ongoing, to enforce the contractual transfer of liability to ELT for investigation and remediation obligations related to sites with known or potential environmental contamination, and are pursuing coverage under available insurance. Litigation remains ongoing and we cannot accurately predict the cost or the ultimate outcome of this litigation and other proceedings (including EHS-related claims) against us, including remedies or damage awards, or if insurance will be available under related policies. See "*—We may be subject to ongoing costs and regulations related to contamination or exposure impacts from our operations or products*" and "*Business— Legal and Regulatory Proceedings*." Adverse results in any litigation or other proceedings may materially harm our business.

Furthermore, our products have widespread uses in a variety of end markets, including transportation, consumer products, building and construction and industrial. If a product liability claim or series of claims arising out of these various uses (particularly where the value of such claims is in excess of our insurance coverage, applicable indemnification agreements, or any provision we made), were successful against us, it could have a material adverse effect on our business, financial condition and results of operations. We could be required to increase our debt or divert resources from other investments in our business in order to discharge any such claims, or might not be able to cover such claims at all. Additionally, new discoveries about the safety of our products may be made in the future and such discoveries may lead to a substantial decline of the sale of any affected products, both of which could materially affect the profitability of our operations.

More generally, in the chemicals industry, products are subject to public scrutiny and may become the target of environmental group protests and campaigns, which, in turn, could lead the public to develop a negative perception of certain of our products, which could materially affect sales and volumes of such products. For more information related to environmental claims, see "*—Compliance with EHS and zoning and town planning laws and regulations and the retention of requisite permits related to our operations could result in significant ongoing costs and may result in further obligations and liabilities associated with our business*."

In addition, third-party litigation could have an indirect, materially adverse impact on us and the market environment in which we operate. There can be no assurance that we will be successful in defending ourselves in pending or future litigation or similar matters under various laws. Furthermore, a significant third-party claim could divert management's attention from current operations and could cause us reputational harm. Any of these events could result in considerable costs, including damages, legal fees and temporary or permanent ban on the marketing of certain products and this could have a material adverse effect on our business, financial condition, results of operations and prospects. Adverse outcomes could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to rules and regulations governing our products and business activities which could adversely impact our business

The process of seeking regulatory approval of certain new products and production processes can be time-consuming and subject to unanticipated and significant delays, and such approvals may ultimately not be granted at all. Any delay in obtaining, or any failure to obtain or maintain, these approvals would adversely affect our ability to introduce new products, to continue distributing existing products, and to generate revenue from those products, which could have a material adverse effect on our business and prospects.

In addition to the laws and regulations currently applicable to our products, new laws and regulations may be introduced in the future that could result in additional compliance costs, confiscation, recall or monetary fines, any of which could prevent or inhibit the development, distribution and sale of our products.

We are exposed to global import and export tariffs as a result of our international operations. For example, the new fiscal policy, regulatory agenda and trade policy actions by the U.S. government may impact economic conditions in the United States and other countries as well as the cost of importing goods into the United States or, as a result of retaliatory measures put in place by other governments, exporting goods outside the United States. Any changes in the laws and regulations and tariffs to which we are subject, including the discontinuation of any tariff incentives that we currently use, could have a material adverse impact on our business, financial condition and results of operations. For more information related to the current tariff situation and consequences, see "—*Our business is sensitive to global economic and geopolitical conditions*."

In addition, some of our products are classified as "dual-use" goods (i.e. goods having both civil and military applications), such as phosphorus pentachloride, phosphorus oxychloride, phosphorus trichloride, which are manufactured in our Frankfurt plant, and pentasulphites, which is manufactured in Spoleto. Dual-use goods are subject to specific rules and regulations that are particularly sensitive to political and economic conditions and this might consequently affect our sales, as it has been the case since the beginning of the armed conflict between Russia and Ukraine, as a result of prohibition to sell dual-use goods in certain countries.

Additionally, we obtain and maintain public grants and facilitate financing from governmental and quasi-governmental entities, including for the research and development activities. The agreements governing such public grants and facilitated financing often include burdensome requirements. If we fail to comply with these requirements, we may have to return the relevant amounts upfront and we may incur penalties, bans from obtaining further subsidized loans in the future or other material adverse consequences. For example, in March 2022, we received a non-refundable grant of approximately Euro 10.1 million from the Italian Ministry for Economic Development, as part of an "Important Project of Common European Interest" focused on advancing new technologies in the lithium-ion battery sector.

The Italian Golden Power Legislation is applicable to the Issuer and the Group

The Issuer and the Group are subject to the Italian Golden Power Legislation. Pursuant to this set of rules, the Italian Golden Power Authority may, among others, prohibit or impose recommendations, restrictions, undertakings and other measures with respect to: (i) the acquisition of shareholdings (also as a result of the enforcement of security interests) in companies having assets and relationships in sectors qualified as strategic (*e.g.*, defense and national security, energy, transport, communications, healthcare, etc.), and (ii) resolutions, acts or transactions approved by companies holding assets and relationships in the said strategic sectors and resulting in a change in ownership, control, possession or availability of such strategic assets or relationships or in their intended use or purpose, including, where they have such effect, the granting or extension of security interests over the shares or strategic assets, as well as any enforcement of such security interests or any transfer of voting or other governance rights to the secured creditors.

According to the most recent case law of the Italian Supreme Administrative Court (*Consiglio di Stato*), the creation or extension of a pledge that leaves voting and administrative rights with the pledgor until an event of default occurs does not trigger a notification pursuant to the Italian Golden Power Legislation, provided that the relevant security documents require a notification pursuant to the Italian Golden Power Legislation for any subsequent enforcement or transfer of voting rights upon default. The impact of such case law on future decisions of the Italian Golden Power Authority or other Italian courts cannot be fully assessed as of the date of this Offering Memorandum.

Acquisitions of controlling interests by individuals or legal entities belonging to the European Union and/or the European Economic Area (including Italy) and acquisitions of interests by individuals or legal entities not belonging to the European Union and/or the European Economic Area 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), as well as acquisitions that exceed the 15%, 20%, 25% and 50% thresholds, must be reported to the Italian Golden Power Authority for the possible exercise of the veto right or the application of recommendations, restrictions, undertakings and other measures. Acquisitions of controlling interests by individuals or legal entities belonging to the European Union and/or the European Economic Area (including Italy) are subject to the Italian Golden Power Legislation only if related to companies holding assets and relationships in the defense and national security, communications, energy, transport, healthcare, agri-food and financial sectors. In the defense and national security sector, the threshold upon exceedance of which transactions require a notification is 3% for both European Union and non-European Union/European Economic Area investors (it does not apply only to Italian public authorities or entities controlled by such authorities).

Resolutions, acts or transactions approved by a company holding assets and relationships in strategic sectors that give rise to changes in the ownership, control, possession, availability or intended use or purpose of such assets, including, among others, mergers, de-mergers, transfers of businesses and transfers of a branch of business as going concern and (when a notification pursuant to the Italian Golden Power Legislation is required), the granting or extension of security interests over the shares and/or the strategic assets, must also be reported to the Italian Golden Power Authority within ten days, and in any case prior to their implementation, for the possible exercise of the veto right or the application of recommendations, restrictions, undertakings and other measures. The Italian Golden Power Legislation also applies to intra-group resolutions, acts and transactions having the effects described above.

As a result, our ability to pursue commercial or industrial resolutions, acts or transactions that involve, *inter alia*, the acquisition of, or the subscription for, our shares (or an amendment to our shareholders' structure) is subject to the review by the Italian Golden Power Authority pursuant to the Italian Golden Power Legislation. Moreover, if any of the Group companies is involved in any transaction, act or resolution falling in the scope of the Italian Golden Power Legislation, the Italian Golden Power Authority may veto or impose recommendations, restrictions, undertakings and other measures to consent to the implementation of such transaction, act or resolution. Accordingly, we may not be permitted to undertake such transaction, act or resolution in a timely fashion, without undertakings, or at all.

Finally, the failure to comply with the reporting obligation provided under the Italian Golden Power Legislation or with any veto, restriction, undertakings or similar measures imposed by the Italian Golden Power Authority may result, among others, in the relevant acquisition, resolution, act or transaction being unwound or declared null and void, and in the relevant perpetrators being subject to material monetary fines.

Our business may be affected by political uncertainty in Italy

While the markets in which we operate are not directly tied to general economic and political development of one single country, given the nature of our business and the international scale of our activities, we are nevertheless partially dependent upon macroeconomic and political conditions in Italy, where our headquarters and three of our plants are located, and are exposed to any uncertainty and volatility thereof. While the current Italian government, led by Prime Minister Giorgia Meloni, has been in place since October 2022, Italy has historically experienced prolonged periods of political instability. If such a situation arises, it may make conducting our business challenging. Prolonged political instability in Italy may result in material adverse effects on the Italian market and may, in turn, give rise to a decrease in prices and profitability levels, which may have a material adverse effect on our business, financial condition and results of operations. Moreover, in the event a new government takes positions or actions adverse to our industry or the Italian economy as a whole, this could have a material adverse effect on our business, financial condition, results of operations and prospects. Any of these events could have a material adverse effect on our business financial condition and results of operations. Continuing or new sources of political instability in Italy could materially negatively affect the country's economic recovery and therefore its credit rating and, in turn, have a material adverse effect on our business, financial condition, results of operations and prospects.

We conduct our business in multiple jurisdictions and are exposed to the tax laws of such jurisdictions, including risks in connection with challenges to our tax positions

We operate on a global basis and are therefore subject to the tax laws and regulations in different jurisdictions. Given that tax laws and regulations are subject to change and may not provide clear-cut or definitive doctrines, the tax regime applied to us is sometimes based on our interpretations of such laws and regulations. We cannot guarantee that such interpretations will not be questioned by the relevant authorities. More generally, any failure to comply with the tax laws, regulations or requirements under certain double-taxation treaties applicable to us may result in reassessments, late payment interest, fines and penalties and have a material adverse effect on our business, results of operations, financial condition and prospects. In addition, our business, results of operations and financial condition may be adversely affected if the accruals and provisions made in respect of uncertain tax provisions are lower than the actual tax liabilities incurred, and we may review our compliance with local tax laws and regulations in certain jurisdictions and may incur additional tax liabilities if so required. Any tax audit, tax proceeding or changes in tax legislation or guidance could, as a result of any of the above risks, materially adversely affect our business, financial condition and results of operation.

Changes to global tax laws, including the OECD's Pillar Two Rules could adversely affect the Group's tax profile.

The OECD and many countries in Europe, as well as a number of other countries and organizations, have proposed, recommended or (in the case of certain countries) enacted changes to existing tax laws or new tax laws that address issues related to the taxation of multinational corporations. One example is Pillar Two of the OECDs "BEPS 2.0" initiative, which is aimed at ensuring all companies pay a global minimum tax. In December 2022, the member states of the EU unanimously voted to adopt the OECD's minimum tax rules and phase them into law, and in February 2023 the OECD released technical guidance on the global minimum tax which was agreed by consensus of the Pillar Two signatory jurisdictions. Under the EUs minimum tax directive, member states are to adopt, and a number of member states have adopted or proposed, legislation implementing the minimum tax rules effective for periods beginning on or after December

31, 2023, with the "under-taxed profit rule" to take effect for periods beginning on or after December 31, 2024. Italy enacted legislation implementing the minimum tax rules effective January 1, 2024, as implemented by Decree No. 209. The Pillar 2 Directive and Decree No. 209/2023 in general terms provide that in the event the effective level of taxation of entities belonging to the same group and located in the same jurisdiction is lower than 15 percent, a supplementary tax ("top-up tax") must be due up to the said minimum percentage. Multiple countries outside of the EU have also adopted or proposed legislation to implement the OECD's minimum tax proposal. As a result of these developments and similar developments in other jurisdictions, we are assessing the scope of the new rules and working to comply with the new legal framework. The tax laws of certain countries in which the Group and its affiliates do business could change on a prospective or retroactive basis, and any such change could significantly increase the Group's tax obligations in the countries in which it will do business or require the Group to change the manner in which it operates its business, which may adversely affect the Group and its profitability.

We may incur liabilities for the actions of our directors, employees, agents, representatives, intermediaries or partners

Our employees carry out services at premises operated by us. As a result, we may be subject to claims in connection with damage to property, business interruptions, unauthorized use of our property, unauthorized entry or breach of security protocols, negligence, willful misconduct or other tortious acts by our employees or people who have gained access to premises. Such claims may be substantial and may result in adverse publicity for us.

Moreover, conducting our business in an ethically acceptable manner is important to our reputation, status with regulators and business prospects. Any contact by our directors, employees, agents, representatives, intermediaries or partners with the public administration (including, among others, in the context of interactions held with the public administration in the process of obtaining or renewing any authorization or license, any possible public contribution) involves risks associated with fraud, bribery, corruption, incorrect use of public contribution and other fraudulent activities and related investigations. In addition, our business activities may also involve risks related to possible accidents, which may be due to our directors', employees', agents', representatives', intermediaries' or partners' activities or mistakes and may consist in crimes such as breach of security measures, damages to third parties or manslaughter, and certain workplace safety violation. Our directors, employees, agents, representatives, intermediaries or partners may also expose us to risk or damages arising from improper management, unethical behavior or other workplace violations. For example, in August 2022, a former employee of one of our facilities filed a complaint in accordance with our whistleblower policy alleging various violations by a member of the facility's management. Following receipt of the complaint, we engaged a dedicated audit team to conduct an internal investigation, as a result of which we implemented certain measures to address the violations in accordance with our policies and procedures. While we expect these measures to address the issues highlighted by the investigation, any future developments relating to these allegations and violations, and any other similar incidents, could expose us to civil and administrative penalties and materially adversely affect our business, financial condition, results of operation and reputation. See "*—We may fail to implement adequate monitoring systems or they might be insufficient to prevent the violation of laws and regulations*." Furthermore, we are exposed to the risk that our directors, employees or agents could commit IT related crimes, which may consist in violating the IT systems of our competitors, unlawful access to banking data (including that of our clients) and damages to IT systems and documents.

Any of these events could have a material adverse effect on our business financial condition and results of operations.

We may fail to implement adequate monitoring systems or they might be insufficient to prevent the violation of laws and regulations

Although we maintain and give effect to internal monitoring systems (including the internal control models adopted by the Italian companies of the Group pursuant to LD 231/2001) aimed, *inter alia*, at preventing direct or indirect acts of corruption, bribery, anti-competitive behavior, money laundering, fraud, EHS crimes and any other illegal or otherwise unethical conducts, we may be unable to detect or prevent every instance of such conducts involving our directors, employees, consultants, partners, agents and third party agents representatives and intermediaries and/or fail to adequately update and implement such monitoring systems. In addition, our monitoring systems (including our internal controls and procedures, policies and our risk management system) may not be sufficient, also as a result of our failure to adequately implement any relevant regulatory changes, to prevent, detect and identify inadequate practices, and violation of law by such individuals, especially given our profile, size as well as in light of the extent of our cooperation with them.

We have designed and continue to maintain and update our internal controls with the objective of providing reasonable assurance that (a) our transactions are properly authorized; (b) our assets are safeguarded against unauthorized or improper use; and (c) our transactions are properly recorded and reported, all to permit the preparation of our financial statements in conformity with applicable accounting principles. Internal control over financial reporting can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements and may not prevent or detect misstatements. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Failure to maintain effective internal control over financial reporting, or lapses in disclosure controls and procedures, could impact our financial information and disclosures, require significant resources to remediate, and expose us to legal or regulatory proceedings. We regularly review and update our internal controls and disclosure controls and procedures. If we or our independent consultants determine that our internal controls over financial reporting, or the internal controls of other companies we may acquire, are not effective, or we discover areas that need improvement in the future, these shortcomings could have an adverse effect on our business, financial condition, results of operations and prospects.

Any of the foregoing circumstances (including our failure to adequately implement such monitoring systems or to adequately comply with or implement any relevant regulatory changes) may expose us to civil and administrative penalties, also pursuant to the provisions of LD 231/2001, as well as to reputational damage as a result of such occurrences. In particular, pursuant to LD 231/2001, we may be held responsible for certain crimes committed in Italy or abroad (including, among others, corruption, fraud against the state, corporate offenses, market abuse, certain environmental violations and workplace safety violations) in our interest or for our benefit, by individuals having a functional relationship with us at the time the relevant crime was committed, including third party agents, partners or intermediaries, unless we were able to prove that such individuals fraudulently violated such internal control model and it was for us impossible to avoid such violation. In such circumstances, we may be subject to fines, confiscation of profits or legal sanctions, 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 range from a minimum of three months to a maximum of two years, although in very serious cases, some of these disqualifications can be applied permanently. Certain of the abovementioned legal sanctions may also be applied as interim measures during investigations. As an alternative to the legal sanctions, the court may appoint a judicial custodian to run the company, with the consequence that the profits gained during the receivership period are automatically confiscated. These allegations may expose us to liability under LD 231/2001. Liability, on top of minor administrative fines, may also attach in case we fail to adequately implement a whistleblowing system and/or to follow up on whistleblowing reports according to applicable requirements, including Directive (EU) 2019/1937.

Any of these events could have a material adverse effect on our business, financial condition and results of operations.

We depend on the expertise and experience of key personnel and our management team

Our senior managers and key personnel have extensive knowledge of our business, the industry, market trends and our customers. Because of the specialized and technical nature of our business, our future performance is dependent on the continued service of, and on our ability to attract and retain, qualified management, scientific, technical, marketing and support personnel. In particular, our business is focused on offering high value added and sustainable solutions, which allow us to obtain a high product margin. Therefore, we are largely dependent on highly qualified researchers and technicians. Competition for such personnel is intense, and we may be unable to continue to attract or retain such personnel. Any inability to recruit, train or retain such personnel could hinder our ability to develop and market successful new products and to operate our business, which could have a material adverse effect on our business, results of operations or financial condition.

We may face labor disruptions that could interfere with our operations, and we may be unable to efficiently reorganize our workforce in the event of a market downturn

As of September 30, 2025, we employed a global workforce of 1,104 people in 16 countries, including 607 in EMEA (of which 326 in Italy), 215 in the Americas, and 282 in APAC. We are subject to several collective bargaining agreements in certain countries in which we operate, and in particular in Italy, Span and the United States. See "*Business—Employees.*" In the United States, and in particular at the Ashtabula plant, we have recently concluded a collective bargaining agreement with the United Steelworkers, following the occurrence of two unfair labor charges (as outlined below). While we believe that we have good relations with unions and employees generally, there can be no assurance that our relations will not deteriorate and that we will not experience labor disputes in the future. Any failure to extend or renegotiate our collective bargaining agreements on terms favorable to us, or at all, could have a material adverse effect on our business. There can be no assurance that our employees will not make claims or that we will not incur work stoppages in the future, which if they occurred, would have a material adverse effect on our business, financial condition or results of operations. In addition, the Italian constitution provides that all employees of Italian companies have the right to set up and join trade unions and to carry on union activities, including appointing workers' representatives to negotiate with their employer. In addition, the right to go on strike is provided for under Italian law and therefore we cannot guarantee that our employees will not go on strike in the future. While we have not recently experienced labor disruptions due to strikes, any future work stoppages could hinder our ability to provide our standard level of customer service.

Furthermore, in the event of a market downturn, or other events leading to a decrease in our business volume, we may have to downsize our industrial activities, including by reducing staff and discontinuing some operations. Flexibility in human resource management is, however, significantly affected by labor laws and regulations and by the terms of the agreements between us, unions and government authorities. Labor law and union practices provide significant protections for worker rights in various countries where we operate, including Italy. If there is a market decline or a reduction in business and we are unable to reorganize our workforce consistently with the resulting fluctuation in workload, or otherwise to adjust our production capacity, or are required to incur significant costs in connection therewith, this could have a material adverse effect on our business, financial condition, results of operations and on our ability to perform our obligations under the Notes.

We may be required to increase our contributions to our pension schemes

We have pension commitments to our existing and some of our former employees. These commitments are partially covered by a pension scheme, by pension funds, special purpose funds and insurance policies. The amount of obligations is based on certain actuarial assumptions, including discount factors, life expectancy, pension trends and future salary development as well as expected interest rates applicable to the applicable plan, scheme or fund assets. As of September 30, 2025, the Group's employee benefit obligations amounted to €3.1 million. If the actual results deviate from these assumptions, this could result in a considerable increase of the pension commitments and thus to higher allocations to pension reserves in future years and could have a material adverse effect on our business, results of operations or financial condition.

In certain countries, we sponsor defined benefit plans which provide retirement savings benefits to eligible employees. Employees are eligible to participate in the plan upon hire. The plans are subject to employment and taxation rules and regulations in the United States, including regulations and rules that would require us to increase funding to these plans if they are determined to be underfunded. Any requirement to increase funding to these plans could have a material adverse effect on our business, results of operations or financial condition.

Risks Related to Our Capital Structure

Our substantial leverage and debt service obligations could materially adversely affect our business, financial position and results of operations and preclude us from satisfying our obligations under the Notes and the Guarantees

Upon completion of the Transactions, we will continue to be highly leveraged and have significant debt service obligations. As of September 30, 2025, after giving effect to the Transactions, we would have had total third-party financial indebtedness outstanding in the amount of €698.6 million, which is represented mainly by the Notes offered hereby. In addition, we will have, after giving effect to the Transactions, €117.0 million of available revolving credit under our Revolving Credit Facility, which we expect to be undrawn as of the Issue Date. We anticipate that we will continue to be highly leveraged for the foreseeable future. See "*Capitalization*," "*Description of Certain Financing Arrangements*" and "*Description of the Notes*."

The degree to which we will be leveraged following completion of the Transactions could have important consequences to holders of the Notes, including, but not limited to:

- making it more difficult for us to satisfy our obligations with respect to the Notes, the Revolving Credit Facility and other debt and liabilities we may incur;
- increasing our vulnerability to, and reducing our flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of our cash flow from operations to the payments in respect of our indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, joint ventures, product research and development, or other general corporate purposes;
- restricting us from pursuing acquisitions or exploiting business opportunities;
- limiting our flexibility in planning for, or reacting to, changes in our business, the competitive environment and the industry in which we operate;
- negatively impacting credit terms with our suppliers and other creditors;
- increasing our exposure to interest rate increases to the extent that our indebtedness bears a floating rate of interest;
- placing us at a competitive disadvantage compared to our competitors that are not as highly leveraged;

- limiting our ability to obtain additional financing to fund future operations, capital expenditures, business opportunities, acquisitions and other general corporate purposes and increasing the cost of any future borrowings; and

- limiting our ability to obtain additional capacity for issuance of bid, advance payment, performance and warranty guarantees for operative business purposes and increasing the cost of any future guarantee issuances.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our obligations, including under the Notes and the Revolving Credit Facility.

Our ability to service our indebtedness will depend on our future performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors. Many of these factors are beyond our control. If we cannot service our indebtedness and meet our other obligations and commitments, we might be required to refinance our debt or to dispose of assets to obtain funds for such purpose. We cannot assure you that refinancing or asset dispositions could be effected on a timely basis or satisfactory terms, if at all, or would be permitted by the terms of our debt instruments.

The Issuer partially depends on cash from other companies of the Group to be able to make payments on the Notes

The Issuer's ability to meet its obligations, including its obligations under the Notes is still in part dependent upon the cash flow from its operating subsidiaries in the form of dividends, principal repayments under the Intercompany Loans or other distributions or payments. Given our Group's international operations, we have a large number of operating subsidiaries and business participations, which individually contribute to our results. The amounts of dividends and distributions available to the Issuer will depend on the profitability and cash flows of its subsidiaries and the ability of each of those subsidiaries to declare dividends under applicable law or otherwise transfer funds directly or indirectly to the Issuer. The Issuer's subsidiaries may not generate sufficient cash flows, be permitted under applicable law, or otherwise be able, to make distributions or advance upstream loans to the Issuer to make payments in respect of its indebtedness, including the Notes.

Various agreements governing our debt may restrict and, in some cases may prohibit, the ability of these subsidiaries to move cash to the Issuer. Applicable tax laws may also subject such payments to further taxation. Applicable laws may also limit the amounts that some of our subsidiaries will be permitted to pay as dividends or distributions on their equity interests, or prevent such payments. In particular, the ability of the Issuer's subsidiaries to pay dividends to the Issuer will generally be limited to the amount of distributable reserves available to each of them and the ability to pay its debt when due. The subsidiaries of the Issuer that do not guarantee the Notes have no direct obligation to make payments with respect to the Notes or the Guarantees. While the Indenture limits the ability of the Issuer's subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments, these limitations are subject to significant qualifications and exceptions, including exceptions for restrictions imposed by applicable law.

We may incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Notes, and impair our ability to operate our businesses

Despite our substantial leverage, we may incur substantial additional debt in the future. After giving effect to the Transactions, we could borrow €117.0 million under the Revolving Credit Facility, which is to be secured by the same collateral as the Collateral for the Notes and security interests over certain other assets, and the Indenture will also permit the incurrence of additional debt thereunder. The Revolving Credit Facility Agreement permits and the Indenture will permit us to incur a substantial amount of indebtedness at subsidiaries that do not guarantee the Notes and to incur indebtedness that shares in the Collateral or that benefits from security interests over assets that do not secure the Notes, and any such indebtedness could mature prior to the Notes. Although the Indenture will contain, and the Revolving Credit Facility Agreement contains, restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and the amount of indebtedness that could be incurred in compliance with these restrictions is substantial. If new debt is added to the Issuer's and its subsidiaries' existing debt levels, the related risks that we now face would increase. In addition, the Revolving Credit Facility Agreement does not and the Indenture will not prevent us from incurring obligations that do not constitute indebtedness under those agreements. Our inability to service our debt could have a material adverse effect on our business, financial position, results of operations and our ability to fulfil our obligations under the Notes.

We are subject to restrictive covenants under the Revolving Credit Facility Agreement and the Indenture that may limit our operating and financial flexibility

The Revolving Credit Facility Agreement contains, and the Indenture will contain covenants which impose significant operating and financial restrictions on us. These agreements limit our ability to, among other things:

- incur or guarantee additional indebtedness or issue certain preferred stock;

- make certain restricted payments and investments;

- transfer or sell assets;
- enter into transactions with affiliates;
- create or incur certain liens;
- make certain loans, investments or acquisitions;
- issue or sell share capital of certain of our subsidiaries;
- create or incur restrictions on the ability of our subsidiaries to pay dividends or to make other payments to us;
- take certain actions that would impair the security interests in the Collateral granted for the benefit of the holders of the Notes;
- merge, consolidate or transfer all or substantially all of our assets; and
- pay or redeem subordinated debt or repurchase equity.

All of these limitations will be subject to significant exceptions and qualifications. See "*Description of the Notes—Certain Covenants*." The covenants to which we are subject could limit our ability to operate our business, to finance our future operations and capital needs and to pursue business opportunities and activities that may be in our interest.

In addition, the Revolving Credit Facility Agreement requires us to comply with certain affirmative covenants while the Revolving Credit Facility remains outstanding. Furthermore, under certain circumstances, the Revolving Credit Facility Agreement requires us to comply with a financial ratio while amounts exceeding a certain threshold remain outstanding under the Revolving Credit Facility. See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*." Our ability to meet the financial ratio under the Revolving Credit Facility may be affected by events beyond our control, and we cannot assure you that we will meet such financial ratio. A breach of any of the covenants or restrictions under the Revolving Credit Facility Agreement could result in an event of default under the Revolving Credit Facility Agreement. Upon the occurrence of a payment event of default that is continuing under the Revolving Credit Facility Agreement, subject to the applicable cure period, and upon the acceleration of indebtedness with respect to any other event of default by the creditors under the Revolving Credit Facility Agreement, the relevant creditors could cancel the availability of the Revolving Credit Facility and elect to declare all amounts outstanding under the Revolving Credit Facility, together with accrued interest, immediately due and payable. In addition, a default under the Revolving Credit Facility could lead to an event of default and acceleration under other debt instruments that contain cross default or cross acceleration provisions, including (in the case of acceleration of obligations under the Revolving Credit Facility) the Indenture. If our creditors, including the creditors under the Revolving Credit Facility, accelerate the payment of those amounts, we cannot assure you that the assets of the Issuer and the assets of our subsidiaries would be sufficient to repay in full those amounts, to satisfy all other liabilities of the Issuer and our subsidiaries that would be due and payable and to make payments to enable us to repay the Notes. In addition, if we are unable to repay those amounts, our creditors could proceed against any Collateral granted to them to secure repayment of those amounts.

We will require a significant amount of cash to service our debt and sustain our operations, which we may not be able to generate or raise

Our ability to make principal or interest payments when due on our indebtedness, including the Revolving Credit Facility and our obligations under the Notes, or to refinance our debt and to fund our ongoing operations or expansion plans, will depend on our future performance and ability to generate cash, which, to a certain extent, is subject to the success of our business strategy as well as general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in these "*Risk Factors*," many of which are beyond our control.

We cannot assure you that our business will generate sufficient cash flows from operations, that currently anticipated growth, cost savings or efficiencies will be realized or that future debt financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs including the repayment at maturity of the then outstanding amount under the Revolving Credit Facility. At the maturity of the Revolving Credit Facility, which, from and including the date on which the Revolving Credit Facility Amendment and Restatement becomes effective, is expected to mature on the earlier of (x) four years and six months from the Issue Date or, (y) the date falling six months prior to the earliest maturity date applicable to the Notes, the Notes or any other debt that we may incur, we may be required to refinance or restructure our indebtedness if we do not have sufficient cash flows from operations and other capital resources to pay our debt obligations, or to fund our other liquidity needs.

If our future cash flows from operations and other capital resources are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

The type, timing and terms of any future financing, restructuring, asset sales or other capital raising transactions will depend on our cash needs and the prevailing conditions in the financial markets. We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In such an event, we may not have sufficient assets to repay any portion or all of our debt.

Any failure to make payments on the Notes on a timely basis would likely result in a reduction of our credit rating, which could also harm our ability to incur additional indebtedness. In addition, the terms of our debt, including the Notes and the Revolving Credit Facility, limit and/or will limit, and the terms of any future debt may limit, our ability to pursue any of these alternatives. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business, financial position and results of operations. There can be no assurances that any assets that we could be required to dispose of could be sold or that, if sold, the timing of such sale and the amount of proceeds realized from such sale would be acceptable. If we are unsuccessful in any of these efforts, we may not have sufficient cash to meet our obligations.

The Floating Rate Notes, drawings under the Revolving Credit Facility and any future variable interest rate debt we incur in the future will bear interest at floating rates that could rise significantly, thereby increasing our costs and reducing our cash flow

After giving effect to the Transactions, a substantial part of our debt, including the Floating Rate Notes, will bear interest at a variable rate, and we will be exposed to the risk of fluctuations in interest rates. The Revolving Credit Facility bears and the Floating Rate Notes will bear interest at a variable rate based on the Euro Interbank Offered Rate (EURIBOR) and the term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) ("**Term SOFR**"), plus an applicable margin. These interest rates could rise significantly in the future, increasing our interest expense associated with these obligations, reducing cash flow available for capital expenditures and hindering our ability to make payments on the Notes. In particular, monetary policy in major markets has remained restrictive throughout 2024 and 2025, with central banks maintaining elevated policy rates for an extended period in response to persistent inflationary pressures and market volatility. Although certain central banks have begun signaling a gradual easing cycle, market expectations for rate reductions remain uncertain, and interest rates may remain elevated (or increase again) depending on macroeconomic conditions.

The Revolving Credit Facility Agreement does not and the Indenture will not contain a covenant requiring us to hedge all or any portion of our floating rate debt.

Although we may enter into and maintain certain hedging arrangements designed to fix a portion of these rates including under the Revolving Credit Facility and the Floating Rate Notes, there can be no assurance that hedging will be and continue to be available on commercially reasonable terms. In addition, while we entered into interest hedging arrangements to hedge part of our exposure to fluctuations in interest rates under the Existing Notes, there can be no assurance that hedging will be available on commercially reasonable terms in respect of the Notes, should we decide to enter into any such hedging arrangements. 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 increase significantly, our interest expense would correspondingly increase, thus reducing cash flow.

EURIBOR or other benchmarks may be discontinued or change in the future

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), while others are still to be implemented.

These reforms and other pressures may cause EURIBOR, SONIA, 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. For example, the remaining U.S. dollar and sterling LIBOR settings ceased permanently in 2024. The potential elimination of any benchmark, changes in the manner of administration of any benchmark, or actions by regulators or law enforcement agencies could result in changes to the manner in which EURIBOR or other such benchmark is determined, which could require an adjustment to the terms and conditions, or result in other consequences, in respect of any debt linked to such benchmark (including, but not limited to the Notes and the Revolving Credit Facility). 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 our 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 Revolving Credit Facility Agreement or other documentation that references such rate and, in relation to any of our 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). If we determine that EURIBOR has been permanently discontinued, the Calculation Agent will use, as directed by us, an alternative reference rate for EURIBOR as described in "*Description of the Notes—Interest—Floating Rate Notes*." In addition, the development of alternatives to EURIBOR may result in our floating rate debt (including the Floating Rate Notes and the Revolving Credit Facility) performing differently than would otherwise have been the case if the alternatives to EURIBOR had not developed.

Hedging arrangements may expose us to credit default risks and potential losses if our hedging counterparties fall into bankruptcy

We have entered and may enter in the future into interest hedging arrangements to hedge our exposure to fluctuations in interest rates, including under the Notes and the Revolving Credit Facility. We may also enter currency hedging arrangements in respect of indebtedness or our commercial operations. Under any such agreements, we would be exposed to credit risks of our counterparties. If one or more of our counterparties falls into bankruptcy, claims we have under the swap agreements or other hedging arrangements may become worthless. In addition, in the event that we refinance our debt or otherwise terminate such hedging agreements, we may be required to make termination payments, which would result in a loss.

Risks Related to the Notes, the Guarantees and the Collateral

The interests of the Sponsor and the minority shareholders may conflict with your interests as a holder of the Notes

The Sponsor indirectly controls through TopCo 73% of the share capital of the Issuer, while Dussur and certain minority shareholders hold the remaining 27%. As a result, the Sponsor and such minority shareholders have and will continue to have, directly or indirectly, the power to affect our legal and capital structure as well as the ability to elect and change our management and to approve extraordinary transactions or other changes to our operations and to influence the outcome of matters requiring action by our shareholders. The interests of the Sponsor and/or the minority shareholders interests in certain circumstances may conflict with your interests as noteholders, particularly if we encounter financial difficulties or are unable to pay our debts when due. For example, the shareholders could vote to cause us to incur additional indebtedness or enter into other extraordinary transactions that could be material to our business. The Sponsor is in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us and/or that operate in our markets or adjacent ones. The Sponsor may also pursue acquisition opportunities that are complementary to or in competition with our business and, as a result, those acquisition opportunities may not be available to us. In addition, the Sponsor and/or the minority shareholders may hold interests in suppliers or customers of our Group. The Sponsor and its affiliates could also have an interest in pursuing acquisitions, divestitures (including one or more divestitures of all or part of our business or sales of our shares which would result in changes to our shareholding structure), financings, dividend distributions or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to you as a holder of Notes. See "*Principal Shareholders*" and "*Certain Relationships and Related Party Transactions*."

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 Collateral. See "*Description of the Notes—Security*." Not all of our assets will secure the Notes and the Indenture will allow the Issuer and its restricted subsidiaries 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 and its restricted subsidiaries 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 Indenture will 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 favor 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 the Agreed Security Principles. The Agreed Security Principles set forth in the Indenture will 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. Accordingly, such Agreed Security Principles may affect the value of the security or Guarantees provided by the Issuer and any Guarantor of the Notes.

The value of the Collateral securing the Notes may not be sufficient to satisfy our obligations under the Notes and such Collateral may be reduced or diluted under certain circumstances

The Collateral securing the Issuer's obligations under the Revolving Credit Facility will also secure the Issuer's obligations under the Notes, any upsized amount under or extension of the maturity of the Revolving Credit Facility as part of the Transactions, and it may also secure additional debt to the extent permitted by the terms of the Indenture, the Revolving Credit Facility Agreement and the Intercreditor Agreement. In addition, the Revolving Credit Facility is and will continue to be secured on a first-ranking basis by virtue of a special lien (*privilegio speciale*) over certain movable assets of the Issuer in accordance with Article 46 of the Italian Banking Act. See "*Description of the Notes—Security.*"

If we default 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 favor 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. The Collateral provided as security for the Notes, subject to the Agreed Security Principles and certain material limitations pursuant to applicable laws, will be limited to liens granted over certain assets including the shares of the Issuer and the Guarantors and over intercompany structural loans and to liens over certain material bank accounts of the Issuer and the Guarantors. See "*Description of the Notes—Security*." Trade receivables, inventories, intellectual property rights, real property or other assets of the Issuer and the Restricted Subsidiaries will not constitute part of the Collateral. No appraisal of the value of the Collateral has been made in connection with this 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 such collateral may not be liquid and its value to other parties may be less than its value to us. Likewise, we cannot assure you that the Collateral will be saleable or, if saleable, that there will not be substantial delays in the liquidation thereof. In the event of foreclosure, the transfer of our 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 our operations may require, in certain jurisdictions, governmental or other regulatory consents, approvals or filings 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 our 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. With respect to any shares of our subsidiaries pledged to secure the Notes and the Guarantees thereof, such shares may also have limited value in the event of bankruptcy, insolvency and/or judicial liquidation or other similar proceedings (as applicable) in relation to the entity's shares that have been pledged because all of the obligations of the entity whose shares have been pledged must first be satisfied, leaving little or no remaining assets in the pledged entity.

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 Guarantor's remaining assets.

The Indenture will also permit the granting of certain liens other than those in favor 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 Indenture 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 our obligations under the Notes. Moreover, if we issue additional Notes under the Indenture, 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.

The enforcement of the Collateral will require clearance under the Italian Golden Power Legislation

The Issuer and the Group are, and following the Transactions, will remain subject to the Italian Golden Power Legislation. 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 assets and relationships in sectors qualified as strategic (e.g., defense and national security, energy, transport, communications, healthcare, etc.), and (ii) resolutions, acts or transactions approved by companies holding assets and relationships in strategic sectors and resulting in a change in ownership, control, possession of such strategic assets or relationships, including also, where they have such effect, the granting, extension and/or the enforcement of security interests over the shares/quotas and the assets, or in the intended use or purpose thereof. See "*—Risks Related to Our Business—The Italian Golden Power Legislation is applicable to the Issuer and the Group.*"

To the extent an enforcement of the Collateral would result in the acquisition of an equity interest in the Issuer or any other resolution, act or transaction included in the scope of application of the Italian Golden Power Legislation, such enforcement would require clearance by the Italian Golden Power Authority under the Italian Golden Power Legislation.

The Issuer, HoldCo and the Guarantors will have control over the Collateral, and the sale of certain assets could reduce the pool of assets securing the Notes

The Security Documents relating to the Notes will allow the Issuer, HoldCo, the Guarantors and any other Collateral providers to remain in possession of, retain exclusive control over, freely operate, 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, the Issuer, HoldCo, the Guarantors and any other Collateral providers may, among other things, without any release or consent by the Trustee or the Security Agent, 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. 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.

The principal amount of the receivables forming part of the Collateral may be reduced as a result of prepayments of such loan prior to the maturity date of the Notes

The receivables from the Intercompany Loans will constitute part of the Collateral. Repayments of the Intercompany Loans prior to the maturity date of the Notes would result in a reduction in the receivables, and the Indenture will not prohibit any such prepayments. Any reduction in the principal amount of the Intercompany Loans would reduce the value of such receivables and the Collateral.

The Notes and the Guarantees will be structurally subordinated to the claims of creditors, including depositors, trade creditors and preferred stockholders (if any), of our non-guarantor subsidiaries

Generally, claims of creditors, including depositors, trade creditors and preferred stockholders (if any) of non-guarantor subsidiaries of the Issuer are entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to their respective parent entity or the creditors of the Issuer and the guarantors of the Notes (including the Guarantors). Accordingly, in the event that any non-guarantor subsidiary of the Issuer becomes insolvent, is liquidated, reorganized or dissolved or is otherwise wound up other than as part of a solvent transaction:

- the creditors of the Issuer and the Guarantors, including the holders of the Notes, will have no right to proceed against the assets of such non-guarantor subsidiary; and
- creditors of such non-guarantor subsidiary, including depositors, trade creditors and preferred stockholders (if any) will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before the Issuer or any guarantor of the Notes, as a direct or indirect shareholder (as applicable), will be entitled to receive any distributions from such subsidiary.

As such, the Notes and the Guarantees will be structurally subordinated to the creditors, including depositors, trade creditors and any preferred stockholders (if any) of the subsidiaries of the Issuer that are not expected to guarantee the Notes. As of September 30, 2025, the subsidiaries of the Issuer that are not expected to guarantee the Notes would have had no third-party debt outstanding. In addition, the Indenture will, subject to certain limitations, permit these non-guarantor subsidiaries to incur substantial additional indebtedness without such incurrence constituting a default under the Indenture, and such indebtedness may also be secured. The Indenture will not contain any limitation on the amount of other liabilities, such as deposits and trade payables, that may be incurred by these subsidiaries.

Creditors under the Revolving Credit Facility and counterparties to certain hedging obligations and future indebtedness permitted to be incurred under the terms of the Indenture and the Intercreditor Agreement ranking pari passu with the

Revolving Credit Facility are entitled to be repaid with 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, those under the Revolving Credit Facility, certain hedging obligations and future indebtedness that may be secured on a super senior basis in accordance with the terms of the Indenture and the Intercreditor Agreement (the "**Super Senior Liabilities**")) in priority to applying any such amounts towards discharging the Notes. In addition, the Revolving Credit Facility is and will continue to be secured on a first-ranking basis by virtue of a special lien (*privilegio speciale*) over the present and future movable assets of the Issuer granted by the Issuer in accordance with Article 46 of the Italian Banking Act. Such special lien (*privilegio speciale*) shall not secure the Notes pursuant to applicable Italian law and will be limited in the secured amount to the Issuer's own obligations (*obbligazioni proprie*) as borrower under the Revolving Credit Facility from time to time. As the proceeds from the enforcement of the *privilegio speciale* may be insufficient to repay amounts under the Revolving Credit Facility, in the event of enforcement of the Collateral, holders of the Notes may not benefit from such recoveries if the then outstanding claims under such Super Senior Liabilities (or any other claims with priority with respect to the Notes) are greater than the proceeds recovered. Any proceeds remaining from an enforcement sale of any 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.

Furthermore, claims of our 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.

Holders of the Notes may not control certain decisions regarding the Collateral

The obligations under the Notes and the Guarantees will be secured on a first ranking basis with security interests over the Collateral. The Collateral also secures our obligations under the Super Senior Liabilities and to certain hedging counterparties (if any) and certain other permitted future indebtedness. The Indenture will also permit the Collateral to secure additional indebtedness in accordance with the terms thereof and the Intercreditor Agreement. The Intercreditor Agreement provides that the Security Agent will only enforce the Collateral as provided for in the Intercreditor Agreement, and the Indenture will regulate the ability of the Trustee or the holders of the Notes to instruct the Security Agent to take enforcement action. See "*Description of Certain Financing Arrangements—Intercreditor Agreement.*"

To the extent we incur additional indebtedness that is secured on a *pari passu* basis with the Notes, the voting interest of holders of Notes in an instructing group will be diluted commensurate with the amount of indebtedness we incur.

The creditors of any Super Senior Liabilities may have interests that are different from the interests of holders of the Notes and they may, subject to the terms of the Intercreditor Agreement, elect to pursue their remedies under the Security Documents at a time when it would be disadvantageous for the holders of the Notes to do so. In addition, if the Security Agent sells Collateral consisting of the shares of any of the Issuer's subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, claims under the Guarantees and the liens over any other assets of such entities securing the Notes and the Guarantees may be released. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Description of the Notes—Security—Release of Liens*."

Delays in enforcement could decrease or eliminate recovery values. In addition, 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. By accepting the Notes, 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 and the guarantors of the Notes in the event of a default. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

It may be difficult to realize the value of the Collateral

The Collateral may be subject to exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture and the Intercreditor Agreement, whether on or after the date the Notes are first issued, which could adversely affect the value of the Collateral, as well as the ability of the Security Agent to realize or foreclose on such Collateral. 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 security interests in the Collateral may be subject to practical problems generally associated with the realization of security interests in the Collateral. The Security Agent may also need to obtain the consent of a third party to enforce a security interest. There can be no assurance that the Security Agent will be able to obtain any such consents or that such consents will be given when required. Accordingly, the Security Agent may not have the ability to foreclose upon security and the value of the security may significantly decrease. Furthermore, because the Indenture, the Notes, the Intercreditor Agreement and the security interests in the Collateral will be governed by the laws of a number of different jurisdictions, respective realization and enforcement may be further delayed by court proceedings being taken in multiple jurisdictions.

The granting of the Guarantees and security interests in the Collateral in connection with the issuance of the Notes, or the incurrence of permitted debt in the future, may create or restart hardening periods

The granting of the Guarantees and security interests in the Collateral, including confirmations and/or confirmation and extensions (as applicable) in respect of Collateral securing the Notes and the Revolving Credit Facility, may create for such Guarantees and security interests hardening periods, i.e. the periods of time following the granting of the guarantee or the security interests, as applicable, during which such guarantee or security interests, as applicable, may be challenged in accordance with applicable law. In certain jurisdictions (including Italy), the granting of shared security interests to secure existing, new or future indebtedness (such as hedging obligations or any additional notes issued under the Indenture) or the transfer or the assignment of the security interest may restart or reopen hardening periods. The applicable hardening period for these new security interests can run from the moment each new security interest has been granted or perfected. At each time, if the security interest granted or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void or ineffective and/ or it may not be possible to enforce it.

The applicable hardening or voidance period for these new security interests can run from the moment each new security interest has been granted, perfected, amended, confirmed and/or confirmed and extended, 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 voidance period applicable in such jurisdiction, it may be declared void, ineffective, clawed back and/or it may not be possible to enforce it. In addition, 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 or judicial liquidation receivers, insolvency administrators or courts could challenge the validity and enforceability of the grant of such security interests. Moreover, the bank accounts in which the Issuer and Guarantors grant security interests will not be made subject to account control agreements or otherwise subject to the possession or control of the Security Agent for the Notes. As a result, under relevant U.S. state law, the security interests in such bank accounts governed by such law will be unperfected. As a result, among other limitations, such security interest will be rendered unenforceable in the event such Guarantor is subject to proceedings under U.S. federal bankruptcy law, and will also be unenforceable as against any other person who obtains priority over the security interest of the Security Agent, including by obtaining a perfected lien in such bank accounts. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*."

The Indenture will permit the release and retake of the security interests in the Collateral in certain circumstances, including in connection with certain internal "permitted reorganizations" or as otherwise permitted under the Indenture. In Italy, for example, such 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 paragraphs.

Similar considerations also apply following the Issue Date 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.

Certain actions in respect of defaults taken under the Indenture by beneficial owners with short positions in excess of their interests in the Notes may be disregarded

By accepting the Notes, each holder of Notes agrees, in connection with any consent, amendment, modification or waiver, action, direction to the Trustee or Security Agent, notice of default, notice of acceleration or instruction to the Trustee to provide a notice of default, notice of acceleration or any other Noteholder Direction (as defined under "*Description of the Notes*") to (i) deliver a written representation to the Issuer and the Trustee that such holder is not, or, in the case such holder is the relevant clearing system (as defined under "*Description of the Notes*"), or the relevant clearing system's nominee, that such holder is being instructed solely by beneficial owners that are not, Net Short (as defined under "*Description of the Notes*"), and (ii) provide the Issuer with such other information as the Issuer may reasonably request from time to time in order to verify the accuracy of such Holder's representation within five Business Days of request thereof. Holders of the Notes, including Holders that have hedged their exposure to the Notes in the ordinary course and not for speculative purposes, may not be able to make such representations or provide the requested additional information. These may impact a Holder's ability to participate in Noteholder Directions, subject to mandatory provisions of Italian law and without prejudice to the provisions regarding meetings of the Holders of the Notes set out under "*Description of the Notes*." Provisions contemplating restrictions to the rights of each holder of the Notes to vote in the relevant meeting are untested under Italian law, may be challenged by Holders of the Notes, the Issuer and/or others, and if challenged, may not be upheld by an Italian court. Furthermore, the interactions between (i) the provisions set forth under the Indenture 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.

Enforcing your rights as a holder of the Notes or under the Guarantees thereof or the Collateral across multiple jurisdictions may prove difficult

The Issuer is incorporated under the laws of Italy. Italmatch USA Corporation, Detrex Corporation, The Elco Corporation, and Water Science Technologies, LLC are incorporated in the U.S., and Italmatch Chemicals GB Ltd is incorporated in England and Wales. The Collateral includes the shares of certain of our subsidiaries incorporated under the laws of those jurisdictions and certain present and future intercompany loan receivables held by the Issuer in respect of debtors in these jurisdictions. In the event of bankruptcy, judicial liquidation, insolvency, administration or a similar event, proceedings could be initiated in either of these jurisdictions. Your rights under the Notes, the Guarantees, the Collateral are likely to be subject to insolvency and administrative laws of several jurisdictions and there can be no assurance that you will be able to effectively enforce your rights in such complex proceedings. In addition, the multi-jurisdictional nature of enforcement over the Collateral may limit the realizable value of the Collateral.

The insolvency, administration and other laws of the jurisdiction of organization of the Issuer and any Guarantor may be materially different from, or conflict with, each other and with the laws of the United States, including in the areas of rights of creditors, priority of governmental and other creditors, the ability to obtain post-petition interest, the duration of proceeding and preference periods. The application of these laws, and any conflict between them, could call into question whether, and to what extent, the laws of any particular jurisdiction should apply, adversely affect your ability to enforce your rights under the Guarantees and the security documents in these jurisdictions or limit any amounts that you may receive. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*." Additionally, an enforcement of (i) the pledge over the shares of the Issuer held by HoldCo, (ii) the security over certain material bank account(s) of the Issuer held in Italy, and the (iii) security granted by the Issuer over the Intercompany Loans;will require clearance under the Italian Golden Power Legislation. See "*—The enforcement of the Collateral will require clearance under the Italian Golden Power Legislation*" and "*Limitations on Validity and Enforceability of Guarantees and Security Interests under Italian Law*."

Moreover, in certain jurisdictions, it is unclear whether all security interests in the Collateral securing the Notes give the Security Agent a right to prevent other creditors from foreclosing on and realizing the Collateral or whether certain security interests only give the Security Agent and the holders of the Notes priority (according to their rank) in the distribution of any proceeds of such realization. Accordingly, the Security Agent and the holders of the Notes may not be able to avoid foreclosure by other creditors (including unsecured creditors) on such Collateral.

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

In connection with the enforcement of 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. Among others, 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 Indenture may not restrict the Issuer from incurring significant 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, as well as the value of any other pledge forming part of the Collateral over capital stock of subsidiaries of the Issuer with outstanding debt obligations at the time of enforcement, may be limited. Additionally, an enforcement of the share pledge of the Issuer will require clearance under the Italian Golden Power Legislation. See "*—The enforcement of the Collateral will require clearance under the Italian Golden Power Legislation*" and "*Limitations on Validity and Enforceability of Guarantees and Security Interests under Italian Law*."

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 and the obligations of any Guarantor under the Guarantees will not be granted directly to the holders of the Notes but to the Security Agent, 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. 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 us in the event of a default. See "*Description of Certain 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 will provide for the creation of "parallel debt" obligations in favor of the relevant Security Agent ("**Parallel Debt**") mirroring the obligations of the Issuer and any Guarantor owed to holders of the Notes under or in connection with the Indenture, as applicable ("**Principal Obligations**") but in jurisdictions such as Italy, these Parallel Debt provisions would not be applicable provided 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 the provisions of the Intercreditor Agreement, the Parallel Debt will 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. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*."

For example, in Italy the Collateral will not be granted directly to the holders of the Notes but will be created and perfected in favor of the Security Agent, acting also in its capacity as representative (*rappresentante*) of the holders of the Notes pursuant to Article 2414-*bis*, paragraph 3, of the Italian Civil Code. Under such provision (introduced by Italian Law No. 164 of November 11, 2014), the security interests and Guarantees assisting bond issuances can be validly created in favor 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. 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 which 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 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.

The enforcement of the Collateral located in Italy or governed by Italian law is subject to mandatory provisions of Italian law, including in relation to limitations and defenses 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 Guarantor of the Notes, the enforcement of any collateral provided by such Guarantor of the Notes may be subject to certain restrictions. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantee and the Security Interests*."

Rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral

Under applicable law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party or the grantor of the security, as applicable. The liens on the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if we, or the

Security Agent, fail or are unable to take the actions necessary to perfect any of these liens. Any failure to perfect any security interest in the Collateral may result in the invalidity of the relevant security interest, the holder of the security interest having difficulty enforcing such holder's right in Collateral or adversely affect the priority of such security interest in favor of the Notes against third parties, including a trustee in judicial liquidation and other creditors who claim a security interest in the same Collateral, which may have a material adverse effect on the ability of the holders of the Notes to receive proceeds from any enforcement of the 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.

There are circumstances other than the repayment or discharge of the Notes under which the Collateral securing the Notes will be released automatically without your consent or the Trustee or the Security Agent obtaining your further consent

Under a variety of circumstances, the Collateral securing the Notes will be released automatically, including a sale or other disposition of such Collateral in a transaction that does not violate the asset sale covenant of the Indenture, as applicable, and in connection with an enforcement sale permitted under the Intercreditor Agreement. The Indenture will also permit us to designate one or more restricted subsidiaries that are guarantors of the Notes as unrestricted subsidiaries. If we designate a guarantor of the Notes as an unrestricted subsidiary for purposes of the Indenture, all of the liens on the Collateral owned by such subsidiary and any Guarantee of the Notes by such subsidiary will be released under the Indenture, subject to certain conditions. Designation of an unrestricted subsidiary as such will reduce the aggregate value of the Collateral securing the Notes to the extent of liens securing the shares of such unrestricted subsidiary or of its subsidiaries.

The Issuer may amend the economic terms and conditions of the Notes without the prior consent of all noteholders with the vote of either 75% or 50% of the aggregate principal amount of the outstanding Notes

The Indenture will contain provisions for calling meetings of the holders of the Notes to consider matters affecting their interests generally. As set forth in "*Description of the Notes—Meeting of Holders of Notes*," the majority required to pass an extraordinary resolution at any meeting of holders of Notes will be one or more persons holding or representing at least 75% of the aggregate principal amount of the outstanding Notes. These provisions permit defined majorities (50% or 75%), depending on the nature of the resolution, to bind all holders of the Notes, including holders of Notes who did not attend and vote at the relevant meeting, and holders of Notes who voted in a manner contrary to the relevant majority. In particular, under the Indenture, 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 any Note 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. Under Italian law, the approval of an extraordinary resolution typically requires the consent of more than one half of the aggregate principal amount of the outstanding Notes. Our decision to increase the majority requirement is untested under Italian law, may be challenged by holders of the Notes, the Issuer and others, and if challenged, may not be upheld by an Italian court, with the consequence that the majority voting threshold may be reduced from 75% to 50%. Furthermore, the interactions between (i) the provisions set forth under the Indenture 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 largely untested in the Italian courts.

The insolvency laws of Italy and other applicable jurisdictions may not be as favorable to you as the insolvency laws of the United States or those of another jurisdiction with which you are familiar; other limitations on the Guarantees and the Security Interests, including fraudulent conveyance statutes, may adversely affect their validity and enforceability

The Issuer and Italmatch GB are incorporated under the laws of Italy and England and Wales, respectively. There is a rebuttable presumption that the "centre of main interest" as defined in Regulation (EU) No. 2015/848 of the European Parliament and of the Council of May 20, 2015 on Insolvency Proceedings is the jurisdiction where the registered office is situated. In addition, the Collateral will include a pledge over the shares of the Issuer which is incorporated under the laws of Italy, security over the shares of certain of our subsidiaries incorporated under the laws of other jurisdictions and certain present and future intercompany loan receivables.

The insolvency laws of foreign jurisdictions, including Italy, may not be as favorable to your interests as the laws of the United States or other jurisdictions with which you are familiar. In the event that any one or more of the Issuer, a Guarantor or any other of the Issuer's subsidiaries 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. In particular, the Indenture 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 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 or their duration (which may be significantly longer than the duration of analogous proceedings in jurisdictions you may be familiar with). As a consequence, enforcement of rights under the Notes, the Guarantees and the Collateral in an insolvency situation may be delayed and be complex and costly for creditors. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantee and the Security Interests*."

In addition, Italian insolvency laws and regulations have recently been replaced by a new crisis and insolvency code introduced by virtue of, among others, Legislative Decree No. 14 of January 12, 2019 implementing the guidelines contained in Law No. 155 of October 19, 2017 (as subsequently amended and supplemented, the "Italian Insolvency Code", also known as the Code of Business Crisis and Insolvency), being a comprehensive and in material respects innovative legal framework regulating, among others, insolvency matters. Other than minor changes in certain provisions of the Italian Civil Code, which already entered into force on March 16, 2019, the Italian Insolvency Code came into force starting from July 15, 2022. The previous Italian Bankruptcy Law continues to apply only to filings for proposals of declaration of insolvency procedures and bankruptcy restructuring plans (*concordato fallimentare*) and filings seeking the approval of debt restructuring agreements (*accordo di ristrutturazione dei debiti*) or the opening of a composition with creditors proceeding (*concordato preventivo*), in each case filed or pending before July 15, 2022. As at the date hereof, the vast majority of the provisions of the Italian Insolvency Code are untested in Italian courts and there is no guidance or case law available yet on its application. Considering the sweeping nature of this reform and the absence of judicial guidance, the impact cannot be predicted or fully assessed as of the date of this Offering Memorandum.

As a consequence, enforcement of rights under the Notes, the Guarantees (and any other future Guarantees which may be required to be granted under the Indenture) and the Collateral in an insolvency situation may be delayed and be complex and costly for creditors. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*."

Although laws differ among the jurisdictions, in general, applicable fraudulent transfer and conveyance and equitable principles, insolvency laws and limitations on the enforceability of judgments obtained in courts in such jurisdictions could limit the enforceability of the Notes against the Issuer, the enforceability of a Guarantee against a guarantor of the Notes and the enforceability of the security interests in the Collateral (the "**Security Interests**"). In certain circumstances the court may also void the Security Interest or the Guarantee if the company is close to or near insolvency. The following discussion of fraudulent transfer, conveyance and insolvency law, although an overview, describes generally applicable terms and principles, which are defined under the relevant jurisdiction's fraudulent transfer and insolvency statutes.

In an insolvency proceeding, it is possible that creditors of the guarantor of the Notes or the appointed insolvency administrator may challenge the Guarantees and the Security Interests, and intercompany obligations generally, as preferences, transaction at an undervalue, invalid charges, fraudulent transfers or conveyances or on other grounds. If so, such laws may permit a court, if it makes certain findings, to:

- avoid or invalidate all or a portion of a guarantor's obligations under its Guarantee or the Security Interests provided by such security provider;
- direct that the Issuer and the holders of the Notes return any amounts paid under a Guarantee or any Security Interest to the relevant guarantor of the Notes or security provider or to a fund for the benefit of the guarantor's or security provider's creditors; and
- take other action that is detrimental to you.

If we cannot satisfy our obligations under the Notes and any Guarantee or Security Interest is found to be a preference, transaction at an undervalue, fraudulent transfer or conveyance or is otherwise set aside, we cannot assure you that we can ever repay in full any amounts outstanding under the Notes. In addition, the liability of each guarantor of the Notes or security provider under its Guarantee or the Security Interests will be limited to the amount that will result in such guarantee or Security Interests not constituting a fraudulent conveyance or improper corporate distribution or otherwise being set aside.

The amount recoverable from the guarantors of the Notes and security providers under the Security Documents will also be limited. However, there can be no assurance as to what standard a court would apply in making a determination of the maximum liability of each. There is also the possibility that the entire Guarantee or Security Interest may be set aside, in which case the entire liability may be extinguished. See also "*—Corporate benefit, financial assistance laws, capital maintenance and other limitations on the Guarantee and the Collateral may adversely affect the validity and enforceability of the Guarantee and the Collateral*."

In order to initiate any of these actions under fraudulent transfer or other applicable principles, courts would, for example, need to find that, at the time the Guarantees were issued or the Security Interests created, the guarantor of the Notes or security provider:

- issued such Guarantee or created such Security Interest with the intent of hindering, delaying or defrauding current or future creditors or with a desire to prefer some creditors over others (and, in certain jurisdictions, even if the recipient was aware that the guarantor or the collateral provider was insolvent when it granted the guarantee or security interest), or created such security after its insolvency;

- issued such Guarantee or created such Security Interest in a situation where a prudent business person as a shareholder of such guarantor of the Notes or security provider would have contributed equity to such guarantor of the Notes or security provider or where the relevant beneficiary of the Guarantee or Security Interest knew or should have known that the guarantor of the Notes or security provider was insolvent or a filing for insolvency had been made;

- received less than reasonably equivalent value for incurring the debt represented by the Guarantee or Security Interest on the basis that the Guarantee or Security Interest were incurred for our benefit, and only indirectly the guarantor's or security provider's benefit, or on some other basis and (i) was insolvent or rendered insolvent by reason of the issuance of the Guarantee or the creation of the Security Interest, or subsequently became insolvent for other reasons, (ii) was engaged, or was about to engage, in a business transaction for which the guarantor's or security provider's assets were unreasonably small or (iii) intended to incur, or believed it would incur, debts beyond its ability to make required payments as and when they would become due;

- the guarantee or security interest was entered into within a certain time period prior to the opening date of insolvency proceedings of the guarantor or collateral provider; or

- the amount paid or payable was in excess of the maximum amount permitted under applicable law.

Different jurisdictions evaluate insolvency on various criteria, but a guarantor of the Notes or security provider generally may, in different jurisdictions, be considered insolvent at the time it issued a Guarantee or created any Security Interest if:

- its liabilities exceed the fair market value of its assets;

- it cannot pay its debts as and when they become due; or

- the present saleable value of its assets is less than the amount required to pay its total existing debts and liabilities, including contingent and prospective liabilities, as they mature or become absolute.

Although we believe that we are solvent, and will continue to be solvent after giving effect to the Transactions, there can be no assurance as to which standard a court would apply in determining whether a guarantor of the Notes or security provider was "insolvent" as of the date the Guarantee was issued or the Collateral was granted or that, regardless of the method of valuation, a court would not determine that a guarantor of the Notes or security provider was insolvent on that date, or that a court would not determine, regardless of whether or not a guarantor of the Notes or security provider was insolvent on the date its Guarantee was issued or the Security Interests were created, that payments to holders of the Notes constituted fraudulent transfers on other grounds.

Under Italian law, in the event that the Issuer or the relevant guarantor and/or security provider enters into insolvency proceedings, the guarantee and/or the security interests granted to guarantee or secure (as applicable) the Notes could be subject to potential challenges by the appointed bankruptcy or judicial liquidation receiver or by other creditors or by operation of law under the rules of avoidance or clawback (*revocatoria*) of Italian Bankruptcy Law (to the extent applicable), the Italian Insolvency Code and the relevant law on the non-insolvency avoidance or clawback of transactions made by the debtor during a certain legally specified period (the "suspect period"). See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*" for further information.

If challenged successfully, the rights granted under the guarantees or in connection with the security interest may become unenforceable and any amounts received must be refunded to the insolvent estate. To the extent that the grant of any guarantee or security interest is voided, the holders of the Notes could lose the benefit of the guarantee or of the security interest and may not be able to recover any amounts under the related guarantee or security documents.

For an overview of certain insolvency laws and enforceability issues as they relate to the Guarantees and Security Interests, see "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantee and the Security Interests*."

Corporate benefit, financial assistance laws, capital maintenance and other limitations on the Guarantees and the Collateral may adversely affect the validity and enforceability of the Guarantees and the Collateral

Enforcement of the obligations under a Guarantee against, and/or any Collateral provided by, as applicable, any such guarantor of the Notes will be subject to certain defenses available to the Issuer or the relevant guarantor or the security provider, as the case may be. These laws and defenses may include those that relate to fraudulent conveyance or transfer, financial assistance, transactions under value, corporate interest or benefit, capital maintenance, preservation of share capital, liquidity maintenance, voidable preferences, thin capitalization or similar laws as well as regulations or defenses affecting the rights of creditors generally, by limiting the amounts recoverable under the Guarantee and Collateral, as applicable, and the amounts recoverable thereunder will be limited to the maximum amount that can be guaranteed or secured by a particular guarantor of the Notes or security provider under the applicable laws of each jurisdiction, to the extent that the granting of such Guarantee or Collateral is not in the relevant guarantor's or security provider's corporate interests, or the burden of such Guarantee or Collateral exceeds the benefit to the relevant guarantor or security provider, or such Guarantee or Collateral would be in breach of capital maintenance, financial assistance, liquidity maintenance or thin capitalization 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 such Guarantee without a corresponding increase in the amount of the Guarantee will dilute the value of such Guarantee to its beneficiaries, including the holders of the Notes.

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

It is possible that a guarantor of the Notes or creditor of a guarantor, or the appointed bankruptcy trustee or appointed judicial liquidation receiver in the case of a bankruptcy, insolvency and/or judicial liquidation (as applicable) of a guarantor of the Notes, 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 Guarantees should be limited or voided. To the extent that agreed limitations on the obligation under the guarantee apply, the Notes would be to that extent effectively subordinated to all liabilities of the applicable guarantor, including trade payables of such guarantor. Future Guarantees may be subject to similar limitations. See "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*."

The Guarantees will be significantly limited by applicable laws and are subject to certain limitations and defenses

The Guarantors guarantee the payment of the Notes, subject to the Agreed Security Principles. See "*Description of the Notes—The Notes Guarantees.*" The Guarantees provide the holders of the Notes with a direct claim against the Guarantors. However, the obligations of the Guarantors of the Notes under their Guarantee will be limited under the Indenture to an amount which has been determined so as to ensure that amounts payable will not result in violations of applicable laws or otherwise cause a guarantor of the Notes to be deemed insolvent under applicable law or such Guarantee to be deemed void, unenforceable or *ultra vires*, or cause the directors of such guarantor to be held in breach of applicable corporate or commercial law for providing the Guarantees.

As a result, a Guarantor's liability under its Guarantee could be materially reduced or eliminated depending on the amount of its obligations and upon applicable laws. For more information, see "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantee and the Security Interests.*"

Transfer of the Notes will be restricted, which may adversely affect the value of the Notes

Because the Notes and the Guarantees have not been, and will not be registered under the Securities Act or the securities laws of any other jurisdiction, they may not be offered or sold in the United States except to QIBs in accordance with Rule 144A, in offshore transactions in accordance with Regulation S or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and all other applicable laws. These restrictions may limit the ability of investors to resell the Notes. Furthermore, we have not registered the Notes under any country's securities laws. It is the obligation of investors in the Notes to ensure that all offers and sales of the Notes in the United States and other countries comply with applicable securities laws. In addition, by acceptance of delivery of any Notes, the holder thereof agrees on its own behalf and on behalf of any investor accounts for which it has purchased the Notes that it shall not transfer the Notes in an aggregate principal amount of less than €100,000. See "*Notice to Investors*."

The Notes will initially be held in book entry form and therefore investors must rely on the procedures of the relevant clearing systems to exercise any rights and remedies

The Notes will initially only be issued in global certificated form and held through Euroclear and Clearstream. Interests in the Global Notes (as defined below) will trade in book entry form only, and Notes in definitive registered form, or Definitive Registered Notes (as defined below), will be issued in exchange for book entry interests only in very limited circumstances. Owners of book entry interests will not be considered owners or holders of Notes. The common depositary, or its nominee, for Euroclear and Clearstream will be the sole registered holder of the Global Notes representing the Notes.

Payments of principal, interest and other amounts owing on or in respect of the Global Notes representing the Notes will be made to the Paying Agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to participants' accounts that hold book entry interests in the Global Notes representing the Notes and credited by such participants to indirect participants. After payment to the common depositary for Euroclear and Clearstream, none of the Issuer, the Trustee, the Transfer Agent, the Registrar, the Calculation Agent or the Paying Agent will have any responsibility or liability for the payment of interest, principal or other amounts to the owners of book entry interests. Accordingly, if investors own a book entry interest, they must rely on the procedures of Euroclear and Clearstream, and if investors are not participants in Euroclear and Clearstream, they must rely on the procedures of the participant through which they own their interest, to exercise any rights and obligations of a holder of the Notes under the Indenture.

Unlike the holders of the Notes themselves, owners of book entry interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if an investor owns a book entry interest, it will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear and Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable such investor to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until Definitive Registered Notes are issued in respect of all book entry interests, if investors own book entry interests, they will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes. See "*Book-Entry; Delivery and Form*."

There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited

We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or
- the prices at which you would be able to sell your Notes.

Future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. The liquidity of a trading market for the Notes may be adversely affected by a general decline in 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. Any such disruption may have a negative effect on you, as a holder of Notes, regardless of our prospects and financial performance. The Initial Purchasers have advised that they intend to make a market in the Notes after completing the Offering. However, they have no obligation to do so and may discontinue market making activities at any time without notice. In addition, such market making activity will be subject to limitations imposed by the Securities Act and other applicable laws and regulations. As a result, there may not be an active trading market for the Notes. If no active trading market develops or, if one develops but is not maintained, you may not be able to resell your Notes at a fair value, if at all. Although an application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit them for trading on the Euro MTF Market thereof, we cannot assure you that the Notes will remain listed. Although no assurance is made as to the liquidity of the Notes as a result of the admission to trading on the Euro MTF Market, the delisting of the Notes (whether or not for an alternative admission to listing on another stock exchange) from the Official List of the Luxembourg Stock Exchange may have a material effect on a holder's ability to resell the Notes in the secondary market. In addition, the Indenture will allow us to issue additional notes in the future, which could adversely impact the liquidity of the Notes.

Investors may not be able to recover in civil proceedings for U.S. securities law violations

The Issuer and certain Guarantors are organized or incorporated outside the United States, and their business is substantially conducted outside the United States. The directors and executive officers of the Issuer and certain Guarantors are non-residents of, and substantially all of their assets are located outside of, the United States. Although the Issuer and the Guarantors will submit to the jurisdiction of certain New York courts in connection with any action under U.S. securities laws, you may be unable to effect service of process within the United States on the directors and executive officers of the Issuer and those Guarantors organized incorporated outside the United States. In addition, as a majority of the assets of the Issuer and its subsidiaries and those of their directors and executive officers are located outside of the United States, you may be unable to enforce against them judgments obtained in U.S. courts. Moreover, actions of the Issuer and the Guarantors may not be subject to the civil liability provisions of the federal securities laws of the United States.

Additionally, there is uncertainty as to whether the courts of foreign jurisdictions would enforce (i) judgments of United States courts obtained against the Issuer, the Guarantors and the directors and executive officers who are not residents of the United States predicated upon the civil liability provisions of the United States federal and state securities laws or (ii) in original actions brought in such foreign jurisdictions against us or such persons predicated upon the United States federal and state securities laws. For further information see "*Service of Process and Enforcement of Civil Liabilities*."

If the Notes are redeemed early, an investor may not be able to reinvest such proceeds in a comparable security

In the event that the Notes are redeemed early in accordance with "*Description of the Notes—Optional Redemption*" and depending on prevailing market conditions at the time, an investor who receives proceeds due to such an early redemption may not be able to reinvest such proceeds in a comparable security at an effective interest rate as high as that carried by the Notes.

The Issuer may not be able to repurchase the Notes upon a change of control. In addition, under certain circumstances, the Issuer may have the right to purchase all outstanding Notes in connection with a tender offer, even if certain holders do not consent to the tender

If a Change of Control (as defined in the Indenture) occurs, the Issuer will be required to make an offer to purchase all the outstanding Notes at a price equal to 101% of the principal amount thereof, plus any accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of purchase. In such a situation, the Issuer may not have enough funds to pay for all of the Notes that are tendered under any such offer and may need to obtain financing to pay for the tendered Notes. However, the Issuer may not be able to obtain such financing on acceptable terms, if at all. A change of control may also result in a mandatory prepayment under the Revolving Credit Facility Agreement and agreements governing any future indebtedness and may result in the acceleration of such indebtedness. Any failure by the Issuer to offer to purchase the Notes upon a change of control would constitute a default under the Indenture.

The Change of Control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including reorganizations, restructurings, mergers, recapitalizations or other similar transactions involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a Change of Control as defined in the Indenture.

In connection with certain tender offers for the Notes of any series, if holders of not less than 90% in aggregate principal amount of the outstanding Notes of such series validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases, all of the Notes of such series validly tendered and not withdrawn by such holders, the Issuer or such third party will also have the right to redeem the Notes of such series that remain outstanding in whole, but not in part, following such purchase at a price equal to the price offered to each other holder of Notes of such series. See "*Description of the Notes—Optional Redemption*."

The term "all or substantially all" in the context of a change of control has no clearly established meaning under relevant law and is subject to judicial interpretation such that it may not be certain that a change of control has occurred or will occur

The definition of "Change of Control" and the paragraph "*Description of the Notes—Merger and Consolidation*" in the Indenture will include (with certain exceptions) a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries (taken as a whole), to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all," it has no clearly established meaning under relevant law, varies according to the facts and circumstances of the subject transaction and is subject to judicial interpretation. Accordingly, in certain circumstances, there may be a degree of uncertainty in ascertaining whether a particular transaction would involve a disposition of "all or substantially all" of the assets of a person, and therefore it may be unclear whether a Change of Control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

You may face foreign currency exchange risks or other tax consequences as a result of investing in the Notes

The Notes will be denominated and payable in euro. If you are a U.S. investor, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro relative to the U.S. dollar because of economic, political and other factors over which we have no control. Depreciation of the euro against the U.S. dollar could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to U.S. investors on a U.S. dollar basis. Investing in the Notes by U.S. investors may have significant tax consequences. See "*Certain Taxation Considerations—Certain United States Federal Income Tax Considerations*."

The Fixed Rate Notes and/or Floating Rate Notes may be issued with original issue discount for U.S. federal income tax purposes

The Fixed Rate Notes and/or Floating Rate Notes may be issued with original issue discount ("**OID**") for U.S. federal income tax purposes. A series of Notes will be considered to be issued with OID if its stated principal amount exceeds its issue price (as determined for U.S. federal income tax purposes) by an amount equal to or more than a statutorily defined *de minimis* amount. As a result, U.S. holders (as defined in "*Certain Taxation Considerations—Certain United States Federal Income Tax Considerations*") of Fixed Rate Notes or Floating Rate Notes, as applicable, generally will be required to include in gross income such OID as ordinary income as it accrues, on a constant yield to maturity basis before the receipt of cash payments attributable to this income and regardless of such holder's method of accounting for U.S. federal income tax purposes. See "*Certain Taxation Considerations—Certain United States Federal Income Tax Considerations—Original Issue Discount*."

Italian tax legislation may restrict the deductibility of all or a portion of the interest expense on our indebtedness, including interest expense in respect of the Notes

Current tax legislation in Italy (provided for by Article 96 of Presidential Decree No. 917 of December 22, 1986 ("**Article 96**"), as amended by Legislative Decree No. 142 of November 29, 2018) allows for the full tax deductibility of interest expense incurred by the Issuer in each fiscal year up to the amount of the interest income of the same fiscal year, as evidenced by the relevant annual financial statements. A further deduction of interest expense in excess of this amount is allowed up to a threshold of 30% of EBITDA (i.e., *risultato operative lordo della gestione caratteristica* or "**ROL**"), as well as 30% of ROL carried forward from previous fiscal years. The ROL is calculated on the basis of the value of the items of the Issuer's profit and loss account, which are comprised of the operating gross revenue and expenses (excluding depreciation of tangible and intangible assets, as well as leasing fees), as determined through the application of the tax rules concerning the determination of the corporate income taxable base. The amount of ROL not used for the deduction of the amount of interest expense in a fiscal year can be carried forward for the following five fiscal years. The amount of any interest income exceeding the interest expenses in a fiscal year can be carried forward without time limits. Interest expense not deducted in a relevant fiscal year can be carried forward to the following fiscal years and deducted, provided that and to the extent that, in such fiscal years, the amount of interest expense that exceeds interest income (also carried forward from previous fiscal years) is lower than 30% of ROL. In the case of an Italian tax group (*consolidato fiscale nazionale*), interest expense not deducted by an entity within the tax group due to lack interest income or ROL can be deducted at the tax unity level, within the limit of the excess interest income and excess of ROL of the other companies within the tax group. This 30% threshold applies to the Italian subsidiaries of the Issuer only. Article 96 does not apply to certain entities active in the insurance and financial sector.

In addition, there can be no assurance that in the case of a tax audit, the relevant tax authorities would not try to challenge the deductibility of interest expenses arising in connection with the component of any financing used, in whole or in part, to refinance an outstanding loan or debt when the terms and conditions of the refinancing transaction appear less favorable than the ones of the previous financing transaction.

If the Italian tax authorities were to successfully challenge our use of proceeds from the Offering, we may be unable to deduct our interest expenses and/or be subject to significant penalties or other consequences that could have a material adverse effect on our financial condition and results of operations or on our ability to service or otherwise make payments on the Notes and our other indebtedness.

Moreover, (i) any future changes in Italian tax laws or in their interpretation or application (including any future limitation on the use of the ROL of the Issuer and its subsidiaries), or (ii) the tax treatment of interest expense arising from any indebtedness, including the Notes, (iii) the failure to satisfy the applicable legal requirements relating to the deductibility of interest expense or, (iv) a change in the interpretation and application by Italian tax authorities of Italian tax law, may result in our inability to fully deduct our interest expense, which may have an adverse impact on our financial condition.

Holders of the Notes are unlikely to be entitled to a gross-up for any Italian withholding taxes, unless such Italian withholding tax is caused by our failure to comply with certain procedures

We are organized under the laws of Italy and are Italian resident for tax purposes and therefore payments of principal and interest on the Notes and, in certain circumstances, any gain or payment on the Notes, may be subject to Italian tax laws and regulations. Any payments made by us or on our behalf under the Notes will be made without withholding or deduction for taxes, save as may be required by law. If withholding or deduction for taxes is required by law, subject to a number of exceptions, we will pay such additional amounts as will result in the holders of the Notes receiving the amounts they would have received under the Notes had no such withholding or deduction been required. We are not liable to pay any additional amounts to holders of the Notes under certain circumstances, including if any withholding or deduction is required pursuant to Decree No. 239 or pursuant to Italian Legislative Decree No. 461 of November 21, 1997 ("**Decree No. 461**"), except where we or our agents failed to comply with the procedures under Decree

No. 239 in order to benefit from an exemption. In such circumstances where we would not be liable to pay additional amounts, investors subject to Italian withholding tax will only receive the net proceeds of their investment in the Notes.

Although we believe that, under current law, Italian withholding tax will not be imposed under Decree No. 239 or Decree No. 461 where a holder of Notes is resident for tax purposes in a country or territory included in the White List, and such holder complies with certain certification requirements there is no assurance that this will be the case. Moreover, holders of the Notes will bear the risk of any change in Decree No. 239 after the date hereof, including any change to the White List.

No assurance can be given that the procedural requirements to apply the Italian tax regime provided by Italian Legislative Decree No. 239 of April 1, 1996 will be met by the relevant foreign intermediaries

The regime provided by Decree No. 239 and in particular the exemption from withholding tax in principle granted to holders of the Notes resident in countries included in the White List 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) applies if certain procedural requirements are met. It is not possible to assure that all non-Italian resident investors can claim the application of the withholding tax exemption where the relevant foreign intermediary fails to provide sufficient information to the relevant Italian tax authorities under the procedures set for applying the exemption regime.

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

No assurance can be given that the listing of the Notes will be maintained or that such listing will satisfy the listing requirement of 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 others, the listing requirement of the aforementioned legislation that may be interpreted to require that the Notes be listed upon their issuance to benefit from the aforementioned provisions, including the exemption from the requirement to apply withholding tax. 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, currently at a rate of 26% and, subject to certain exceptions, we would be required to pay such additional amounts as will result in the holders receiving the amounts they would have received under the Notes had no such withholding or deduction been required (see "*Description of the Notes—Withholding Taxes.*") The imposition of withholding taxes on payments with respect to the Notes and the resulting obligation to pay, subject to certain exemptions, additional amounts to holders of the Notes could have a material adverse effect on our financial condition and results of operations.

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 our ability to perform our obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk 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 subject to revision, suspension or withdrawal by the rating agency at any time. No assurances 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 judgment, 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 our financings and could adversely affect the value and trading of the Notes.

The Indenture will not be qualified under the U.S. Trust Indenture Act of 1939, as amended

The Indenture will not be required to, and will not be, qualified under the U.S. Trust Indenture Act of 1939, as amended (the "**TIA**") and will not incorporate or include and will not be subject to any of the provisions of the TIA. Consequently, the holders of Notes will not be entitled to the protections provided under the TIA to holders of debt securities issued under a qualified indenture, including those respecting preferential collections by the trustee or conflicting interests of the trustee.

Certain covenants and events of default will be suspended if we receive investment grade ratings

The Indenture will provide that, if at any time following the Issue Date, the Notes issued under the Indenture receive an investment grade rating from two of Moody's, S&P or Fitch, and no default or event of default has occurred and is continuing, then beginning that day and continuing until such time as the Notes are no longer rated investment grade by either ratings agency, certain covenants will cease to be applicable to the Notes. See "*Description of the Notes—Certain Covenants—Suspension of Covenants on Achievement of Investment Grade Status.*" At any time when these covenants are suspended, we will be able to, among other things, incur additional indebtedness, pay cash dividends and redeem subordinated indebtedness without restriction, each of which may conflict with the interests of holders of the Notes. There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating if achieved will be maintained.

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, 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. Although the applicability of the Italian Usury Law to securities such as the Notes (and, among others, related original issue discounts and make-whole payments that may be due under the applicable indenture) remains untested, the Indenture will provide that, if the remuneration applicable to the Notes (including interest, default interest, fees, original issue discounts, premium, charges, expenses and other costs and any other form of compensation related to the Notes (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.

USE OF PROCEEDS

The aggregate principal amount of the Notes offered hereby is €690.0 million. The following table shows the estimated sources and uses of funds related to the Transactions, including the use of proceeds from the Offering. Actual amounts will vary from estimated amounts depending on several factors, including the timing of the Transactions, the actual amount of costs, accrued interest, and other costs and fees and expenses compared to our estimates. See "*Capitalization.*"

Sources of Funds	Amount	Uses of Funds	Amount
	(€ million)		(€ million)
Notes[(1)]	690.0	Redemption of Existing Notes[(2)]	690.0
Cash on balance sheet	18.0	Existing Fixed Rate Notes redemption premium[(3)]	7.5
		Estimated costs, fees and expenses[(4)]	10.5
Total Sources	**708.0**	**Total Uses**	**708.0**

(1) Represents the aggregate principal amount of the Notes offered hereby.

(2) Represents the total aggregate principal amount of the Issuer's (i) Existing Fixed Rate Notes that are expected to be redeemed in full at a price of 102.5% of the aggregate principal amount thereof, plus any accrued and unpaid interest thereon to, but excluding, the date of redemption, and additional amounts, if any and (ii) Existing Floating Rate Notes that are expected to be redeemed in full at a price of 100% of the aggregate principal amount thereof, plus any accrued and unpaid interest thereon to, but excluding, the date of redemption, and additional amounts, if any. The amount presented in the table excludes (i) the accrued interest on the Existing Fixed Rate Notes and the Existing Floating Rate Notes from their respective latest interest payment dates (being December 31, 2025 for each series of Existing Notes) and (ii) the redemption premium on the Existing Fixed Rate Notes, which we will be required to pay in connection with the redemption of the Existing Notes and is otherwise included under "*Existing Fixed Rate Notes redemption premium*" (see footnote (3) below). We expect that the redemption of the Existing Notes will occur on or about the Issue Date.

(3) Represents the estimated premium payable in connection with the redemption of the Existing Fixed Rate Notes, which we expect to redeem on or after February 6, 2026 at a price of 102.5% of the principal amount thereof.

(4) Represents estimated costs, fees, accrued and unpaid interest on the Existing Notes, taxes and expenses associated with the Transactions. These costs, fees and expenses have been estimated as of the date of this Offering Memorandum and are subject to change.

CAPITALIZATION

The following tables should be read in conjunction with "Use of Proceeds," "Summary—The Transactions" "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of Certain Financing Arrangements" and the Financial Statements and the accompanying notes included elsewhere in this Offering Memorandum. The as adjusted information below is illustrative only and does not purport to be indicative of what our actual capitalization would be as of the date of this Offering Memorandum, any other prior date or any date thereafter, in each case as adjusted for the Transactions. Such information is hypothetical and based on adjustments and assumptions related to the Transactions and, therefore, does not represent our actual financial position or results. Investors are cautioned not to place undue reliance on this hypothetical information.

The following table sets forth the cash and cash equivalents and the capitalization as of September 30, 2025 (i) for the Issuer on a consolidated basis derived from the Unaudited Condensed Financial Statements on an actual basis and (ii) for the Issuer on a consolidated basis, as adjusted to give effect to the consummation of the Transactions, including the application of the proceeds from the Offering as described in "*Summary—The Transactions*" as if each had occurred on September 30, 2025. The as adjusted column does not give effect to amounts contributed into the Group, borrowed or repaid after September 30, 2025. Similarly, the as adjusted column does not give effect to movements in cash and cash equivalents and other financial assets or amounts borrowed or repaid after September 30, 2025. The adjustments to cash and cash equivalents will vary from estimated amounts depending on several factors, including the actual amount of fees, accrued interest, redemption costs, and expenses compared to our estimates.

	As of September 30, 2025	
(€ million)	**Actual**	**As adjusted for the Transactions**
Cash and cash equivalents[(1)]	**121.8**	**103.8**
Revolving Credit Facility[(2)]	—	—
Existing Notes[(3)]	690.0	—
Notes offered hereby[(4)]	—	690.0
Other debt[(5)]	1.1	1.1
Leases[(6)]	7.5	7.5
Total Financial Debt	698.6	698.6
Shareholders' Equity	349.2	349.2
Total capitalization[(7)]	**1,047.8**	**1,047.8**

(1) The actual column represents our cash and cash equivalents as of September 30, 2025. As Adjusted cash and cash equivalents reflects our cash and cash equivalents as of September 30, 2025 as adjusted to give effect to the Transactions. See "*Use of Proceeds*." As Adjusted Cash and Cash Equivalents as of September 30, 2025 does not include any other adjustments to our cash and cash equivalents due to working capital expansion or contraction or any other cash generation or utilization since September 30, 2025. The actual amount of cash and cash equivalents as of the Issue Date may vary from this amount due to a number of factors. Moreover, the as adjusted cash and cash equivalents has not been adjusted for any interest payment made or any interest accrued and unpaid relating to the Existing Notes. Our cash, cash equivalents and other financial assets as of the Issue Date might therefore deviate, also materially, from our estimates.

(2) As of September 30, 2025, the Revolving Credit Facility was undrawn. The Revolving Credit Facility is and will continue to be secured by first-ranking security interests granted on an equal and ratable first-priority basis over the Collateral and by virtue of a special lien (*privilegio speciale*) over the Issuer's moveable assets granted by the Issuer in accordance with Article 46 of the Italian Banking Act (as defined herein). In the event of enforcement on the Collateral, the holders of the Notes will receive proceeds from the Collateral only after the lenders under the Revolving Credit Facility and counterparties to certain hedging obligations, if any, have been repaid in full. To further support our liquidity, certain lenders have entered into the Revolving Credit Facility Amendment and Restatement Agreement pursuant to which they have agreed that, on or prior to the Issue Date and subject to completion of the Offering and the satisfaction of customary conditions precedent, they will participate in an upsize of the total commitments under the Revolving Credit Facility from €107.0 million to €117.0 million by way of the Revolving Credit Facility Amendment and Restatement. As part of the Revolving Credit Facility Amendment and Restatement, the maturity of the Revolving Credit Facility is expected to be extended to the earlier of (x) four years and six months from the Issue Date and (y) the date falling six months prior to the maturity date of the Notes (such earlier date being, the "**RCF Maturity Date**"), and subject to certain exceptions, certain of the incurrence covenants and related definitions are expected to be amended on or about the Issue Date as the Issuer and the Agent (as defined in the Revolving Credit Facility Agreement) consider necessary (each acting reasonably and in good faith) to align certain of the terms of such covenants to the equivalent covenants and definitions of the Notes (to the extent applicable) as will be set out in the Indenture. See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*."

(3) Represents as of September 30, 2025 the total aggregate principal amount of the Existing Fixed Rate Notes and Existing Floating Rate Notes, gross of €23.1 million of debt issuance costs, which are expected to be redeemed in full in connection with the Refinancing, and excludes any accrued and unpaid interest, including accrued and unpaid interest from the relevant last interest payment date on the Existing Fixed Rate Notes and Existing Floating Rate Notes. See "*Use of Proceeds*."

(4) Represents the aggregate principal amount of the Notes offered hereby.

(5) Represents the aggregate principal amount outstanding under our current and non-current borrowings as of September 30, 2025, including €0.8 million of recourse factoring arrangements and €0.2 million relating to a loan received in financial year 2016. This amount excludes €13.6 million relating to the Alcolina acquisition, which reflects the present value of €16.4 million of nominal amounts (including foreign exchange effects), comprising (i) €9.0 million of deferred consideration payable in 2026 in respect of the acquisition of an additional 20% equity interest in Alcolina, which amount is subject to adjustment based on Alcolina's performance in 2025, and (ii) €7.4 million relating to the seller warranty fund established

in connection with the prior acquisition of the 60% equity interest, of which 50% is scheduled to be released in 2029 and the balance released over the following two years. This amount also excludes €7.7 million of accrued and unpaid interest on the Existing Fixed Rate Notes as of September 30, 2025.

(6) Represents our lease liabilities as of September 30, 2025. See "*Description of Certain Financing Arrangements—Lease Agreements*."

(7) Represents Total Financial Debt *plus* Shareholders' Equity.

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

The following is a discussion and analysis of the Group's results of operations and financial condition as of and for the nine months ended September 30, 2024 and 2025 and as of and for the years ended December 31, 2022, 2023, and 2024. All references in this Offering Memorandum to the financial information as of and for the nine months ended September 30, 2025 and as of and for the years ended December 31, 2022, 2023, and 2024 of the Group shall be deemed to the financial information for the period prepared in accordance with IFRS.

You should read this section together with the audited and unaudited financial statements described above, including the notes thereto, as well as the other financial information included in this Offering Memorandum. See "Presentation of Financial and Other Information" for an explanation of the financial information contained in this "Management's Discussion and Analysis of Financial Condition and Results of Operations." A summary of the critical accounting policies that have been applied to the Financial Statements is set out below under the caption "—Critical accounting policies."

The discussion in this section may contain forward-looking statements based on assumptions about our future performance. Those statements are subject to risks, uncertainties and other factors that could cause our future results of operations or cash flows to differ materially from those expressed or implied in such forward-looking statements. Factors that could cause or contribute to such difference include, but are not limited to, those discussed below and elsewhere in this Offering Memorandum, particularly under "Risk Factors," "Presentation of Financial and Other Information" and "Forward-Looking Statements."

This section includes certain non-IFRS financial and other measures that we use to evaluate our economic and financial performance. These measures are not identified as accounting measures under IFRS and therefore should not be considered a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are prepared in accordance with IFRS. The non IFRS financial information for the Group included herein has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act or any generally accepted accounting standards. The assumptions underlying such adjusted financial information have not been audited or reviewed in accordance with any generally accepted accounting standards. Any reliance you place on this information should fully take this into consideration. See "Presentation of Financial and Other Information—Non-IFRS Financial Measures" and "Summary Historical Financial and Other Information."

Overview

We are a leading innovative specialty chemicals group, focused on the manufacturing of a broad range of specialty chemical additives and solutions-oriented, value-added formulations that we offer to a diversified and global customer base. Our products, such as phosphorus derivatives, specialty polymers and esters, are critical and strategic components in many sectors, including industrial applications, desalination, hygiene and cleaning, personal care, pharmaceuticals, transportation, pharmaceuticals, semiconductors, plastics, agriculture and energy. Our products enhance the performance of applications such as water or oil solutions used in industrial processes, industrial lubricants and electrical equipment.

We hold leading market positions both in Europe and globally for a majority of our key products. For example, for the year ended December 31, 2024, we were:

- the market leader in Europe and the United States for the production and sale of phosphonate scale inhibitors for industrial water treatment (with a market share of approximately 30% in each such region) and the global leader for the production and sale of scale inhibitor formulations for desalination (with a market share of approximately 20-25% worldwide);
- the market leader in Europe and a top two player in Asia for anti-wear lubricant intermediates (with a market share of approximately 60% and 45%, respectively) and the market leader globally for the production and sale of polymeric esters for lubricants, with a market share of approximately 55% worldwide;
- the market leader in Europe for the sale of red phosphorus flame retardants, with a market share of approximately 60-70%; and
- the market leader in Europe for the sale of PCl3, a key raw material used in the production of phosphonates, with a market share of approximately 40%.

We divide our product offering into three end market segments: Advanced Water Solutions (AWS), Lubricants and Industrial Solutions (LIS) and Functional and Performance Products (FPP). The following overview highlights the key features of our product offering by end market segment:

- ***Advanced Water Solutions (AWS):*** Our range of AWS products includes phosphonates, polymers and inulin derivatives, which are used as antiscalants in water solutions for industrial processes and biocides, dispersants and corrosion inhibitors used in water-based industrial processes (such as water boiling, water cooling and membrane desalination processes) as well as corrosion inhibitors, biocides, flocculants, antifoam used, among others, in geothermal processes and industrial and institutional cleaning agents. Our portfolio also includes geothermal energy, household detergents and mining and metal recovery applications. For the twelve months ended September 30, 2025, we generated €271.1 million in revenue from the AWS end market, representing 41.8% of our revenue for the same period. We estimate that, for the year ended December 31, 2024, the vast majority of the Contribution Margin generated by AWS products was driven by higher-value specialty products, while a smaller portion was attributable to commodity or commodity-like products, such as HEDP for simple industrial water applications.

- ***Lubricants and Industrial Solutions (LIS):*** Our range of LIS products includes high value intermediates, additive components and packages, such as high-performance lubricant additives for the industrial and transportation markets. Our portfolio also includes high performance halogen-free, phosphorus-based flame retardants for electrical and electronics applications, including datacenters and electric vehicles. Finally, our offering also includes other specialty products, such as high-purity HCl for semiconductor manufacturing as well as for food and pharmaceutical applications, high-purity, phosgene-free acid chlorides particularly for personal care products. For the twelve months ended September 30, 2025, we generated €273.1 million in revenue from the LIS end market, representing 42.1% of our revenue for the same period. We estimate that the contribution margin generated by the LIS end market for the year ended December 31, 2024 was nearly entirely driven by specialty products, reflecting the performance-critical and formulation-intensive nature of our LIS portfolio, with only a limited contribution from commodity and commodity-like products.

- ***Functional and Performance Products (FPP)***: Our range of FPP products includes functional and performance solutions across three sub-segments: (i) bio-based solutions, (ii) phosphorus chlorides and (iii) unconventional energy. Our bio-based additives, mainly used for polymers, personal care and food and beverage applications, are metallic stearates, polymer lubricants, esters and stabilizers. We are also a trusted supplier of phosphorus chlorides solutions, mainly used in the agrochemical sector, for downstream water and plastic applications, as well as for the production of LI-ion batteries for electric vehicles. Lastly, we are at the forefront of the development of additives and chemical formulations for unconventional energy production facilities, particularly in the United States. Our main focus in this sector is on antiscalants and biocides. For the twelve months ended September 30, 2025, we generated €103.7 million in revenue from the FPP end market, representing 16.0% of our revenue for the same period. We estimate that, for the year ended December 31, 2024, the Contribution Margin generated by the FPP end market was driven by a balanced mix of specialty products and commodity or commodity-like products, with specialty solutions contributing meaningfully due to their functional performance characteristics.

Our scale, offering and end market exposure have undergone a meaningful transformation since Bain Capital assumed majority indirect ownership in 2018. In 2018, we operated a predominantly specialty-oriented business with a meaningful level of Adjusted EBITDA generation and stable margins, supported by a Contribution Margin mix in which specialty products represented the majority. At that time, the portfolio provided a sound earnings base, but still reflected a meaningful exposure to commoditized, lower-margin activities and an end-market mix that had not yet been aligned with our highest-margin applications. In particular, profit/(loss) after tax amounted to €(4.3) million for the year ended December 31, 2019, €(82.6) million for the year ended December 31, 2023 and €(49.5) million for the twelve months ended September 30, 2025. Over the course of Bain Capital's ownership, Adjusted EBITDA and Adjusted EBITDA Margin progressively increased, and evolved from €94.4 million and 18.2%, respectively, for the year ended December 31, 2019, to €108.5 million and 16.2%, respectively, for the year ended December 31, 2023, and further to €128.2 million and 19.8%, respectively, for the twelve months ended September 30, 2025. During this time span, we expanded our business offering in specialty chemicals and functional solutions, and estimate that the proportion of our operating profit attributable to specialty products increased from representing a majority in 2019 to constituting a predominant share for the twelve months ended September 30, 2025. We also estimate that specialty products represented the vast majority of our total Contribution Margin for the twelve months ended September 30, 2025, with their relative contribution progressively increasing since 2019.

We estimate that between 2018 and 2024, our Adjusted EBITDA grew at a CAGR that exceeded that of our specialty chemical peer group, both on a total basis and on an organic basis. Overall, our combination of organic growth and acquisitions resulted in a higher Adjusted EBITDA growth profile relative to the sector.

In terms of end markets, we significantly expanded our AWS exposure through organic innovation and selective M&A. In 2019, we generated total revenue of €510.6 million, of which AWS represented approximately 45%, LIS approximately 36% and FPP approximately 19%. In the twelve months ended September 30, 2025, our total revenue amounted to €647.9 million, with AWS contributing 41.8% of total revenues and LIS contributing 42.2% of total revenues, reflecting a convergence in their relative weight within our revenue base. Over the same period, FPP accounted for 16.0%

of total revenues, representing a modest reduction in its relative contribution compared to 2023. Overall, between 2019 and the twelve months ended September 30, 2025, our revenue mix shifted toward a more balanced contribution between AWS and LIS, while FPP remained broadly stable in percentage terms.

We serve a large and established customer base, characterized by long-term partnership-like relationships, many of which involve co-developing bespoke products to meet customers' specifications. Our customer base is also diversified across geographies and sectors, with no customer accounting for more than 7% of our revenue and our top ten customers only accounting for approximately 29%, respectively, of our revenue for the nine months ended September 30, 2025.

We have a global manufacturing and distribution footprint with 14 core production facilities, which are located adjacent to major industrial hubs in EMEA, APAC and complemented by three tolling sites, four blending facilities and one storage plant in Poland. We also maintain and invest in seven R&D centers of excellence in Europe and the United States, which are part of our strategic focus on continuous innovation and underpin our strong pipeline of new launches.

For the twelve months ended September 30, 2025, our revenue, operating profit and Contribution Margin were €647.9 million, €54.6 million and €260.6 million, respectively, and our profit/(loss) after tax, Further Adjusted EBITDA, and Further Adjusted EBITDA Margin were €(49.5) million, €137.1 million and 21.2%, respectively. For a reconciliation to the corresponding IFRS measures, please see "*Summary Historical Financial and Other Information—Non-IFRS and As Adjusted Financial Information*" and "*Summary Historical Financial and Other Information—Other Financial Information, Segment, Geographic and Operating Data.*"

Presentation of Our Financial Information

Starting with our results as of and for the period ended September 30, 2024, we have adopted a new classification of our main end markets for our product portfolio with the aim of providing a more concise and simplified representation of our business activities. As a result, our accounting segments under IFRS 8 (*Operating Segments*) in our Financial Statements have been revised to reflect this new end market classification. Accordingly, certain financial measures, including the revenue breakdowns for all periods presented in this Offering Memorandum, including retrospectively for any periods prior to September 30, 2024, reflect the breakdowns of our revenue according to the new classification that we first adopted for the period ended September 30, 2024, as follows:

- *AWS*, which includes our results deriving from the sale of phosphonates and polymer derivatives additives, mainly used as antiscalant in wastewater and cleaning;
- *LIS*, which includes our results deriving from the sale of base oils and additives used in both industrial and transportation lubricants and of additives such as flame retardants; and
- *FPP*, which includes our results deriving from the sale of specialty chemical intermediates for agriculture, water treatment, EV batteries, oleochemical products and unconventional energy (fracking).

We also present certain financial and business information classified according to the geographic areas in which we operate. In each instance, the geography of sale is reported as the geography of the customer making the relevant purchase, irrespective of the location of the relevant parent or commercial subsidiary booking the sale. See "*Business—Our Products Overview.*" We also present herein breakdowns of our volumes by our three main end markets for our product portfolio. See "*Presentation of Financial and Other Information—Other Segment, Geographic and Operating Data.*"

Key Factors Affecting our Results of Operations and Financial Condition

Our results of operations are driven by a combination of factors, many of which affect the chemicals industry generally. Our results of operations and cash flow are also affected by company-specific structural and operational factors.

The following discussion highlights the factors that we believe have had, and could continue to have, a material effect on our results of operations and financial condition. However, past performance will not necessarily be indicative of future performance. In addition, important factors that could cause our actual operations or financial conditions to differ materially from those expressed or implied below also include, but are not limited to, factors indicated in this Offering Memorandum under "*Risk Factors*" and "*Forward-Looking Statements.*"

General Economic Conditions and Demand in Our End Markets

The specialty chemicals industry is impacted by general economic conditions and cyclicality, with demand historically correlated to GDP growth in the markets in which we operate both regionally and globally. While our business tends to be relatively resilient to economic shocks due to the diversification of our geographies and end markets, demand in our main end markets can vary in response to changes in industrial activity, customer inventory levels and broader macroeconomic and geopolitical developments. In particular, the demand and pricing conditions in the markets where we compete, as well as the supply and cost of raw materials, may be influenced by the overall economic conditions in Europe, the Americas and the APAC region. See also "*—Fluctuation in the Prices of Raw Materials.*"

Our products are used in a diverse group of end markets, in particular, industrial water treatment, cleaning, traditional and innovative energy sources, industrial and engine oils, greases, electronics and electrical compounds, construction and personal care. We believe certain trends tend to support favorable performance in our end markets, including:

- in our AWS end market segment, increasing demand for industrial water management solutions and desalination solutions, particularly in the Middle East, increased mining applications, energy transition to geothermal sources, regulatory changes in China promoting product safety, and geothermal penetration;

- in our LIS end market segment, on-going scrutiny of safety standards, including regulatory trends supporting the development of halogen-free flame retardants for the electrical and electronics industry due to safety and environmental concerns, increasing performance requirements (in respect of motor vehicles, wind turbines and metalworking fluids), energy transition to windmills and solar panels, and the substitution of conventional mineral lubricants with high-performance chemical lubricants; and

- in our FPP end market segment, increasing demand for li-ion batteries, stable demand for PCl3 and derivative products, and increased demand for personal care bio-based ingredients.

Historically, demand in Europe and the United States has been driven by changes in demographics, customer requirements for high-quality products and stringent health and safety regulations, while demand in developing regions has also been driven by population growth, ongoing industrialization and new infrastructure spending. Our results of operations and financial condition are also impacted by global macroeconomic factors such as the increasing competition from developing countries (particularly, China), uncertainty tied to geopolitical conflicts, limits to the free flow of goods, prevailing market interest rates, overall inflation levels, cyclical variations in the end markets and energy and logistics costs. As a general trend, the results for 2022 were characterized by a strong rebound of the global economy, following the ease, and subsequent removal, of restrictions imposed during the COVID-19 health emergency. Although this supported a temporary rise in consumer spending, the positive effect was subsequently offset by rising inflation and tighter monetary policies in Europe and the United States, which contributed to weaker industrial conditions in 2023. These factors, together with the prolonged industrial de-stocking cycle caused by distributors or customers reducing their on-hand inventory and delaying or reducing replenishment orders, principally driven by uncertainty over the level of demand in the market, resulted in materially lower order levels across our end markets and contributed to our €190.7 million, or 22.1%, year-on-year revenue decrease in 2023.

As price increases contributed to higher inflation in Europe and the United States, central banks introduced restrictive monetary policies to contain inflationary pressures, which, in turn, dampened global economic activity. Since late 2024, inflation has moderated and central banks have begun reducing interest rates; however, overall interest-rate levels remain above historical averages and continue to weigh on industrial production trends and customer ordering patterns. These developments, combined with the normalization of customer inventories from the unusually low levels of 2023, supported a partial demand recovery in 2024, reflected in our €15.0 million, or 2.2%, increase in revenue for the year.

In the chemicals sector, and, to an extent, globally, 2023 results were negatively affected by weaker demand and uncertainty arising from a de-stocking trend. Over the same period, European and American producers faced lower demand due to rising competition from Chinese producers, particularly in commoditized products, and increased Chinese exports following weaker domestic demand in China. De-stocking trends partially reversed in 2024 as customer inventories normalized and global demand grew; however, competition from Chinese producers remained a key factor affecting results of European and American producers in the chemical sector. Although the sector's overall 2024 results reflected this improvement, high energy costs and macroeconomic uncertainty, also driven by new regulations connected with the European Union's environmental strategy, such as the EU ETS, slowed investment. In addition, European carbon-pricing regulations have amplified the impact of Chinese competition, as Chinese producers are generally not subject to comparable production costs.

The general economic conditions for this period were also influenced by disruptions to logistics routes, including the effects of the Israel–Hamas conflict, which began in the final months of 2023, and caused significant disruption to shipping lanes in the Red Sea, affecting the flow of supply chains and increasing transportation costs. Many of these trends carried into 2025, which was characterized by a cautious positive evolution of demand. Volumes increased more gradually compared to the significant growth experienced in 2024, reflecting more balanced customer inventories and more conservative purchasing behavior in Europe and the United States. Demand in 2025 was also impacted by temporary factors, including the effect of delayed sugar cane harvest on Alcolina and the temporary interruption of production at our Zuera facility, which influenced the timing of customer orders and contributed to our €38.3 million, or 7.2%, period-on-period revenue decrease for the nine months ended September 30, 2025.

The market demand in the chemicals sector was further affected by ongoing tariff debates and trade-policy measures restricting the free flow of goods between markets. Any prolonged or new tension between global economic players, regardless of whether it is escalated globally or limited to specific regions, could further feed into uncertainty in customer sourcing decisions and adversely affect demand for our products. With particular reference to armed conflicts, the Russia–Ukraine and Israel–Hamas conflicts have affected general economic conditions, levels of demand in end markets and the flow of global supply chains. For example, in order to comply with various sanctions regimes relating to Russia–Ukraine conflict, as of September 30. 2025, we have reduced our revenue from Russia, Belarus and Ukraine to nil. Retaliation measures enacted by some states may limit companies' ability to satisfy demand from certain markets, resulting in lost commercial opportunities and revenue contraction. The current geopolitical landscape is also affected by trade barriers and government protectionist measures, including recent tariff actions adopted by the United States on imports from China and the European Union, together with retaliatory measures from the targeted states. The continuation or expansion of such trade policies could contribute to a global economic slowdown, with adverse effects on our international product demand, supply chains and overall operational performance.

Notwithstanding these unfavorable conditions for the industry, we believe that we have shown resilience compared to our peers, partly attributable to our specialty positioning and our focus on high-quality, value-added solutions over volume. Our resilience is evidenced by our ability to sustain a stable Contribution Margin. In particular, our Contribution Margin as a percentage of revenue has remained at approximately 35–40% over the past four years, reflecting cost discipline, a diversified product range, and customer loyalty, typical of specialty niches rather than commoditized markets. Our ability to compete on the basis of quality and performance in specialty markets is also strengthened by our global production footprint, which allows us to effectively mitigate the effects of negative trends in specific regions of the world. The general focus on quality and the targeting of specialized chemicals markets differentiates us from commoditized producers and supports our progressive growth, despite general unfavorable conditions in the chemical sector.

See "*Risk Factors—Risks Related to Our Business and Industry—Our business is sensitive to global economic and geopolitical conditions*" and "*Risk Factors—Risks Related to Our Business and Industry—Conducting operations and sales in several different countries, including developing countries, exposes us and our facilities to various geopolitical, macroeconomic and regulatory risks within each jurisdiction.*"

Fluctuation in the Prices of Raw Materials

Fluctuation in the prices of raw materials affects our revenue and profitability. Our principal raw material inputs are phosphorus, tallow and vegetable oil, phosphorus acid, phosphorus trichloride and acrylic acid, and we attempt to mitigate any negative effect on our Contribution Margin of increases in the price of key raw materials by increasing our selling prices. Our ability to do so depends on general economic conditions in our end markets and demand for our products. We seek to optimize our Contribution Margin by managing price adjustments. In times of increasing raw material prices, we seek to pass-through raw material cost increases to our customers through higher prices for our products, although we sometimes experience a time lag in our ability to do so. In particular, most of our contracts with customers generally include pricing mechanisms whereby pricing is negotiated monthly, on a spot basis or adjusted based on agreed formulas, while historically such adjustments were made on a quarterly basis. See "*Business—Global Platform and Supply Chain—The Group—Sales and Distribution*."

Our top five raw materials (namely, yellow and red phosphorus, tallow and vegetable oil, dioctyl fumarate, phosphorus acid crystal, and phosphorus trichloride) accounted for approximately 30.9% of our raw material costs for the year ended December 31, 2024, with phosphorus representing approximately 18.6% of our raw materials costs for the same period. In addition, Costs of Raw Materials, Consumables and Production Utilities represented 68.4% of our Variable Costs and Fixed Costs (which do not include depreciation and amortization and impairment losses on goodwill) and 56.5% of our revenue, in each case for the nine months ended September 30, 2025, compared to 70.8% and 57.4%, respectively, for the nine months ended September 30, 2024. The substantially stable proportion of our costs of raw materials, consumables and production utilities compared to our revenue for the nine-month periods ended September 30, 2024 (57.4%) and September 30, 2025 (56.5%) demonstrates our ability to manage and optimize raw materials, consumables and production utilities cost increases through our ability to generally pass through price increases to customers. We source phosphorus mainly from Vietnam and Kazakhstan and, by relying on multiple suppliers, attempt to hedge against any one supplier having inordinate pricing power and against seasonality alternations. The price of phosphorus is generally determined by global supply and demand dynamics and also influenced by any applicable export duties (which have been stable over recent years) and shipping costs. Moreover, the price of phosphorus is linked to the downstream price trend of fertilizers (MAP/DAP/super phosphates and natural phosphates) as well as while the upstream prices of the raw materials used in its production (coke, phosphorites and energy), together with logistics costs.

We actively manage our working capital requirements to optimize and improve our capital efficiency. Our working capital levels vary also as a result of several other factors, including the terms for the collection of receivables from our customers or the payables by our suppliers, the effect of selling prices, production stoppages and maintenance works, changes in payment terms in the case of key suppliers, foreign exchange rates, our decisions to hold inventories, the operating level of our business and the seasonality and the cyclicality of the industries that we supply.

From time to time, we may rely on our working capital facilities, including the Revolving Credit Facility, and factoring arrangements to ensure security of supply for our customers by, among other means, guaranteeing sufficient amounts of inventory and maintaining our days payable outstanding at controlled levels.

Energy Prices

Our production process requires significant energy usage (primarily natural gas, electricity and steam). Gas and electricity prices increased significantly in 2022, which, in turn, resulted in higher natural gas and electricity expenses. This increase in prices was caused principally by the beginning of the conflict between Russia and Ukraine, which resulted in reduced access to gas resources from Russia and the consequent widening of the gap between supply and demand. This gap has particularly impacted production costs for energy-intensive sectors, such as the chemical sector, for which natural gas is critical. In particular, the reduced supply of natural gas from Russia has and will likely continue to put further pressure on energy prices. Some European governments, such as the Italian government, have been actively working to diversify gas supply away from Russia or put in place contingency plans for scenarios where Russian gas supply is cut off entirely for European consumers, which is currently expected to occur in 2027. In 2024, energy prices in Europe have continued to decrease from the peaks of 2022 but remain significantly higher than prices in the Unites States, primarily because of Europe's retaliatory measures against Russia, limiting import of gas through pipelines and focusing on replacing it with spot-priced liquefied natural gas. The cost of natural gas at our European plants, increased by approximately 1.7% from €5.4 million for the nine months ended September 30, 2024 to €5.5 million for the nine months ended September 30, 2025. Our costs for electricity at our European plants reported a similar increase as the cost of electricity increased by approximately 2.0% from €4.2 million for the nine months ended September 30, 2024 to €4.3 million for the nine months ended September 30, 2025. To mitigate energy price volatility, which has also characterized our results of operations in 2025, we have adopted partial and dynamic hedging strategies since 2023, extending coverage to our needs for 2024, 2025 and beyond. See "*Risk Factors—Risks Related to Our Business and Industry—Increased energy costs or disruptions in energy supplies could have a material adverse effect on our business, financial condition and results of operations.*"

Our cost of gas is mainly allocated to raw materials, consumables and production utilities in our Financial Statements, and represented approximately 2.4% of raw materials, consumables and production utilities for the nine months ended September 30, 2025, compared to 2.2% for the nine months ended September 30, 2024. In times of increasing energy prices, we seek to pass-through these cost increases to our customers. In particular, in response to current pricing pressures, most of our contracts with customers generally include pricing mechanisms whereby pricing is on a spot basis or adjusted based on agreed formulas in order to account for the actual cost of energy and can be reviewed periodically or on a threshold basis. Moreover, we have implemented contingency plans for our European plants, including plans to switch from gas to other traditional fuel sources in our Italian and Spanish plants and relying on alternative available fuels at our German plant. Such contingency plans have reduced the risk to our energy supply security. Additionally, we have undertaken multiple initiatives aimed at reducing dependency on gas from outside sources, such as the cogeneration plant project in Arese, for which we obtained authorization in 2024 and which is expected to be completed by the end of 2026.

Sales Volume

Increased sales volume typically results in increased revenue but also increased variable costs including costs of materials to produce the volume sold and increased cost of services due to increased transportation costs. The table below sets forth the components which are mostly affected by sales volume, including revenue, cost of materials and transport costs for each of the periods presented.

	Year ended December 31,			Nine months ended September 30,	
	2022	**2023**	**2024**	**2024**	**2025**
Volume sold (ktons)	289.1	238.3	268.8	207.5	190.3
Revenue (€ million)	861.9	671.2	686.2	529.8	491.5
Raw materials, consumables and production utilities	(549.3)	(428.8)	(393.2)	(304.0)	(277.6)
Transportation costs (€ million)	(47.9)	(22.7)	(26.8)	(17.4)	(15.5)

Our sales volumes may also be temporarily impacted by the cyclicality or the seasonality of certain end products that rely on our products in their production process. In particular, demand for products used in industrial manufacturing processes, energy, lubricants and other performance-driven applications may fluctuate during the year in line with customer production schedules, maintenance and turnaround cycles and broader macroeconomic conditions. For example, customers operating in energy-related and industrial applications typically concentrate procurement activity around planned maintenance cycles and annual production planning, which often results in relatively higher order intake during the fourth and first quarters of the year. In addition, certain industrial customers tend to reduce production activity during the summer months and at the end of the year due to holiday shutdowns, particularly in Europe, which may temporarily affect ordering patterns during that period. By contrast, demand for products used in water treatment, food, feed, personal care and pharmaceutical applications is generally less sensitive to seasonal patterns or economic cycles, as such products are incorporated into essential, regulated or recurring consumption processes and are often supplied under long-term customer relationships. However, there are exceptions, such as the sales volumes and revenues of Alcolina, which are affected by the seasonality of sugar cane harvesting and the cyclicality of price in the global sugar market.

Contribution Margin

We define Contribution Margin as revenue *less* raw materials, production utilities and other costs comprising transportation costs for purchased raw materials and consumables and commission expenses, excluding utilities and transportation costs not directly referred to sales to third parties, *plus* inventory write-down provisions accrued in the period and less any utilization thereof. Contribution Margin does not include third-party production and maintenance costs, employee benefit expenses, other operating expenses (other than commission expenses), depreciation and amortization and impairment losses on goodwill. Contribution Margin is calculated based on unaudited management accounts that do not reconcile to our statutory accounts due to the exercise of management judgment in determining the qualification of other cost items. Contribution Margin is therefore not a measure of financial performance under IFRS or other generally accepted accounting principles and is not directly comparable to operating profit for the year/period or any other performance measure derived in accordance with IFRS or as a measure of our results of operations or liquidity. The table below sets forth our operating profit on an absolute basis and as a percentage of revenue for each period presented.

	Year ended December 31,			**Nine months ended September 30,**	
(€ million)	**2022**	**2023**	**2024**	**2024**	**2025**
Operating Profit	72.6	7.1	62.5	61.3	53.4
as a percentage of revenue (%)	8.4%	1.1%	9.1%	11.6%	10.9%

We focus on Contribution Margin as a key metric to determine the profitability of our operations. The table below sets forth our Contribution Margin on an absolute basis and as a percentage of revenue for each period presented.

	Year ended December 31,			**Nine months ended September 30,**	
(€ million)	**2022**	**2023**	**2024**	**2024**	**2025**
Revenue	861.9	671.2	686.2	529.8	491.5
Raw materials	(498.8)	(397.2)	(359.7)	(280.2)	(257.9)
Accrual to inventory position	20.9	—	2.6	—	—
Production utilities	(38.9)	(22.5)	(23.2)	(16.8)	(16.0)
Other cost[(a)]	(47.8)	(10.5)	(29.7)	(17.2)	(17.5)
Contribution Margin[(b)]	297.3	240.9	276.1	215.7	200.1
as a percentage of revenue (%)	34.5	35.9	40.2	40.7	40.7

(a) Other costs include transportation costs for purchased raw materials and consumables and commission expenses, excluding utilities and transportation costs not directly referred to sales to third parties.

(b) Contribution Margin is calculated based on unaudited management accounts that do not reconcile to our statutory accounts due to the exercise of management judgment in determining the qualification of other cost items.

Our Contribution Margin depends on the price at which we sell our products and the cost of materials and costs of services directly related to the production and distribution of such products. Average selling prices depend, among other things, on overall market conditions (see "*—General Economic Conditions and Demand in Our End Markets*"), our ability to formulate and market specialized products that our customers cannot purchase as commodity chemical additives and the mix of products by end market and geography (see "*—Mix of Products by End Market*"). Our steady and robust Contribution Margins performance of approximately between 35% and 40% during each period since 2022, with Contribution Margin per Ton consistently above €1,000 per ton, reflects both the high value our customers place on our products and our highly flexible, rigorously controlled cost base.

The increased focus in recent years on the sale of specialty chemicals products and solutions has contributed to the Contribution Margin levels. Our stable Contribution Margin levels demonstrate our ability to optimize management of price adjustments, both in times of increasing raw material prices, when we seek to pass-through raw material cost increases to our customers through higher prices for our products, and in times of decreasing raw material prices, when we seek to retain part of the decrease when possible. For further detail on the cost of raw materials, see also "—*Fluctuation in the Prices of Raw Materials.*"

Mix of Products by End Market

The mix of products by end market affects our results because profitability differs between our three end markets. The table below sets forth the percentage of volume each end market comprised in each period.

	Year ended December 31,			Nine months ended September 30,	
(% of total volume)	**2022**	**2023**	**2024**	**2024**	**2025**
AWS	49.6	47.7	49.8	49.6	49.6
LIS	27.0	27.5	27.3	27.2	29.0
FPP	23.4	24.8	22.9	23.2	21.4

The proportion of our total volume represented by each end market has been relatively stable during the periods presented but significant changes in the future may occur, including by way of acquiring businesses that contribute disproportionately to one end market, and would affect our overall profitability. For example, the increase in revenue from the AWS market between the years ended December 31, 2023 and 2024 was partly driven by the acquisition of Alcolina, and its consolidation into our statements of profit and loss starting April 1, 2024.

Fluctuations in Exchange Rates

Our business operations entail certain transactional currency risks, since our purchases and sales are typically made in the same local currency with minimal exposure to imported components. To this extent, fluctuations in exchange rates affect the euro-denominated results of our consolidated subsidiaries that have a functional currency other than the euro, which results are translated using period-average exchange rates from the relevant local currency. These fluctuations therefore ultimately impact our consolidated financial information. Fluctuations in exchange rates also affect our finance income and finance costs, which include realized and unrealized exchange rate gains and losses. The table below sets forth our exchange rate gains and losses for the periods under review.

	Year ended December 31,			Nine months ended September 30,	
(€ in million)	**2022**	**2023**	**2024**	**2024**	**2025**
Unrealized exchange rate gains	13.5	3.2	18.7	0.6	0.6
Realized exchange rate gains	19.1	8.8	5.4	3.3	5.6
Unrealized exchange rate losses	(4.1)	(11.3)	(0.6)	(2.6)	(32.7)
Realized exchange rate losses	(19.4)	(9.0)	(5.5)	(4.0)	(9.3)

A strengthening of the euro against other currencies would generally have a negative effect on sales and positive effect on costs. In 2022, the euro was weaker compared to the U.S. dollar and stronger against the British pound sterling. In 2023 these trends were inverted as the euro was stronger against the U.S. dollar and weaker compared to the British pound sterling. Throughout 2024, the euro grew stronger against the dollar and the British pound sterling. We also suffered negative effects on sales from the strengthening of the dollar against the Brazilian real, following the acquisition of the Alcolina business in Brazil. Recently, in 2025, while the position of the euro against U.S. dollar has remained strong, we have seen limited weakening of the currency against the Brazilian real and the British pound sterling.

Exchange rate gains and losses arise due to the substantial amount of economic activity we conduct in currencies other than euro. Foreign currency transactions are recognized at the exchange rate on the transaction date and re-translated into euro generating a gain or loss which may be realized or unrealized depending on the closing of the transaction.

Our primary exposure to fluctuations in exchange rates is to the purchases of raw materials and sales of our products to third parties in U.S. dollars. In particular, our sales and cost of production sold in U.S. dollars amounted to approximately $294.3 million and $185.8 million, respectively, for the nine months ended September 30, 2025. We have historically entered into USD/Euro currency forward contracts to partially hedge our currency risks and largely managed this risk through cash pooling and natural hedges due to costs and revenues in U.S. dollars. In general, although operating in such a variety of currencies guarantees a level of resilience, the fluctuation of exchange rates may negatively affect the ultimate results of our operations. Unrealized exchange rate gains and losses largely resulted also from translation of U.S. dollar denominated intragroup loans into Euro at the period end. We expect to maintain the intragroup loans from the Issuer to Italmatch USA subsequent to the Refinancing. For the nine months ended September 30, 2025, the effects of exchange rate fluctuations resulted in a negative impact of €33.1 million in profit/(loss) after tax and caused a decrease of €2.4 million in Adjusted EBITDA, in each case compared to the nine months ended September 30, 2024. See "*Risk Factors—Risks Related to Our Businesses and Industries-Our operations require the use of several different currencies, exposing us to both transaction and translation effects of exchange rate fluctuations*."

Environmental and Safety Concerns

Our results of operations are affected by environmental and sustainability laws and regulations and our customers' environmental requirements and awareness. Further, carbon dioxide and other GHG emissions result from our production processes, and, as a result, we are regulated by the EU ETS and other EU and national regulations in the EU and regulated by the EPA and relevant state agencies in the United States. Supranational, national or regional legislation and regulations may impose additional restrictions on us in the future in relation to our carbon dioxide and other GHG emissions, which could lead to increased costs or capital expenditures or require additional operational changes at our production facilities.

The main laws and regulations relating to the safe use of substances and chemicals affecting our industry are the REACH regulation and the BPR in the European Union and FIFRA and TSCA in the United States, which, respectively, impose significant obligations on the chemicals industry with respect to the testing, evaluation, assessment and registration of substances.

In addition, from time to time, we incur remediation costs at our current facilities and as of December 31, 2024, we had made provisions for restoration costs of €1.2 million. If environmental harm is found to have occurred as a result of our current or historical operations, we may incur significant remediation costs and pay fines and damages. As a result, our environmental compliance and remediation costs could increase. Future closure and decommissioning at any of our facilities, or of process units at these facilities, could result in significant remediation costs. See "*Risk Factors—Risks Related to Our Businesses and Industries—Compliance with EHS and zoning and town planning laws and regulations and the retention of requisite permits related to our operations could result in significant ongoing costs and may result in further obligations and liabilities associated with our business.*"

Efficient Cost Management

We believe our integrated and flexible operating platforms allow us to adjust the outputs of our main products, byproducts and derivatives from each product tree and thus adapt the allocation of our production capacity in response to changes in market demand. In particular, the fact that Variable Costs (defined as the costs for raw materials, consumables and production utilities, third party production and maintenance and transportation costs) have generally accounted on average for 79.9% from January 1, 2025 to September 30, 2025 of our Variable Costs and Fixed Costs (which do not include depreciation and amortization and impairment losses on goodwill) provides us with significant flexibility to manage our costs according to fluctuations in customer demand and production volume. Given our relatively low Fixed Costs (defined as other operating expenses and employee benefits expense and calculated excluding depreciation and amortization and impairment losses on goodwill), which have generally accounted on average for approximately 20.0% from January 1, 2025 to September 30, 2025 of our Variable Costs and Fixed Costs (which do not include depreciation and amortization and impairment losses on goodwill), our costs generally decrease as our output decreases due to, for example, declining demand.

Particularly in 2025, our performance has been positively influenced by the achievement of a strong Contribution Margin, driven in part by the ongoing benefit on Variable Costs of the operational excellence program, which is aimed at the development of cost-effective operations through on leading-edge technology, continuous improvement of our productivity and quality of product.

The optimization of operations to drive cost savings and develop efficiency improvement projects requires us to regularly monitor our production and distribution processes in an effort to identify profitable streamlining efforts that can optimize efficiency and reduce unnecessary costs. We intend to continue to undertake such streamlining initiatives seeking to increase production capacity (*e.g*., currently at the plants of Zuera, Arese, Qualiano and Newport), achieve process improvements, improve our efficiency and margins and reduce production and other costs. We also expect to continue our focus on rigorous cost control and maximizing synergies from acquisitions. The acquisition of Alcolina has high synergy potential, particularly enabling cost efficiencies through operational integration and local sourcing, while supporting the strategic shift toward green solutions

The table below sets forth our cost structure for the periods presented.

	For the year ended December 31,			Nine months ended September 30,	
(€ in millions and percentages)	**2022**	**2023**	**2024**	**2024**	**2025**
Revenue	**861.9**	**671.2**	**686.2**	**529.8**	**491.5**

Raw materials, consumables and production utilities	(549.3)	(428.8)	(393.2)	(304.0)	(277.6)
Third-party production and maintenance	(37.3)	(33.1)	(40.0)	(28.8)	(31.1)
Transportation costs	(47.9)	(22.7)	(26.8)	(17.4)	(15.5)
Variable Costs	**(634.6)**	**(484.6)**	**(460.0)**	**(350.2)**	**(324.3)**
% of total Variable Costs and Fixed Costs	86.0%	82.0%	80.7%	81.5%	79.9%
% of revenue	73.2%	72.2%	67.0%	66.1%	66.0%
Other operating expenses	(28.9)	(32.9)	(34.0)	(23.2)	(25.4)
Employee benefits expense	(74.3)	(73.5)	(75.9)	(56.1)	(56.2)
Fixed Costs(1)	**(103.3)**	**(106.5)**	**(109.9)**	**(79.3)**	**(81.6)**
% of total Variable Costs and Fixed Costs	14.0%	18.0%	19.3%	18.5%	20.1%
% of revenue	12.0%	15.9%	16.0%	15.0%	16.6%
Total Variable Costs and Fixed Costs	**(737.9)**	**(591.1)**	**(569.9)**	**(429.5)**	**(405.9)**
% of revenue	85.6%	88.1%	83.1%	81.1%	82.6%
Depreciation and amortization	(56.8)	(56.1)	(61.3)	(43.5)	(44.0)
Impairment losses on goodwill	—	34.1	—	—	—
Total other operating costs	**(56.8)**	**(90.2)**	**(61.3)**	**(43.5)**	**(44.0)**
% of revenue	6.6%	13.4%	8.9%	8.2%	8.9%
Total operating costs	**(794.7)**	**(681.2)**	**(631.2)**	**(473.0)**	**(449.9)**
% of revenue	92.2%	101.5%	92.0%	89.3%	91.5%

(1) Fixed costs do not include depreciation and amortization and impairment losses on goodwill.

Cyclicality and Seasonality

We generally experience a limited degree of seasonal fluctuations in the demand for certain of our products. As a result, our Net Working Capital, revenue, Contribution Margin, Adjusted EBITDA and Further Adjusted EBITDA reflect these trends with decreases in the second half of the year coinciding with holiday seasons. While certain of our products, such as complex esters and fumarates, are more subject to seasonality with sales increasing in the second half of the year when customers typically prepare lube applications for winter seasons, we believe our overall results are relatively stable as a result of the diversity of our product offerings and our geographic diversification. In particular, August and December are defined as "shorter months" operationally, with fewer shipments and lower revenues.

Following our acquisition of Alcolina, our AWS end market segment became subject to the historical seasonal demand patterns of the Alcolina product portfolio. Revenues attributable to Alcolina represented approximately 9% of our revenues from the AWS end market for the nine months ended September 30, 2025. Alcolina volumes are tied to sugar cane harvesting seasonality and are typically higher during the period from October to March. In addition, in the case of Alcolina, pricing trends in the sugar market may influence volume demand. For example, the price of sugar is currently experiencing a significant decrease globally, and particularly in Brazil, due to overproduction. This trend has affected activity levels for chemicals companies supplying compounds in the sugar refining process. As a result, certain of our product lines may exhibit greater intra-year variability and, in some cases, lower productivity, following the cyclicality of the market, seasonality of plantations and fluctuations in final product prices.

We are also exposed to the cyclical price fluctuations in the end products whose production utilizes our specialty chemicals. If the price of an end product declines, our customers may temporarily decrease production, which could reduce the volume they purchase from us. Since significant market downturns are typically followed by periods of recovery and rising prices, our operating results may fluctuate over the course of a year or several years. For instance, sugar prices are currently at a five-year low. Although an increase in prices is anticipated in the near future, this situation negatively impacted volumes and revenues attributable to Alcolina for the nine months ended September 30, 2025.

Debt and Financial Structure

Our finance costs are directly related to the principal amount of debt outstanding during each period under review and the rate of interest payable on such debt. The table below sets forth our interest costs (which are included in finance costs) for each of the periods under review.

	As of and for year ended December 31,			**Nine months ended September 30,**	
(€ in million)	**2022**	**2023**	**2024**	**2024**	**2025**
Interest and other financial charges	(41.6)	(79.8)	(74.3)	(52.7)	(52.0)
Exchange rate losses	(23.5)	(20.2)	(6.2)	(6.6)	(42.0)

Interest on IFRS 16	(0.5)	(0.6)	(0.6)	(0.5)	(0.6)
Other finance costs	(1.9)	(1.0)	(1.6)	(3.6)	(3.4)
Total finance costs	**(67.4)**	**(101.6)**	**(82.7)**	**(63.4)**	**(98.1)**

Key Factors Affecting the Comparability of our Results of Operations

Acquisitions

Our results for the periods presented were significantly affected by consolidating newly-acquired material subsidiaries. In June 2022, we completed the acquisitions of Aubin Group, a key strategic developer and supplier of innovative chemical solutions for the traditional and renewable energy sector, headquartered in Ellon, Scotland and with offices and warehouses across the UK and the Middle East. This acquisition further strengthened our position in the oil and gas and renewable energy sectors in key strategic markets such as the Middle East, the United States, and the North Sea. Our Audited Financial Statements for the year ended December 31, 2022 include, on a consolidated basis, the results of Aubin Group from July 1, 2022 and, as a result, our consolidated statements of profit and loss and other comprehensive income and statements of cash flow for the year ended December 31, 2023 cannot be directly compared with the statements for the corresponding prior period due to the consolidation of the revenue generated and costs incurred by the acquired business on a full-year basis for the year ended December 31, 2023, as compared to consolidation of such results on a partial-year basis for the year ended December 31, 2022. Furthermore, in March 2024, our wholly-owned subsidiary, Italmatch Química do Brasil, completed the acquisition of a majority of the shares of Alcolina, a Brazilian chemicals company specializing in water treatment products for bioethanol, sugar production and industrial applications. The assets and liabilities of Alcolina have been consolidated into our consolidated balance sheets data from March 31, 2024, and the results of operations and cash flows of Alcolina have been consolidated into our consolidated statements of profit and loss and other comprehensive data and statements of cash flow from April 1, 2024. As a result, our results of operations and cash flow statements for the year ended December 31, 2024 include a partial-year contribution from Alcolina, whereas the corresponding information for the year ended December 31, 2023 reflects no such contribution. Correspondingly, our results of operations and cash flow statements for the nine months ended September 30, 2025 reflect a full nine-month contribution from Alcolina, while the corresponding period in 2024 reflects only a partial contribution from Alcolina. Consequently, our consolidated statements of profit and loss and other comprehensive income and statements of cash flow for the nine months ended September 30, 2024 and 2025 cannot be directly compared due to the partial contribution of revenue generated and costs incurred by Alcolina starting April 2024. The comparisons between these periods should be made with due regard to the timing of this acquisition. See "*Risk Factors—Risks Relating to Our Business and Industry—Each of our Adjusted EBITDA and Further Adjusted EBITDA presented in this Offering Memorandum is based upon management estimates and assumptions in respect of certain cost savings, revenue synergies and other initiatives. Such estimates and assumptions might prove to be materially incorrect as a result of factors that are beyond our control and are subject to known and unknown risks, uncertainties and other factors*" and "*Risk Factors—Risks Relating to Our Business and Industry—We operate in a competitive landscape when placing bids for targets and we may carry out acquisitions which may not deliver anticipated benefits.*"

Finally, we may acquire or dispose of other businesses in the future. Such acquisitions or disposals may be significant and our future consolidated statements of profit and loss and other comprehensive income, balance sheets and statements of cash flow statements may not be directly comparable with the statements for the corresponding historical prior periods presented in this Offering Memorandum. In addition, our results are negatively impacted by integration costs and positively impacted by synergies arising from operational improvements and cost savings.

Description of Key Income Statement Items

Revenue

Revenue includes revenue from products sold or services provided to third parties.

	Year ended December 31,			**Nine months ended September 30,**	
	2022	**2023**	**2024**	**2024**	**2025**
Revenue (€ million)	861.9	671.2	686.2	529.8	491.5

The Group's revenue derives from the sale of specialty chemicals products. Revenue is measured based on the consideration to which the Group expects to be entitled pursuant to its contracts with customers and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of a product or service to a customer, which may occur, depending on the individual customer relationship, when the product has been transferred to a freight carrier, when the customer has received the product or, for consignment stock held at customers' premises, when usage reports for the relevant period have been compiled.

Raw materials, consumables and production utilities

Raw materials, consumables and production utilities mainly consists of raw material purchases, as well as energy, tools and spare parts and other consumables.

Third-party production and maintenance, transportation costs

Third-party production and maintenance, transportation costs consist of production and maintenance as well as transportation costs.

Employee benefits expense

Employee benefits expense mainly consists of wages and salaries, social security contributions and employee severance indemnities.

Other operating expenses

Other operating expenses consist of commissions, legal and professional fees, insurance costs, utilities and postal expenses as well as property taxes and other sundry costs.

Net financial cost

Net financial cost includes financial income and finance costs. Finance income consists of income from current accounts and other bank transactions as well as exchange rate gains. Finance costs consists of interest expense on amounts due to banks and other lenders as well as exchange rate losses.

The table below sets forth the components of net financial cost for the period presented.

	Year ended December 31,			**Nine months ended September 30,**	
(€ million)	**2022**	**2023**	**2024**	**2024**	**2025**
Other financial income	0.5	6.9	8.4	7.3	1.3
Positive variation in fair value of derivative instruments	1.1	—	—	—	—
Exchange rate gains	32.6	12.0	24.0	3.8	6.2
Total finance income	**34.3**	**18.8**	**32.5**	**11.1**	**7.5**
Interest and other financial charges	(41.6)	(79.8)	(74.3)	(52.7)	(52.0)
Exchange rate losses	(23.5)	(20.2)	(6.2)	(6.6)	(42.0)
Interest on IFRS 16	(0.5)	(0.6)	(0.6)	(0.5)	(0.6)
Other finance costs	(1.9)	(1.0)	(1.6)	(3.6)	(3.4)
Total finance cost	**(67.4)**	**(101.6)**	**(82.7)**	**(63.4)**	**(98.1)**
Net financial income/(cost)	**(33.1)**	**(82.8)**	**(50.2)**	**(52.3)**	**(90.6)**

Depreciation and Amortization and Impairment Losses on Goodwill

Depreciation and amortization and impairments on goodwill relate to amortization of intangible fixed assets and depreciation of tangible fixed assets.

Impairment Losses on Financial Assets

Impairment losses on financial assets represent losses in respect of financial assets.

Income Tax Expense

Income tax expense represents income and expenses in respect of current and deferred income taxes.

Results of Operations

The following table provides an overview of our results of operations for the years ended December 31, 2022, 2023 and 2024 and for the nine months ended September 30, 2024 and 2025:

(€ million)	Year ended December 31, 2022	2023	2024	Nine months ended September 30, 2024	2025
Revenue	**861.9**	**671.2**	**686.2**	**529.8**	**491.5**
Other income	5.5	17.2	7.5	4.5	11.8
Raw materials, consumables and production utilities	(549.3)	(428.8)	(393.2)	(304.0)	(277.6)
Third-party production and maintenance	(37.3)	(33.1)	(40.0)	(28.8)	(31.1)
Transportation costs	(47.9)	(22.7)	(26.8)	(17.4)	(15.5)
Employee benefits expense	(74.3)	(73.5)	(75.9)	(56.1)	(56.2)
Other operating expenses	(28.9)	(32.9)	(34.0)	(23.2)	(25.4)
Depreciation and amortization	(56.8)	(56.1)	(61.3)	(43.5)	(44.0)
Impairment losses on goodwill	—	(34.1)	—	—	—
Operating profit/(loss)	**72.6**	**7.1**	**62.5**	**61.3**	**53.4**
Impairment losses on financial assets	(1.6)	(0.8)	(0.1)	—	—
Finance income	34.3	18.8	32.5	11.1	7.5
Finance costs	(67.4)	(101.6)	(82.7)	(63.4)	(98.1)
Net finance income/(costs)	**(34.7)**	**(83.6)**	**(50.3)**	**(52.3)**	**(90.6)**
Profit/(loss) before taxes	**37.9**	**(76.5)**	**12.2**	**9.0**	**(37.2)**
Income tax expense	(9.9)	(6.1)	(18.0)	(11.2)	(8.7)
Profit/(Loss) after tax	**28.0**	**(82.6)**	**(5.8)**	**(2.2)**	**(45.9)**

Nine months Ended September 30, 2025 Compared with Nine months Ended September 30, 2024

(€ million)	Nine months ended September 30, 2024	2025	Change in %
Revenue	**529.8**	**491.5**	**(7.2%)**
Other income	4.5	11.8	162.2%
Raw materials, consumables and production utilities	(304.0)	(277.6)	(8.7%)
Third-party production and maintenance	(28.8)	(31.1)	7.9%
Transportation costs	(17.4)	(15.5)	(10.9%)
Employee benefits expense	(56.1)	(56.2)	0.2%
Other operating expenses	(23.2)	(25.4)	9.5%
Depreciation and amortization	(43.5)	(44.0)	1.1%
Impairment losses on goodwill	—	—	—
Operating profit/(loss)	**61.3**	**53.4**	**(12.9%)**
Impairment losses on financial assets	—	—	—
Finance income	11.1	7.5	(32.4%)
Finance costs	(63.4)	(98.1)	54.7%
Net finance income/(costs)	**(52.3)**	**(90.6)**	**73.2%**
Profit/(Loss) before taxes	**9.0**	**(37.2)**	**n.s.**
Income tax expense	(11.2)	(8.7)	(22.2%)
Profit/(Loss) after tax	**(2.2)**	**(45.9)**	**1,986.4%**

Revenue

Revenue decreased by €38.3 million, or 7.2%, to €491.5 million for the nine months ended September 30, 2025 from €529.8 million for the nine months ended September 30, 2024. The decrease in our revenue is primarily attributable to lower sales volumes amid an uncertain macroeconomic environment, as well as the temporary production pause at our Zuera facility. The year-on-year comparison is affected by the strong performance recorded in the first half of 2024. Revenue from each of the AWS, and FPP end markets decreased by 11.1%, and 13.0%, respectively, while revenue from the LIS end market increased by 1.0%, in each case for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024. The decrease in AWS was mainly driven by broad market headwinds, as well as temporary impacts of seasonality on Alcolina caused by a delay in the sugar cane harvest, compared to the previous year. In addition, year-on-year comparability is limited, as certain customers undertook significant re-stocking activities in the first half of 2024, after a prolonged phase of de-stocking that characterized the market throughout 2023, elevating the prior-year base and thereby contributing to the year-over-year decline. Revenue and volumes in the LIS end market remained largely stable as a result of continued strong demand, particularly in transportation-related applications. The LIS end market benefitted from a favorable product mix, which mitigated broader macroeconomic pressures and contributed to a resilient overall performance despite the currently unfavorable market conditions. Finally, revenue in the FPP end market experience a slight decline for the nine months ended September 30, 2025, principally due to a reduction in demand for traditional energy sources in the United States, which adversely affected volumes. The end market was additionally impacted by a temporary production interruption at our Zuera facility, resulting in an estimated 3 kt volume shortfall during the period.

Raw materials, consumables and production utilities

Raw materials, consumables and production utilities decreased by €26.4 million, or 8.7%, to €277.6 million for the nine months ended September 30, 2025 (representing 56.5% of our revenue) from €304.0 million for the nine months ended September 30, 2024 (representing 57.4% of our revenue), mainly due to a decrease in the purchasing cost of raw materials to meet lower production needs as well as due to a slight decrease of prices of raw materials. The following table sets forth a breakdown of costs to purchase raw materials, consumables and production utilities for the periods presented.

	Nine months ended September 30,	
	2024	**2025**
(€ million)		
Raw materials	280.2	257.9
Production utilities	16.8	16.0
Consumables and others	7.0	3.7

Third-party production and maintenance, transportation costs

Third-party production and maintenance, transportation costs increased by €0.4 million, or 0.9%, to €46.6 million for the nine months ended September 30, 2025 from €46.2 million for the nine months ended September 30, 2024. The increase is mainly due to the increase in third-party production and maintenance costs, which increased by 8.2% during the period, mainly due to an increase in the costs of waste disposal of €1.0 million and maintenance expenses of €1.2 million, primarily related to work carried out at our European plants. The increase in third-party production and maintenance, transportation costs was partly offset by a decrease in transportation costs by €1.9 million, to €15.5 million for the nine months ended September 30, 2025 from €17.4 million for the nine months ended September 30, 2024, which was primarily driven by lower sale volumes.

Employee benefits expense

Cost of personnel for the nine months ended September 30, 2025 amounted to €56.2 million and remained substantially in line with the cost of the previous comparable period .

Other operating expenses

Other operating expenses increased by €2.2 million, or 9.5%, to €25.4 million for the nine months ended September 30, 2025 from €23.2 million for the nine months ended September 30, 2024. The increase is mainly due to higher legal and professional fees, travel expenses and various other fees.

Depreciation and Amortization and Impairment Losses on Goodwill

Depreciation and amortization, and impairment losses on goodwill remained substantially in line with those of the previous comparable period at €44.0 million for the nine months ended September 30, 2025 compared to €43.5 million for the nine months ended September 30, 2024.

Impairment Losses on Financial Assets

Impairment Losses on Financial Assets were nil, in line with the previous period.

Net Finance Income/(Costs)

Net finance costs amounted to €90.6 million for the nine months ended September 30, 2025 compared to net finance costs of €52.3 million for the nine months ended September 30, 2024. The change was mainly due to the net effect of:

- *Unrealized exchange rate effect*. The translating of USD denominated intra-group loans was the principal factor causing €32.7 million of unrealized exchange rate losses for the nine months ended September 30, 2025 compared to €2.6 million of unrealized exchange rate losses for the nine months ended September 30, 2024.

- *Interest rate on hedging structure*. The interest rate hedging structure, which expired in 2024, generated €5.7 million in income for the nine months ended September 30, 2024. This is absent from the comparable period in 2025.

Income Tax expense

Income tax expense decreased by €2.5 million, or 22.2%, to €8.7 million for the nine months ended September 30, 2025 from €11.2 million for the nine months ended September 30, 2024. This decrease was primarily due to the decrease of our tax base, also affected by exchange rate differences.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

	Year ended December 31,		
(€ million)	**2023**	**2024**	**Change in %**
Revenue	**671.2**	**686.2**	**2.2%**
Other income	17.2	7.5	(56.4%)
Raw materials, consumables and production utilities	(428.8)	(393.2)	(8.3%)
Third-party production and maintenance	(33.1)	(40.0)	20.8%
Transportation costs	(22.7)	(26.8)	18.1%
Employee benefits expense	(73.5)	(75.9)	3.2%
Other operating expenses	(32.9)	(34.0)	3.3%
Depreciation and amortization	(56.1)	(61.3)	9.3%
Impairment losses on goodwill	(34.1)	—	(100.0)%
Operating profit/(loss)	**7.1**	**62.5**	**780.3%**
Impairment losses on financial assets	(0.8)	(0.1)	(87.5%)
Finance income	18.8	32.5	72.9%
Finance costs	(101.6)	(82.7)	(18.6%)
Net finance income/(costs)	**(83.6)**	**(50.3)**	**(39.8%)**
Profit/(Loss) before taxes	**(76.5)**	**12.2**	**n.s.**
Income tax expense	(6.1)	(18.0)	195.1%
Profit/(Loss) after tax	**(82.6)**	**(5.8)**	**(93.0%)**

Revenue

Revenue increased by €15.0 million, or 2.2%, to €686.2 million for the year ended December 31, 2024 from €671.2 million for the year ended December 31, 2023. The increase was primarily driven by the acquisition of Alcolina, the results of which were consolidated in our income statement from April 1, 2024. This acquisition contributed incremental volumes and an expanded product range, including in more commoditized segments, across the reporting period. The positive impact of this acquisition was partially offset by lower average selling prices, reflecting reduced input costs and the pass-through of these reductions to our customers, as well as competitive pricing dynamics in certain end markets. The overall increase was also driven by an increase in sales volumes in the AWS end market, mainly due to a moderate recovery in demand following the prolonged de-stocking that affected the industrial supply chain in 2023. This recovery was supported by the normalization of inventories after the supply-chain disruptions of 2021 and 2022 and by lower raw-material prices, which encouraged customers to delay replenishment into early 2024. This recovery was most evident in Europe. The rebound exhibited in the AWS end market was partially offset by a decline in average selling prices, reflecting lower input costs and heightened competition, including increasing competitiveness from Chinese producers in commoditized products categories, as well as a decrease in demand from the Chinese market. A 12.0% increase in sales volumes in the LIS end market compared to the year ended December 31, 2023 also contributed to the overall increase. Volume growth was supported by strong performance in engine lubricants, which benefitted from the continued ramp-up of the Fangcheng plant in China, a key producer of P2S5 lubricant additives. Demand across industrial applications remained strong, contributing to both higher volumes and improved contribution margins. The mix also improved through greater penetration of P2S5 volumes into APAC, alongside continued adoption of the segment's specialty solutions. Finally, our volumes in the FPP end market also increased by 4.0%. Despite the highly competitive market environment and deflationary raw materials cost backdrop in this sector, we maintained a stable Contribution Margin.

Raw materials, consumables and production utilities

Raw materials, consumables and production utilities decreased by €35.6 million, or 8.3%, to €393.2 million for the year ended December 31, 2024 (representing 57.3% of our revenue) from €428.8 million for the year ended December 31, 2023 (representing 63.9% of our revenue). This outcome was primarily driven by lower purchase prices, which accounted for approximately 70% of the reduction. The remaining approximately 30% was due to changes in the volumes acquired and inventory levels. The following table sets forth a breakdown of costs to purchase Raw materials, consumables and production utilities for the periods presented.

	Year ended December 31,	
	2023	**2024**
(€ million)		
Raw materials	397.2	359.7
Production utilities	22.5	23.2
Consumables and others	9.0	10.2

Third-party production and maintenance, transportation costs

Third-party production and maintenance, transportation costs increased by €11.0 million, or 19.8%, to €66.8 million for the year ended December 31, 2024 from €55.8 million for the year ended December 31, 2023. In particular, transportation costs increased by 18.5% during the period mainly due to higher volumes sold. Third-party production and maintenance increased by 20.7%, returning to generally historical amounts after the significant cost containment experienced in 2023.

Employee benefits expense

Employee benefits expense increased by €2.4 million, or 3.2%, to €75.9 million for the year ended December 31, 2024 from €73.5 million for the year ended December 31, 2023. This increase in employee benefit expenses is mainly the result of the increase in headcount and contractual and wage inflation increments in some countries.

Other operating expenses

Other operating expenses increased by €1.1 million, or 3.2%, to €34.0. million for the year ended December 31, 2024 from €32.9 million for the year ended December 31, 2023. The increase is mainly due to increase in professional fees.

Depreciation and Amortization and Impairment Losses on Goodwill

Depreciation and amortization and impairment losses on goodwill decreased by €28.9 million, or 32.0%, to €61.3 million for the year ended December 31, 2024 compared to €90.2 million for the year ended December 31, 2023. The decrease is mainly due to impairment losses on goodwill.

Impairment Losses on Financial Assets

Impairment Losses on Financial Assets for the year ended December 31, 2024 decreased by €0.6 million amount to €0.1 million from €0.8 million for the year ended December 31, 2023. The decrease is mainly due to the prudent devaluation of a financial asset.

Net Finance Income/(Costs)

Net finance costs decreased by €33.3 million to €50.3 million for the year ended December 31, 2024 from €83.6 million for the year ended December 31, 2023. The decrease was mainly due to the net effect of:

- *Unrealized exchange rate effect*. The re-translating of USD and GBP denominated intra-group loans accounted for the €26.1 million of unrealized exchange rate gains for the year ended December 31, 2024; and

- *Reduction of amortized costs*. In the year ended December 31, 2024, amortized costs benefitted from the reduction in amortized costs of €7.2 million, as the prior-year period included elevated amortization charges associated with our refinancing process completed in the first quarter of 2023.

Income Tax expense

Income tax expense increased by €11.9 million to €18.0 million for the year ended December 31, 2024, from €6.1 million for the year ended December 31, 2023. This change was mainly due to the increase in profit before taxes and newly introduced taxes in Italy, particularly for unrealized foreign exchange gains.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

	Year ended December 31,		
(€million)	**2022**	**2023**	**Change in %**
Revenue	**861.9**	**671.2**	**(22.1%)**
Other income	5.5	17.2	212.7%
Raw materials, consumables and production utilities	(549.3)	(428.8)	(21.9%)
Third-party production and maintenance	(37.3)	(33.1)	(11.3%)
Transportation costs	(47.9)	(22.7)	(52.6%)
Employee benefits expense	(74.3)	(73.5)	(1.1%)
Other operating expenses	(28.9)	(32.9)	13.8%
Depreciation and amortization	(56.8)	(56.1)	(1.2%)
Impairment losses on goodwill	—	(34.1)	n.s.
Operating profit/(loss)	**72.6**	**7.1**	**(90.2%)**
Impairment losses on financial assets	(1.6)	(0.8)	(50.0%)
Finance income	34.3	18.8	(45.2%)
Finance costs	(67.4)	(101.6)	50.7%
Net finance income/(costs)	**(34.7)**	**(83.6)**	**140.9%**
Profit/(Loss) before taxes	**37.9**	**(76.5)**	**n.s.**
Income tax expense	(9.9)	(6.1)	(38.4%)
Profit/(Loss) after tax	**28.0**	**(82.6)**	**195.0%**

Revenue

Revenue decreased by €190.7 million, or 22.1%, to €671.2 million for the year ended December 31, 2023 from €861.9 million for the year ended December 31, 2022. The decrease in our revenue was primarily driven by lower sales volumes, reflecting an uncertain global environment characterized by a prolonged de-stocking effect across the industrial supply chain and a deflationary raw-materials environment that exerted downward pressure on commodity prices. Other income increased mainly due to the first tranche of the IPCEI European Battery Innovation Project and other EU-funded grants, as well as proceeds from insurance claims and supplier invoices. In particular, the AWS end market experienced a reduction of revenues by 25% compared to 2022, driven primarily by lower volumes due to ongoing customer de-stocking. In response we adopted a commercial strategy which focuses on high-value products to avoid low-cost competition. Revenue in the LIS end market decreased by 19.4% compared to 2022, which was mainly due to lower volumes, although the segment continued to demonstrate relative unit Contribution Margin stability. Industrial applications remained the most supportive sub-segment in the LIS end market, partly offsetting broader market weakness. The FPP end market experienced a decrease in volumes of 21% compared to 2022 primarily due to ongoing de-stocking and subdued consumption trends, particularly in Europe. The segment also faced increased competitive pricing pressures, which further weighed on revenue and margins.

Raw materials, consumables and production utilities

Raw materials, consumables and production utilities decreased by €120.5 million, or 21.9%, to €428.8 million for the year ended December 31, 2023 (representing 63.9% of our revenue) from €549.3 million for the year ended December 31, 2022 (representing 63.7% of our revenue), primarily due to a decrease in volumes sold. The following table sets forth a breakdown of costs to purchase raw materials, consumables and production utilities for the periods presented.

	Year ended December 31,	
	2022	**2023**
(€ million)		
Raw materials	498.8	397.2
Production utilities	38.9	22.5
Consumables and others	11.6	9.0

Third-party production and maintenance, transportation costs

Third-party production and maintenance, transportation costs decreased by €29.5 million, or 35%, to €55.8 million for the year ended December 31, 2023 from €85.2 million for the year ended December 31, 2022. The decrease is mainly due to a 52.7% decrease in transportation costs as a result of such costs normalizing after multiple disruptions to the global supply chain, such as the COVID-19 pandemic, and due to product volumes decreasing.

Employee benefits expense

Employee benefits expense decreased by €0.8 million, or 1.1%, to €73.5 million for the year ended December 31, 2023 from €74.3 million for the year ended December 31, 2022. This decrease was mainly obtained through a rigorous cost discipline, despite a challenging macroeconomic environment with soft global demand and continuing customer de-stocking. The reduction also reflects a lower overall headcount compared to 2022.

Other operating expenses

Other operating expenses increased by €4.0 million, or 13.9%, to €32.9 million for the year ended December 31, 2023 from €28.9 million for the year ended December 31, 2022. The increase was mainly driven by sundry expenses, such as, among others, cost allocations to the parent company, travel costs, non-income taxes, contingent liabilities, licenses, environmental quality and safety expenses, and advertising.

Depreciation and Amortization and Impairment Losses on Goodwill

Depreciation and amortization, and impairment losses on goodwill increased by €33.3 million to €90.2 million for the year ended December 31, 2023 compared to €56.8 million for the year ended December 31, 2022. The increase in depreciation, amortization and impairment losses on goodwill is primarily attributable to impairment losses on goodwill, amounting to €34.1 million, linked to two cash-generating units, namely, chlorides produced at the Frankfurt facility and oleochemicals produced at the Zuera plant.

Impairment Losses on Financial Assets

Impairment Losses on Financial Assets decreased by €0.8 million, or 52.2% to €0.8 million for the year ended December 31, 2023 from €1.6 million for the year ended December 31, 2022. The loss is mainly due to the lower mark-to-market loss recognized on our investment in FRX Innovations, a chemicals company specialized in environmentally-friendly flame-retardant additives, which is listed on the TSX Venture Exchange in Canada.

Net Finance Income/(Costs)

Net finance costs amounted to €82.8 million for the year ended December 31, 2023 compared to net finance income of €33.2 million for the year ended December 31, 2022 due to the net effect of:

- *Unrealized exchange rate effect*. The re-translating of USD and GBP denominated intra-group loans caused unrealized exchange rate to decrease by €17.4 million, from €9.3 million for the year ended December 31, 2022 to €(8.1) million for the year ended December 31, 2023.

- *Change in capital structure*. The full-year effect in the year ended December 31, 2023 of (i) the higher interests on the additional €690.0 million aggregate principal amount of Existing Notes issued on February 6, 2023 in connection with the redemption of certain existing indebtedness, which contributed to €29.9 million of costs as well as interests and commissions relating to the Revolving Credit Facility, which amounted to €64.6 million; (ii) the amortization of ancillary costs associated with the foregoing instruments, recognized using the amortized cost method, which amounted to €4.5 million in costs; and (iii) the remaining amortized cost of €6.6 million relating to the medium- to long-term debt that was repaid and refinanced in the first quarter of 2023.

Income Tax expense

Income tax expense decreased by €3.8 million, or 38.1%, to €6.1 million for the year ended December 31, 2023 from €9.9 million for the year ended December 31, 2022. This decrease was primarily due to the decrease of our tax base.

Liquidity and Capital Resources

Overview

Our liquidity needs relate principally to debt service obligations, Recurring Net Capital Expenditure and Expansion and Non-Recurring Net Capital Expenditure, and working capital.

Our principal sources of liquidity have been cash generated from our operating activities, drawings under the Revolving Credit Facility and factoring arrangements. See "*Description of Certain Financing Arrangements*." Following the Transactions, we believe that our operating cash flows and borrowing capacity under the Revolving Credit Facility (which was fully undrawn as of September 30, 2025) as well as under our factoring (which is generally non-recourse, other than in an amount of €0.8 million as of September 30, 2025) will be sufficient to meet our liquidity needs and other cash management commitments for the foreseeable future. However, we will be highly leveraged and will have significant debt service obligations. Our ability to generate cash from our operating activities depends on future operating performance, which in turn depends to a certain extent on general economic, financial, competitive market, legislative, regulatory and other factors, many of which are beyond our control, as well as other factors discussed in the section entitled "*Risk Factors*."

Cash Flows

The table below sets forth a summary of the consolidated statements of cash flows of the Group for the periods indicated:

	Year ended December 31,			**Nine months ended September 30,**	
(€ million)	**2022**	**2023**	**2024**	**2024**	**2025**
Cash flows (used in)/from operating activities	0.1	101.5	42.6	44.1	39.7
Cash flows (used in)/from investing activities	(31.5)	(30.1)	(39.2)	(25.7)	(24.7)
Cash flows (used in)/from financing activities	21.7	19.2	(9.4)	(5.8)	(2.5)
Increase/(decrease) in cash and cash equivalents	**(9.8)**	**90.7**	**(6.0)**	**12.6**	**12.5**
Opening Cash and cash equivalents	36.3	26.9	116.9	116.9	112.1
Closing Cash and cash equivalents	**26.9**	**116.9**	**112.1**	**129.3**	**121.8**

Cash Flows (Used in)/from Operating Activities

Cash flows from operating activities amounted to €39.7 million for the nine months ended September 30, 2025 compared to cash flows from operating activities of €44.1 million for the nine months ended September 30, 2024. In the third quarter of 2025, cash flows from operating activities were supported by strong business performance and effective management of working capital, especially with regard to inventory control and improved credit performance. Our cash flows from operating activities for the nine months ended September 30, 2025 also included the payment of the price adjustments for the acquisition of Alcolina, for an amount of €1.7 million.

Cash flows from operating activities amounted to €42.6 million for the year ended December 31, 2024 compared to cash flows from operating activities of €101.5 million for the year ended December 31, 2023. The decrease in cash flows from operating activities was primarily due to changes in net working capital attributable to inventories and trade payables. While in 2023 the Group benefited from significant volume-driven inventory reduction, in 2024 inventories increased due to re-stocking initiatives, however still mitigated by geopolitical tensions.

Cash flows from operating activities increased to €101.5 million for the year ended December 31, 2023 compared to €0.1 million for the year ended December 31, 2022. This increase in cash flows from operating activities was mainly due to working capital optimization actions relating to reductions in inventory volumes as well as lower raw material prices.

Cash Flows Used in Investing Activities

Cash flows used in investing activities decreased by €1.0 million to €24.7 million for the nine months ended September 30, 2025 from €25.7 million for the nine months ended September 30, 2024. The decrease is primarily attributed to the acquisition of subsidiaries in 2024, notably Alcolina, for €3.9 million, net of cash acquired.

Cash flows used in investing activities increased by €9.0 million to €39.2 million for the year ended December 31, 2024 from €30.1 million for the year ended December 31, 2023. This variation was primarily driven by the acquisition of a 70% stake in Alcolina, finalized in March and November 2024. The net impact of this acquisition amounted to €6.8 million.

Cash flows used in investing activities decrease by €1.3 million to €30.1 million for the year ended December 31, 2023 from €31.5 million for the year ended December 31, 2022, mainly because of an increase in investments in other intangible assets, which include start-up and expansion costs, concessions, licenses and intellectual property rights, trademark

Cash Flows (Used in) / from Financing Activities

Cash flows used in financing activities amounted to €2.5 million for the nine months ended September 30, 2025, compared to cash flows from financing activities of €5.8 million during the nine months ended September 30, 2024. This increase was attributable to higher obligations under lease agreements.

Cash flows used in financing activities amounted to €9.4 million for the year ended December 31, 2024, compared to cash flows from financing activities of €19.2 million during the year ended December 31, 2023, which was positively impacted by the successful refinancing process and the capital injection by Dussur.

Cash flows used in financing activities were €19.2 million for the twelve months ended December 31, 2023, compared to €21.7 million for the twelve months ended December 31, 2022. The difference can be in part attributed to the fact that, in 2023, we reinforced our financial structure with a capital injection by Dussur and a successful refinancing of certain bond indebtedness outstanding at the time.

Net Working Capital

We actively manage our working capital to optimize and improve capital efficiency. Net Working Capital represents inventories and trade receivables, less trade payables. Changes in raw material prices have a direct effect on our working capital levels. In general, increases in the cost of raw materials lead to an increase in our working capital requirements and trade payables. Working capital levels vary also as a result of several other factors, including the terms for the collection of receivables from our customers or the payables by our suppliers, the effect of selling prices, production stoppages and maintenance works, change in payment terms in the case of key suppliers, foreign exchange rates, decision to hold inventories, the operating level of the business, seasonality and cyclicality of the industries that we supply. During 2024, we signed agreements with leading financial institutions to extend certain payment terms, in order to optimize the management of working capital for certain commercial suppliers.

These contracts involved trade payables amounting to €4.0 million as of September 30, 2025, compared to €2.1 million as of December 31, 2024.

From time to time, we may rely on our working capital facilities, including the Revolving Credit Facility and factoring arrangements, to ensure security of supply for our customers by, among other means, guaranteeing sufficient amounts of inventory and maintaining our days payable outstanding at controlled levels. As of September 30, 2025, the Revolving Credit Facility was undrawn.

The following table summarizes our Net Working Capital as of the dates indicated:

	As of December 31,			As of September 30,
(€ million)	**2022**	**2023**	**2024**	**2025**
Inventories	215.2	129.4	151.9	134.7
Trade receivables	79.3	59.9	70.3	63.6
Trade payables	(99.4)	(70.4)	(82.6)	(72.5)
Net Working Capital	**195.1**	**118.9**	**139.6**	**125.8**

Our Net Working Capital decreased by €13.8 million to €125.8 million as of September 30, 2025, from €139.6 million as of December 31, 2024. The decrease is mainly due to a reduction in inventory of €17.2 million, mainly reflecting inventory normalization in a lower volume environment. The decrease was also due to a decrease in trade receivables by €6.7 million, offset by a €10.1 million decrease in trade payables as a result of the monthly revenue evolution and portfolio effect during the period.

Our Net Working Capital increased by €20.7 million to €139.6 million as of December 31, 2024, from €118.9 million as of December 31, 2023. The increase is mostly due to an increase in inventories by €22.5 million as a result of higher production levels, the rebuilding of stock positions following the significant inventory reduction in 2023, and preparation for increased commercial activity across certain end markets. This dynamic also explains the €10.4 million increase in trade receivables and €12.2 million increase in trade payables.

Our Net Working Capital decreased by €76.2 million to €118.9 million as of December 31, 2023, from €195.1 million as of December 31, 2022, primarily due to an €85.8 million decrease in inventory, reflecting the normalization of stock levels across our operations following the elevated inventory positions maintained in 2022 due to supply-chain disruptions and precautionary purchasing. The decrease in inventories also reflects weaker demand conditions and the broad-based de-stocking that characterized the industrial supply chain during 2023. Net working capital also benefitted from a €19.4 million decrease in trade receivables, consistent with lower revenue volumes in 2023. These effects were partially offset by a €29.0 million decrease in trade payables, which reflects lower purchasing activity aligned with reduced production requirements and the overall decrease in raw-material procurement compared to the prior year.

Net Capital Expenditure and Total Net Capital Additions

We define Net Capital Expenditure as Investments in property, plant and equipment, Disposal of property, plant and equipment and Investments in intangible fixed assets and Total Net Capital Additions as Net Capital Expenditure *plus* the addition of (a) right of use assets and (b) goodwill, intangible and property, plant and equipment from business combination, in each case for the relevant period. We further categorize our Net Capital Expenditure into: (a) "Recurring Net Capital Expenditure" as expenditure for maintenance, health and safety, industrial automation and production technologies as well as expenditures to increase productivity and the quality of our products; and (b) "Expansion and Non-Recurring Net Capital Expenditure" as expenditures for plant construction and expansion, measures to enhance our production capacity as well as software to enhance productivity. We finance our Net Capital Expenditure with cash flow from operating activities and cash flow from financing activities.

The table below sets forth our Net Capital Expenditure by category based on cash flows for the periods presented.

(€ million)	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
	2022	2023	2024	2024	2025	2025
Net Capital Expenditure	**29.4**	**30.1**	**32.3**	**21.8**	**24.7**	**35.2**
Of which:						
Recurring Net Capital Expenditure[(a)]	23.7	22.8	21.8	16.2	15.5	21.1
Expansion and Non-Recurring Net Capital Expenditure[(b)]	5.7	7.3	10.5	5.6	9.2	14.1

(a) Recurring Net Capital Expenditure includes expenditure for maintenance, health and safety, industrial automation and production technologies as well as expenditures to increase productivity and the quality of our products.

(b) Expansion and Non-Recurring Net Capital Expenditure includes expenditures for plant construction and expansion, measures to enhance our production capacity as well as software to enhance productivity.

The table below sets forth our Net Capital Expenditure and Total Net Capital Additions for the periods presented.

(€ million)	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
	2022	2023	2024	2024	2025	2025
Investments in property, plant and equipment	24.5	24.8	28.8	18.8	21.5	31.5
Disposal of property, plant and equipment	—	—	—	—	—	—
Investments in goodwill and other intangible assets	4.9	5.3	3.5	3.0	3.2	3.7
Net Capital Expenditure	**29.4**	**30.1**	**32.3**	**21.8**	**24.7**	**35.2**
Right of use assets - Additions	3.1	4.7	4.9	3.9	5.2	6.2
Addition of goodwill, intangible and property, plant and equipment arose from business combination[(a)]	6.4	—	26.6	21.7	—	4.9
Total Net Capital Additions	**38.9**	**34.8**	**63.8**	**47.4**	**29.9**	**46.3**

(a) Refers to entities which we acquired in the relevant periods (namely, Aubin for the year ended December 31, 2022, and Alcolina for the year ended December 31, 2024).

Recurring Net Capital Expenditure comprised 2.7%, 3.4%, and 3.2% of our revenue for the years ended December 31, 2022, 2023 and 2024, respectively based on our revenue of €861.9 million, €671.2 million and €686.2 million for the years ended December 31, 2022, 2023 and 2024, respectively. Our Recurring Net Capital Expenditure remained substantially stable in the periods under review.

Expansion and Non-Recurring Net Capital Expenditure increased by €4.8 million to €10.5 million for the year ended December 31, 2024 from €5.7 million for the year ended December 31, 2022, mainly due to the development of a greenfield, backward-integration project in the Kingdom of Saudi Arabia via "SaudiPhos," a joint venture with SADIG Industries, to produce elemental yellow phosphorus. Expansion and Non-Recurring Net Capital Expenditure increased by €3.6 million to €9.2 million for the nine months ended September 30, 2025 from €5.6 million for the nine months ended September 30, 2024, mainly due to the development of the brownfield project in Smyrna, Georgia (USA), aimed at producing a new hydraulic-fluid component for our LIS end market segment.

We estimate our Recurring Net Capital Expenditure and Expansion and Non-Recurring Net Capital Expenditure were approximately €22 million and €14 million, respectively, in 2025 and we currently expect Net Capital Expenditure for 2026 to be substantially in line with Net Capital Expenditure for 2025. There can be no assurance that such expectations will be realized. Our Net Capital Expenditure and Total Net Capital Additions may be higher than we anticipate. As part of ordinary course of business we are constantly evaluating additional Expansion and Non-Recurring Net Capital

Expenditure and bolt-on or strategic acquisition projects intended to improve the efficiency of our business and deliver an attractive return on incremental invested capital. If we elect to proceed with such projects, we may incur material additional capital expenditure. See "*Forward-Looking Statements*."

Off-Balance Sheet Arrangements

In order to finance our business, we mainly use off-balance sheet non-recourse factoring arrangements for which substantially all risks and rewards have been transferred and are de-recognized and excluded from our reported balance sheet. The amount outstanding under these arrangements as of December 31, 2024, September 30, 2024 and September 30, 2025 was €50.8 million, €50.9 million and €51.9 million, respectively. However, a portion of the risks and rewards under such factoring arrangements has not been transferred and is recognized as a financial liability on our balance sheet. The amount outstanding under these arrangements with recourse to the Group as of September 30, 2025 was €0.8 million. See "*Capitalization"*

Quantitative and Qualitative Disclosures Regarding Market and Financial Risks

Overview

This discussion does not address other risks to which we are exposed in the ordinary course of business, such as operational risks. See "*Risk Factors*."

The Group is exposed to the following financial risks connected with its operations:

- credit risk, principally arising from its normal commercial relations with customers;
- liquidity risk, with particular reference to the availability of funds and access to the credit market and financial instruments in general;
- financial market risk (principally relating to exchange rates, interest rates and commodity prices)since the Group operates internationally in different currencies and uses financial instruments which accrue interest.

These risks could significantly affect the Group's financial position and results and for this reason, the Group systematically identifies and monitors these risks to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments under established risk management policies.

The following section provides disclosures on the effect that these risks may have on the Group. For a presentation of the relevant quantitative data, see our Financial Statements.

Credit risk

The maximum credit risk to which the Group is potentially exposed is represented by the carrying amounts of financial assets in the Financial Statements. The Group's exposure to credit risk is influenced mainly by the individual circumstances of each associated counterparty.

Cash and cash equivalents

The Group's cash and cash equivalents are held with bank and financial institution counterparties rated between B- and AA+, based on Moody's or S&P ratings.

Impairment on cash and cash equivalents has been measured on a twelve-month expected loss basis and reflects the short maturities of the Group's exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Derivatives

The Group's derivative contracts are entered into with bank and financial institution counterparties, rated between A+ and AA+, based on Moody's or S&P ratings.

Liquidity risk

Liquidity risk refers to the risk that the Group may be unable to obtain the funds needed to carry out its operations and meet its obligations. Any actual or perceived limitations on the Group's liquidity may affect the ability of counterparties to do business with the Group or may require additional amounts of cash and cash equivalents to be allocated as collateral for outstanding obligations. The ongoing challenging economic conditions in the markets in which the Group operates and the uncertainties that characterize the financial markets, necessitate special attention to the management of liquidity risk.

Measures taken to generate funds through operations and to maintain a conservative level of available liquidity are important factors for ensuring operational flexibility and addressing strategic challenges over the next few years.

The main factors that determine the Group's liquidity situation are the funds generated by or used in operating and investing activities, the debt lending period and its renewal features or the liquidity of the funds employed, and market terms and conditions.

The Group manages liquidity risk by monitoring cash flows and keeping an adequate level of funds at its disposal. The Group believes that the Group's total available liquidity, in addition to the funds that will be generated from operating and financing activities, will enable the Group to satisfy the requirements of its investing activities and working capital needs, fulfill its obligations to repay its debt at the originally stipulated due dates and ensure an appropriate level of operating and strategic flexibility.

See note 30 to our Audited Financial Statements and note 29 to our Unaudited Condensed Financial Statements for further information.

Financial market risks

Due to the nature of its business, the Group is exposed to various market risks, including foreign currency exchange rate risk, interest rate risk and commodity price risk. The Group's exposure to foreign currency exchange rate risk arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.

The Group's exposure to interest rate risk arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing the Group's net profit, thereby indirectly affecting the costs and returns of financing and investing transactions. The Group's exposure to commodity price risk arises from the risk of changes in the price of certain raw materials and energy used in production. Changes in the price of raw materials could have a significant effect on the Group's results by indirectly affecting costs and product margins. These risks could significantly affect the Group's financial position and results of operations and for this reason, these risks are systematically identified and monitored to detect potential negative effects in advance and take the necessary actions to mitigate them, primarily through its operating and financing activities and, if required, through the use of derivative financial instruments in accordance with its established risk management policies.

The Group is exposed to risk resulting from changes in foreign currency exchange rates, which can affect its earnings and equity. In particular, where a Group company incurs costs in a currency different from that of its revenue, any change in exchange rates can affect the operating results of that company. The principal exchange rate to which the Group is exposed is the EUR/U.S.$ rate, relating to sales and purchases in U.S.$ made by the Group's Italian companies.

Group companies may have trade receivables or payables denominated in a currency different from their respective functional currencies. Changes in exchange rates may result in exchange gains or losses arising from these situations.

Certain of the Group's companies are located in countries which are outside of the Eurozone, in particular the U.S., Brazil, China and the UK. As the Group's reporting currency is the euro, the income statements of those entities that have a reporting currency other than the euro are converted into euro using the average exchange rate for the applicable period. In addition, the assets and liabilities of these consolidated companies are converted into euro at the period-end foreign exchange rate. The effects of these changes in foreign exchange rates are recognized directly in the cumulative translation adjustments reserve included in other comprehensive income. Changes in exchange rates may lead to effects on the converted balances of revenues, costs, and assets and liabilities reported in euro, even when corresponding items are unchanged in the respective local currency of these companies.

The companies of the Group make use of external borrowings. In addition, Group companies sell receivables resulting from their trading activities on an ongoing basis. Changes in market interest rates can affect the cost of the various forms of financing, including the sale of receivables, or the return on investments and the employment of funds, thus negatively impacting the net financial expenses incurred by the Group.

In order to manage the interest rate risk on issued notes, the Group uses interest rate swaps with the objective of mitigating the potential variability of interest rates on the Group's net profit that is not affected by changes in interest rates.

Critical Accounting Policies

For a discussion of the critical accounting estimates and judgments and certain new accounting standards affecting us, please see the notes to the Financial Statements included elsewhere in this Offering Memorandum.

INDUSTRY

In this section, we rely on and refer to information regarding the global specialty chemicals market as well as the key markets in which our business operates and competes. The market and industry data and forecasts provided below are based on the Advancy Report as well as the Issuer's beliefs and estimates, internal company reports and other data.

We believe such information, including that contained in the Advancy Report, has been accurately reproduced by us in this Offering Memorandum and, as far as we are aware and able to ascertain from the information published by Advancy and other third party sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. Industry publications and forecasts 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 is not guaranteed. The Advancy Report states that the information contained therein has been obtained by relying on various public sources as well as management interviews and internal analyses and estimates. While the Advancy Report states that Advancy has used reasonable care to confirm the reliability of such information, the accuracy and completeness thereof is not guaranteed. Market studies and analyses, including the Advancy Report, 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 Advancy in the Advancy Report and other 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 derived from studies, analyses and third party sources, including the Advancy Report, contained or reproduced in this Offering Memorandum or for the accuracy of third party data on which our estimates are based.

While we are not aware of any misstatements regarding the industry or similar data presented herein, such data involves risks and uncertainties and are subject to change based on various factors, including those discussed under "Risk Factors" in this Offering Memorandum. As a result, the market and industry data and statistics included in this Offering Memorandum should be viewed with caution and neither we nor the Initial Purchasers make any representation as to the accuracy or completeness of any such information in this Offering Memorandum.

The projections and forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See "Risk Factors" and "Forward-Looking Statements."

Unless indicated otherwise, the various datapoints indicating market shares and market values with reference to the markets and segments described in this section are being presented as of and for the year ended December 31, 2024, as applicable.

Company Overview

We are a leading innovative specialty chemicals and formulations group, focused on the manufacturing of a broad range of high-value specialty chemical products that we offer to a diversified and global customer base. Our products, such as phosphorus and sulfur derivatives, specialty polymers, and esters, are mission-critical components used to enhance the performance of end products and processes. They play a key role across many sectors, including water treatment, lubricants, electronics, energy, construction, cleaning, personal care, and pharmaceuticals. We are focused on attractive specialty niches across the following end markets: Advanced Water Solutions (AWS), Lubricants and Industrial Solutions (LIS), and Functional and Performance Products (FPP). The below sections describe these end markets at the industry level.

Industry Overview

Advanced Water Solutions

Advanced Water Solutions is our water treatment focused business line, that manufactures specialty chemicals and high-value functional solutions for the water treatment industry. Our products address mission-critical customer challenges related to scale, corrosion, and microbial growth, ensuring water quality across a diverse range of applications. We serve resilient and growing end markets, including industrial sites, large-scale desalination infrastructure that provides drinking water in water-scarce regions, and producers of household cleaning products, as well as the geothermal power generation, mining, and metal refining industries, all which entail water-intensive processes. In these contexts, our solutions are essential for maintaining plant uptime and throughput, extending equipment life, enabling higher levels of water reuse, and complying with increasingly stringent regulations.

Leveraging our comprehensive portfolio of chemistries, we have established global leadership in several key niches. We are the leading global player in desalination antiscalants, with a market share of approximately 20-25%

worldwide, and a relative market share approximately 10% higher than that of the largest competitor, the leading industrial water treatment antiscalants player in Europe and the United States for industrial water treatment, with a market share of approximately 30% in each, and a relative market share approximately 30% higher than that of the largest competitor, and the leading antiscalants player in Europe and LATAM for geothermal applications, with approximately 25% market share in each.

The main applications of the water treatment process include:

- **Industrial Water Treatment (IWT):** water additives and functional solutions for industrial process and peripheric systems, essential for ensuring process efficiency.
- **Desalination:** chemicals for removing salts from seawater or brackish water to produce fresh water for municipal and industrial use, a critical technology in water-stressed regions.
- **Household & Institutional Cleaning (H&IC):** additives to enhance the performance of detergents and cleaning agents, where our products act as builders and chelating agents.
- **Geothermal Energy:** treatment of water and steam extracted from underground reservoirs to prevent scaling and corrosion in geothermal power plants, a key application in the renewable energy transition.
- **Mining & Metal Refining:** water treatment as part of the process of extracting metals and for the recovery of valuable materials from process water or recycling streams, such as used batteries.

Within the global water treatment chemical market, key functional segments include:

- **Antiscalants (Scale Inhibitors):** prevent or eliminate the formation of mineral deposits (scale) caused by compounds such as calcium carbonate and calcium sulfate.
- **Microbial Control:** eliminate and/or control the growth of bacteria and other microorganisms.
- **Corrosion Inhibitors:** reduce and/or prevent the corrosion of metallic components in water systems.
- **Coagulants and Flocculants:** clarify water by causing dissolved and suspended impurities to agglomerate for easier filtration.
- **pH Adjusters and Softeners:** chemically adjust the pH or hardness of water.

In Advanced Water Solutions, we focus on leveraging our differentiated position in phosphorus chemistry and applicative know-how to build specialty-driven water treatment business. The segment has deliberately prioritized margins over volume by shifting its mix away from standard phosphonates towards specialty chemistries and tailored functional solutions, benefitting from its status as the only remaining at-scale Western phosphonate producer with a global footprint across Europe, North America and APAC providing supply security and reliability. We have moved downstream from selling ingredients only to also providing ready-to-use formulations and offering applicative science as a service. By moving into custom functional solutions, we can better target specialized end-markets such as desalination, geothermal energy, and critical industrial processes like sugar and bioethanol production. In these niches, our deep chemical expertise can directly enhance customer process performance, creating significant value where large, traditional service companies cannot easily differentiate.

Market Dynamics by End Market

The global water treatment chemicals market is a resilient and attractive market valued at over €20 billion and is projected to grow by approximately 4-5% per year from 2025 to 2030 in terms of value. Growth is underpinned by several durable secular drivers including increasing water scarcity and deteriorating raw-water quality, which are leading to more intensive treatment, reuse, and desalination, especially in water-stressed regions like the Middle East, where membrane (RO) desalination capacity is expanding rapidly. Additionally, the global energy transition is creating new, water-intensive processes where advanced chemistry is essential, such as geothermal power, unconventional energy, and metals recovery for batteries and renewables. Furthermore, across industrial end markets, there is an ongoing focus on process uptime, asset protection, and energy efficiency; water treatment chemicals are mission-critical but represent a small share of total operating cost, prompting end users to invest in solutions that reduce scaling, corrosion, downtime, and maintenance.

Industrial Water Treatment (IWT)

The IWT market is a large, resilient, and diverse market with a projected value CAGR of over 4% from 2024 to 2030. This steady growth is fundamentally driven by the expansion of global industrial production, which increases the demand for process and peripheral water treatment. Furthermore, powerful megatrends such as increasing water scarcity and the use of lower-quality water sources are compelling industries to adopt more intensive water reuse and recycling practices. Tightening regulations on water quality and discharge standards also contribute significantly to market growth, requiring more sophisticated and effective treatment solutions.

We are a leading player in this market, holding a leading market position in Europe and the United States for the production and sale of phosphonate-based antiscalants for industrial water treatment with a market share of approximately 30% in each. Our competitive advantage is rooted in our unique status as the only at-scale Western phosphonate producer with a global, integrated manufacturing footprint. This position allows us to guarantee supply security, a critical factor for customers who have faced disruptions from Asian supply chains. We primarily supply our core chemistries as ingredients to large service companies but are increasingly targeting end-users directly in specialized process water applications where our functional solutions and deep applicative know-how provide a distinct performance advantage that larger service companies cannot easily replicate.

Desalination

The desalination market is a high-growth segment, with antiscalant volumes projected to grow at a value CAGR of over 9% from 2024 to 2030. This rapid expansion is fueled by critical global challenges, including increasing water scarcity, population growth, and industrial development, particularly in arid regions like the Middle East. The market is also benefiting from the global expansion of Reverse Osmosis (RO) technology, which is more energy-efficient and is accelerating the adoption of desalination outside of its traditional strongholds.

We are the global market leader in desalination antiscalants, with an overall market share of approximately 20-25% worldwide. Our leadership is particularly pronounced in the Middle East, where we hold a commanding market share of approximately 60%, built on decades of experience and a strong portfolio for thermal desalination. We are well-positioned to capture future growth through our innovative and comprehensive product portfolio for the rapidly expanding RO market and our strategic localization projects in the Kingdom of Saudi Arabia, which will further enhance our cost-competitiveness and proximity to key customers.

Household & Institutional Cleaning (H&IC)

The H&IC market is a large and stable segment, with a value CAGR of above 2-3% from 2024 to 2030, driven primarily by population growth and rising consumption of cleaning products in developing economies. In this market, our specialty builder and chelating chemistries play a critical role in enhancing cleaning performance and are increasingly favored over older ingredients in many regions on environmental grounds.

We are a leading Western supplier to this segment, with an estimated 25–30% market share in Europe and the United States and long-standing relationships with major global players such as Henkel, Unilever and Reckitt. Our Dequest brand is widely recognized as the benchmark for quality and performance in these chemistries, and we are further penetrating the market with value-added functional solutions that offer superior performance and safer profiles compared to legacy acid chelants such as EDTA, creating a strong value-in-use proposition for customers.

Geothermal Energy

The geothermal energy market is a high-growth segment with a projected value CAGR of above 13-14% from 2024 to 2030. This growth is driven by the rapid expansion of geothermal electricity generation, a key component of the global renewable energy transition. Geothermal energy offers a reliable, high-capacity-factor source of clean power. The need for chemical treatment is increasing as the industry matures and wells age, requiring more antiscalants to prevent mineral scaling, which can severely impede plant efficiency and operational uptime. The adoption of antiscalant treatments over traditional acid cleaning is also a key growth driver.

We are the leading antiscalant player in Europe, with a market share of approximately 25%. Our historical strength is in Turkey, the largest European market, and we are now leveraging our expertise to expand globally. We have a deep pipeline of projects and are conducting trials with major operators in North and South America. Our competitive edge lies in our portfolio of high-performance solutions, branded Geogard, which are specifically designed to treat difficult-to-manage scale, such as stibnite and high-temperature calcium carbonate, where many competitors lack effective solutions.

Mining & Metal Refining

The mining and metal refining market is growing at a value CAGR of over 4% from 2024 to 2030, with a significantly faster-growing niche in metal refining. This sub-segment is driven by the surging demand for high-purity metals required for the energy transition, particularly for electric vehicle batteries and the associated need for efficient battery recycling solutions. Water treatment is a critical part of the extraction and refining process, used for separating valuable materials and managing process water.

We are a specialty player in this market, focusing on high-value applications where our chemistry expertise provides a distinct advantage. Our primary offering is our Ionquest line of solvent extractants and chelating resins. These products are used for highly selective applications, such as the separation of cobalt and nickel in hydrometallurgical battery recycling processes and the recovery of rare earth elements. This positions us to benefit directly from the growth in the circular economy and the electrification megatrend.

Lubricant and Industrial Solutions

Lubricants and Industrial Solutions is our business line focused on specialty chemistry, manufacturing critical additives for diverse industrial and transportation end-markets. Our portfolio includes high-value intermediates, additive components, packages, such as high-performance lubricant additives for industrial and transportation markets. We also provide halogen-free, phosphorus-based flame retardants for electrical and electronics applications, including electric vehicles, as well as high purity HCl for semiconductor manufacturing and pharmaceuticals, and high-purity, phosgene-free acid chlorides for personal care. These solutions are essential for enhancing the performance and lifetime of lubricated parts, ensuring critical safety features in flame retardant applications, and meeting stringent purity requirements in advanced manufacturing.

Leveraging our mastery of difficult and reactive chemistries, we have established a differentiated competitive position as a leading supplier in multiple high-value niches. We are the leading global player in polymeric ester base oils with a market share of approximately 55% worldwide, the leading player in Europe and the top-two player in Asia for anti-wear lubricant intermediates, with a market share of approximately 60% and 45%, respectively, the leading player in Europe for red phosphorus-based flame retardants, with a market share of approximately 60-70%, the leading global player for our proprietary Phoslite inorganic phosphinate flame retardants as the sole producer for high-end/qualification-grade applications, with Chinese competitors present at lower quality levels, and the leading player in the United States for electronic-grade high-purity HCl.

The main applications for our LIS products include:

- **Transportation Lubricants:** intermediates and additives for engine oils, automatic transmission fluids, and gear oils for the passenger car, heavy-duty, and marine sectors.
- **Industrial Lubricants:** components, packages, and high-performance base oils for gear oils, metalworking fluids, greases, and hydraulic oils.
- **Flame Retardants:** halogen-free flame retardants serving the electrical & electronics and automotive industries, particularly for EV components, connectors, and charging infrastructure.
- **Other Specialties:** acid Chlorides, OPA3 and esters for personal care and industrial end markets, as well as high-purity HCI for pharma & electronics.

Within these markets, our key product categories include:

- **Antiwear Intermediates:** highly hazardous and complex-to-produce intermediates like Phosphorus Pentasulfide (P2S5).
- **Transportation Lubricant Additives:** difficult to master, hazardous and highly reactive chemistries often co-developed, additives such as PIBSI dispersants, and phosphites.
- **Industrial Lubricants Components & Packages:** additive components and formulated & certified additive packages (add-packs) for industrial lubricants & metal working fluids including ZDDP, DMTD copper corrosion inhibitors.
- **High-Performance Functionalised Base Oils:** patented, functionalized polymeric esters (Ketjenlube) that offer superior performance.
- **Flame Retardants:** a portfolio of halogen-free, phosphorus-based solutions including red phosphorus (powder and masterbatch) and proprietary inorganic phosphinates (Phoslite).
- **High-Purity Chemicals:** high purity hydrochloric acid (HCl) and phosgene-free acid chlorides, OPA and high boiling esters.

Our strategy in the LIS segment is centered on leveraging our deep mastery of difficult and hazardous chemistries, particularly those involving phosphorus and sulfur, to dominate high-barrier-to-entry niches. We position ourselves as reference partners for exclusive co-development and synthesis with blue-chip customers, a strategy that is increasingly valuable as major additive package manufacturers outsource the production of complex ingredients to focus on their core formulation and blending activities. This has resulted in an exceptionally specialized portfolio, with 97% of the segment's Contribution Margin derived from specialty products.

Market Dynamics by End Market

The global market for lubricants and industrial solutions is a fast-growing and attractive market, projected to grow by approximately 5% per year from 2025 to 2030 in terms of value. Growth is underpinned by several durable secular drivers, including the megatrends of electrification, digitalization, and the transition to renewable energy, which are creating new applications and increasing performance requirements for specialty additives. For instance, the electrification of vehicles and the growth of electronics are boosting demand for high-performance, halogen-free flame retardants, while the renewable energy transition is driving the use of specialized lubricants in applications such as wind turbine gears. Concurrently, the reshoring of semiconductor manufacturing is increasing the need for high-purity chemicals. Furthermore, across both industrial and transportation end markets, there is an ongoing focus on higher efficiency, longer asset life, and adherence to stricter safety and environmental norms. The additives and solutions are mission-critical for equipment lifetime and performance but represent a small share of the total cost, prompting end-users to invest in higher-performance solutions that enhance durability and operational efficiency.

Transportation Lubricants

The transportation lubricant market is forecast to grow at a value CAGR of approximately over 4% from 2024 to 2030, reflecting a mix shift to higher-performance formulations, longer drain intervals and a rising share of synthetic and specialty fluids. Antiwear intermediates are driven by resilient engine oil demand in marine, heavy duty and light vehicle electrification. Electrification is a headwind for passenger-car engine oils over time, but the impact is limited in the medium term. Heavy-duty and marine fleets are not expected to electrify materially, hybrid vehicles still consume engine oil, and many transmission fluids and other automotive lubricants are used in both ICE and electrified vehicles.

We are a highly specialized supplier in the supply of transportation lubricants, offering both intermediates and finished additive components, underpinned by mastery of difficult phosphorus and sulfur chemistries. We are the European market leader and a top-two player in Asia in lubricant-grade phosphorus pentasulfide (P2S5), the critical antiwear intermediate for ZDDP, with production in both Europe and China and the ability to tailor reactivity and purity to customer specifications. We complement this with co-developed transportation additives such as custom PIBSI dispersants, phosphite antiwear/extreme-pressure additives for ATF and amide friction modifiers, as well as complex esters used as intermediates in fuel additives.

Industrial Lubricant

Industrial lubricants are expected to grow in value at approximately over 5% per year from 2024 to 2030. This is driven by a shift from conventional mineral base oils to more efficient, higher-performance synthetic and functionalized base oils, as well as by increasingly demanding duty cycles and tighter safety requirements. In particular, industrial gearboxes and hydraulics in sectors such as manufacturing and wind power turbines require lubricants with superior lubricity, thermal stability, wear protection and, increasingly, biodegradability, which raises the value content of both additive packages and ester base oils.

We are a highly specialized player in the supply of industrial lubricants, offering both additive components and formulated additive packages alongside patented, high-performance polymeric ester base oils. We are the global leader in polymeric ester base oils, with an estimated market share of approximately 55%, under our Ketjenlube brand, and have a longstanding exclusive relationship with a major wind-turbine gearbox lubricant partner. On the additive side, we supply multiple best-in-class industrial components such as OEM-certified ZDDP antiwear additives and DMTD-based copper corrosion inhibitors, which deliver significantly lower treat rates than alternative solutions, as well as sulfur extreme-pressure additives and boron-free corrosion inhibitors for metalworking fluids. These components are combined with our formulation know-how into customized packages for greases, gear oils, hydraulics, slideways and metalworking fluids, often developed in exclusive joint technology projects with blue-chip customers.

Flame Retardants

The flame retardants market is projected to grow at a value CAGR of approximately over 7% from 2024 to 2030 driven by powerful megatrends. Electrification of vehicles, the expansion of 5G infrastructure and data centers, and the growth of renewable energy (e.g., photovoltaic connectors) all require higher-performance flame retardants to meet stringent safety standards. There is also a continued regulatory-driven shift away from halogenated flame retardants due to health and environmental concerns, which directly benefits our portfolio of halogen-free solutions.

We are a leading specialty producer of phosphorus-based flame retardants. We are the leading supplier of red phosphorus-based flame retardants in Europe, with a market share of approximately 60-70%, and the sole global producer of our proprietary Phoslite technology, a high-performance inorganic phosphinate. Our SAFEST (powder) and MASTERET (masterbatch) brands make us the sole provider of all red phosphorus forms in the West. These products are critical for high-value applications in engineering polymers used in EV components, E&E appliances, and solar panel connectors, positioning us to capture the growth from these megatrends.

Other Specialties

The market for high-purity hydrochloric acid (HCl) is projected to grow at a value CAGR of more than 7% from 2024 to 2030, supported by the recovery of the semiconductor market and the reshoring of chip manufacturing to the United States, boosted by the CHIPS Act. The market for other specialties, including high-purity acid chlorides and high-boiling esters, is growing at over 5% per year in value terms, primarily driven by resilient demand from the personal care and pharmaceutical industries.

We are the leading player in the US for on-purpose, cGMP-certified high-purity HCl, with a market share of approximately 60-70%, and are the certified supplier to major chip OEMs. Our cGMP certification also makes us the sole qualified US manufacturer for pharmaceutical and food applications. In our other niches, we are the sole producer of high-purity, phosgene-free acid chlorides, which are preferred over phosgene-based alternatives due to their superior safety profile. This niche positioning on high-value products allows us to capture steady growth from resilient end markets.

Functional and Performance Products

Functional and Performance Products is our business line that provides specialized solutions across bio-based products, phosphorus chlorides, and unconventional energy chemicals. The bio-based solutions business line converts natural source fatty acids into high-value additives such as metallic stearates, polymer lubricants, esters and PVC stabilizer one-packs. These products are used primarily in PVC and polyolefin plastics for building and construction and other polymer applications, but also in a long tail of fragmented, higher-value uses including pharmaceuticals, food, paints & coatings and personal care. The phosphorus chlorides business supplies PCl_3, $POCl_3$ and PCl_5 into agrochemicals, flame retardants, surfactants and lube additives, while also providing critical upstream integration for our own phosphonate antiscalants and high-purity, phosgene-free acid chlorides. FPP is increasingly geared to the energy transition, with PCl_3 and PCl_5 positioned as key intermediates for $LiPF_6$ electrolyte salts as Li-ion battery production and battery material reshoring projects ramp up in Europe and adjacent regions. The unconventional energy business line is a specialized North American platform supplying antiscalants, high-performance microbial control (notably TTPC under the Bellacide brand), corrosion inhibitors, friction reducers and other production chemicals into well stimulation (fracking) value chains.

Our FPP segment serves a diverse set of applications with a portfolio that includes bio-based solutions, merchant phosphorus chlorides, and specialty chemicals for the unconventional energy sector. We are the leading producer of PCl_3 in Europe, with a market share of approximately 40%, and a relative market share approximately 40% higher than that of the largest competitor, and the sole producer of PCl_5 in Europe. In our bio-based solutions, we are one of only two producers in Europe of high-value, pharma-grade magnesium stearates. In unconventional energy, we are a top player in antiscalants, with a market share of approximately 10%, and the exclusive US supplier of the specialty microbial control agent TTPC.

The main applications for our FPP products include:

- **Bio-based Solutions:** PVC stabilizers, stearates and lubricants for plastic processing, and as functional ingredients in pharmaceuticals, paints & coatings, and personal care.
- **Phosphorus Chlorides:** supplying the merchant market for the production of agrochemicals, flame retardants, and as a critical precursor for Li-ion battery electrolytes.
- **Unconventional Energy:** providing chemical solutions for well stimulation (fracking) in key US basins like the Permian and Bakken, supporting the oil and gas industry.

Within these markets, our key product categories include:

- **Bio-based Solutions:** a range of metallic stearates (including pharma-grade), polymer lubricants (amides), and PVC stabilizer additive packages.
- **Phosphorus Chlorides:** merchant sales of Phosphorus Trichloride (PCl_3), Phosphorus Oxychloride ($POCl_3$), and Phosphorus Pentachloride (PCl_5).
- **Unconventional Energy:** a portfolio of antiscalants, specialty microbial control agents (including our exclusive TTPC product, Bellacide), corrosion inhibitors, and friction reducers.

Our strategy in the FPP segment is to leverage our leadership positions in niche markets and our unique chemical capabilities. In phosphorus chlorides, we benefit from our leading capacity in Europe in PCl_3 and our position as the sole European producer of PCl_5 and critical upstream integration that supports our other business segments and positions us for future growth in the battery value chain. In bio-based solutions, we focus on high-value, certified products with high barriers to entry such as metallic stearates and customized esters, including one of only two European pharma-grade magnesium stearate offerings. In unconventional energy, we act as a focused North American production-chemicals platform, combining proprietary antiscalants and high-performance microbial control (notably TTPC under the Bellacide brand) with basin-proximate blending and logistics to serve US shale basins.

Market Dynamics by End Market

Bio-based Solutions

The market for bio-based solutions is projected to grow at a volume CAGR of approximately over 3% from 2024 to 2030. This growth is underpinned by the recovery of the European construction market, which drives demand for PVC and polyolefin products, and the end of the destocking cycle that affected the value chain in 2023. These products are also used in a long tail of fragmented applications, including pharmaceuticals, paints & coatings, and personal care, where bio-based solutions are increasingly favored by end-users.

We are a niche player in this market, with a focus on higher-value segments. A key area of strength is our position as one of only two producers in Europe of high-value, pharma-grade magnesium stearates, which require stringent certification. This creates a significant barrier to entry and a strong, defensible market position.

Phosphorus Chlorides

The merchant market for these chemicals is projected to grow at a volume CAGR of approximately above 4% from 2024 to 2030. This growth is driven by the recovery of downstream markets such as flame retardants and phosphonates, as well as a significant long-term opportunity from the reshoring of the battery value chain in Europe. PCl_3 and PCl_5 are critical precursors for the production of Lithium Hexafluorophosphate ($LiPF_6$), the electrolyte salt used in most current-generation Li-ion batteries.

We hold a leadership position in the European market, being the largest producer of PCl_3 with a market share of approximately 40%, and the sole producer of PCl_5. This business provides critical upstream integration for our AWS phosphonate business, enhancing our supply reliability, which is a key competitive differentiator

Unconventional Energy

This market is projected to grow at a volume CAGR of over 3% from 2024 to 2030, supported by a favorable political environment in the US that emphasizes energy independence. Growth is also driven by increasing operational complexity, as the trend towards longer horizontal wells means more water is used that requires treatment. Furthermore, there is a growing penetration of high-value specialty chemicals to deal with the harsher downhole conditions and more complex scale encountered in mature basins.

We are positioned as a nimble specialist in this market, with a strong focus on antiscalant and microbial control chemistries. We have a robust logistics and service network that allows us to effectively serve key basins, including the Permian and Bakken. Our key differentiator is our portfolio of high-performance specialty products, including our exclusive position as the sole US supplier of TTPC (Bellacide), a highly effective microbial control agent. We also leverage our deep expertise in antiscalants from our AWS business to provide tailored solutions for this demanding application, where we are a top player.

BUSINESS

This business section includes certain technical terms that are commonly used in our industry. See "Glossary of Selected Terms" for a detailed explanation of these terms. See "Industry and Market Data."

Overview

We are a leading innovative specialty chemicals group, focused on the manufacturing of a broad range of specialty chemical additives and solutions-oriented, value-added formulations that we offer to a diversified and global customer base. Our products, such as phosphorus derivatives, specialty polymers and esters, are critical and strategic components in many sectors, including industrial applications, desalination, hygiene and cleaning, personal care, pharmaceuticals, transportation, pharmaceuticals, semiconductors, plastics, agriculture and energy. Our products enhance the performance of applications such as water or oil solutions used in industrial processes, industrial lubricants and electrical equipment.

We hold leading market positions both in Europe and globally for a majority of our key products. For example, for the year ended December 31, 2024, we were:

- the market leader in Europe and the United States for the production and sale of phosphonate scale inhibitors for industrial water treatment (with a market share of approximately 30% in each such region) and the global leader for the production and sale of scale inhibitor formulations for desalination (with a market share of approximately 20-25% worldwide);

- the market leader in Europe and a top two player in Asia for anti-wear lubricant intermediates (with a market share of approximately 60% and 45%, respectively) and the market leader globally for the production and sale of polymeric esters for lubricants, with a market share of approximately 55% worldwide;

- the market leader in Europe for the sale of red phosphorus flame retardants, with a market share of approximately 60-70%; and

- the market leader in Europe for the sale of $PCl3$, a key raw material used in the production of phosphonates, with a market share of approximately 40%.

We divide our product offering into three end market segments: Advanced Water Solutions (AWS), Lubricants and Industrial Solutions (LIS) and Functional and Performance Products (FPP). The following overview highlights the key features of our product offering by end market segment:

- ***Advanced Water Solutions (AWS):*** Our range of AWS products includes phosphonates, polymers and inulin derivatives, which are used as antiscalants in water solutions for industrial processes and biocides, dispersants and corrosion inhibitors used in water-based industrial processes (such as water boiling, water cooling and membrane desalination processes) as well as corrosion inhibitors, biocides, flocculants, antifoam used, among others, in geothermal processes and industrial and institutional cleaning agents. Our portfolio also includes geothermal energy, household detergents and mining and metal recovery applications. For the twelve months ended September 30, 2025, we generated €271.1 million in revenue from the AWS end market, representing 41.8% of our revenue for the same period. We estimate that, for the year ended December 31, 2024, the vast majority of the Contribution Margin generated by AWS products was driven by higher-value specialty products, while a smaller portion was attributable to commodity or commodity-like products, such as HEDP for simple industrial water applications.

- ***Lubricants and Industrial Solutions (LIS):*** Our range of LIS products includes high value intermediates, additive components and packages, such as high-performance lubricant additives for the industrial and transportation markets. Our portfolio also includes high performance halogen-free, phosphorus-based flame retardants for electrical and electronics applications, including datacenters and electric vehicles. Finally, our offering also includes other specialty products, such as high-purity HCl for semiconductor manufacturing as well as for food and pharmaceutical applications, high-purity, phosgene-free acid chlorides particularly for personal care products. For the twelve months ended September 30, 2025, we generated €273.1 million in revenue from the LIS end market, representing 42.1% of our revenue for the same period. We estimate that the contribution margin generated by the LIS end market for the year ended December 31, 2024 was nearly entirely driven by specialty products, reflecting the performance-critical and formulation-intensive nature of our LIS portfolio, with only a limited contribution from commodity and commodity-like products.

- ***Functional and Performance Products (FPP)***: Our range of FPP products includes functional and performance solutions across three sub-segments: (i) bio-based solutions, (ii) phosphorus chlorides and (iii) unconventional energy. Our bio-based additives, mainly used for polymers, personal care and food and beverage applications, are metallic stearates, polymer lubricants, esters and stabilizers. We are also a trusted supplier of phosphorus chlorides solutions, mainly used in the agrochemical sector, for downstream water and plastic applications, as well as for the production of LI-ion batteries for electric vehicles. Lastly, we are at the forefront of the development of additives and chemical formulations for unconventional energy production facilities, particularly in the United States. Our main focus in this sector is on antiscalants and biocides. For the twelve months ended September 30, 2025, we generated €103.7 million in revenue from the FPP end market, representing 16.0% of our revenue for the same period. We estimate that, for the year ended December 31, 2024, the Contribution Margin generated by the FPP end market was driven by a balanced mix of specialty products and commodity or commodity-like products, with specialty solutions contributing meaningfully due to their functional performance characteristics.

Our scale, offering and end market exposure have undergone a meaningful transformation since Bain Capital assumed majority indirect ownership in 2018. In 2018, we operated a predominantly specialty-oriented business with a meaningful level of Adjusted EBITDA generation and stable margins, supported by a Contribution Margin mix in which specialty products represented the majority. At that time, the portfolio provided a sound earnings base, but still reflected a meaningful exposure to commoditized, lower-margin activities and an end-market mix that had not yet been aligned with our highest-margin applications. In particular, profit/(loss) after tax amounted to €(4.3) million for the year ended December 31, 2019, €(82.6) million for the year ended December 31, 2023 and €(49.5) million for the twelve months ended September 30, 2025. Over the course of Bain Capital's ownership, Adjusted EBITDA and Adjusted EBITDA Margin progressively increased, and evolved from €94.4 million and 18.2%, respectively, for the year ended December 31, 2019, to €108.5 million and 16.2%, respectively, for the year ended December 31, 2023, and further to €128.2 million and 19.8%, respectively, for the twelve months ended September 30, 2025. During this time span, we expanded our business offering in specialty chemicals and functional solutions, and estimate that the proportion of our operating profit attributable to specialty products increased from representing a majority in 2019 to constituting a predominant share for the twelve months ended September 30, 2025. We also estimate that specialty products represented the vast majority of our total Contribution Margin for the twelve months ended September 30, 2025, with their relative contribution progressively increasing since 2019.

We estimate that between 2018 and 2024, our Adjusted EBITDA grew at a CAGR that exceeded that of our specialty chemical peer group, both on a total basis and on an organic basis. Overall, our combination of organic growth and acquisitions resulted in a higher Adjusted EBITDA growth profile relative to the sector.

In terms of end markets, we significantly expanded our AWS exposure through organic innovation and selective M&A. In 2019, we generated total revenue of €510.6 million, of which AWS represented approximately 45%, LIS approximately 36% and FPP approximately 19%. In the twelve months ended September 30, 2025, our total revenue amounted to €647.9 million, with AWS contributing 41.8% of total revenues and LIS contributing 42.2% of total revenues, reflecting a convergence in their relative weight within our revenue base. Over the same period, FPP accounted for 16.0% of total revenues, representing a modest reduction in its relative contribution compared to 2023. Overall, between 2019 and the twelve months ended September 30, 2025, our revenue mix shifted toward a more balanced contribution between AWS and LIS, while FPP remained broadly stable in percentage terms.

We serve a large and established customer base, characterized by long-term partnership-like relationships, many of which involve co-developing bespoke products to meet customers' specifications. Our customer base is also diversified across geographies and sectors, with no customer accounting for more than 7% of our revenue and our top ten customers only accounting for approximately 29%, respectively, of our revenue for the nine months ended September 30, 2025.

We have a global manufacturing and distribution footprint with 14 core production facilities, which are located adjacent to major industrial hubs in EMEA, APAC and complemented by three tolling sites, four blending facilities and one storage plant in Poland. We also maintain and invest in seven R&D centers of excellence in Europe and the United States, which are part of our strategic focus on continuous innovation and underpin our strong pipeline of new launches.

For the twelve months ended September 30, 2025, our revenue, operating profit and Contribution Margin were €647.9 million, €54.6 million and €260.6 million, respectively, and our profit/(loss) after tax, Further Adjusted EBITDA, and Further Adjusted EBITDA Margin were €(49.5) million, €137.1 million and 21.2%, respectively. For a reconciliation to the corresponding IFRS measures, please see "*Summary Historical Financial and Other Information—Non-IFRS and As Adjusted Financial Information*" and "*Summary Historical Financial and Other Information—Other Financial Information, Segment, Geographic and Operating Data.*"

Our Strengths

Global leader in key specialty additives, with a broad portfolio of products in attractive and protected end markets driven by structural tailwinds

We focus on manufacturing high-value specialty chemical products for attractive and resilient niche markets characterized by steady growth. We have developed a well-balanced and diversified portfolio through a combination of organic and inorganic growth and a continued repositioning towards specialty and complex formulations, supported by our robust R&D activity, which helps to stabilize our revenue against negative fluctuations in the demand for any particular product or from any specific customer or geography.

We manufacture and distribute specific specialty chemicals that are of strategic importance to our customers in each of our end market segments, which result in robust demand across our product portfolio. Our products are based on complex formulations that require specialized handling, which, in turn, serve as high barriers to entry for competitors seeking to access our markets. Such barriers are further entrenched by our partnership-like relationships with customers in high-growth end-market segments, that value our continuous attention to R&D and innovation.

- ***Advanced Water Solutions***: In our AWS end market segment, our customers operate primarily in the cleaning and industrial water treatment, household and institutional cleaning, mining and metal refining, desalination and geothermal industries. In the cleaning and industrial water treatment industries, underlying trends supporting demand for our products include an enhanced regulation of water quality and a shift towards higher consumption of reused water. We have also been experiencing an increase in demand for our products used for desalination, particularly membrane desalination, which we expect will continue in the medium term, as we offer a broad range of products including antiscalants, biocides, antifoams and cleaners used in both thermal and membrane desalination processes. An additional factor supporting stable demand for our AWS products is that, while our products are additives that typically comprise a relatively moderate fraction of the value of our customers' formulations (for example, our additives represent approximately 15-20% of the final price for cooling water formulations), our additives are critical to the maintenance of our customers' sophisticated capital equipment. Moreover, demand for these products is not wholly dependent on the ultimate volume of goods sold by our end customers but rather on the need to operate their equipment regardless of the change in output between periods. Based on estimates by Advancy, our reference AWS market is projected to grow at approximately 4-5% CAGR between 2025 and 2030, supported by these trends.

  We are the market leader for the production and sale of phosphonate scale inhibitors with a market share of approximately 20-25% for scale inhibitors formulation for desalination worldwide for the year ended December 31, 2024. In Europe and the United States, we have a leading market share of approximately 30% in each jurisdiction for industrial water treatment. We also have a leading market position for geothermal antiscalants in Europe and LATAM with approximately 25% market share in each.

- ***Lubricants and Industrial Solutions***: In our LIS customers' industries, underlying trends supporting demand for our products include increased performance requirements (in respect of motor vehicles, wind turbines and metalworking fluids), a general shift towards sustainable energy sources, exemplified by an expected increase of wind turbines installations over the next five years and substitution of conventional lubricants and flame retardants with more sustainable, safer and high-performance chemical lubricants. Our additive products comprise a relatively moderate portion of the value of our customers' products (for example our performance polymer additives represent approximately up to 10-15% of the overall polymer price), but are critical to performance. The LIS end market segment also features customized products developed in close cooperation with customers, further supporting demand. We are a global supplier of different families of highly effective phosphorus- and nitrogen-based halogen-free flame retardant for thermoplastic and thermoset polymers and are well positioned to fully benefit from increasing regulatory trends supporting the development of halogen-free flame retardants due to safety and environmental concerns.

  We are the market leader for the sale of polymeric esters for lubricants, with a market share of 55% globally, for the year ended December 31, 2024. We are the market leader in Europe for anti-wear lubricant intermediates (the second largest position in the Asian market), one of the most common anti wear lubricant additives for engine oil and industrial lubricants. We are the market leader in Europe for the production and sale of red phosphorus flame retardants, with a market share of approximately 60-70% for the year ended December 31, 2024. We are currently the sole producer to meet the required high standards for the production of inorganic phosphinate and we are the only U.S. producer of cGMP-grade high-purity HCl in a certified facility. Moreover, we are the market leader in Europe for the production of PCl_3-based acid chlorides, with a market share of approximately 40%.

- ***Functional and Performance Products***: We are positioned across three verticals, addressing consumer demands with specialty solutions, namely bio-based solutions, phosphorus chlorides and unconventional energy. We expect demand for our products to be supported by stable demand for PCl_3 and derivative products and increased demand for personal care functional ingredients.

  We are the market leader in Europe for the sale of PCl_3, a key raw material used in the production of phosphonates, with a market share of approximately 40% for the year ended December 31, 2024, and sole player in Europe in the production of PCl_5, a phosphorus chloride used as chlorinating reagent in the manufacturing of antibiotics and for the production of lithium-ion battery electrolytes.

For the year ended December 31, 2024, we estimate that our Contribution Margin by end market was substantially aligned with our revenue by end market. In particular, LIS and AWS were similarly significant contributors, and FPP contributed a smaller share. This balanced mix supports margin resilience and reduces reliance on any single end market. In addition to enhanced stability of our diversification towards economic and raw material cycles, our geographic diversity and reach, along with our broad customer portfolio, enhance the efficiency of the distribution channels. Moreover, by manufacturing specialty additives that are critical for our customers' operations and have a low cost-to-value ratio, we benefit from elevated and steady margins through the economic cycles in the markets where we operate, further supported by our flexible and lean asset and cost bases.

We believe that replicating our offering and positioning in key end markets would be challenging for competitors. Our global footprint of production plants forms the foundation of our "local-for-local" business model. By manufacturing close to our customers in each market, we can source certain materials locally, adapt products to regional preferences, and maintain supply-chain resilience. In turn, this enables flexibility of production and limits the impact of global trade obstacles, promotes our role as the go-to partner for specialty grade polymers and allows for co-developed solutions with our customers. Our innovation is protected by an extensive IP portfolio, including patented product offerings which are often customized to customers' needs.

Long-term partnership-like relationships with blue-chip customers and diversified supplier base

We are the supplier of choice for our established and diverse customer base. Our customer base includes global blue-chip companies. The average length of our customer relationships ranges from approximately 15 to 20 years in our AWS and LIS end market segments to 20 years in our FPP end market segment. No customer accounts for more than 7% of our revenue and our top ten customers account for approximately 29% of our revenue for the nine months ended September 30, 2025.

The quality of our customer relationships is based on several factors, the first of which is our reliability in supplying high-quality and mission-critical products maintaining a low cost-to-value ratio. Supply security is critical for blue-chip customers given the high importance of our additives in end clients' products and one way in which we differentiate ourselves from our competition. A second factor supporting our customer relationships is our global industrial footprint, allowing us to offer facilities operating under high EHS standards closer to our customers and end markets. The third factor supporting our high-quality customer relationships is that, unlike vertically-integrated competitors, we do not compete with our customers in their end markets, which also allows us to focus on best servicing our customers including through the co-development of products and solutions. Finally, our innovative offering and solution-oriented approach allow us to further cement our relationships through co-development and through the building of reciprocal partnerships, rather than mere supplier-client sales channels.

We believe that our partnership-like customer relationships foster cross-selling opportunities as well as sustainable organic and inorganic growth, such as through expansion into new markets or geographies jointly with our customers supported by long-term supply agreements. Our high-quality customer relationships also create opportunities for us to secure long-term sales agreements, by co-developing new products with our customers. For example, in 2019, we were asked by a customer with whom we have a long-term partnership in the lubricant market to develop a high-specification dispersant product to support their end-market needs. In addition, in 2024, a key customer in the lubricant sector with whom we have a long-standing relationship asked us to enter into a partnership for the development a new brownfield project, supported by such customer, for the production and supply of a new component for automatic transmission fluids. We have accepted this offer which we are currently carrying out and the brownfield plant is expected to be completed in the first quarter of 2026. For example, in the AWS end market segment, a global oil and gas customer asked us to co-develop a specialized antiscalant designed for both topside and downhole applications, including use in a highly challenging oil field, which we believe is a significant technological innovation for the market. We believe that this cooperative product development with our customers reduces our time-to-market for new product innovations and helps our customers better differentiate their product portfolio, which, in turn, incentivizes our customers to maintain their business with us.

In our production, we rely on a wide variety of raw material inputs, with relatively few of them constituting a material percentage of our total input costs, with our top one, five and ten raw material inputs accounting for approximately 18.6%, 30.9% and 37.2% of our total input costs for the year ended December 31, 2024, respectively. The diversified nature of our raw material input requirements helps to stabilize the supply volume and costs and reduces our dependence on a limited number of suppliers. We have generally been able to mitigate raw material shortages caused by, among other factors, COVID-19-related restrictions and supply chain disruptions. As a result of our ability to monitor trends in our key raw material prices, generally we are also able to periodically pass on raw material price fluctuations to customers, while seeking to maintain a long-term approach to customer relationships. In addition, relying at least in part on a network of third-party suppliers, blenders and manufacturers, who purchase raw materials on our behalf under long-term tolling contracts, further mitigates risks of fluctuations in raw material prices.

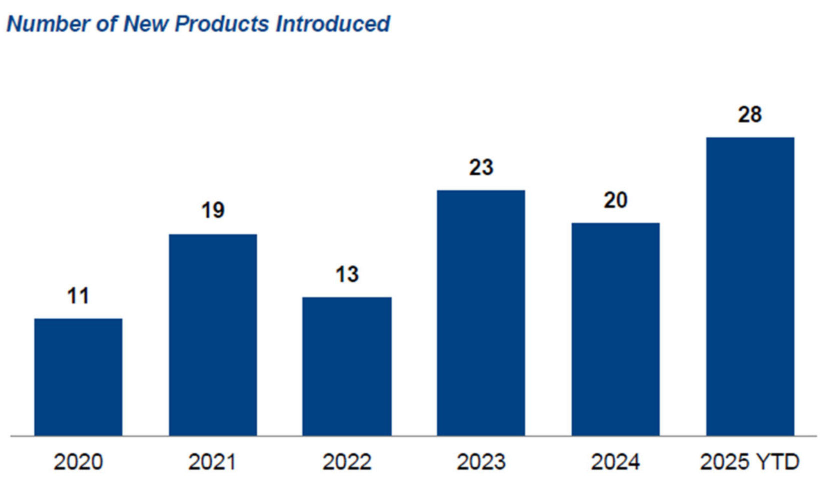
Proven innovation platform strengthened by sustainability tailwinds and successful development projects

We combine an entrepreneurial approach to helping our customers solve problems with a deep commitment to R&D and innovation, allowing us, in certain cases, to co-develop new products with our customers. Our R&D efforts form a robust foundation for introducing innovative chemistry and tailored application solutions, backed by specialized expertise that enhances our product portfolio. We consistently allocate substantial resources to R&D, spanning organic and inorganic chemistry alongside comprehensive application testing to evaluate both established and emerging formulations in real-world scenarios. The core objective of our research remains to address customer-specific needs while driving cost efficiency, mitigating risks, and ensuring environmental sustainability. We operate seven state-of-the-art R&D centers of excellence focusing on customer and market-led initiatives, including in respect of water, lubricants and personal care, and approximately 90 of our full-time employees are dedicated to R&D. Our R&D commitment is evidenced by the fact that approximately 5% of our revenues for the year ended December 31, 2024 were generated from products launched over the past five years. Since 2019, we have launched on average 10 to 20 new products yearly, and, in the nine months ended September 30, 2025, we launched 28 new products.

Our business and R&D activities are well positioned to benefit from the energy transition and circular economy trends, with our product portfolio including a variety of solutions critical to accommodate the customer and market shift towards sustainability. Our commitment towards sustainability is demonstrated by the "Beyond Innovation Project," a strategic project, which we launched in 2018, in order to identify more sustainable practices for the future and establish our long term innovation priorities. The Beyond Innovation Project targets the most competitive and high-potential sectors through an excellence-based monitoring and evaluation framework of the following global market macro trends: plastic recycling, energy saving, CO2 reduction, nano chemistry, electrical car lubrification and batteries, regulatory water future trends and bio-based opportunities. For example, the Beyond Innovation Project team is developing new hydrate inhibitors derived from salmon waste and is exploring new metal separation technologies to extract precious metals from wastewater, the latter supported by the acquisition of the Magpie startup and its associated R&D project.

In addition to our capabilities in innovating through internal R&D, we have a proven track record in successfully executing complex projects involving the set-up, construction and ramp-up of new facilities via brown-field or green-field projects. For instance, in 2019 we completed construction of a 14 ktons capacity plant for the production of P2S5 in Fangcheng, China in partnership with a key customer seeking to expand its ZDDP business. This project expanded our production capacity in APAC and is supported by long-term contracts to supply 80% of our customers' requirements for P2S5. In October 2022, we started the expansion of the Fangcheng facility through the construction of a new flame retardant product line, which enlarged the Phoslite product line range capacity and serves domestic as well as overseas markets. As we are seeing an increasing demand for P2S5 in Asia, we are founding a second production line in Fangcheng, which is expected to become operational in mid-2027. We also purchased a 50 kt capacity facility in Jiayou, China from Ecolab, a key AWS customer, that produces phosphonate, a key input in our AWS end market. In 2020, we completed further improvements to increase capacity to produce additional products such as PCl3 and amino-phosphonate. The Jiayou facility benefits from favorable raw material procurement conditions due to lower-cost inputs available in China and presents a long-term supply agreement in place for a portion of the projected capacity.

The following graph shows the number of new products introduced in recent years:



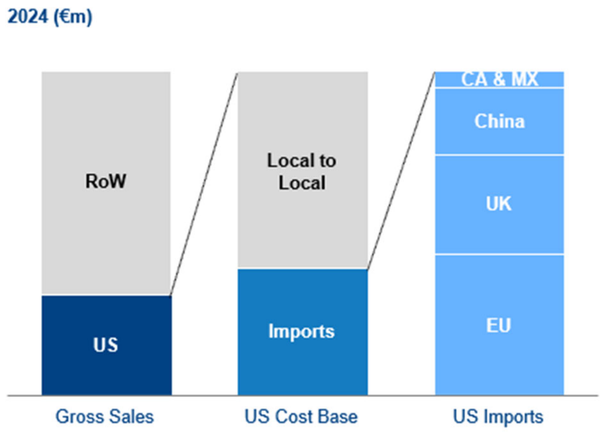
Well-invested and flexible global manufacturing footprint with "local-to-local" presence and solid EHS track record

We operate 14 core productions facilities, which are located adjacent to major industrial hubs in the EMEA, the Americas and APAC, complemented by three tolling sites, four blending facilities and one storage plant in Poland. We seek to have either manufacturing or logistics and commercial centers in proximity to key markets and operate facilities adjacent to major industrial hubs in China, North America and Central Europe.

The following graph shows the locations of our core production sites globally.

The wide geographic reach of our production and commercial centers improves our efficiency by minimizing the logistical burden and costs of transporting our raw materials to our facilities and our products to our customers, which further favors us in the current supply chain scenario. Our scale also allows us to benefit from economies of scale in managing complex logistics and input sourcing. Our wide-reaching asset base provides us with flexibility to optimize production across our facilities, such as by shifting from one plant to another to better match customer needs. At several of our production facilities, we are able to produce large and diversified batch chemistries handling a variety of raw materials.

Our global footprint of production plants forms the foundation of our "local-for-local" business model. By manufacturing close to our customers in each market, we can source materials locally, adapt products to regional preferences, and maintain supply-chain resilience. This characteristic of our production and commercial setup allowed us to meaningfully mitigate the impact from the tariffs introduced by the United States in April 2025. In line with this approach, in the nine months ended September 30, 2025, approximately 60% of our sales in the Unites States were produced locally. Accordingly, although the United States represents a meaningful share of our revenue, we import only approximately €60 million of goods into the United States every year and anticipate that, as a result of tariff exclusions and our continuous mitigation efforts, we can reduce our level of unmitigated tariff impact to zero. We estimate at total unmitigated tariff impact of approximately €6 million, which we are addressing through various measures, including negotiations with suppliers, stock on hand in the United States and pass-throughs of costs to our clients via increase in prices. Notably, the tariff environment may bolster our competitive position, as few competitors possess a comparable geographic footprint. The selective localization of our supply chain not only mitigates exposure to tariff shocks but also creates a distinct advantage in speed, cost efficiency and market responsiveness that many competitors would struggle to replicate.



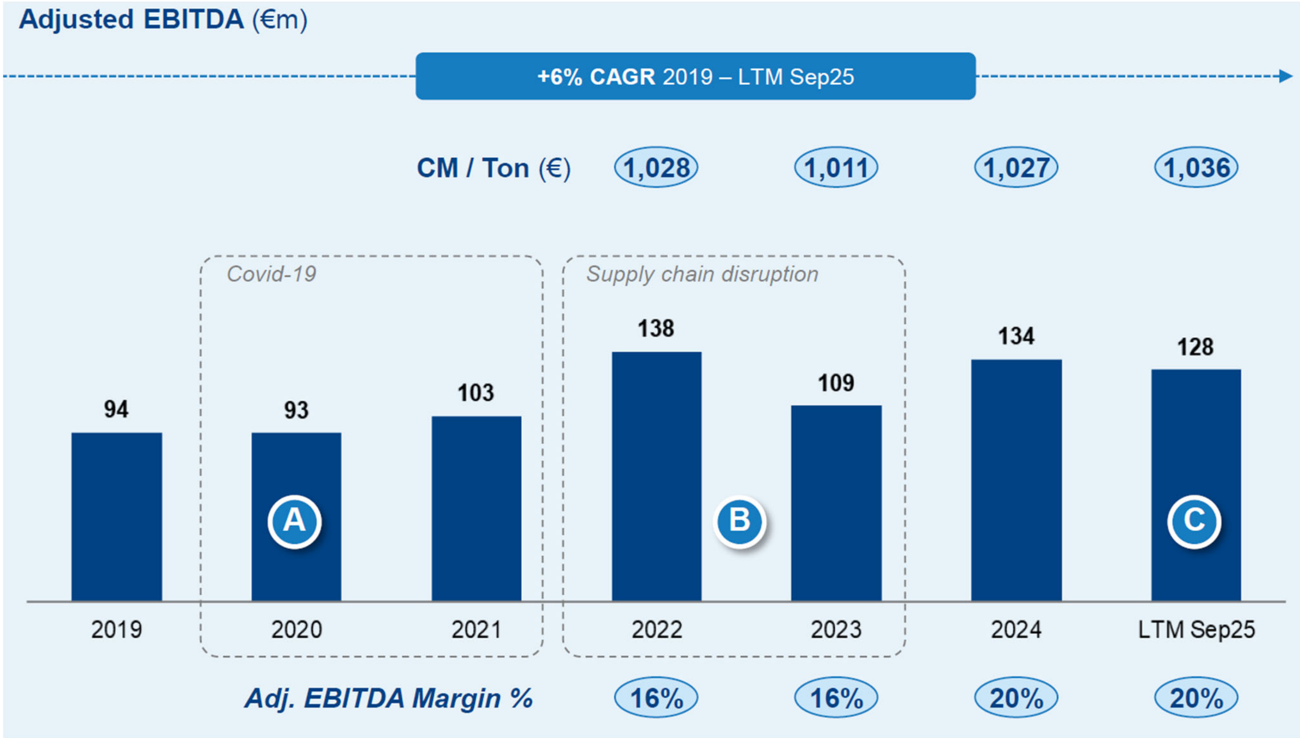
Our EHS strategy is built on a comprehensive, sustainable, and ethical development framework, integrating economic performance, technological leadership, and innovation. Safety KPIs are embedded in managers' performance evaluations (MBO), linking incentives to EHS outcomes and reinforcing a culture of responsibility. Our production network EHS managers are present at each site, reporting to site managers, ensuring direct accountability and localized oversight. Our facilities are also well-invested and comply with best practices in EHS, as exemplified by our ISO 9001, ISO 14001 and ISO 45001 certifications and our adhesion to Responsible Care, a program for the development and monitoring of new policies and initiatives to protect the health and safety of workers and to ensure environmental protection practices. The safety of our people and stakeholders is a top priority, as demonstrated by our history of no significant occupational incidents and over 90% of plant employees being trained in EHS.

Attractive and resilient financial profile of profitable growth, high and sustainable margins and low capital expenditure needs due to our specialty chemical profile

We have a track record of resilient and profitable growth through economic cycles, with our Adjusted EBITDA growing or remaining substantially stable year-on-year during eighteen out of the past twenty years (with the exception of the year ended December 31, 2020 when it declined by less than 1% year-on-year, and the year ended December 31, 2023 where the decline was mainly driven by the industry-wide de-stocking effect, reversing the over-stocking experienced in 2022).

Our Adjusted EBITDA grew from €93.7 million for the year ended December 31, 2019 to €128.3 million for the twelve months ended September 30, 2025 as a result of a mix of external growth driven by value-accretive and strategic acquisitions targeting specific complementary businesses, as well as to resilient organic growth, driven by supportive tailwinds in our reference end markets, technical expertise and innovation, longstanding relationships and co-development projects with our customers, and our effective and timely management of increases in the price of raw materials and energy costs.

We have also historically achieved high, steady and robust Contribution Margins and Contribution Margins per Ton, growing from approximately 35% and €1,028 for the year ended December 31, 2022, to approximately 42% and €1,056, respectively, for the twelve months ended September 30, 2025. Our Contribution Margin and profitability performance is attributable to our continuous focus and shift towards specialty products (accounting for the vast majority of our Contribution Margin for the year ended December 31, 2024), the high value our customers place on our products (while having an overall limited cost for them, being primarily additives) and our highly flexible, rigorously controlled cost base. Since 2022, our Variable Costs represented an average of more than 80% of the sum of Fixed Costs (which do not include depreciation and amortization and impairment losses on goodwill) and Variable Costs. Our Contribution Margin and Adjusted EBITDA are further supported by our diversification of products, customers, geographies and raw materials, helping to mitigate negative fluctuations in revenues or costs.



Further, our well-invested facilities require relatively limited operating and maintenance capital expenditure (our Recurring Net Capital Expenditure has amounted to approximately 2-3% of our revenue per year since 2022), which has contributed to a strong and consistent Cash Flow Conversion over the past twenty years. Our Net Capital Expenditure has remained broadly stable over the 2020 to 2024 period, averaging approximately €30 million per year, reflecting the low maintenance capital intensity of our operations.

Highly experienced management team with a proven track record of successfully developing us into a leading global player

We have an experienced senior management team overseen by our Group CEO who has over 30 years of experience in the chemicals industry throughout Italy, China and the United States. Our senior management has successfully grown our business from an inorganic phosphorus derivatives business to a leading global producer of a diversified product offering across our three end market segments. Our management has achieved growth both through organic expansion into new products and markets as well as through acquisitions that have expanded our presence and product offerings. In particular, our management team has an excellent track record of identifying targets, integrating acquired mid-sized businesses and extracting synergies, completing 14 highly synergistic acquisitions in the past ten years at attractive valuations. Among the most recent transactions, our management successfully oversaw the acquisition of: (a) BWA, which placed greater emphasis on higher-margin products, expanded our global presence and increased our operational and production efficiency; (b) Eco Inhibitors, a technology startup company based in Norway which further demonstrated our focus on highly innovative R&D and sustainability; (c) WST, a leading blender and chemical solutions provider for the North American oil and gas and industrial water treatment industries, which broadened our AWS and FPP portfolios and industry know-how through high-end in-house laboratory equipment coupled with cutting-edge competence and logistic service capabilities; (d) RecoPhos Project Technology, which reaffirmed our focus on innovation as well as our commitment to promote sustainability and circular economy; (e) Aubin Group, a key strategic developer and supplier of innovative chemical solutions for the oil and gas industry and the renewable energy sector; and (f) Alcolina, which enabled us to access to Brazilian sugar refineries and bioethanol industries. Moreover, our management team benefits from the market expertise, business relationships, knowledge and experience of our principal shareholders, namely Bain Capital, one of the most active sponsors both in the broader industrial space and in chemicals, and Dussur, strategic industrial investment company. The extensive experience and deep networks in our industry enable our principal shareholders to understand the complexities of the industry and support the Group's management team. Bain Capital also has a strong track record of driving cost savings and improvements in margin, while at the same time growing their portfolio companies both organically and through targeted acquisitions. Moreover, as a result of the completion of the Dussur Investment, our partnership with Dussur significantly strengthened our existing presence in the Middle East region and will enable us to expand our offering in this strategic fast-growing market. Moreover, the commitment to growth of our Group CEO and Group General Manager, Corporate is further evidenced by the co-investment in our Group together with our Sponsor.

Strong focus on sustainability and ESG initiatives

Our business is well positioned to benefit from the energy transition and circular economy trends, and we maintain a sharp strategic focus on elevating ESG performance. We have a clear ESG roadmap and are committed to achieving our sustainability targets from our ESG strategy announced in 2023 through rigorous tracking and structured initiatives.

Our product portfolio includes a variety of solutions aimed at supporting our customers in reducing their environmental footprint and transitioning towards more sustainable sources of energy. In particular, we implemented long-term ESG driven innovation initiatives, focusing on recovery and circularity. In addition, we have secured funding from the European Union for multiple sustainable solutions projects such as IPCEI 2 and FlashPhos. Under IPCEI 2, we support research and innovation across the entire battery value chain – from raw material extraction to recycling and disposal – with a focus on advancing Europe's electric vehicle (EV) battery ecosystem sustainably.

In addition, we also continue to take steps to scale back our own environmental footprint and improve ESG metrics. The recent performance of our environmental KPIs for the years ended December 31, 2024 confirms this trend: (i) our Scope 1 and 2 emissions decreased by 15% compared to the 2021 baseline, and we are on track to achieve our 42% reduction target by 2030; (ii) we are on track to achieve our 25% reduction target for Scope 3 emissions by 2030; (iii) we have successfully ensured our entire workforce fair salary standards compared to local benchmarks, receiving Fairwage Network certification; (iv) we were rated "A" by CDP in 2025, reflecting steady progress from past years' ratings ("A-" in 2024); and (v) we were awarded the Gold Medal in the 2024 Ecovadis assessment on sustainability, ranking among the top 5% of companies evaluated.

We continue to identify new processes aimed at the recovery of chemicals with the aim of re-using materials and reducing their end-of-life environmental impact, and to improve their carbon footprint by favoring their use for multiple applications. We have a wide product portfolio and technology for recycling, including, for example, chemical solutions to effectively separate and isolate precious metals and critical raw materials for efficient recovery from waste. Moreover, on the R&D side, we are working on technology for chemical recycling, where the material is broken down into its original chemical components and re-reacted to produce new molecules.

Our Strategies

Focus on organic growth driven by maximizing value of existing customer relationships, continued innovation and rigorous cost control

We believe that our existing customer relationships provide a strong foundation for further organic growth through selling greater volumes and different new products to existing customers, developing new customer relationships, identifying opportunities for diversification in new products and chemistries through strategic co-developments and cross-selling opportunities for recently integrated product lines. We have built trustworthy relationships with key customers based on our proven capabilities to understand and respond to challenging demands and our ability to reliably deliver critical products. These relationships have provided compelling opportunities for both new greenfield developments, such as at Fangcheng, and M&A opportunities, such as the acquisition of Polartech and Jiayou.

We also believe that our customer- and market-led innovation approach will support further organic growth. We plan to leverage our continuous investments in R&D to develop high-value, defensible products. Our R&D pipeline includes new projects for the synthesis and application of chemical compounds and spans across 43 projects at different stages of development.

To complement organic growth, we also expect to continue our focus on rigorous cost control and maximizing synergies from acquisitions, including through assessing select acquisitions of strategic suppliers or producers of complementary product portfolios operating in target markets and segments. For instance, our acquisition of Aubin Group strengthened our position in the oil and gas and renewable energy sectors and in key strategic markets such as the Middle East, the United States and the North Sea.

Leverage strategic projects with highly visible financial impact to expand production capacity and optimize industrial cost structure

We continue pursuing special operational projects with highly visible financial impact. For instance, in 2019, we completed construction of a 14 ktons capacity plant for the production of P_2S_5 in Fangcheng, China in partnership with a key customer seeking to expand its ZDDP business. This project expanded our production capacity in APAC and is supported by long-term contracts to supply 80% of our customer's requirements for P_2S_5. In October 2022, we started the expansion of the Fangcheng facility through the construction of a new flame retardant product line, which enlarged the Phoslite product line range capacity and serves domestic as well as overseas markets. As we are seeing an increasing demand for P_2S_5 in Asia, we are founding a second production line in Fangcheng, which is expected to become operational in mid-2027.

We also purchased a facility in Jiayou, China from Ecolab, a key AWS customer, that produces phosphonate, a key input in our AWS end market. In 2020, we completed further improvements to increase capacity to produce additional products such as PCl3 and amino-phosphonate. The Jiayou facility benefits from favorable raw material procurement conditions due to lower-cost inputs available in China and presents a long-term supply agreement in place for a portion of the projected capacity.

In 2018, we also began exploring opportunities in Saudi Arabia to competitively produce and source P4 as raw material. Even though this process started as a segue to secure our competitive and integrated P4 access, this initiative has since then led into several attractive downstream projects supported by major partners. We expect this development project to strengthen our flexibility and diversified global presence, further improving our local-to-local, flexible, and reliable supply to global customers.

Pursue value-accretive and strategic acquisitions to develop and consolidate our global platform

Our global footprint and diverse product portfolio create opportunities for acquisitions that bolster our existing platform. We intend to selectively consider further bolt-on or strategic acquisitions to capitalize on our competitive strengths, increase our geographic presence and preserve or improve our financial performance and profitability. For example, we believe that we may be able to further develop our AWS and LIS end market segments through mid-size acquisitions that would expand our applicative know-how and ability to produce active ingredients. Through the acquisition of BWA, which we completed in February 2019, we added to our group a premier global provider of complex water treatment solutions focused on high value specialty products servicing three end market segments, Treatment for Oil & Gas, Industrial Water Treatment and Desalination, in which BWA held leading positions and benefited from a strong and defensible niche position due to its long-standing customer relationships. In addition, in 2019, we also acquired Eco Inhibitors, a technology startup company based in Norway that has developed chemical solutions to produce a new generation of eco-friendly hydrate inhibitors for oil and gas applications, and WST, a leading blender and chemical solutions provider for the North American oil and gas and industrial water treatment industries, which broadened our AWS and FPP portfolios and industry know-how through high-end in-house laboratory equipment coupled with cutting-edge competence and logistic service capabilities. Through the acquisition of RecoPhos Project Technology in January 2020, we reaffirmed our focus on innovation as well as our commitment to promote sustainability and circular economy. In June 2022, we acquired Aubin Group, a key strategic developer and supplier of innovative chemical solutions for the cementing and the renewable energy sectors, which further strengthened our position in the oil and gas and renewable energy sectors in key strategic markets such as the Middle East, the United States, and the North Sea. Lastly, in 2024, we also acquired the Brazilian company Alcolina. The acquisition provided us access to the local sugar and ethanol markets due to Alcolina's capillary distribution network in the sugar industry in the Brazilian market, which accounts for over 30% of the global sugarcane production. We plan to continue to take a disciplined approach to evaluating potential investments and maintain prudent overall liquidity and leverage.

Our History

Italmatch was founded in 1997 through a management buy-out of the inorganic phosphorus derivatives business of the Saffa Group, based in Spoleto, Italy. Since our establishment as an independent company with a focus in specialty phosphorus derivatives, by 2013, we have expanded to become a chemical specialty group leader in water additives, lubricant performance additives, flame retardants, plastic additives and high-performance products with international commercial presence through the set-up of sales organizations also in the APAC and Middle East regions.

In 2013, we completed the acquisition of Dequest's water treatment business based in Newport, United Kingdom and of Thermphos' phosphorus chloride business based in Frankfurt, Germany. Following the successful integration of these businesses, we broadened our water-treatment-based portfolio to include water soluble polymers through the acquisition of GRS S.p.A., a producer of water soluble polymers and fuel cleaning agents, in late 2014, and began the construction of an R&D and production site in Arese, Italy for the cleaning and mining businesses (purchased from Solvay in 2015), thereby becoming global leaders in scale inhibitors formulation for desalination.

In 2016, in an effort to move further towards formulated products in the AWS end market segment, we purchased Compass, a primary manufacturer in North America for phosphonate and biocides used in AWS applications, and strengthened our position in the oil and gas markets. We also purchased Solvay's mining and anti-corrosion business and entered the water and solvent extraction market.

Our expansion and internationalization continued in 2017 with an increased presence in the North American and LATAM regions through the acquisition of The Elco Corporation, which enabled us to expand our current product line in the industrial lubricant additive segment, and the acquisition of Sudamfos, a Brazilian specialized distributor. In order to consolidate our focus on industrial water and process treatment, we also entered into the high-value niche market of innovative resins production through the acquisition of Magpie Polymers SAS ("**Magpie**"), a technology start-up focused on the manufacturing of resins used for the recovery of precious materials from industrial effluents.

In early 2018, we further expanded our strong presence in China through the acquisition of the phosphonate business unit Jiayou from Ecolab, one of our key customers. The acquisition included a phosphonate production facility located in the Changzhou area, which enabled us to better serve the Chinese and Asian markets for phosphonates.

In 2018, we significantly strengthened our market position in the industrial lubricants and MWF markets with the acquisition of Polartech from Afton, which included assets such as the plants in Bedford Park, Illinois, USA and Manchester, United Kingdom, as well as the know-how, technology and business operations in India and China.

In February 2019, we completed the acquisition of BWA, a leading global provider of sustainable water management solutions for the oil and gas, industrial water treatment and desalination industries. BWA is a premier global provider of complex water treatment solutions focused on high-value specialty niche products in attractive end markets, which operated 21 global supply points across the Americas, Europe, APAC and MENA. The acquisition of BWA allowed us to improve our position in the biocides market for fracking and oil production, expand our customer base with existing BWA downstream customers and create cross-selling opportunities, particularly across the antiscalant and biocide value chain in North America.

In April 2019, we completed the acquisition of Eco Inhibitors, a technology startup company based in Norway that has developed chemical solutions to produce a new generation of eco-friendly hydrate inhibitors for oil and gas applications. The integration of Eco Inhibitors within our AWS end market segment (and the subsequent merger of such company into Italmatch Chemicals S.p.A. in December 2019), further demonstrated our focus on highly innovative R&D and sustainability, which are key factors we consider when expanding our platform.

In September 2019, we also acquired WST, a leading phosphonates scale inhibitors provider for the North American oil and gas and industrial water treatment industries, which broadened our AWS and FPP portfolios as well as industry know-how through high-end in-house laboratory equipment coupled with cutting-edge competence and logistics service capabilities.

In January 2020, we acquired RecoPhos Project Technology, which technology will further contribute to the Group's activities to develop a completely new process to produce Elemental Phosphorus ("**P4**") out of secondary "waste" raw materials. This transaction reaffirms our focus on innovation as well as our commitment to promote sustainability and circular economy as business practices, in particular with respect to our core business of phosphorus derivatives.

In May 2021, we participated in the second Important Project of Common European Interest ("**IPCEI 2**") aiming at the sustainable development of the EV battery value chain in Europe. With three innovative projects approved and partially funded by the European Commission program on new generation batteries, we are positioning ourselves on both advanced raw materials and recycling projects, further reaffirming our focus on innovation, sustainability and circular economy, in line with the ESG policy adopted by the Group.

In June 2022, we acquired Aubin Group, a key strategic developer and supplier of innovative chemical solutions for the cementing and the renewable energy sectors, with offices and warehouses across the UK and the Middle East and headquartered in Ellon, Scotland. This acquisition further strengthened our position in the oil and gas and renewable energy sectors in key strategic markets such as the Middle East, the United States, and the North Sea. The transaction advanced our commitment to develop sustainable and circular solutions by expanding our product portfolio with new eco-compatible solutions, including products for the renewable energy market (floating windmill farms) as well as "decommissioning" activities (plug and abandonment).

In March 2024, we acquired a majority stake in Alcolina Química & Derivados, a leading Brazilian producer of water treatment solutions for bioethanol, the production of sugar, as well as for industrial applications, including paint and paper industries, operating through two manufacturing sites in Cravinhos and Rio Lago, Brazil. This acquisition strengthens our presence in Latin America and expands our Advanced Water Solutions portfolio into high-growth end markets, notably sugar and biofuels, while creating meaningful commercial and cost synergies. In particular, the transaction enables the expansion of our portfolio through Alcolina's products, such as SugarMaxx, a proprietary, IP-protected technology for cane sugar color stabilization, in the global market.

Our Products Overview

We are a global specialty chemicals group, with global leadership in antiscalant chemicals and solutions, and European leadership in P2S5 for ZDDP, polymeric esters and halogen-free flame retardants based on red phosphorus. As of December 31, 2024, our unique and broad product portfolio includes more than 1,700 products and it is based on our main end market segments: AWS, LIS, and FPP.

AWS (Advanced Water Solutions)

Our AWS end market segment benefits from our global manufacturing footprint, a broad and backwards-integrated product range of water management additives linked with strong application expertise and in-house product development and solution selling capabilities. We offer a broad range of water management additives including phosphonates, water soluble polymers, phase separation aids for wastewater treatment, biocides, corrosion inhibitors and a broad range of functional solutions products for a variety of industrial water and process applications, including thermal and membrane desalination, geothermal production, and mining extracts/solvent separation. Our range of functional solutions, one of our key AWS offerings, presents a new approach in the markets in which we operate by delivering to our clients products that are tailored by our R&D teams to address their specific needs.

Specialty phosphonates are a key chemical product in the AWS end market segment. For the year ended December 31, 2024, we were the global leader in the production of desalination antiscalants and the European and United States leader in the production of phosphonate antiscalants for industrial water treatment, with a market shares of approximately 30% in each such region, respectively. We believe phosphonates-based technology provides a better alternative on the back of more effective chemistry and lower environmental impact compared to alternatives such as phosphates and aminocarboxylates. We have become a leading worldwide company in the business of phosphonates with presence on three continents, providing reliable security of supply to our clients worldwide.

Production is mainly carried out at our sites in Arese, Naples, Smyrna, Newport (which we operate through a lease and operating agreement) and Changzhou. Our continued expansion in the water treatment segment, including through the Alcolina Acquisition, resulted in revenue for the AWS end market segment of €271.1 million, representing 41.8% of our revenue (€647.9 million), for the twelve months ended September 30, 2025. Our top competitors in the AWS end market segment include Aquafarm, Taihe, Dow Chemical and Zschimmer & Schwarz.

Key applications of AWS

Our AWS products are used worldwide in a broad spectrum of markets and applications, including industrial water and process treatment, home and industrial and institutional cleaning products and mineral processing and downstream refining, a market in which we entered after the acquisition of the Ionquest business from Solvay. The acquisition of Alcolina has also allowed us to expand in the bioethanol and the sugar sector.

Industrial Water Treatment

Our products can be used as antiscalants, biocides, corrosion inhibitors, dispersants and chelants in both cooling water treatment and boiler water treatment applications and as phase separation aids in wastewater treatment and effluent pipes applications. Our phosphonates and polymers have been a valued component of water treatment formulations used as cooling tower treatment packages for many years. The main purpose of our AWS products is to control corrosion, scale, fouling and microbiological growth in our customers' cooling water systems and our phosphonates and polymers are cost-effective components of the water formulations used in these systems because they are effective threshold scale inhibitors. They can be used alone or in combination to control the calcium, magnesium, carbonates and sulphates concentrated in the cooling tower through evaporation. Through the BWA Acquisition, we widened the range of differentiated technologies. In particular, the LiquiBrom brand includes a range of biocides that help prevent micro-biological fouling, the Bromicide line includes fast kill and broad-spectrum oxidizing biocides in solid form (registered and available in the United States and Canada and included in the European Biocidal Product Regulation Active Substance Review Program). The Bellacide line also offers both oxidizing and non-oxidizing algaecides for control over a wide range of microbial proliferation.

We also benefit from a niche presence in corrosion inhibitors. Our phosphonates are good corrosion inhibitors and are used to stabilize corrosion systems and, together with polymers and inulin derivatives, they represent very effective dispersants which help prevent fouling. Our products in the Belcor and Bricorr lines provide an all organic technology. They are able to replace traditional zinc or molybdate based products with better and more sustainable alternatives.

Similarly, our phosphonates and polymers play an important role inside steam boiling systems, which require sophisticated water treatment and maintenance. At high temperatures, as seen in boilers, scale deposits may cause tubes to overheat and potentially fail. Our phosphonates and polymers are used inside boilers either with a phosphate program that modifies the calcium phosphate sludge formed, in order to make it less adherent and keep it dispersed, or with a chelating and solubilizing program as a supplemental calcium carbonate scale inhibitor that reduces the amount of chelant used and renders the process less corrosive. In particular, we recently developed our Lumiclene line of scale inhibitors and dispersants, which, due to its fluorescent properties, can be easily detected and monitored remotely using a dedicated online probe or commonly sold fluorometer instruments.

In 2017, we acquired Magpie, a French startup company that provides an innovative and patented filtration technology for the selective removal of transition precious metals. A spin-off of the École Polytechnique, Magpie produces proprietary filtration technology with extreme selectivity in difficult to treat waste or process water. Magpie resins essentially capture precious metals such as palladium, platinum, silver and gold that would otherwise be lost in wastewater. The investment in such a highly innovative technology allowed us to consolidate our focus on industrial water and process treatment, thus expanding and refining the current production range as well as reaching new high added value market targets.

We also provide antiscalant for pulp, paper and textile production processes, as well as stabilizers to keep hydrogen peroxide effective during bleaching and prevent metal impurities from affecting performance. Across different industries, our stabilizers ensure process stability, efficiency, and consistent quality.

Following the acquisition of Alcolina, we are able to assist our clients in the sugar processing industry. Our food-contact-approved antiscalants prevent scale build-up in evaporators, reducing costly downtime to allow for cleaning. Additionally, our SugarMaxx line reduces color in thin juice and acting as a synergistic scale inhibitor. In providing a range of industry leading products, we benefit from strong customer support, including technical support and consultations on formulations development, which allows us to provide our customers with accurate dosage recommendations and feedback on performance on the products of the Industrial Water Treatment segment.

Household and Institutional Cleaning

Our industrial and institutional cleaning products are formulated to meet the needs of large and diverse market segments, which include janitorial, institutional dishwashing, industrial bottle washing, dairy, brewery and food processing equipment cleaning, institutional laundry cleaning, textile maintenance, health care and surface disinfection, vehicle cleaning, metal cleaning and as well as all other industrial cleaning operations. Our multi-functional Dequest phosphonates have several properties which bring value to cleaning formulations. In particular, as chelants they can be used to control water hardness ions, such as calcium and magnesium, but also trace metal ions, such as iron, manganese, copper and zinc. They are also effective scale inhibitors at very low levels (threshold effect), reducing scale build-up caused by water hardness ions; they act as dispersants and keep soils suspended; and, finally, unlike aminocarboxylates and polycarboxylate chelants, selected phosphonates have the ability to protect bleach from decomposition by trace metal ions.

Dequest phosphonates perform efficiently in cleaning products for the dairy industry. They are well-suited for use in dairy formulations because of their ability to work at virtually any temperature and pH level and because of their resistance to chemical degradation. They are used to prevent calcium scale buildup by threshold inhibition, improve washing effectiveness by chelation and dispersion, and inhibit spotting and staining of metal surfaces (chelation and scale inhibition).

The multi-functionality of the Dequest phosphonates also make them well-suited to formulation in vehicle wash products. Threshold activity against hardness metal ions (calcium and magnesium) safeguards against the formation of hard water scum. Sequestration of heavy metals enhances overall detergency and cleaning ability. Dispersancy prevents the redeposition of soils on the vehicle surfaces. Corrosion inhibition not only offers protection of aluminum alloys, but also serves as aluminum brightener. Lastly, Dequest phosphonates have a high solubility in liquids, making them a preferred component in many newer liquid vehicle wash products.

We are also investing in innovation with sustainable solutions that are tailored to meet growing market demand for environmentally friendly products. The company’s latest antiscalants, Dequest PB11625D and SPE 1436, are based on carboxymethyl inulin (“**CMI**”), a fully renewable, biodegradable ingredient derived from chicory root. These products deliver high performance while reducing environmental impact, offering a safer alternative to traditional polymers as components of detergents for the household end market. We are also expanding CMI’s versatile application into industrial water treatment and reverse osmosis, reinforcing our commitment to sustainability across all our end markets.

Our goal in this market is to secure long-term partnerships with cleaning companies by guaranteeing reliable product supply, positioning our solutions as premium alternatives to commoditized imports from China, and delivering consistent quality and service that justify a higher margin.

Desalination

The desalination of water in arid regions has become increasingly common. Following the acquisition of Solvay’s desalination and phosphonates water additive business, we were able to successfully expand our water management additives product range and enter into new market segments, such as the thermal desalination markets in the Middle East. Our water management additives product range is expected to remain the main desalination technology in arid areas as a result of water scarcity. In addition, through the BWA Acquisition, we further expanded our chemicals portfolio to include antiscalants, biocides, antifoams and cleaners, therefore broadening the range of services to desalination plants, mainly in thermal desalination, of which BWA is global market leader.

The two most significant desalination technologies available in the market are thermal and membrane desalination. Our polymers and phosphonates are combined in effective “ready to use” scale inhibitors for both processes.

In addition, our partnerships in Saudi Arabia focus in specialty chemicals manufacturing, particularly on AWS development in the field of desalination (thermal and membrane) applications.

Thermal Desalination

Thermal desalination uses heat (often waste heat from power plants or refineries) to purify water through evaporation and condensation. In the most advanced desalination plants, water is pretreated in order to improve the efficiency of the plants. Thermal desalination mimics the natural process of the water cycle: evaporation from the ocean, accumulation in the atmosphere, condensation as rain or snow, and collection. Since heat is vital in thermal desalination, the process is often linked to power plants and refineries to use waste heat. There are two main types of thermal desalination—multi-effect distillation ("**MED**") and multi-stage flash distillation ("**MSF**"). One of the main challenges for all these types of thermal desalination is the scaling and fouling contamination, which reduces the heat transfer efficiency and decreases water production. Traditionally, sulfuric acid is fed to the evaporators to reduce carbonate scale formation which, however, combined with high temperatures, often leads to the formation of calcium sulphate scale. Our polymers and phosphonates, as highly effective threshold scale inhibitors with excellent thermal stability, are successfully used to control the formation of calcium sulphate scale in thermal desalination. Similarly, our phosphonates are used to prevent scale. Moreover, following the acquisition of BWA, we have become market leaders in thermal desalination chemicals, supplying a robust offering of water treatment products utilized in both MSF and MED systems, particularly in the Middle East and Africa region. Through these products, we are able to (i) optimize heat transfer in thermal plants; (ii) control scale in environments of high temperature fluctuation; and (iii) optimize water production and energy consumption in distillation processes. In particular, the Belgard and Albrivap lines include, among others, high performing antiscalants designed for MED distillation plants, certified by NSF International for potable use. The Belgard and Albrivap lines also include high performance liquids for the control of scaling and particulate fouling in seawater multi-stage flash distillation, which are effective against alkaline scale across a full range of top brine temperatures in use. Finally, under the Belite line, we offer antifoam products formulated to control foaming/priming. Belite products are certified by the NSF International and they are highly suitable for multi-stage flash seawater distillation plants.

Membrane Desalination

Membrane desalination uses the principle of osmosis to remove salt and other impurities, by transferring water through a series of semi-permeable membranes. This system can remove many types of molecules and ions, making it suited for potable and industrial uses. Standard osmosis involves a solvent (such as water) naturally moving from an area of low solute concentration, through a membrane, to an area of high solute concentration. The movement of a pure solvent reduces the free energy of the system by equalizing solute concentrations on each side of the membrane, generating osmotic pressure. Applying an external pressure to reverse the natural flow of solvent is called reverse osmosis. To create clean water using this process, seawater or brackish water is pressurized against one surface of the membrane, causing salt-depleted water to move across the membrane, releasing clean water from the low-pressure side. Our products present a highly effective solution to control the deposition of inorganic scale-forming salts on membrane surface and they are compatible with all major membranes currently in use.

In addition, following the BWA Acquisition, we added to our portfolio a highly customizable offering of water treatment solutions utilized in membrane desalination processes including antiscalants, cleaners and biocides for membrane operations, which impart various functional properties including (i) optimizing energy use; (ii) maximizing water production; and (iii) minimizing downtime and membrane replacement. In particular, our portfolio includes antiscalants for units operating at high recovery which control deposition of inorganic scale forming salts and particulate fouling on a membrane surface, have high pH formulation designed to remove particulate deposits, and are suitable for use with all polyamide, polysulfone and thin film composite membranes.

Geothermal and Mining

We offer industrial water treatment products for the geothermal and mining end market. Our premier line of geothermal products is Geogard, a line of "ready to use" antiscalants with a focus on treating difficult scales, offering amorphous silica scale control also working in the high temperatures and harsh environments of geothermal plants. Geogard allows geothermal plants to run longer and more efficient productive periods, extract more heat energy from thermal walls and reduce dangerous and expensive manual cleanings. For example, a customer previously spent over $3 million per year to shut down and clean five geothermal wells to address scaling issues. Following the application of Geogard at a cost of $200 thousand per year, the customer's geothermal wells have operated continuously without scaling issues.

We are also extending our sustainability commitment to the mining sector through our Ionquest product line. This phosphorus-based range is designed for hydrometallurgical operations, where solvent extraction is a key technique for separating valuable metals from complex mixtures. Ionquest extractants enable efficient recovery and separation of Nickel from Cobalt, Rare Earths, Uranium, Zinc, and other critical metals, supporting both traditional mining and battery recycling industries. By offering innovative solutions that reduce environmental impact, we believe we are helping advance sustainable practices in mineral processing and the circular economy.

LIS (Lubricant and Industrial Solutions)

We offer a well-diversified product portfolio of lubricants and additive components, including P2S5, polymeric esters, dispersant additives for engine oils, extreme pressure additives and oil-based MWF additives, ZDDP industrial, grease add-packs, corrosion inhibitors, additives for water-based MWF. We operate in both the industrial and automotive transportation markets. We also manufacture and develop phosphorus and nitrogen-based flame retardants additives in many polymer applications, mainly for thermoplastic polymers but also for thermoset and carpet backing applications. We have four flame retardant product lines, namely, Masteret (red phosphorus, stabilized and on carrier); Melagard (melamine-based salts; nitrogen based); Phoslite (inorganic phosphinate-based); and Dapraslip (fatty acid amides, anti-block agent). Through a comprehensive portfolio of high value additives tailored to specific customer requirements, we focus on small quantum products with a high impact on end product performance and costs.

P2S5, a key intermediate used for the production of ZDDP and one of the most commonly used antiwear and antioxidant additives for engine oil, is a key product in the lubricant market. We also supply high-performance synthetic esters mainly used for the most severe applications (such as oil for wind turbines) and are the global and European market leaders in the production of polymeric esters for lubricants. These are used as functional fluid base in a wide range of metal working applications and, in particular, in neat oils, in soluble oils and for metal cutting operations such as broaching, tapping and milling and forming operations such as stamping and drawing.

We also operate in the polymeric esters market. Our key product is Ketjenlube, a high-performance polymeric ester. High-performance formulations are obtained when combined with anti-wear and extreme pressure agents, resulting in an increase in hydrolytic stability and the reduction in bacterial degradation and residue formation. Windmill turbines are the major application for Ketjenlube. Ketjenlube polymer esters provide excellent lubricating performance as well as low viscosity base fluid compatibility, enhancing product stability and performance for use in high performance applications. They represent unique, specialty components used in the formulation of synthetic and semi-synthetic high-performance lubricants in transportation and industrial fluids. They also reduce wear much more efficiently than other conventional synthetic base fluids.

Production of LIS is mainly carried out at our sites in Arese and Spoleto (Italy), Bedford Park, Cleveland and Ashtabula (United States), Manchester (United Kingdom), Fangcheng and Nantong (China). For the twelve months ended September 30, 2025, our revenue for the LIS end market segment were €273.1 million, representing 42.2% of our revenue (€647.9 million). Our top competitors in the lubricant line include Perimeter Solutions, Lubrizol, Richful, and Lanxess, and competitors in the flame retardants market are Clariant, Sichuan Chemicals, and Xinde.

Various reactors, glass lined and stainless steel, of different sizes allow for high flexibility in our production planning with additional capacity for optimization expansion. Core technologies/competences include, among others, polymerization, esterification, chlorination, amidation and thermal maleation. The product portfolio of the Arese site includes Ketjenlube polymer esters, synthetic and fatty acid esters, amides, phosphites and ASA/PIBSA/PIBSI, while oleochemicals are produced in Spain at the Zaragoza plant. Our recent R&D activities in respect of LIS products are mainly directed at developing more environmentally sustainable solutions, by focusing on:

- improving additive lubricants that guarantee the correct functioning and reduce wear of wind power plants; and
- solid-state electrolyte technology which is expected to significantly improve electric vehicle performance, both in range and charging speed. We are involved in the Second European Battery Project (Second IPCEI) and in particular in the related R&D activities. Solid-state batteries offer higher energy density, faster charging, and greater safety compared to conventional li-ion batteries, as they eliminate the need for flammable liquid electrolytes.

Key applications of LIS

Our lubricants are used worldwide in a broad spectrum of markets and applications, including engine oil, industrial gear box, fuel additives, metalworking fluids, hydraulic fluids and greases, while flame retardants are used in markets and applications such as electronics, electrical and construction. Recently, connectors, cables and covers used in EV applications have gained increasing importance in the electrical market, along with photovoltaic panels in the building and construction industries.

Transportation Lubricants

We are one of the market leaders for the production of P2S5, a key raw material in the production of ZDDP, the most used antiwear lubricant additive for motor oil, and the European leader in P2S5 for ZDDP applications. We produce additives that are used as antioxidants, as antiwear and extreme-pressure and, to dissipate heat. In 2019, we opened a facility in Guanxi Province (Fangcheng), China, with the aim to increase our presence in the Asian market for P2S5. We are seeing an increasing demand for P2S5 in Asia and we are planning to invest in an additional production line in Fangcheng.

Over the prior two years, we started developing the production of dispersant additives for engine oils (and to a lesser extent, fuel additives) in collaboration with some of our main long-term partners/customers. In 2021, the first product was successfully developed and several new projects are in the R&D phase to enlarge our product range.

Industrial Lubricants

We offer a wide range of polymeric esters ranging in polarity and viscosity, allowing flexibility for the formulator to match the required chemical properties for selected gear systems. Gear systems are subjected to various operating speeds, loads and temperatures, which greatly affect temperature, viscosity and pressure. Gear oils formulated on Ketjenlube polymeric esters perform at lower operating temperatures, with enhanced micro pitting performance, while giving long-term oxidative, hydrolytic, shear and thermal stability. We have invested in our capabilities to evaluate the performance of our polymeric esters both in laboratory and through customer oriented trial applications.

We also continue to successfully market the Ketjenlube, and Dapral polymeric amides ("**PA**"), as well as Ketjenlube polymer esters and Dapralube esters for a wide range of metal working applications, including neat oils, water-miscible fluids (soluble oils), metal cutting operations (*e.g.*, broaching, tapping, milling), and metal forming operations (e.g. rolling, drawing, stamping). We have invested in our capability to evaluate the performance characteristics of the Ketjenlube polymer esters in both laboratory-based and external customer-orientated application tests. Dapral PA refers to a full range of PIBSA that can be used in various emulsification systems and could be further reacted with alcohols, glycols, amines and alkanolamines to obtain further functionalities. All Dapral PIBSA are produced via a chlorine-free process, diluent-free and can be supplied in various molecular weights, which provides the formulator greater flexibility. PIBSA are increasingly used in MWF, where they can be used together with other co-emulsifiers as an economic alternative to sulfonates.

We increased our presence and geographical reach in the industrial lubricant market with the acquisitions of The Elco Corporation and Polartech, both specialized in additives for extreme pressure, wear protection, friction modification and corrosion inhibition. In particular, The Elco Corporation has been active in the industrial lubricant additives business for more than 80 years, with particular strength in the dark and light sulphur technologies. Polartech, which specializes in high-performance emulsifiers, corrosion inhibitors, and lubricity agents, has also been active for decades and has worked closely with MWF manufacturers for the development of both neat oils and soluble oils.

Flame retardants

We are currently the sole producer to meet the required high standards for the production of inorganic phosphinate, which is required to produce a high value flame retardant solution, and we expect overall growth in the inorganic phosphinates flame retardants market in the near future. Providing customers with a high-quality product allows us to effectively compete with Chinese products and presents a significant advantage particularly in the high end of our Phoslite product line. The electrical industry represents one of the key end markets for phosphorus flame retardants, and it is in continuous expansion due to the growing market for the construction of data centers and electric vehicles. The main applications of our products include circuit breakers, electrical wires and cables, equipment, and printed circuit boards. Our current position as sole producer of high-quality inorganic phosphinate supports strong demand for our products, and we expect the overall inorganic phosphinates flame-retardants market to continue to grow in the near future. Patents in certain of our key applications, however, are expected to expire, which may enable additional producers to enter the market and could, over time, temper the level of demand we are able to capture as the sole qualified supplier.

We have been focusing on shifting from halogenated flame retardants to halogen free flame retardants, in line with our commitment to producing more sustainable alternatives. These are largely applied in electronic and photovoltaic applications.

We are also the European leader in the market for red phosphorus. Red phosphorus is a versatile flame retardant, used alone or with other additives to create advanced formulations for engineering and commodity polymers, thermosets, and composites. Its water-based forms are applied in synthetic and natural rubber latex systems as coatings for textiles in automotive and building sectors. Increasingly, lightweight thermosets, such as epoxy, phenolic, and polyurethane, are adopted in transport, electrical and electronics, and construction, especially where halogen-free solutions are required to reduce smoke corrosivity during fires.

Acid Chlorides, OPA, Esters

We deliver high-purity, phosgene-free compounds for the synthesis of high-quality polymers and coatings. These present a wide range of diverse applications, in particular for the expanding personal care, pharmaceutical, food, packaging and agrochemical markets, that have contributed to the growth in demand for high-purity acid chlorides, high boiling esters and Ortho-Phthaloyl Chloride ("**OPA**"). OPA further strengthens exposure to industrial sectors linked to titanium dioxide demand. By offering efficient and safer alternatives to traditional intermediates, we contribute to sustainable innovation across these multiple end markets.

High Purity HCl

High-purity hydrochloric acid ("**HCl**") is a critical raw material for highly regulated and precision-driven industries such as pharmaceuticals, food processing, and electronics, including the rapidly expanding semiconductor sector. We are the only U.S. producer of cGMP-grade high-purity HCl additives in a certified facility, ensuring consistent quality and compliance with stringent regulatory requirements. This product is essential for applications where impurities in standard HCl additives could compromise product integrity and safety, making it indispensable for advanced manufacturing and next-generation technologies.

FPP (Functional and Performance Products)

We are a trusted provider of sustainable and reliable functional and performance products, which range from metallic and non-metallic stearates, phosphorus chlorides, phosphorus antiscalants as well as microbials controls. We are one of only two players in Europe producing pharma grade magnesium stearates. Our main stearate product lines include the Dapracare line and the Kemilub line, which are anticaking agents, preventing lump formation in a compound in the personal care and pharmaceutical markets, per respective product.

We are also recognized as the European leader in the production of Phosphorus Trichloride ("**PCl3**"), which, together with Phosphorus Oxychloride ("**POCl3**") and Phosphorus Pentachloride ("**PCl5**"), constitute the core of our Phosphorus Chlorides product range. PCl3 is a key industrial chemical used as a precursor for organophosphorus compounds in applications such as herbicides, insecticides, plasticizers, oil additives, flame retardants, and lithium-ion battery electrolytes. It also serves as an important reagent in organic synthesis, particularly for converting carboxylic acids into acyl chlorides. POCl3 has a similar application but, in addition, it is used in chlorination reactions in the pharmaceutical industry. PCl5 is used as a chlorinating reagent in the manufacturing of antibiotics and for the production of lithium-ion battery electrolytes.

We are at the forefront of the development of additives and formulations for unconventional energy production, particularly in the United States. Our products reduce the total operating costs in the harshest petroleum environments with unique, safe to handle, highly compatible, and effective chemical solutions around water, which can be customized to the customer's particular circumstances quickly and reliably to deliver a range of solutions.

In April 2019, we acquired Eco Inhibitors, a technology startup company based in Norway that has developed chemical solutions to produce a new generation of eco-friendly hydrate inhibitors for oil and gas applications.

We also offer a premium line of antiscalant (of which we are the leading providers in North America) and biocide, clay control and corrosion inhibitors characterized by functional properties including: (i) superior performance in harsh onshore/offshore conditions; (ii) compatibility with a range of other oil and gas filed chemistries; and (iii) cost efficiencies due to lower dosage requirements.

The BWA Acquisition added two main brands to our portfolio, namely, Bellacide and Bellasol. The Bellacide technology is based on a specialty phosphorus-based biocide which is a non-oxidizing biocide treatment utilized in a variety of oil and gas applications. Bellacide products are mainly used in those unconventional methods of extracting that require horizontal wells and fracking to start exploitation. Bellacide products are used in fracking water to protect reservoirs from clogging with biofilms/scale and in produced water to protect equipment. Bellacide products deliver superior kill, safe handling and cost efficiencies, and are compatible with other common fracking chemistries. In 2015, Bellacide 300 was added to the portfolio to extend the biocide range and provide alternatives to the industry standard approach. The Bellacide 300 product is not only effective but also cost competitive, as a result of lower concentration in use. In 2019, we launched Bellacide 364; we also launched Bellacide 355 in Canada after securing Health Canada Pest Management Regulatory Agency registration.

In addition, we are a leader in the specialty anti-scale market with our Bellasol line, which includes specialty polymers with excellent compatibility and detectability used for eliminating or preventing scale. Specialty polymers are more efficient than other antiscalants to mitigate risks in oilfield systems, as they use both threshold inhibition and crystal growth blocking to eliminate and prevent scale. Bellasol antiscalants have better absorption characteristics compared to competitors and ideal performance in severe conditions systems. Our Bellasol line provides a range of superior mixed calcium scale inhibition, characterized by thermal and hydrolytical stability, with our Bellasol products being utilized by oilfield service providers for squeeze, fracking, and topside applications in severe environments in order to prevent corrosion and as cleaning and antifoam agents.

In June 2022, we acquired Aubin Group, a key strategic developer and supplier of innovative chemical solutions for the cementing and the renewable energy sectors. This acquisition further strengthens our position in key strategic markets, such as the Middle East, the United States and the North Sea. In addition to its cementing products, which complement our product offerings, the Aubin Group product portfolio also includes innovative technology tailored to solve unique challenges (including offshore wind developments as well as a disruptive solution to plug disused oil wells even in the harshest conditions). The resulting combined product portfolio positions us at the forefront of the energy transition movement.

For the twelve months ended September 30, 2025, our revenue for the FPP end market segment were €103.7 million, representing 16.0% of our revenue (€647.9 million). Our top competitors in the FPP line include Lanxess, Stepan, PCC Rokita, ICL and Global Amines.

Our main R&D focus in this segment is directed towards:

- the sustainable recovery of phosphorus from secondary raw materials. Through our role as a main partner in the EU-funded FlashPhos project, we are developing an innovative process to produce ultra-pure white phosphorus from sewage sludge, reducing reliance on mined phosphate rock, a resource classified by the EU as critical from an environmental point of view; and

- the identification and procurement of raw materials for LiPF6 batteries, also as part of the IPCEI 2 Project.

Key applications of FPP

Our FPP serve a spectrum of markets worldwide, including polymers and PVC, personal care, food and beverage, agrochemical, and EV batteries production markets and companies promoting unconventional energy solutions.

Bio-based Solutions

Bio-based additives play a critical role in enhancing the performance and sustainability of polymer manufacturing, particularly PVC and polyolefins. The adoption of bio-based solutions is accelerating, driven by European construction recovery and growing demand for sustainable alternatives. In the construction industry, our metallic stearates are commonly used as additives in the treatment of surfaces and as water repellents, regulating the mixing and helping the manufacturing process of mortars. The main applications of our products include window profile pipes, laminates, thermal insulation, foams, chipboards, waterproof additives, and bitumen modificators.

Personal Care is primarily based on our oleochemical technologies. We produce a wide range of products, including fatty acids, esters, polymers, metallic soaps, glycerin and wax amide. Our portfolio covers the major personal care applications: face, body and sun care, shower and bath, deodorant, shampoos, conditioner, hair coloring and bleaching, and wet wipes. Since 2018, we have developed our Dapracare brand, growing our revenue at nearly double-digit rates year-on-year, except for the year ended December 31, 2020, due to the effects of the COVID-19 pandemic. We continue to sell the range of etidronic acid and its derivatives in AWS for use in hair care, soap bars and fragrance stabilization.

In general, these additives help protect materials from heat and UV degradation, reduce friction, and act as processing aids, ultimately improving operational efficiency and reducing costs across diverse end markets.

Phosphorus Chlorides

We manufacture a wide range of performance products that are phosphorus-based reactive chemicals, such as PCl_3, $POCl_3$ and PCl_5, or intermediates produced using our phosphorus/chloride technology, such as acid chlorides.

With a market share of approximately 40%, we are the market leader in Europe for the production of PCl_3, which is an important industrial chemical used to manufacture organophosphorus compounds for a wide variety of applications, including herbicides, insecticides, plastic additives, oil additives, and flame retardants. PCl_3 is also used directly as a reagent in organic synthesis to convert carboxylic acids into acid chlorides. We sell PCl_3 on the free market for applications in the agrochemicals, flame retardants and phosphite markets and also supply it internally for the production of phosphonates used in our AWS end market segment and the production of acid chlorides. $POCl_3$ is an important industrial chemical used to manufacture organophosphorus compounds for a wide variety of applications, including crop protection agents, oil additives, and flame retardants. It is also used directly as a reagent in organic synthesis and in chlorination reactions in the pharmaceutical industry. PCl_5 is used as a chlorinating reagent in the manufacturing of antibiotics and as a fundamental intermediate for the production of lithium ion battery electrolytes. With respect to the latter, through our participation in IPCEI 2, we are contributing to fulfill Europe's lithium ion battery needs by providing an eco-friendly supply chain of PCl_5. We have been focusing on improving our Frankfurt plant in order for it to become a central player in the supply chain of raw materials for the LI-Ion batteries.

Unconventional Energy

We provide advanced additives and formulations tailored for unconventional energy production, particularly in the United States, ensuring efficiency and reliability. Key solutions include microbial control agents such as TTPC and Bellacide, along with specialized blends and antiscalants to prevent scale formation and bacterial blockages. In particular, scale inhibition chemicals such as our phosphonates (Dequest and Mayoquest) derivatives are widely used in oilfield scale inhibition, the process of preventing the formation of mineral deposits from blocking or hindering fluid flow through pipelines, valves and pumps used in oil production and processing. As water usage per well increases, these products play a vital role in maintaining system integrity, while corrosion inhibitors protect critical infrastructure from wear and degradation.

Research and Development

We are committed to the research and development of new and innovative products. As such, R&D plays a key role in our business and is closely linked to our innovation function. Currently, our full-time employees solely dedicated to R&D and business development are approximately 90 (including employees in technical development and dedicated laboratories), operating mainly in seven state-of-the-art centers, which include a new state-of-the-art water soluble metalworking fluids in Manchester, as well as R&D centers in Cleveland, Arese, Zaragoza and Spoleto. Our R&D workforce and sites allow us to maintain and further strengthen our profound customer and market knowledge, technological leadership and ability to develop and commercialize superior products and solutions. Localized R&D and technical service employees understand regional dynamics and provide tailored solutions to meet local regulatory requirements and customer preferences. Full-time employees solely dedicated to R&D also operate in our sites in Spain, United States, China and the United Kingdom in addition to our headquarters in Genova, Italy. Our R&D activities led to costs of approximately €6.5 million for the year ended December 31, 2024, out of which €4.2 million was expensed and the remaining €2.3 million was capitalized in accordance with IFRS (IAS38).

Our R&D represents a strong pipeline of new chemistries and application solutions with unique capabilities and application expertise supporting product offering expansion. We have, and will continue to, significantly invest in R&D capabilities, covering all aspects of organic and inorganic chemistry, as well as a full range of applications, to allow our performance testing of existing and new chemistries in final applications. We have R&D teams to develop products that support our customers' goals. In particular, we have a team of approximately 50 dedicated R&D chemists, working in a continuous process to optimize existing chemistry and develop new chemistries, with a number of projects dedicated to sustainability. In total, approximately 90 members of our personnel (with approximately 52 based in Europe, 30 in the Americas and eight in Asia) are part of the broader innovation team, including those involved in business development and product-based partnerships with customers. We are also able to leverage our core applications and technology across multiple platforms. For example, we have a fully equipped 500 liter pilot plant in Arese, Italy that allows scaling up to industrial production for every type of chemistry.

Our research focuses primarily on addressing specific customer requirements, cost optimization, risk reduction and environmental safety. We often initiate R&D activities both in response to specific requests from individual customers as well as in reaction to the market trends of our product classes. In fact, new opportunities are identified through a combination of (i) working with customers to identify and solve existing problems; and (ii) our recognition of opportunities to displace existing solutions with new superior products. We work in partnership with our customers, using a "customer-partnership model" that grants the capabilities to understand and respond to challenging customer demands.

We seek to develop new products and improve the performance of existing products through laboratory trials. Many of our laboratory trials involve testing our products that have been customized to meet specific requirements of particular customers to ensure that they perform as expected. In addition, our laboratory trials test our products' chemical reactions to various substances and assess potential new uses and applications. We currently have 43 projects at different stage of developments, focusing on smart-tagged polymers, new products used in EV batteries, and ways to recycle the main components of these batteries, sustainable alternatives for scale inhibitors and lubrication. In addition, we plan to leverage our bio-based solution production through new R&D customer partnerships.

In relation to AWS, in 2024 and 2025, we focused on the development of a new biodegradable antiscalant for reverse-osmosis desalination applications, an innovative antiscalant for geothermal applications in sever conditions and a new line of phosphorous-base extractants that recover critical metals from lithium-ion batteries recycling industries. We were also successful in developing smart-tagged polymers that allow for real-time dosage and the production of biodegradable natural polymer for the household and institutional cleaning market. We have also introduced a new product line which will target efficient sugar refining and new high temperature multiple effect distillation following the Alcolina acquisition. We also broadened our LIS portfolio by investing in SIB-based auto gear oils, and possible usage of their components as alternatives to Afton, as well as lithium solutions for add-packs. To face the growing demand for 2,5-Dimercapto-1,3,4-thiadiazole derivatives, we also developed copper corrosion inhibitors that enable treat rates that are four to five times lower compared to similar products produced by our peers. We also kicked off relevant projects aimed at fueling the circular economy by producing elemental phosphorus from waste materials, developing new components for EV batteries and recovering metal from exhausted EV batteries. In the oil and gas sector, we have co-developed with a major industry player a special antiscalant suitable for both topside and downhole applications, including for a particularly challenging oil field. We have also tested breakthrough proprietary technology for plug or abandoned oil wells. Preliminary results of field tests have been encouraging and are supporting further confidence in the technology. For the FPP end market, we focused on developing custom-made products developed together with our main customers that are capable of effectively improving their production processes. We also invested in the innovation of Sorbitan Monooleate/Sorbitan

Monolaurate esters, which are largely used in the food, pharma and personal care sectors. In the same end market, we are also developing high quality phosphorous tri- and penta-chlorides for Li-based electrolytes, used in liquid state batteries, and ultra-pure P2S5 for solid state electrolytes. Our innovation capabilities are further evidenced by the commercial relevance of our development efforts, with approximately 20% of AWS sales generated from products introduced within the last five years.

The BWA Acquisition allowed us to optimize our R&D efforts in relation to water treatment for oil and gas, where BWA focuses on the product development supported by state-of-the-art laboratories and equipment and conducts case studies and in-field troubleshooting supported by experienced field managers.

As a general approach to research and development, we frequently consult customers on chemistry, scale, corrosion and microbial solutions, carry out field trials, laboratory testing and formulation recommendations from localized professional, obviously focusing on the product development supported by state-of-the art laboratories and equipment. In relation particularly to the Desalination segment, we carry out water and scale deposit analysis, plant optimization, consulting and training and onsite audits, trials and troubleshooting through localized teams.

We also continue with R&D activities in the flame retardant field, both in the development of new flame retardants formulas for various applications as well as in the improvement of certain characteristics of the relevant raw materials and related production processes. With respect to the formulas of the new flame retardants, the R&D activities were aimed at developing better performing products with an extremely low or no halogen content, classed as halogen-free under various international standards, in response to the growing demand for low-environmental impacts and low toxicity products. We are developing special flame retardants for improving the safety of liquid state battery.

Our innovative developments help drive our revenue growth. For example, in the nine months ended September 30, 2025, we launched 28 products. Our R&D activities focus on both short-term goals (i.e. developing new solutions and efficient products) and medium- to long-term solutions through its dedicated Beyond Innovation team. In respect of these long-term ground-breaking projects, in 2021 we were involved in IPCEI–European Battery Innovation, a consortium of 42 companies from twelve European countries aiming at researching new sustainable mobility solutions to contribute to e-mobility in Europe. We are now active participants of the second IPCEI project, in which we are contributing to the research of advanced raw materials that can enhance the performance of EV-batteries and the techniques for the recycling of materials from depleted batteries. We have also led FlashPhos, a European project involving private companies and universities aiming to recover phosphate from urban and industrial waste to be reused in a circular process, thereby offering a valid alternative to mining.

In 2018, we launched the "Beyond Innovation Project", a strategic project for the identification of a more sustainable future and long-term innovation priorities, which is still ongoing. The project focuses on the most competitive and promising fields through an excellence-based monitor and evaluation action of the following global market macro-trends: recyclable plastic, energy saving, CO2 reduction, nano chemistry, electrical car lubrification and batteries, regulatory water future trends and bio-based opportunities. In particular, in addition to the two projects mentioned above, the Beyond Innovation team focused on the development of new hydrate inhibitors from recovered salmon waste as well as on new metal separation technologies to recover precious metal from wastewater with the acquisition of the Magpie startup and connected R&D project.

The "New Water Technical Excellence Center" in Arese and the "Lubricant Technical Excellence Centers" in Arese and Cleveland represent the heart of the new development in our R&D pipeline. The know-how developed in these facilities is shared internally with other sites, such as Naples, Manchester, Zaragoza and Smyrna. The pipeline is filled with new synthesis and applicative projects, and lately, we launched biodegradable amino acid phosphonates scale inhibitors, products for the separation of critical metals and high pressure/high temperature scaling in oil, gas and geothermal application.

We have registered certain patents and trademarks for products and technologies arising out of our R&D activities. See "—*Intellectual Property.*"

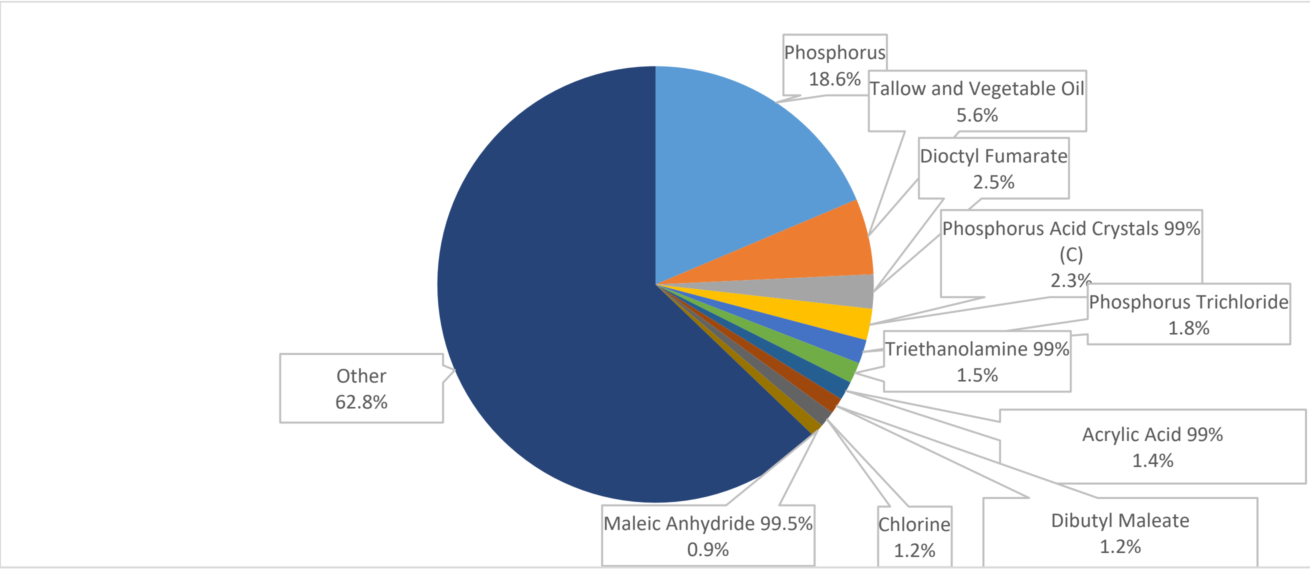
Raw Materials and Consumables

Raw materials and consumables prices can fluctuate substantially over relatively short periods of time. Price volatility has increased since the outset of the COVID-19 pandemic as well as the ongoing conflicts between Russia and Ukraine and between Israel and Hamas. In addition, China maintains various policies, namely the "Green Revolution" and the "dual-control" policies, which have led to emission-control measures on various chemical plants, including partial or complete suspensions of work, or even permanent closures, due to their non-compliance with mandated safety and environmental standards, and policies limiting total energy consumption and energy intensity levels have resulted in certain Chinese provinces employing power rationing and production curbs in prior years. In more recent times, the supply chain suffered serious delays (in respect of transport both by sea and air), in part connected with the conflict between Israel and

Hamas, which further exacerbated uncertainty and price volatility of raw materials and consumables in the medium-to-long term.

However, we are not dependent on a single raw material and have a fragmented portfolio of raw material inputs due to our presence in multiple chemistry end markets with few main strategic raw materials, such as phosphorus, tallow and vegetable oil and chlorine, which partially reduces our exposure to risks associated with price fluctuations. In addition, we expect that pass-through mechanisms and other periodic price adjustments with our customers will offset, at least in part, the negative effects of such price increases. We also have a diversified supply base, with raw materials mainly sourced from providers based in Vietnam and Italy, followed by the U.S. and China.

Our top five raw materials are yellow and red phosphorus, tallow and vegetable oil, dioctyl fumarate, phosphorus acid crystal, and phosphorus trichloride which collectively accounted for approximately 30.9% of our raw material costs for the year ended December 31, 2024, with the top ten raw materials accounting for approximately 37.2% of the raw material costs for the same period. The graphic below provides a breakdown of the cost of each of our top eight raw materials over the total raw material costs for the year ended December 31, 2024.



Our phosphorus sourcing has always been a key success factor, considering our over than 80-year history in phosphorus technology and over 25 years of presence in China. Phosphorus is the primary raw material we use and accounted for approximately 18.6% of our total raw material costs for the year ended December 31, 2024. Our well-diversified portfolio of suppliers, along with our precautionary accumulation of inventory helped us to mitigate general scarcity of raw materials due to the effects of the COVID-19 pandemic and the ongoing conflicts between Russia and Ukraine and between Israel and Hamas and reduce in part our exposure to increased prices of raw materials which decreased from €397.2 million for the year ended December 31, 2023 to €359.7 million for the year ended December 31, 2024 and €257.9 million for the nine months ended September 30, 2025 (compared to €280.2 million for the nine months ended September 30, 2024). In addition, our flexible and global supplier base and inventory management allowed us to efficiently manage the temporary closure of one of our key supplier of phosphorus in Kazakhstan in the second and third quarters of 2022, by identifying alternate suppliers in Vietnam. We are also progressing a greenfield, backward-integration project in the Kingdom of Saudi Arabia via SaudiPhos, a joint venture with SADIG Industries, aimed at the local production of P4 and the subsequent development downstream processing capacity (including PCl3, TPA and phosphonates). The objective of the project is to secure a structurally lower-cost and more reliable source of P4 for both our European manufacturing operations and local commercialization, which would reduce our exposure to global P4 price volatility and supply disruptions. The project is intended to strengthen the resilience of our raw-material supply-chain and support margin enhancement over the medium- to long-term. We have already secured certain long-term supply agreements, which are subject to the successful localization and commencement of production.

Supplies are secured through short- and medium-term delivery agreements. Historically, most of our contracts with suppliers have allowed price renegotiation on a quarterly basis or for automatic price adjustment based on the average price of the relevant commodity according to different price indices. In response to ongoing inflationary pressures, our supply contracts generally include pricing mechanisms whereby pricing is adjusted through an agreed formula or negotiated monthly or on a spot basis.

Furthermore, pass-through mechanisms, hedging arrangements, and other periodic price adjustments we negotiated with our customers help us to offset the negative effects of such cost increases. These mechanisms are available due to the specialty nature of our products; our emergence into a stronger competitive position following the COVID-19 pandemic, which challenged smaller and lower-cost competitors; our ability to ensure security of supply; and due to most of our contracts with customers generally having pricing mechanisms whereby pricing is negotiated on a spot basis or adjusted based on agreed formulas in response to current pricing pressures. Our pricing strategy is predominantly value-based rather than cost-based, with only a limited portion of our revenue subject to formula-based pricing mechanisms. For the year ended December 31, 2024, the substantial majority of revenue across our end markets were generated under negotiated pricing arrangements, which represented approximately 89% of revenues in our AWS end market, approximately 82% in our LIS end market and approximately 92% in our FPP end market, with the remainder in each case subject to formula-based pricing. Our specialty end-market Contribution Margin per ton has historically remained relatively stable notwithstanding significant volatility in yellow phosphorus input prices, reflecting the effectiveness of our formula-based pricing, renegotiation rights and pass-through mechanisms.

In addition to purchasing raw materials for conversion into finished products, we also purchase products for resale.

See "Risk Factors—Risks Related to Our Business and Industry—We could be affected by the possibility of disruption in our supplier relationships, which could affect our ability to source raw materials," and "—Supply chain disruptions and inflation may impact our production costs and the cost of goods sold, and we may not be able to pass on such cost increases to our customers promptly, if at all, which may adversely affect our business, financial conditions and results of operations. Volatility in raw materials prices can also affect our inventory levels, business, financial conditions and results of operations." See also "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting our Results of Operations and Financial Condition—Fluctuation in the Prices of Raw Materials."

Energy Sourcing

Our key sources of energy for production activities are predominantly electricity and natural gas, which we purchase from third parties. Our utility costs represented 4.5%, 3.4% and 3.4% of our revenue for the years ended December 31, 2022, 2023 and 2024, respectively. Gas and electricity prices have increased in 2022, and as of 2025, remain elevated compared to historical levels and higher than those faced by United States companies, which in turn results in higher costs for our production. In particular, the cost of natural gas at our European plants, increased by approximately 1.7% from €5.4 million for the nine months ended September 30, 2024 to €5.5 million for the nine months ended September 30, 2025. Our costs for electricity at our European plants reported a similar increase as the cost of electricity increased by approximately 2.0% from €4.2 million for the nine months ended September 30, 2024 to €4.3 million for the nine months ended September 30, 2025. Notwithstanding the increased energy costs, we have accepted such increases in our negotiations with energy suppliers to prioritize the supply chain continuity for our customers. Although energy costs have decreased significantly in more recent periods, the years 2022 and 2023 were characterized by a significant peak in energy prices. During this time, we demonstrated our ability to effectively manage energy-related risks by successfully passing on energy cost increases to our customers through temporary energy surcharges and implementing contingency plans for our European plants, including plans to switch from gas to other traditional fuel sources in our Italian and Spanish plants and relying on alternative available fuels at our German plant. In particular, we invested in installing solar panels in Naples and on a project for the construction of a cogeneration plant in Arese (Milan, Italy). The Arese project received the necessary authorizations in November 2024 and is intended to enhance operational efficiency, lower energy costs and support our broader energy-recovery and CO_2-reduction objectives. During 2024 and 2025, the project timeline was reassessed in light of adjustments requested by the authorities and changes in technical contractors. As of September 30, 2025, the project remains on track without any material impact from these changes, and all preparatory steps required to commence construction have been completed. We currently anticipate a moderate cost overrun for the project. These initiatives, together with our contingency plans, have reduced the risk to our energy supply security. In addition, such efforts are collectively expected to allow us to achieve 22 kilotons of CO_2 reductions by 2029.

See *"Risk Factors—Risks Related to Our Business and Industry—Increased energy costs or disruptions in energy supplies could have a material adverse effect on our business, financial condition and results of operations."* See also *"Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting our Results of Operations and Financial Condition—Energy Prices."*

Global Platform and Supply Chain

We operate a global and integrated production footprint, producing a wide range of products for a variety of end markets. Our production processes vary according to the raw materials we use, the products we manufacture and the technology we employ. Our engineers design and coordinate the building and operation of our plants. They also ensure that our plants are routinely modernized and comply with applicable laws. We operate 22 sites, including one storage site, 14 core production facilities, located adjacent to major industrial hubs in the EMEA, the United States and APAC, three dedicated tolling facilities located in India, Saudi Arabia and Japan and four blending facilities. Other examples of our global presence include two indirectly-majority-owned subsidiaries in Saudi Arabia with the aim of expansion in the EMEA region.

Facilities

Our production facilities are strategically located to enable us to efficiently organize production in response to peak demand and exploit economies of scale. A high volume of strategically-located production facilities also allows us to be close to both our suppliers and customers so we can receive materials quickly and meet client needs on a timely basis. In addition, being close to suppliers and customers allows us to transport our raw materials and products at a lower cost to us and reduce risks related to supply chain disruption, including as due to the prolonged effects of the COVID-19 pandemic or the ongoing conflicts between Russia and Ukraine and Israel and Hamas. The table below provides an overview of our production facilities, excluding the tolling facilities, the blending facilities and the storage site, as of December 31, 2024, based on management estimates.

Location	**Products**	**Commercial Operational Date**
Newport, UK	Phosphonates	1950
Zaragoza, Spain	Metallic sterates, Esters, Fatty acids, Glycerine, Oleine	1980
Frankfurt, Germany	PCI3, PCI5, POCI3	1932
Arese, Italy	Phosphate esters, acid chlorides, red phosphorus, phosilites, polymeric esters, other base oils, amides for polymers amides for Lube, ASA-PIBSA, solid phosphonates	1961
Spoleto, Italy	P2S5, Flame retardants	1929
Naples, Italy	PA Polymers and other water treatment chemical	1977
Smyrna, US	Phosphonates	1956
Cleveland, US	Industrial oil additives	1930
Ashtabula, US	MWF Additives, Industrial Oils	Late 1940s
Fangcheng, China	P2S5 (including flame retardants)	2019
Nantong, China	Red phosphorus, Phoslite	2007
Changzhou, China	Phosphonates	2010
Manchester, UK	MWF Additives	1960s
Bedford Park, US	MWF Additives	Early 1960s

In addition to the production facilities listed in the table above, we also have a yellow phosphorus storage site in Chorzow, Poland. The site became commercially operational in 2004.

Fangcheng Facility Expansion Project

In recent years, we have launched various special projects supporting our organic growth and geographic expansion. In particular, with an investment of approximately €10 million, we are founding a second production line at our Fangcheng facility. This expansion, which is scheduled to become operational by mid-2027, is expected to increase the plant's capacity to 20 kt. The project underscores our commitment to meeting rising market demand and strengthening its position as a leading provider of specialty chemical solutions in the region.

Business Interruptions Plans

Our production processes involve handling flammable products, for which an electrostatic spark could ignite a fire. Our production facilities are also susceptible to shutdowns due to extreme weather conditions, environmental hazards, strikes and major equipment failures affecting our facilities or those of our partners and problems with the infrastructure (including pipelines serving our facilities). We can partially mitigate the impact of facility shutdowns through supply swaps and buying from competitors. We carry out regular risk management analyses at our facilities to improve safety and prevent business interruptions.

Equipment

Our service offerings require highly specialized equipment. In addition, staying abreast of the next generation of technical equipment, for example in relation to the development and industrialization of chemical products, helps us provide value to our customers and maintain our competitiveness. Our equipment stock is in adequate condition and suitable for the purposes for which such equipment is being used.

Sales and distribution

We are a global platform with a strong international presence, leveraging strategically located regional and global manufacturing facilities, to serve local markets with efficient product delivery. Sales of all of our products are managed by our own dedicated sales team by business line. Our core sales teams are located throughout EMEA, the United States and the LATAM and APAC regions, where we have also positioned our customer service resources. Most of our sales of our key products are made directly with key end users in a wide range of industries, but we also operate with a network of agents and distributors to sell into key export markets. We typically distribute our products by sea and overland by rail or truck. We sell our products primarily through our experienced, international internal sales staff who market our products in over 100 countries, including through strategically located regional offices to support key customer facilities and work sites. Our sales employees are divided into groups with each group specializing in a specific product. The sales staff for each of our product classes are supervised by a sales manager. Our pricing policies are set by the key management team, which includes the Chief Commercial Officer, the managers of our three end market segments and our Chief Executive Officer. The key management team sets pricing guidelines based on input on raw materials evolution they receive from our sales staff. These guidelines are then implemented by each product line manager for their specific product line. Given the technical and specialized nature of our business, we train our sales staff to have detailed knowledge of our customers' needs. Our strategy is that our sales staff be able to anticipate customer demands for new performance chemicals and technologies. This type of customer relationship and market awareness enable us to expand the types of products we offer by developing high-demand, new products quickly. A similar system is adopted for policy changes, which are decided centrally.

In response to current pricing pressures, our sales contracts generally have pricing mechanisms whereby pricing is negotiated on a spot basis. We, therefore, typically analyze our pricing for each individual product on a spot basis when setting contract prices such that we can seek to pass on changes in raw material costs to customers when the contract price is reset. In addition, certain of our contracts contain automatic price adjustment mechanisms, which allow us to counteract price increases by passing additional costs to the customer without a negotiation. Generally, we have not experienced any difficulties at passing on extra costs for raw materials or increased energy prices to customers. In addition, the majority of our contracts contain clauses with a non-binding range of volumes that are updated to reflect forecasted fluctuations from month to month or quarter to quarter. The payment terms under these contracts are set in accordance with typical chemicals industry standards, on a country-by-country basis.

In case of non-recurring sales, the prices are set by negotiations between us and our customers. Once a sale is made, our internal team of specialists provides our customers with after-sale technical assistance. We believe that combining an internal sales team that anticipates customer needs with post-sale customer support from product specialists fosters customer loyalty to our products and our brand and establishes long-term customer relationships. The majority of our products are shipped to customers directly from our 22 sites. In some cases, we also ship our products to distribution and logistics centers worldwide where they are held before being distributed to their final destination.

In March 2024, we acquired a majority stake in Alcolina, a leading Brazilian producer of water treatment solutions principally for bioethanol and the production of sugar, operating through two manufacturing sites in Cravinhos and Rio Lago, Brazil. This acquisition strengthens our presence in Latin America and expands our AWS portfolio into sugar and biofuels, while creating meaningful commercial and cost synergies.

Our Regulatory Affairs Group, coupled with long established relationships with local experts, supports the business on a global basis by ensuring that products are compliant with all local legislation and by providing assistance and advice to our customers, therefore maintaining our position at the leading edge of regulatory requirements. We maintain long-term relationships with multiple supply partners, while also progressively increasing our in-house production of certain products that acquired businesses used to outsource.

Employees

As of September 30, 2025, we employed a global workforce of 1,104 people in 16 countries, including 607 in EMEA (of which 326 in Italy), 215 in the Americas, and 282 in APAC. As a result of the technical nature of our business, there is a high level of technical and professional qualifications among the management, and we place a high priority on technical training and personal and professional development for all staff. In our workforce, approximately 74% are female and 26% are male, with women representing approximately 23% of employees in managerial roles.

Over the years, we have enjoyed a positive working relationship with our labor force and are committed to maintaining these relationships going forward. We do not believe we have any material ongoing collective labor disputes. In some of our locations non-management personnel are represented by local trade unions and are covered by collective bargaining agreements. In such locations, we work with trade unions in line with that country's laws and regulations.

Environmental, Social and Governance

Focus on Sustainable Innovation

Environmental protection is a core pillar in the Group's sustainable strategy. We are committed to the continuous reduction of energy consumption and emissions at our plants and the development and dissemination of sustainable products that enhance our customers' process efficiencies. Our current sustainable product and solution offerings comprise, among others, wind turbine lubricant additives, water treatments for reduced water consumption and performance products aimed at energy consumption reductions and biodegradable alternatives for our products across all three end markets. In our AWS end market, we developed a new marked polymer technology that allows for the digitalization of water treatment processes, thus allowing for real-time monitoring, improving efficiency and limiting environmental impact. Recently, we implemented significant improvements to our water treatment solutions in order to support our customers in the achievement of the "Zero Liquid Discharge" goal. In the LIS end market, we collaborated with an industrial partner for the development of a new lubricant which allows for 2% improvement in terms of energy efficiency for vehicle engines. In the flame retardants sector, our specific aim is directed at obtaining halogen-free solutions, to prevent the formation of toxic and corrosive fumes in the event of fire. Other biodegradable products in the LIS end market include new dispersant products, new automatic transmission fluids for the U.S. market, and polymers for EV lubricants for high heat transfer functions and dielectric fluids. Lastly, our focus in the FPP sector has been towards addressing the regulatory and technical needs of our customers involved in the green transition. For example, in the energy sector, a key issue is the decommissioning of oil and gas fields no longer in use. According to an independent assessment agent the process of closing wells assisted by our technologies allows for a 68% reduction in CO_2 emissions compared to the use of traditional cement. As for our line for cosmetic and pharmaceutical applications, many of our products, such as emulsifiers, sulphate-free surfactants and formulations to reduce water consumption, received the Ecocert Cosmos approval, a globally recognized certification of cosmetic products.

In addition to the foregoing sustainable chemistry offerings, we are also engaged in EU-funded sustainable innovation projects, namely, the IPCEI 2 and FlashPhos. IPCEI 2 funds research and innovation in the battery value chain, from the extraction of raw materials to recycling and disposal, with a focus on the sustainable development of the EV battery value chain in Europe. As one of the 42 selected companies to participate in the project, we will actively contribute to every stage of the project along the entire value chain, from the first phase of production to the recycling and disposal process, applying our extensive knowledge in the field of raw materials, in particular phosphorus and its derivatives, while also incorporating our know-how of materials recovery in line with the principles of sustainability and the circular economy. As a consumer in Europe of white phosphorus, a strategic raw material in the food, pharmaceutical and electronic sector with high criticality due to its irreplaceability, we are the University of Stuttgart's main exploitation partner in its EU-funded research and development project, FlashPhos. The project is a consortium of 17 companies and research institutes and aims to demonstrate at a large scale a thermochemical process to sustainably produce high-quality white phosphorus using sewage sludge as input material. We will receive the second highest funding share within the consortium. Upon successful completion, it is expected that FlashPhos plants will be able to cover 50% of the European demand of white phosphorus by 2040.

Our circular economy projects also include: the production of phosphorus out of waste materials; the development of patented anti-agglomerants from fish waste; and the development of solutions to selectively recover metals (by chemically separating the elements) that find application in the recovery of critical raw materials and precious metals from exhausted batteries and wastewater, as exemplified by our investment in the patented technology developed by the Magpie Polymers Research & Development project for recovery of precious metals from wastewater. Moreover, we are targeting the e-mobility sector through various initiatives, including expanding our portfolio of phosphorus derivatives used in liquid and solid-state electrolytes, a key raw material in the production of high-capacity lithium-ion batteries, and developing flame retardant products for electric vehicles.

Environmental Health and Safety

Our facilities and operations are subject to a wide range of EHS laws and regulations in all of the jurisdictions in which we operate. The most relevant of these laws and regulations to our business are described in "*Regulation.*" These requirements govern, among other things, the manufacture, storage, handling, treatment, transportation and disposal of hazardous substances and wastes, wastewater discharges, air emissions (including GHG emissions), noise emissions, operation and closure of landfills, human health and safety, process safety and risk management and the clean-up of contaminated sites. Many of our operations require permits and controls to monitor or prevent pollution. We have incurred, and will continue to incur, capital and operating expenditures to ensure compliance with current and future EHS laws, regulations and permits or the more stringent enforcement of such requirements. Environmental laws and regulations generally govern emissions into the atmosphere, water and soil, as well as the treatment, storage and elimination of residues from industrial production. The applicable laws and regulations often limit the quantity of raw materials and other substances that we can use in our products. Some of the raw materials we process are regulated as substances capable of causing accidents potentially dangerous for human health and the environment, such as fires or explosions during plant operations. See "*Risk Factors—Risks Related to Our Business and Industry—Our production processes and operations are subject to the inherent hazards and other risks associated with chemical processing, production, storage, and transportation*," "*—Compliance with EHS and zoning and town planning laws and regulations and the retention of requisite permits related to our operations could result in significant ongoing costs and may result in further obligations and liabilities associated with our business*," "*—Maintaining compliance with the chemical safety regulations applicable to both our products and raw materials could adversely affect our business*," "*—Climate change, and the regulatory and legislative developments related to climate change, may materially adversely affect our business and financial condition, and we must comply with current and future regulations targeting greenhouse gas and other emissions. Due to required compliance with environmental regulation, we may face higher production costs than our foreign competitors*," "*—We* *may be subject to ongoing costs and regulations related to contamination or exposure impacts from our operations or products*" and "*Regulation*."

In compliance with the aforementioned EHS requirements, we have established a development strategy that we aim to be comprehensive, sustainable and ethical based on economic performance through operational excellence, leadership in technology and market, and innovation. Our growth and economic performance is supported through our operational excellence program, which is based on leading-edge technology, continuous improvement of our productivity and quality of products, and a highly cost-effective industrial platform. We are focused on safety as a key priority for our people and stakeholders, and we closely manage any industrial risks and the environment in which we operate through proactive cooperation with the local authorities. Our dedication to EHS goals is exemplified by, among others, ISO 9001, ISO 14001 and ISO 45001 certifications. We also adhere to Responsible Care, a voluntary program sponsored by the worldwide chemical industry for the development and monitoring of new policies and initiatives to protect the health and safety of workers and to ensure environmental protection practices.

Social and Governance Initiatives

Corporate social responsibility is a key element of the Group's continuing growth, innovation and sustainability.

- *Diversity and inclusion*: we recognize the values of diversity and inclusivity as key features and resources for corporate innovation, productivity and growth. We adopted a new diversity and inclusion policy at a Group level which highlights our focus on safeguarding equal opportunities and proves our opposition to all forms of discrimination. We promote these values through, among other actions, our association with Valore D, an Italian association offering concrete tools and assistance in promoting gender balance and inclusiveness in the workplace. In partnership with Valore D, we have set up trainings and webinars to spread an inclusive corporate culture, value diversity and maintain a focus on gender equality. Several colleagues join the programs on a regular basis. We also support a healthy and nurturing workplace culture through trainings by experts and other initiatives, such as "Un Fiocco in Azienda", a program to help parents and companies face parenthood through concrete actions and to facilitate the mothers' return to the company. We have implemented scholarships for the best students in the employees' families to promote meritocracy and development across our colleagues' community. In addition, our employees attend school events to encourage girls to pursue STEM education;

- *Occupational well-being*: we recognize the fundamental importance of our workforce's health and well-being. We instituted a remote working policy to improve our employees' work-life balance. This policy has been extended with particular attention to supporting parenting issues: employees can benefit from two extra days of remote working if they have a child under the age of 14. A number of well-being initiatives are ongoing, including medical support, specific insurance plans and benefit solutions supporting employees' health. Location specific practices are implemented according to local culture, needs and employees interests.

- *Employee engagement*: we have taken steps to strengthen employee engagement and reinforce a culture of transparency and inclusion. As part of this effort, we have implemented the Great Place to Work survey process across the organization, providing a standardized, credible tool to measure employee sentiment and identify areas for improvement. The insights gained support targeted action plans, helping us enhance the workplace experience and drive higher levels of commitment and performance.

- *Learning & Development:* we have strengthened our people-development practices by introducing modern learning tools and structured capability-building programs. We deployed a global Learning Management System (Docebo) to provide consistent, high-quality training content and to support continuous skill development across all functions. We have also invested in evolving our organization understanding and learning of technologies, in particular AI and cybersecurity, promoting a responsible and informed use. In parallel, we launched leadership development programs in partnership with Bocconi University, ensuring current and future leaders receive targeted, high-impact training aligned with our strategic priorities.

- *Performance Management and Talent Development:* we believe a robust performance management framework is essential to driving accountability, aligning individual objectives with business results, and supporting merit-based development. To support this, we implemented SAP SuccessFactors globally for all white-collar employees. This platform provides a unified process for goal setting, evaluation, and feedback, improving transparency, consistency, and talent decision-making across the organization.

- *Responsible governance*: we always involve and keep a constructive dialogue with our stakeholders to further strengthen everyone's dedication to fair, accountable and prudent Group management and to create and maintain a sustainable environment. In line with these objectives, we have implemented an ethics code and various responsible global compliance and governance policies, including on conflict minerals policy, diversity and inclusion, human rights, AI responsible use, and whistleblowing, complemented by dedicated training for our employees; we have also established an EcoVadis supply chain sustainability maturity review to assess our current supply chain status and identify priorities for improvement over the next three years. Through the 2024 assessment we observed significant progress compared to the outcome of previous years, reaching the Proactive level. Moreover, we have improved our cybersecurity systems to conform to the NIST framework and NIS2 directive, adopting cutting-edge information technology solutions and performing frequent improvements to our AI systems. We also regularly conduct technical and cybersecurity assessments to our systems. We have also successfully undergone a Living Wage assessment, run by the independent assessor Fairwage, which certified our salary practices as fair compared to local benchmarks for appropriate standard of living.

We also strive to build and maintain strong relationships with local communities by understanding their needs and promoting social projects aimed at supporting their health and well-being. We regularly liaise with local institutions and communities through individual or collective dialogues to support non-profit associations and carry out collaborations with schools and universities, and information dissemination activities to explain the impacts of chemistry on the community with transparency.

Intellectual Property

Where appropriate, we take action to protect our proprietary rights in our innovative products and our production processes, including through registration of trademarks and application for patents. We have comprehensive current patent coverage for both products and processes. In order to protect confidential technical information which is not subject to patent protection, we rely on trade secret law and frequently enter into confidentiality agreements with our employees, customers and partners.

In addition to our patents, patent applications, proprietary trade secrets and know-how, we are party to certain licensing arrangements and other agreements authorizing to use trade secrets, know-how and related technology and/or operate within the scope of certain patents owned by other entities. See "*Risk Factors—Risks Related to Our Business and Industry—We may not be able to adequately protect our intellectual property rights*."

We currently hold 50 patent families, of which the majority are related to products and their application with some additional patents covering process technology, mainly having a duration of 20 years from the date of filing. Our patent portfolio includes patent families in different jurisdictions. We also own trademarks in all of the jurisdictions where we believe such registration is necessary, and own web domains matching our trademark and company profile. Our policy is to protect all of our significant technologies by either seeking patent protection or keeping the know-how as trademarks at Italian, European and international levels.

We own the following 82 trademarks: Actrasol; Albrivap; Aubin; Aubin Xclude; Aubin Xmax; Axi-Lokk; Axi-Gard; Belclene; Belcor; Belgard; Belite; Bellasol; Bellacide; Belros; Belsperse; Briquest; Bromicide; BWA Dapracare (word); Dapral; Dapralube; Dapramid; Dapraphos; Dapraquest; Dapraslip; DeepBuoy; DeepFloat; Dervacid; Dervafac; Dequest; Detrex; Ecoinhibitors; Elco; Evo-Pig; Firequal; FlashPhos; Flocide; Flocon; Flodose; Geogard; Ionquest; Italmatch (word); Italmatch (design); Kemfluid; Kemichrom S.A.; Kemilub; Kemisol; Kemistab; Kessco; Ketjenlube; Liquidbuoy; Lumiclene; Masteret; Mayoquest; Magpie Polymers; Mayosperse; Melagard, Melanic; Monestriol; Optiscale; Pentasit; Polar Bear (figure); Polartech; Polartech & Design; Polartech & Design (snowflake in the "O"); Polartech (word); Petromix; Phoslite; Purity From The Source; Rednic; Safest; Sorbithom; Sper Sal; StimSqueeze; SugarMaxx; Towerpro; Turpinal; Ultramax; Undesa (figure); Union Derivan, S.A. Undesa; Viscomol and X-LOSS. Such trademarks are all registered in the category of chemical additives used in the manufacture of plastics, lubricants, paints and inks.

Insurance

We have insurance on plants and equipment that we believe is in line with customary industry practices for similarly situated companies. Our insurance includes, among others, multi risk insurance, which provides coverage for damages caused to buildings, machinery, equipment, furnishings, mechanical failures, business interruption and our products and raw materials.

These policies are subject to certain exceptions, limits and deductibles and we cannot guarantee coverage of claims under these policies. For example, we have submitted notice to our pollution liability insurance provider related to litigation matters discussed below; the policy provider has raised certain coverage defenses with respect to the claim, requesting more information, and we are still in discussions with the provider. We believe that our level of insurance is appropriate for the risks of our business. See "*Risk Factors—Risks Related to Our Business and Industry—Uninsured losses, losses in excess of our insurance coverage for certain risks and unanticipated changes in our insurance costs could have a material adverse effect on our business, competitive or financial position or our results of operation.*"

Legal and Regulatory Proceedings

We are party to various legal proceedings arising in the ordinary course of business.

- In May 2024, Detrex filed a claim against ELT and certain related parties seeking to force ELT to perform under the ELTA whereby Detrex transferred to ELT liability for investigating and remediating the ELTA Sites (the "**2024 Detrex-ELT Litigation**"). In April 2024, ELT provided notice that it is unable to perform under the ELTA, claiming that the costs it has to bear thereunder would be materially higher than those estimated and therefore the ELTA should be terminated. The 2024 Detrex-ELT Litigation remains ongoing with motions for summary disposition filed in June 2025 and is currently scheduled to go to trial in April 2026. Detrex is seeking monetary and other relief available at law and in equity for ELT's alleged non-performance and breach of contract. The amount of damages sought has not yet been determined by the court and remains subject to further proceedings.

- We are also subject to litigation matters involving environmental remediation claims. For example, Howmet Aerospace Inc., in April 2025 amended a 2024 CERCLA claim to add Detrex as a defendant to litigation against other defendants pertaining to environmental investigations and remediation at a site neighboring Detrex's former site in Vernon, California. Detrex has asserted it is entitled to defense under the ELTA. This matter is ongoing and discovery is in progress.

- Additionally, we are subject to litigation matters pertaining to workplace exposures at our facilities or to our products. For example, Detrex and two Italmatch entities (Italmatch SC, LLC and Italmatch DW, LLC) were sued in 2024 by approximately eight plaintiffs alleging exposure to trichloroethylene at a third-party's manufacturing facility. Motions to dismiss remain pending. As another example, Detrex and numerous other defendants are defending claims filed in June 2023 by approximately 200 individual plaintiffs pertaining to a manufacturing facility in Ashtabula, Ohio. The plaintiffs' claims stem from alleged mercury exposure of former employees and employees' family members. Plaintiffs filed a third amended complaint in December 2025. Detrex agreed to defend and indemnify a third party, the prior owner/landlord of the property, pursuant to a prior written agreement. This matter is ongoing and discovery is proceeding.

We cannot predict with certainty the cost or the ultimate outcome of litigation and other proceedings against us, including remedies or damage awards. For more information see "*Risk Factors—Risks Relating to Our Business and Industry—We conduct our business in multiple jurisdictions and are exposed to the tax laws of such jurisdictions, including risks in connection with challenges to our tax positions*," "*—If third parties claim we are infringing or if we are sued for infringing on intellectual property rights of third parties, it may be costly and time-consuming, and an unfavorable outcome in any litigation would harm our business*" and "*—We may incur litigation-related expenses and/or reputational damage, among other losses, which could harm our business.*"

REGULATION

The following provides a brief description of the main regulations that govern the activities carried out by our Group in its two major geographical areas. Although the following brief description contains the principal information concerning such regulations that are considered material by the Issuer in the context of the issue of the Notes, it is not an exhaustive account of all applicable laws and regulations. References and discussions to laws, treaties, regulations and other administrative and regulatory documents are entirely qualified by the full text of such laws, treaties, regulations and other administrative and regulatory documents themselves. In addition, prospective investors and/or their advisers should make their own full analysis of the legislation and regulations which apply in the other countries where the Group operates and of the impact they may have on an investment in the Notes and should not rely on the content of the following paragraphs only.

Overview

Our business is highly regulated in all of the jurisdictions in which we operate. Our production facilities and operations are subject to both national and international regulatory regimes. In the Member States, the regulatory environment of our business activities is shaped by EU directives and regulations, which are either implemented in the individual Member States through national legislation or have direct application to the states or individuals. In the United States, the regulatory environment is shaped by federal and state laws and regulations. Regulations that affect our operations mostly relate to areas of environmental protection, product safety and quality, occupational health and safety, industrial hygiene and plant safety.

EHS laws and regulations govern our facilities and our operations, including: (i) the storage, handling, treatment and disposal of hazardous substances and waste; (ii) water intake and sewage discharges; (iii) air emissions (including GHG emissions); (iv) human health and safety; (v) the clean-up and remediation of contaminated sites; and (vi) the sale and use of the products we manufacture. Many of our operations require permits and controls to monitor or prevent pollution. We have incurred, and will continue to incur, ongoing capital and operating expenditures to ensure compliance with current and future EHS laws and regulations, which tend to become more stringent over time, including in relation to more stringent enforcement of existing laws and regulations. Our EHS management systems are intended to ensure that we both comply with applicable EHS requirements and minimize EHS risk by promoting EHS protection activities and initiatives. We actively address legal compliance issues in connection with our operations and properties, and we believe that we have systems in place to ensure that EHS costs and liabilities will not have a material adverse impact on us. Nevertheless, estimates of future EHS costs and liabilities are inherently imprecise, and the imposition of new or unanticipated EHS costs or obligations could have a material adverse effect on our business, financial condition or results of operations.

EU Regulations

Industry and Product Related Regulations

The Registration, Evaluation and Authorization of Chemicals Regulation ("REACH Regulation")

The use, manufacture and importing of chemicals is highly regulated in the European Union. On June 1, 2007, Regulation 1907/2006 concerning REACH entered into force.

The REACH Regulation, as subsequently amended, requires that chemical substances or preparations manufactured, imported or otherwise placed within the European Union in quantities exceeding one ton per year, be registered by manufacturers and importers with the European Chemicals Agency (the "**ECHA**"). REACH imposes significant obligations on the chemicals industry as a whole with respect to the testing, evaluation, assessment and registration of building block and semi-specialty chemicals. Full registration requires the provision of comprehensive data on the identification, properties, uses, classification and labeling of the relevant substance, exposure scenarios and, for substances which meet the requirements of Article 31(1) of REACH, for example because they are substances which are classified as persistent, bioaccumulative and toxic, a detailed chemical Safety Data Sheet. The registration process is aimed at generating data on chemicals and enhancing the safety of chemicals in their various uses within the European Union.

Manufacturers and importers of substances in the European Union must obtain information on the substances they manufacture or import to assess the risks arising from their use and to ensure that risks are properly managed.

For the use or sale of substances deemed particularly hazardous and specified in Annex XIV of the REACH Regulation authorization is required. Any new substances developed by the business will therefore need REACH registration before they can be manufactured, imported or sold in the European Union. The list of substances on this "Authorization List" is regularly reviewed and new substances can be added to the list. See "*Risk Factors—Risks Related to Our Businesses and Industries—Maintaining compliance with the chemical safety regulations applicable to both our products and raw materials could adversely affect our business.*"

The manufacture and placing on the market of certain dangerous substances in the European Union is also restricted by REACH. The manufacture, importation or use of certain substances, such as asbestos, may be restricted or banned in the European Union under REACH. Annex XVII of the REACH Regulation lists these restricted substances and further substances may be added to this annex by the Commission.

REACH also requires that certain information concerning chemical substances is made publicly available unless it is specifically marked as confidential. There are also additional legislative provisions in Europe, such as the Aarhus Convention, which grants public rights regarding access to information held by EU bodies and which could result in groups such as environmental pressure groups requesting and obtaining information on our products.

The EU Commission is planning to adopt a proposal for a targeted revision of REACH aimed at simplifying the procedures for industry, taking into different elements, such as safety, security and sustainability considerations, while ensuring high level of protection of human health and the environment.

Classification, Labeling and Packaging of Substances and Mixtures—CLP

CLP Regulation (1272/2008/EC) entered into force on January 20, 2009, and works in connection with REACH to regulate and standardize these areas in the European Union.

Obligations under CLP Regulation apply to manufacturers, importers, downstream users, distributors and persons who use substances caught by the CLP Regulation as a component to a larger product. The obligations under CLP Regulation depend on the role of the party in this supply chain. For example, manufactures and importers are obliged to ensure that their substances are classified, labeled and packaged in accordance with CLP Regulation before they are placed on the market, according to the applicable harmonized classifications. These classification and notification elements should be notified to the classification and labeling inventory established by the ECHA.

If a registrant has submitted certain information to ECHA as part of a REACH registration, it does not need to submit that information again as a CLP notification. Manufacturers and importers are also required to take all reasonable steps available to it to keep up to date with any new scientific or technical information that may affect the classification of the substance and, when aware of such new information, undertake a new evaluation of the classification and labeling of the substance. Manufacturer and importers also have an ongoing obligation to update the classification, labeling and packaging of a substance or a mixture if required, in particular setting out specific design requirements for labelling.

Regulation 2024/2865/EU comprehensively renewed the CLP Regulation by introducing new labelling format requirements such as digital labels, stricter deadline for updating labels following re-classification (six-month update window), additional hazard classes including endocrine disruptors and persistent, mobile and toxic substances, and specific rules for online sales and refill stations to ensure clearer hazard communication and consumer safety. However, on November 17, 2025, the EU Council decided, through the “Stop-the-clock” legislation, to postpone the application of the new provisions until January 1, 2028.

Biocidal Products Regulation—BPR

The Biocidal Products Regulation (BPR, Regulation (EU) 528/2012) entered into force on September 1, 2013 and works in connection with REACH to evaluate and authorize marketing of biocidal active substances and products in the European Union.

All biocidal products require an authorization from the ECHA before they can be placed on the market, and the active substances contained in that biocidal product must be previously approved. There are exceptions to these requirements, including for biocidal products containing active substances that are under review, pending the final decision on the approval of the active substance. Products containing new active substances that are still under assessment may also be allowed on the market where a provisional authorization is granted. Following the latest update of the BRP Regulation (through EU Commission Delegated Regulation 2024/1398), the work program for the systematic examination of all existing active substances is set to be completed by December 31, 2030.

*Per- and polyfluoroalkyl substances (“**PFAS**”) ban proposal*

The European Commission has identified PFAS as a high-priority concern due to their extreme persistence, bioaccumulative properties, mobility, and potential toxicological effects. In January 2023, a formal restriction proposal under REACH for thousands of substances falling under the definition of PFAS was submitted by several member States to the **ECHA**. Such proposal called for a near-total ban on the manufacture, use, and placing on the market of PFAS in the EU and the European Economic Area (“**EEA**”). After nearly two years of evaluation of the scientific and technical comments received on the proposal, a revised restriction proposal has been submitted by Member States in June 2025 (and published by ECHA in August 2025).

The revised proposal would prohibit the manufacture, use, and placing on the market of PFAS as substances and, in mixtures or articles, over certain concentration thresholds. Several time-limited exemptions (five or twelve years) are planned for specific applications in sectors where alternatives are not currently available, and certain unlimited derogations are envisaged where the use of PFAS is the only viable option. The proposed restrictions also apply to imported goods.

According to the prospected timeline, ECHA plans to deliver to the EU Commission the results of its scientific evaluation on the proposal by the end of 2026. The EU Commission will then submit a proposal to amend the REACH accordingly. The related prohibitions would apply following a 18-months transitional period.

Pressure Equipment Directive

The Pressure Equipment Directive (Directive 2014/68/EU—the "**PED**") sets out the standards for the design, manufacture, testing and conformity assessment of pressure equipment and assemblies of pressure equipment constituting an integrated whole. Pressure equipment means steam boilers, pressure vessels, piping, safety valves and other components and assemblies subject to pressure loading, generally over 25 liters in volume and subject to a maximum allowable pressure greater than 0.5 bar (i.e., 0.5 bar above atmospheric pressure) that pose a hazard due to pressure. All pressure equipment and assemblies within the scope of the PED must be safe when placed on the market and put into service. Member States must take steps to ensure that pressure equipment cannot be placed on the market if, when installed, maintained or used, it endangers the health and safety of persons, domestic animals or property. In accordance with the principles of the "New Approach to Technical Harmonisation and Standards", the design and the manufacture of pressure equipment are subject to essential safety requirements. This new approach means that Member States cannot prohibit, restrict or impede the placing on the market or putting into service of pressure equipment complying with the provisions of the PED.

Environment, Health and Safety Regulations

Our manufacturing sites in the EU are subject to significant regulation regarding the operation of chemical plants both at EU-wide level and also at the level of individual Member States, who, as well as having individual legislation implementing applicable European environmental directives may have state specific legislation which may impose stricter controls or requirements than the EU-wide level legislation.

Regulation of EHS issues is considerable. Legislation has been adopted in diverse areas, including but not limited to, waste prevention and control, fire safety, protection against explosive hazards, storage, transport and use of hazardous substances, air emissions, wastewater management, environmental liability, integrated permitting, noise and groundwater protection. There are a number of regimes which impose requirements on operators to obtain permits and licenses for certain activities. Member States typically have a certain degree of national authority to choose means of implementing an EU Directive, though its timing and main purpose and objectives are binding upon Member States. EU Regulations are binding on individual Member States without requiring national legislation. These EU Directives and Regulations set a common EU-wide standard of operation that, in some cases, may be made stricter by Member States' authorities. Other areas of law, especially contaminated land regulations, are largely a matter of domestic Member State law, with limited EU-wide harmonization, regarding permit granting procedures or enforcement (by way of example, the Industrial Emissions Directive (2010/75/EU), as last amended by Directive 2024/1785/EU. Fines and penalties for non-compliance with EHS issues vary across Member States, but most Member States impose a penalty in relation to such noncompliance.

The following directives and regimes are relevant to our businesses and facilities in Europe. These are subject to ongoing review by the EU and may from time to time be updated or amended:

Industrial Emissions Directive

The Industrial Emissions Directive (2010/75/EU) (the "**IED**"), as subsequently amended, amends, consolidates and replaces seven pieces of EU legislation controlling industrial emissions (including in particular the Integrated Pollution Prevention and Control Directive (2008/1/EC)). The IED covers a wide range of industrial installations which operate above certain thresholds in a variety of industry sectors, including the chemicals industry. The IED's aims are to prevent or reduce emissions from industrial installations to air, land and water. It requires, among other things, that installations which fall within its scope to operate under a permit and such permits are to be conditional on "BAT conclusions". Best Available Techniques ("**BAT**") conclusions are documents which set out what constitutes the BAT for a particular activity, including emissions levels, monitoring and remediation. BAT is a dynamic concept and continues to evolve as new measures and techniques emerge, science and technologies develop, and new or emerging industrial processes are introduced. As a consequence, the IED Directive requires a periodic review of all conditions in existing permits and, if necessary, amendments of these conditions to ensure compliance with the IED Directive.

When an installation is closed the IED also requires that permitting authorities must ensure that steps are taken to avoid any pollution caused by the closure of the site and that measures are taken to return the site to a satisfactory state. The IED provides, *inter alia,* that operators of sites which use hazardous substances prepare a baseline report setting out information that will enable the state of contamination of soil and ground water at the site to be compared when the site is closed.

EU Directive 2024/1785, amending the IED and to be transposed by Member States by July 1, 2026, tightened BAT implementation reporting and introduced obligations to implement environmental management systems, as well as transformation-planning (*i.e.* describing how the installation will evolve over 2030-2050) duties.

Safety and Health of Workers at Work Directive

Our European facilities are also subject to Member States' laws implementing Directive 89/391/EEC, as subsequently amended, on measures to encourage improvements in the safety and health of workers (the "**HSW Directive**"). The HSW Directive, as subsequently amended, aims to eliminate the risk factors for occupational diseases and accidents by establishing rules for protecting the health and safety of workers. Its provisions relate to all sectors of activity, both public and private.

An employer under the HSW Directive has a duty to ensure the workers' health and safety in every aspect of their work, including if they enlist external companies or persons. While workers are required to take care of their own safety and health in accordance with their training, the obligations on an employer require it to take the measures necessary for the safety and health protection of workers based on a system of adaptable risk prevention and management, the provision of information to workers, common protective measures and training, and the provision of the necessary organization and means for the protection of workers.

Employers must also adapt first aid, fire-fighting and evacuation procedures to the activities and size of the relevant activity. Again, protective and preventative services must be established, including the appointment of trained workers, to enable the employer to react to serious danger. Workers must be consulted regarding health and safety issues in the workplace and employers are required to ensure that they monitor the health of workers in accordance with national legislation, including regular health checks if requested.

Contest of Major Accident Hazards Involving Dangerous Substances

Our European facilities are subject to Member States' implementation of Directive 96/82/EC relating to the prevention and management of incidents in relation to the use, manufacture and storage of hazardous substances, as amended by Directive 2003/105/EC (the "**SEVESO II Directive**"), as upper tier establishments. The SEVESO II Directive has been amended by Directive 2012/18/EU (the "**SEVESO III Directive**") which came into force on August 13, 2012 and repeals and replaces the SEVESO II Directive from June 1, 2015. While the SEVESO III Directive does not fundamentally alter the rules laid out in SEVESO II, it does strengthen existing requirements in a number of areas such as notifications, public access to information, public participation and standards of inspections.

The SEVESO III Directive aims to prevent major accident hazards involving dangerous substances and to limit the consequences of any such accidents if they do occur. The SEVESO III Directive applies to establishments in which certain quantities of dangerous substances are present (stored, used or manufactured). Member States shall ensure that operators of such establishments take all necessary measures to prevent major accidents and limit their consequences on human health and the environment.

The SEVESO III Directive defines two types of site, according to the level of risk they pose: 'lower-tier establishments' and 'upper-tier establishments'. "Upper-tier establishments" are establishments in which dangerous substances are present in quantities which exceed threshold values determined in the SEVESO III Directive. These establishments are subject to all of the requirements of the SEVESO III Directive, including submitting a notification to the relevant authority, establishing a major accident prevention policy and a safety management system, submitting a safety report and emergency plan to the relevant local authorities and preparing external emergency plans, which are subject to public consultation. Upper-tier establishments are also required to regularly test their internal and external emergency plans.

Fire Security and Explosion Hazard Rules

Since July 2003 organizations in the European Union are required to follow the ATEX Directives.

ATEX 95 (Directive 94/9/EC) regulated safety devices and equipment intended for use in potentially explosive atmospheres. On April 20, 2016, the new ATEX 114 (Directive 2014/34/EU) came into force, repealing ATEX 95. The essential parts of the directive relating to scope and classification have not changed, while new definitions, new requirements for notified bodies and a common template for the EU declaration of conformity have been introduced. Under ATEX 114, equipment and protective devices and systems intended for use in potentially explosive atmospheres have to meet essential safety and health requirements; as a result, all protective equipment at our facilities must conform with these requirements. ATEX 114 was implemented in Italy through Legislative Decree no. 85/2016 (while ATEX 95 was implemented through Presidential Decree no. 126/1998).

In addition ATEX 137 (Directive 99/92/EC, as subsequently amended) established minimum requirements for improving the safety and health protection of workers potentially at risk from flammable atmospheres. ATEX 137 was implemented in Italy through Legislative Decree no. 233/03.ATEX 95 concerns the regulation of safety devices and equipment intended for use in potentially explosive atmospheres and all protective equipment at our installations must conform to these requirements.

Under ATEX 137 rules, employers must ensure the health and safety of workers by taking all organizational and/or technical measures to prevent the formation of an explosive environment or, where the nature of the activity precludes this, to remove sources of ignition, and mitigate the detrimental effects of an explosion. Where necessary, these measures shall be combined and/or supplemented with measures to prevent the propagation of explosions. Essentially, employers are required to classify areas where hazardous explosive atmospheres may occur at their installation into zones. The classification given to an area relates to the chances of an explosive atmosphere occurring and being maintained. The employer is also required to produce an "Explosion Protection Document" which, among other things, is required to demonstrate that explosion risks have been determined and assessed, hazardous areas have been classified into zones and appropriate signs displayed, workplace and work equipment designed, operated and maintained with due regard for safety, and that procedures are in place for the safe use of equipment. Ensuring that these ATEX Directives are complied with can include the performance of modification work, such as screening and/or the ventilating certain particular areas.

The European Parliament approved the new ATEX Directive 2014/34/EU on equipment and protective systems intended for use in potentially explosive atmospheres on February 26, 2014. The Directive requires more frequent product surveillance and the traceability of a product must be ensured throughout the whole supply chain. The transition period from the end of which Member States must apply the new Directive ended on April 20, 2016.

International Transport of Dangerous Goods

International transport of dangerous goods is regulated by international agreements concerning the International Carriage of Dangerous Goods by Road ("**ADR**") and by Rail ("**RID**"). Moreover, it is regulated by the International Maritime Dangerous Goods Code (the "**IMDG**"), developed by the International Maritime Organization as a uniform international code for the transport of dangerous goods by sea covering such matters as packing, container traffic and stowage, with particular reference to the segregation of incompatible substances. The ADR and RID have drawn up a list of dangerous goods, indicating whether their transport is prohibited or not and defining the requirements for their transport if it is authorized. Moreover, these agreements, which are regularly amended and updated since their entry into force, establish, inter alia, provisions regarding packaging and labeling of the goods, and construction, equipment and operation of the vehicle carrying the goods in question. At the EU level, Directive 2008/68/EC, as subsequently amended, establishes a common regime for all aspects of the inland transport of dangerous goods, by road, rail and inland waterways within the European Union, making reference to the texts of the mentioned international agreements.

Carbon Dioxide Reduction and Emissions Trading Rules

The EU ETS was created by Directive 2003/87/EC establishing a scheme for GHG emission allowance trading within the Community (the "**EU ETS Directive**"). The EU ETS Directive and the related legislation covers many installations in the chemicals sector, including as a result of operating large combustion installations (20MW or over) such as boiler houses and generators. The EU ETS Directive is split into four phases. The first phase of the EU ETS Directive ran from 2005 to 2007, the second phase ran from 2008 to 2012, the third phase ("**Phase III**") ran from 2013 to 2020, and the fourth phase ("**Phase IV**") runs from 2021 to 2030.

The European Union met the overall environmental target of a 20% reduction in GHG emissions by 2020 and,as part of its Green Deal, it has set a target to reduce GHG emissions by at least 55% by 2030 (compared to a 1990 baseline) and to achieve climate neutrality by 2050 as part of its contribution to the Paris Agreement. The changes to the EU ETS Directive for Phase IV set a binding target to reduce emissions in the sectors covered by the EU ETS by 62% by 2030 (compared to 2005 levels).

During the first two phases of the EU ETS Directive, allocation of carbon dioxide allowances ("**EUAs**") was largely for free, with each Member State receiving an allocation of EUAs and then subsequently allocating them to installations caught by the EU ETS Directive through a National Allocations Plan. Phase III significantly changed the method of allocating EUAs. In particular, the Commission set a single, EU-wide cap on EUAs, which was to decrease by 1.74% for each year of Phase III. Furthermore, Member States received and allocated fewer free EUAs and certain types of installations received no free EUA allocation in Phase III. As a result, a large number of EU installations were required to purchase their EUAs through an auction or through the emissions trading markets.

Under Phase IV, the overall cap on the number of EU-wide EUAs has, since 2021, declined at an annual rate of 2.2%. However, from 2024, pursuant to the 2023 reform of the EU ETS Directive, the cap is tightened via two 'rebasing' steps and a higher linear reduction factor, set at 4.3% for 2024–2027 and 4.4% for 2028–2030, replacing the 2.2% rate introduced in 2021. The amount of EUAs a qualifying installation receives during Phase IV is linked to a "benchmark" emissions level calculated on the basis of the top 10% of the most GHG-efficient EU installations in the sector or subsector for a product. Installations which are not as efficient as these top 10% plants are required to purchase additional EUAs to cover their higher level emissions or invest in new technology to bring their emission levels in line with these top 10% installations. Product benchmarks are updated for 2021–2025 and 2026–2030, with annual adjustment rates reflecting observed technological progress. Free allocation is conditional on energy audits and implementation of decarbonization measures; non-compliance can reduce free allocation.

Under Phase IV, the system of free allocation of EUAs has been revised such that it has become more targeted towards sectors at the highest risk of carbon leakage, and free allocation of EUAs has been set to be phased out for less exposed sectors after 2026. For 2021–2030, the carbon leakage list is set by Commission Delegated Decision (EU) 2019/708. Sectors on this list are eligible for higher free allocation. The manufacture of bulk organic chemicals has been included in this list. Those sectors deemed to be exposed to such risk will be eligible to receive a greater proportion of free allowances.

In July 2021, the European Commission issued a series of legislative proposals, referred to as "Fit for 55", to help meet its target of meeting climate neutrality by 2050 and a 55% net reduction in GHG emissions by 2030 (compared to a 1990 baseline).

In addition to the abovementioned revision of EU ETS, through Regulation (EU) 2023/956, the EU formally adopted a new "carbon border adjustment mechanism" ("**CBAM**"), on May 10, 2023, as the EU's primary tool to prevent carbon leakage. The CBAM, which will become fully operational starting from January 1, 2026, introduced a levy on certain carbon-intensive products imported into the EU from jurisdictions where there is not an established carbon price, comparable to the amount that importers would have had to pay to purchase EUAs under the EU ETS, should the product have been produced in the EU (netted against any carbon price that has been paid in the exporting jurisdiction).

As a result of current EU ETS requirements, in the event that we do not receive an adequate free allocation of EUAs to meet our obligation to surrender EUAs in an amount equal to our emissions, we will have to purchase a sufficient number of allowances to make up the deficit. Allowances have a volatile market price which has fluctuated significantly in recent years. Given the reduction in the allocation of free allowances, it is possible that the carbon price will increase over time and, consequently, the costs of meeting any shortfall for complying with the EU ETS regime could materially increase. See "*Risk Factors—Risks Related to Our Businesses and Industries—Compliance with EHS and zoning and town planning laws and regulations and the retention of requisite permits related to our operations could result in significant ongoing costs and may result in further obligations and liabilities associated with our business.*"

Compliance with current GHG regulations governing our operations, including those discussed above, may result in significantly increased capital expenditures for measures such as capital expenditures to install more environmentally efficient technology or the purchase of allowances to emit carbon dioxide or other GHG.

Environmental Liability Directive

Our European facilities will be subject to a range of national laws concerning contaminated land and water. The Environmental Liability Directive as amended (Directive 2004/35/EC) (the "**ELD**") aims to prevent and remedy environmental damage by establishing a framework for environmental liability based on the "polluter pays" principle. Environmental damage includes direct or indirect damage to protected species and natural habitats, water damage and land damage creating a significant risk to human health. Its fundamental aim is to hold operators whose activities have caused environmental damage financially liable for remedying the damage. In addition, the directive holds those whose activities caused an imminent threat of environmental damage liable to taking preventative actions.

The ELD establishes a principle of liability where it is possible to demonstrate a causal link between environmental damage, or the imminent threat of damage, and certain occupational activities. The ELD lists those activities which include installations producing dangerous chemical substances. In certain circumstances the operator of a listed activity may be held liable for environmental damage on a strict liability basis. Liability for damage or the imminent threat of damage will be fault based where it arises from an activity outside those specifically listed in the ELD.

Where there is an imminent threat of environmental damage, a Member State's competent authority may require an operator to take preventive measures or take the necessary preventive measures itself and recover any costs incurred. Where environmental damage has already occurred, the competent authority has the power to require the operator responsible to take the necessary restorative measures or, again, take those measures itself and recover any costs incurred.

Waste Framework Directive

Our European business is subject to a wider range of waste laws. The Waste Framework Directive (2008/98/EC) (the "**WFD**"), as subsequently amended, aims to protect the environment and human health through the prevention of the harmful effects of waste generation and management. Member States are required to take measures for the treatment of waste in line with the waste hierarchy which prioritizes how waste in Europe should be managed: prevention; preparing for reuse; recycling; other recovery, notably energy recovery; and disposal.

In accordance with the “polluter pays” principle, the costs of waste management are to be borne by the original waste producer or by the current or previous waste holders. Any producer or holder of waste is required to carry out its own waste treatment or have treatment carried out by another establishment. Hazardous waste is prohibited from being mixed, requires appropriate labeling and packaging, and also requires storage and treatment in conditions that ensure the protection of health and the environment.

Under the WFD, an establishment which intends to carry out waste treatment is obligated to obtain a permit from the relevant competent authority which will determine the quantity and type of treated waste, the method used, and monitoring and control operations allowed under the permit.

The WFD sets binding targets for preparation for reuse and recycling of municipal waste (55% by 2025, 60% by 2030, 65% by 2035) and limits landfilling of municipal waste to 10% by 2035. It also lays down minimum requirements for extended producer responsibility schemes, including fee modulation to reward better product design. The competent authorities of each Member State must establish waste management plans and prevention programs, to be updated every six years. These plans contain, notably, the type, quantity and source of waste, existing collection systems and location criteria.

Environmental Omnibus Proposal

On December 10, 2025, the European Commission presented a package of measures to simplify environmental legislation in several areas, including industrial emissions, circular economy and environmental assessments aimed at reducing the administrative burden for businesses, while keeping the EU’s ambitious objectives to protect the environment and human health. Key elements of the current proposal include streamlined environmental assessment for granting permits, simplified industrial emission standards under IED and simplified Extended Producer Responsibility. The legislative proposal will now be submitted to the European Parliament and the Council for adoption.

U.S. Environmental Laws and Regulations

The following is a summary of some of the various U.S. EHS regulations that we believe have a material impact on our business:

Toxic Substances Control Act and Green Chemistry Initiatives

TSCA imposes requirements on persons and companies that manufacture, process, distribute, use or dispose of regulated chemicals. Among other things, under TSCA, the EPA has the authority to: (i) require testing of chemicals; (ii) undertake pre-market review and impose restrictions upon new chemicals; (iii) limit or prohibit the manufacture, use, distribution and disposal of chemical substances; (iv) impose reporting and recordkeeping requirements; and (v) regulate the export and import of chemical substances. Certain of our facilities are subject to the Chemical Data Reporting provisions of TSCA, as well as requirements to report the import or export of certain chemicals. In recent years, the EPA has also undertaken efforts to more stringently and comprehensively enforce TSCA. For example, the EPA has issued “chemical action plans” and has identified a work plan for further review and risk assessment of additional chemicals over the next several years. The EPA may impose civil and criminal liability for TSCA violations.

In June 2016, legislation significantly amending TSCA was enacted into law, entitled the “Frank R. Lautenberg Chemical Safety for the 21st Century Act”. The legislation mandates that EPA conduct safety evaluations for all chemicals in active commerce and require new chemicals and significant new uses of chemicals to be deemed likely to be safe before entering the market. While the full impact of these amendments to TSCA remains uncertain, it is possible that they could trigger risk screening of certain of our products by EPA, and this risk screening could lead to new or more stringent regulatory obligations and/or restrictions, including, potentially, prohibitions on manufacture and sale of certain products. On December 19, 2016, EPA published a list of ten chemical substances that are the subject of EPA’s initial chemical risk evaluations, as required by TSCA. On December 20, 2019, EPA finalized the designation of 20 chemical substances as high priority for upcoming risk evaluations, and on February 20, 2020, EPA finalized the designation of 20 chemical substances as low priority. Additional chemical substances are currently undergoing risk evaluation. While we do not use or produce any of the ten chemicals on the initial list, or any of the chemicals currently undergoing risk evaluation, such regulations could result in a key raw materials, chemicals, or other substances being classified or reclassified as having a toxicological or health-related impact on the environment, users of our products, or our employees. Such reclassification of one or more of our raw materials or products could affect its availability or marketability, result in a ban on its purchase or sale, or require us to incur increased costs to comply with notification, labelling, or handling requirements.

In April 2024, the EPA finalized prohibitions, such as the manufacturing, processing and distribution of methylene chloride for all consumer uses, and workplace protections for methylene chloride. In December 2024, EPA preliminarily determined that 1,3-butadiene presents an unreasonable risk of injury to human health for workers and the general population. Such a preliminary determination may prompt the EPA to restrict or prohibit the manufacture, processing, distribution, or use of 1,3-butadiene. Additionally, in December 2024, the EPA: finalized a rule to ban some uses of carbon tetrachloride and establish workplace protections and prescriptive controls for uses not prohibited; proposed to designate five chemical substances as high-priority for chemical risk evaluations, namely benzene, ethylbenzene, 47 naphthalene, styrene and 4-tert-octylphenol, and finalized the designation of five chemical substances as high-priority to undergo chemical risk evaluations, namely acetaldehyde, acrylonitrile, benzenamine, MBOCA and vinyl chloride.

In addition, U.S. federal and state law related to PFAS has potential implications on the business including compliance costs, increased operating costs, and risk of liability and litigation. For example, in January 2024, the EPA finalized a rule that prevents the manufacture, processing, or use of an estimated 300 PFAS for "significant new uses" without a complete EPA review. In October 2023, the EPA also finalized the TSCA PFAS Reporting Rule, which requires any person that manufactures (including by importing) or has manufactured (including by importing) PFAS or PFAS-containing articles, in any year since 2011, to report information regarding PFAS uses, production volumes, disposal, exposures, and hazards. This is an area of law we continue to monitor.

Further, numerous state, local and industry groups have implemented so-called green chemistry or similar chemicals-focused initiatives to identify, prioritize, and restrict existing chemicals. The U.S. Occupational Safety and Health Administration ("**OSHA**") is also currently phasing in a hazard communication regulation intended to harmonize the U.S. system of Material Safety Data sheet hazard information with the United Nation's Globally Harmonized System of Classification and Labeling of Chemicals. These or other similar future changes to chemicals regulation in the U.S. could place additional substantial regulatory burdens on the industry.

Federal Insecticide, Fungicide and Rodenticide Act

FIFRA regulates the manufacture, labeling, handling, distribution, sale and use of products that kill or reduce pests (including microorganisms) in the United States. FIFRA's definitions of both "pesticide" and "pest" are broad, encompassing all substances and mixtures of substances that are intended to destroy, repel or mitigate any insect, rodent, virus, bacteria, or other microorganism. Certain exceptions apply.

Under FIFRA, a person may not distribute or sell any pesticide that is not registered under FIFRA, and all pesticides must be distributed bearing their EPA-approved pesticide label. It is illegal to sell or distribute an unregistered pesticide, or a registered pesticide with claims that differ from those approved by EPA, that differs in composition from that approved by EPA, or that has been discolored, adulterated, or misbranded.

Companies engaged in the manufacture or distribution of pesticides must register the product with EPA. Registration requires submission to EPA of data including labeling, a statement of claims, directions for use, formulation, and description of tests or public literature regarding the pesticide. Studies of pesticides must meet extensive standards promulgated by EPA. Sub-registrations may be obtained for companies engaged in the distribution of pesticides already registered by manufacturers. Facilities that manufacture pesticides in the United States must also register with EPA, and importers of pesticides must file a Notice of Arrival form with the Customs Service.

Clean Air Act

The Clean Air Act ("**CAA**") and its implementing regulations, as well as corresponding state laws and regulations governing emissions of pollutants into the air, impose permitting and emission control requirements. Standards promulgated pursuant to the CAA may require that we install controls at or make other changes to our facilities. If new controls or changes to operations are needed, the costs could be significant. In addition, failure to comply with the requirements of the CAA and its implementing regulations could result in substantial fines, civil or criminal penalties, or other sanctions.

The regulation of air emissions under the CAA requires that we obtain permits for the construction, modification, and operation of our equipment, comply with permit requirements, and incur capital expenditures for the installation of certain air pollution control devices at our facilities. Measures have been taken to comply with various regulations specific to our operations, such as: the New Source Review Program requiring that new or modified sources install stringent control technology; National Emission Standard for Hazardous Air Pollutants; and, New Source Performance Standards. We have incurred, and expect to continue to incur, substantial capital expenditures to maintain compliance with these and other air emission regulations that have been promulgated or may be promulgated or revised in the future. For example, in May 2024, the EPA finalized a butadiene maximum achievable control technology ("**MACT**") rule, and in March 2025, announced that the agency was reconsidering a number of applicable air regulations and standards, including MACT standards. No formal rule changes have yet been proposed, however, and we are required to comply with existing requirements and timelines pending the completion, if any, of such reconsideration and formal rule making. On April 9, 2024, the EPA issued a final rule amending the CAA's New Source Performance Standards for emissions from the Synthetic Organic Chemical Manufacturing Industry (known as the "**HON Rule**"). The HON Rule includes MACT standards for ethylene oxide. On July 27, 2025, President Trump signed an executive order that extended the compliance deadline under the HON Rule until July 2027. In addition, the EPA has promulgated regulations related to the emission of ethylene oxide known as the Chemical Manufacturing Area Sources ("**CMAS**") National Emission Standards for Hazardous Air Pollutant ("**NESHAP**").

Climate Change and Greenhouse Gas Emissions Rules

Regulation of GHGs in the United States is currently subject to complicated domestic and international political, policy and economic dynamics, and the regulatory landscape is rapidly changing.

Our operations result in emissions of GHGs, such as carbon dioxide and methane, and our operations are energy-intensive and require the purchase of electricity, the generation of which often results in emissions of GHGs. The EPA has determined that emissions of carbon dioxide, methane and other GHGs present an endangerment to public health and the environment. In response, the EPA adopted regulations under the CAA regulating emissions of GHGs from certain large stationary sources of emissions such as power plants and industrial facilities. The EPA's regulations require such sources to obtain Prevention of Significant Deterioration ("**PSD**") pre-construction and Title V operating permits. Facilities required to obtain PSD permits for GHG emissions are required to implement "best available control technology," which can include carbon efficiency standards, GHG emission concentration limits, specific technology requirements or other measures. In addition, the EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified sources in the United States on an annual basis. We monitor GHG emissions from our operations in accordance with the GHG emissions reporting rule and believe that our monitoring activities are in substantial compliance with applicable reporting obligations.

While EPA in the past has taken steps to regulate GHG, significant uncertainty currently exists as to how GHG regulations will in the future impact large stationary sources, such as our facilities in the United States, and what costs or operational changes future laws or regulations may require. In addition, Congress has from time to time considered legislation to reduce emissions of GHGs. In the absence of such federal climate legislation, almost one-half of U.S. states have taken legal measures to reduce emissions of GHGs primarily through the planned development of GHG emission inventories and/or regional GHG cap-and-trade programs. Although the U.S. Congress has not adopted such legislation at this time, it, or any U.S. states, may do so in the future, and we cannot yet predict the form such regulation will take (such as a cap-and-trade program, technology mandate, emissions tax or other regulatory mechanism) or, consequently, estimate any costs that we may be required to incur in respect of such requirements, for example, to install emissions control equipment, purchase emissions allowances, administer and manage our GHG emissions program, or address other regulatory obligations.

Such requirements could also adversely affect our energy supply, the costs (and types) of raw materials we use for fuel, or the demand for our products. For example, the EPA implemented in December 2015 the "Clean Power Plan" regulating carbon dioxide (CO2) emissions from coal-fired and natural gas electricity generating units (EGUs). However, in June 2019 the EPA repealed the Clean Power Plan and issued the "Affordable Clean Energy Rule" to replace the Clean Power Plan. In January 2021, the U.S. Court of Appeals for the District of Columbia Circuit vacated both the Affordable Clean Energy Rule and the Clean Power Plan repeal rule, and the U.S. Supreme Court heard an appeal of this ruling in February 2022. In June 2022, the U.S. Supreme Court ruled that Congress, not EPA, has the authority to regulate GHG emissions from existing power plants. Separately, the EPA's GHG "reporting rule" requires that certain emitters, including electricity generators, monitor and report GHG emissions. In June 2025, the EPA proposed a rule to repeal GHG emission limits by fossil fuel-fired power plants; in July 2025, the EPA issued a proposed rule to repeal EPA's 2009 GHG Endangerment Finding, which compelled the EPA to regulate the GHG emissions under the CAA when found to endanger public health; in October 2025, the EPA released a proposal to end the GHG Reporting Program. We will continue to monitor the changing regulatory landscape as any regulations controlling or limiting GHG emissions could have a material adverse impact on our business, financial condition or results of operations, including by reducing demand for our products. At the international level, many nations have agreed to limit emissions of GHGs pursuant to the United Nations Framework Convention on Climate Change, also known as the "Kyoto Protocol." Methane, a primary component of natural gas, and carbon dioxide, a byproduct of the burning of oil, natural gas, and refined petroleum products, are GHGs addressed by the Kyoto Protocol. The United States is not participating in the Kyoto Protocol at this time, but could elect to participate in the future. Furthermore, in December 2009, 27 nations, including the United States, signed the Copenhagen Accord, which includes a non-binding commitment to reduce GHG emissions. As a result of commitments made at the UN climate conference in Durban, South Africa in December 2011, certain members of the international community negotiated a treaty at the December 2015 Conference of Parties in Paris. This Paris Agreement, which entered into force in November 2016, requires developed countries to set targets for emissions reductions once the Agreement is adopted by those individual countries within their respective national or federal law. While the U.S. was a signatory to the agreement in 2016, the U.S. withdrew from the Paris Agreement in 2020.

Additional future regulation of GHGs in the United States could occur pursuant to future international treaty obligations, regulatory changes under the CAA or other existing legislation, or federal, state or regional adoption of GHG regulatory schemes. This could cause us to incur additional costs in complying with any new regulations, which may adversely impact our operations and financial condition.

Management of Hazardous Substances and Contamination

Under the CERCLA and related state laws, certain persons may be liable at sites where or from which a release or threatened release of hazardous substances has occurred or is threatened. These persons can include the current owner or operator of property where a release or threatened release occurred, any persons who owned or operated the property when the release occurred, and any persons who disposed of, or arranged for the transportation or disposal of, hazardous substances at a contaminated property. Moreover, the scope of hazardous substances regulated under CERCLA is expanding. For example, in April 2024, EPA finalized a rule that designates two widely used PFAS chemicals: PFAS—perfluorooctanoic acid ("**PFOA**") and perfluorooctanesulfonic acid ("**PFOS**"), including their salts and isomers, as hazardous substances under CERCLA. This regulation could require us to incur significant costs relating to compliance, modifying operations, and remediation of site contamination, including soil and groundwater. Liability under CERCLA is strict, retroactive and, under certain circumstances, joint and several, so that any responsible party may be held liable for the entire cost of investigating and remediating the release of hazardous substances.

The Resource Conservation and Recovery Act ("**RCRA**") regulates the generation, treatment, storage, handling, transportation and disposal of solid or hazardous waste and requires states to develop programs to ensure safe disposal. Under RCRA, persons may be liable at sites where the past or present storage, handling, treatment, transportation, or disposal of any solid or hazardous waste may present an imminent and substantial endangerment to health or the environment. These persons can include the current owner or operator of property where disposal occurred, any persons who owned or operated the property when the disposal occurred, and any persons who disposed of, or arranged for the transportation or disposal of, hazardous substances at a contaminated property. Liability under RCRA is strict and, under certain circumstances, joint and several, so that any responsible party may be held liable for the entire cost of investigating and remediating the release of hazardous substances.

We or our predecessors-in-interest operate or operated at a number of sites in the United States with a long history of industrial use and the potential for releases of hazardous substances, and there are a number of non-owned disposal sites where we have been named as a potentially responsible party. There are known or suspected releases of contaminants at a number of our sites, and our predecessors' former sites, that have or are suspected to have impacted various environmental media and natural resources. As is the case with all companies engaged in similar industries, depending on the underlying facts and circumstances we face potential exposure to future claims and lawsuits involving environmental matters, including soil and water contamination, personal injury or property damage allegedly caused by hazardous substances that we manufactured, handled, used, stored, transported, spilled, disposed of or released. Two of our sites, Ashtabula, Ohio and Smyrna, Georgia, have undergone extensive soil and groundwater remediation programs as a result of previous chemical releases, and additional investigatory and remedial work that we believe is potentially material is expected in the future at these sites. With respect to certain sites, in 2013, Detrex entered into the ELTA whereby Detrex transferred to ELT liability for investigating and remediating the ELTA Sites. In April 2024, ELT provided notice that it is unable to perform under the ELTA, claiming that the costs it has to bear thereunder would be materially higher than those estimated and therefore the ELTA should be terminated. While we are pursuing our rights via the 2024 Detrex-ELT Litigation against ELT and certain related parties as well as related coverage under available insurance, we cannot guarantee ELT's performance of the agreement or coverage of our claims under our insurance policy, and related costs associated with remediation of the sites may be significant.

Process Safety and Prevention of Major Accidents

We are subject to OSHA and comparable state laws that regulate the protection of the health and safety of employees. In addition, OSHA's hazard communication standard, the Emergency Planning and Community Right to Know Act ("**EPCRA**") and implementing regulations and similar state statutes and regulations require that information be maintained about hazardous materials used or produced in our operations and that this information be provided to employees, state and local government authorities and citizens.

Of particular relevance to our operations, OSHA's standard on Process Safety Management ("**PSM**") of Highly Hazardous Chemicals contains requirements for the management of hazards associated with processes using highly hazardous chemicals. OSHA's PSM regulations are designed to prevent or minimize the consequences of unexpected releases of toxic, reactive, flammable or explosive liquids and gases in chemical processes. PSM covers facilities that deal with any of certain listed toxic and reactive chemicals and flammable liquids and gases in amounts over specified threshold quantities. PSM requires process hazard analysis, a systematic study of events that could cause hazardous substance releases and the safeguards to prevent them. Employers must perform an initial hazard analysis on all processes covered by the standard and update the analysis at least every five years. Among other things, PSM also mandates written operating procedures, employee training, pre-startup safety reviews, evaluation of mechanical integrity of equipment, written procedures for managing change, investigation of incidents involving releases or near misses of covered chemicals, emergency action plans and compliance audits.

Our manufacturing facilities are also subject to the EPA's CAA Risk Management Program ("**RMP**"), which requires facilities that produce, handle, process, distribute or store certain highly hazardous chemicals to develop a risk management plan and program in the event of an accidental release of such chemicals. RMP also requires facilities to assess potential impacts to off-site populations in the event of a credible worst-case release and to document the policies, procedures, equipment and work practices in place to mitigate identified risks. Similar risk management requirements are imposed upon our facilities under EPCRA, which contains chemical emergency response planning, accident release and other reporting and notification requirements applicable to our U.S. manufacturing facilities.

Clean Water Act and Safe Drinking Water Act

The Federal Water Pollution Control Act Amendments of 1972 and subsequent amendments, commonly referred to as the Clean Water Act ("**CWA**"), and comparable state laws, impose restrictions and strict controls regarding the discharge of pollutants, including spills and leaks of hazardous substances, into federal and state waters. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a CWA permit issued by EPA or an analogous state agency. The CWA also requires many facilities to develop and maintain plans for preventing and responding to spills of hazardous substances, called Spill Prevention Control and Countermeasure Plans, and certain high volume hazardous substance handling/storage facilities are required to prepare and maintain a more extensive plan called a Facility Response Plan. Breaches of the CWA can result in administrative, civil or criminal sanctions.

Under the Federal Safe Drinking Water Act ("**SDWA**"), EPA imposes legally enforceable standards that apply to public water systems, referred to as National Primary Drinking Water Regulations ("**NPDWR**"). In 2024, EPA established maximum contaminant levels for six PFAS, including PFOA and PFOS, in drinking water, which could lead to litigation by public water systems seeking to recover increased costs for compliance with these levels.

Rest of World Environmental Regulation

Outside of the US and EU, a number of other jurisdictions in which we operate have a number of EHS-related regulatory requirements which we must comply with. For example, in relation to the United Kingdom, following the United Kingdom leaving the EU, regulatory requirements such as those under the REACH Regulation have been integrated into United Kingdom domestic law as UK REACH, which has applied since January 1, 2021. UK REACH operates independently from REACH, and operators in the chemicals industry must therefore comply with their obligations under both regimes. Similar processes apply in the UK with respect to other EU regulation.

In addition, as a result of commitments made at the UN climate conference in Durban, South Africa, in December 2011 (the "**Durban Platform**"), the international community negotiated a global treaty at the December 2015 Conference of Parties in Paris that will require reductions in global GHG emissions (including requiring nationally determined contributions from all parties) beginning in 2020. This is a successor international treaty to the Kyoto Protocol's current requirements regarding GHG emissions reductions which aim to reduce signatories' carbon footprints in the areas of energy efficiency, carbon dioxide emissions allowances trading, renewable energy requirements and construction requirements for the energy efficiency of buildings. As a result of the November 2021 Conference of Parties in Glasgow, the international community further agreed on, among others, operational details for the practical implementation of the Paris Agreement, including norms related to carbon markets, which will allow countries struggling to meet their emissions target to purchase emissions reductions from other nations that have already exceeded their targets, and to an Enhanced Transparency Framework, providing for common timeframes and agreed formats for countries to regularly report on progress in carbon emissions reduction.

MANAGEMENT

The Issuer

The Issuer, Italmatch Chemicals S.p.A., was incorporated as a private joint stock company (*società per azioni*) organized under the laws of Italy on June 14, 2001, has its registered office at Via E. Vismara 114, 20044 Arese (MI), Italy, and headquartered in Via Magazzini del Cotone 17 – Modulo 4, 16128 Genova, Italy and is registered under number 13471010150 with the Companies Register of Milano Monza-Brianza Lodi (*Registro delle Imprese di Milano Monza-Brianza Lodi*). The Issuer is managed by its executive management team. The Issuer has an authorized share capital of €10,420,470.00 divided into 10,420,470 fully paid shares with a par value of €1.00 each. The Issuer's immediate shareholder is HoldCo which is indirectly controlled by the Sponsor.

The Issuer is managed by a Board of Directors (*Consiglio di Amministrazione*) which, within the limits prescribed by Italian law, has the power to delegate its general authority to an executive committee or certain managing directors. The Board of Directors determines the powers of the Chairperson. Members of the Board of Directors are appointed by our shareholders at ordinary shareholders' meeting for a 3-year term. In addition, the Italian Civil Code requires the Issuer to have a Board of Statutory Auditors (*Collegio Sindacale*) which functions as a supervisory body as further described below.

Board of Directors

The Issuer currently has a board of directors comprising three directors. Save for any early termination or resignation of the members of the Board of Directors, the directors are expected to remain in office until approval by the shareholders of the financial statements for the year ending December 31, 2026. The Issuer's directors can be contacted at the Issuer's business address. The persons set forth below are the current members of the Issuer's board of directors together with their age and title.

Name	Age	Position
Sergio Iorio	65	Chairperson of the Board of Directors
Maurizio Turci	66	Director
Enrica Mambelli	54	Director

Set forth below is information concerning the Issuer's board of directors.

Sergio Iorio has more than 30 years of experience in Industrial Corporate Management in Europe, China and United States. From 1986 to 1988 he served as Strategy Manager at Ansaldo Industrial Systems. From 1988 to 1992 Mr. Iorio was the CEO/President of Ilva North America and from 1993 to 1997 he was the Vice President Automotive BU at Ilva S.p.A. Mr. Iorio has been the CEO of the Issuer since its establishment in 1998 and has contributed to the Issuer's transformation from a company with €25 million in revenue specialized in phosphorus to a global specialty chemicals group. He also serves as the Group CEO and regional CEO of the Group's EMEA operations. Mr. Iorio holds a degree and a PhD in Chemical Engineering from the University of Genoa.

Maurizio Turci has served as the Group General Manager, Corporate, since November 2022, with full responsibilities in Corporate Affairs, Legal, Information and Communication Technology, Human Resources and ESG. Prior to this role, Mr. Turci served as General Manager, Corporate, CFO and Human Resources Director of the Issuer since 1998. He serves as Board of Directors member of the Issuer and certain of its subsidiaries as well as the interim regional CEO of the Group's APAC operations. Mr. Turci has more than 30 years of experience in the Services and Manufacturing Industries in different countries. He has played a central role in the Group's expansion, with particular focus on LBO projects, M&A and reorganizations, cultural turnarounds, SAP roll-out and change management. He holds a degree in Economics from the University of Genoa.

Enrica Mambelli was appointed as CFO of the Group in November 2022 and she is currently also a member of the Board of Directors of the Issuer. She has more than 25 years of diversified experience in finance, including in investment banking and private equity, with more than 17 years of experience in manufacturing and service industries. From 2005 to 2020, she held various leadership positions at a2a, a large listed company, including Head of Finance and Insurance from 2010 to 2020. From 2020 to 2022, Ms. Mambelli served as Group CFO, CIO and Head of M&A at Althea Group. She holds a degree in Finance from the Luigi Bocconi University.

Executive Management

The Group is managed by an executive management team consisting of the key members indicated below, each of whom oversees a specific aspect of the Group's business. See "*Risk Factors—Risks Related to Our Business—We depend on the expertise and experience of key personnel and our management team*."

Set forth below are the members of Group's executive management team as of the date of this Offering Memorandum:

Name	Age	Position
Sergio Iorio	65	Group CEO and EMEA CEO
Maurizio Turci	66	Group General Manager, Corporate, and APAC CEO(1)
Enrica Mambelli	54	Group CFO
Adriano Costantini	58	Group General Manager, Global Business
Tiziano Beretta	54	Group General Manager, Operations and Industrial Operations

(1) *Ad interim*. The process to select and appoint the new APAC CEO is currently ongoing.

Set out below are brief summaries of the biographies of the members of the Group's executive management team. For biographical details of Sergio Iorio, Maurizio Turci and Enrica Mambelli, see the relevant descriptions under "*—Board of Directors.*"

Adriano Costantini was appointed as Group General Manager, Global Business in May 2022. He has over 25 years of management experience in the specialty chemicals and water treatment industries. Previously, Mr. Costantini served as Senior Vice President and General Manger at Nalco Water (Elcolab). He holds a Master of Science degree in Chemical Engineering from the University of Padova and a Master of Business Administration degree from Clemson University.

Tiziano Beretta is currently Global Industry Project Manager of Italmatch and Managing Director of Unión Derivan, a manufacturer and supplier of oleo-chemical products based in Spain and acquired by Italmatch in 2012. In 2024, Mr. Beretta was appointed as Group General Manager, Operations and Industrial Projects. He holds a degree in industrial chemistry from the Università degli Studi di Milano and a Master of Business Administration degree from SDA Bocconi, in Milan.

Board of Statutory Auditors

Pursuant to applicable Italian law, the Issuer has appointed a Board of Statutory Auditors (*Collegio Sindacale*) whose objective is to oversee our compliance with applicable law and our by-laws, monitor the implementation of best practices and assess the adequacy of the internal controls and accounting reporting systems. There are presently three auditors and two alternate auditors on our Board of Statutory Auditors. The members of the Board of Statutory Auditors of the Issuer were appointed in 2024 and will remain in office until approval by the shareholders of the Issuer's financial statements for the year ended December 31, 2026.

Management and Control Organizational Model Pursuant to Legislative Decree 231/2001

The Issuer adopted a management and control organizational model in accordance with Legislative Decree No. 231/2001, effective from 2012, as updated in 2021. This organizational model identifies areas where the Issuer could be at risk of potentially committing criminal offenses, and governs the functions and powers of the supervisory committee (*organismo di vigilanza*), both setting its requirements and ensuring adequate information flows towards it. The organizational model further includes a penalty system, ensuring the effectiveness of the model itself, and a "Code of Ethics," which summarizes all the guiding principles that employees and associates of the Issuer are required to comply with.

PRINCIPAL SHAREHOLDERS

Our Principal Shareholders

The Issuer has an authorized share capital of €10,420,470.00 divided into 10,420,470 fully paid shares with a par value of €1.00 each. The Issuer is a wholly-owned direct subsidiary of HoldCo, which is a wholly-owned direct subsidiary of MidCo. Bain Capital currently holds, through its wholly-owned subsidiary TopCo, approximately 73% of the issued share capital of MidCo with the remaining stake of approximately 7% being held by minority shareholders, comprising our Group CEO and our Group General Manager, Corporate and, to a limited extent, the wider management team of the Issuer, and 20% held by Dussur. The rights of Bain Capital and the management team of the Group as shareholders in MidCo are governed by a customary shareholders' agreement. In addition, the rights of Bain Capital and Dussur as shareholders in MidCo are governed by a separate shareholders' agreement. See "*—Shareholders' Agreement Between Bain and Dussur*."

For an overview of our corporate structure see "*Summary—Summary Corporate and Financing Structure*."

Bain Capital

Bain Capital is a leading global private equity firm that advises and manages capital across several asset classes, including private equity, credit, venture capital, and real estate. Since its inception in 1984, Bain Capital and its affiliates have completed over 1,450 primary and add-on investments in more than 415 companies in a broad range of industries. Bain Capital's global team of approximately 820 investment professionals, 85 portfolio professionals and over 1,850 employees creates value for its portfolio companies through its global platform and depth of expertise, managing approximately $205 billion in total and leveraging the firm's shared platform to capture opportunities in strategic areas of focus. The firm not only has a strong track record of investments in the chemical industry, including its investments in Diversey (leading global provider of cleaning and hygiene solutions to institutional and industrial end markets), Feixiang Chemicals (leading Chinese fatty amine and surfactant manufacturer), Innophos (leading North American phosphate manufacturer), IMCD (leading distributor of specialty chemicals in Europe, Asia and Oceania), Brenntag (leading global distributor of specialty and industrial chemicals), but also in transformational investments in Europe, including its investments in Engineering, Cerved, Nexi, TeamSystem and Fedrigoni. Bain Capital's investments in Europe include Stada, Arxada, Kantar and ITP. Bain Capital has investors from across the world that include sovereign wealth funds, public pension funds, foundations, insurance companies, family offices, high-net-worth individuals and funds of funds. Headquartered in Boston, Bain Capital and its affiliates have offices in Chicago, Dublin, Guangzhou, Hong Kong, Lisbon, London, Luxembourg, Madrid, Mauritius, Melbourne, Mumbai, Munich, New York, Osaka, Palo Alto, San Francisco, Seoul, Shanghai, Singapore, Sydney and Tokyo.

Dussur

Dussur is a strategic industrial investment company established by Royal Decree and owned by Public Investment Fund, Saudi Aramco, and SABIC. Dussur invests in sustainable industrial projects, jointly with world class partners, to build strategic industrial value chains, promote economic diversification, and create long term value for its partners, shareholders, and stakeholders.

Shareholders' Agreement Between Bain and Dussur

In connection with the Dussur Investment, certain affiliates of Bain Capital and Dussur have entered into a shareholders' agreement (the "**Shareholders' Agreement**"). The Shareholders' Agreement governs, among other things, the relationship between Bain Capital and Dussur with respect to their interests in MidCo, the indirect parent of the Issuer. The Shareholders' Agreement provides customary minority protections, including the right to require the consent of Dussur or its designated directors in respect of certain customary reserved matters as well as certain matters relating to investments in Saudi Arabia. The Shareholders' Agreement, together with the articles of association of MidCo, also provides for pre-emption rights on the transfer of shares and drag and tag-along rights in the event of a sale of MidCo shares.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In the course of our ordinary business activities, we have entered into intercompany loans, cash pooling arrangements, guarantee and commercial agreements with our shareholders and affiliates.

We believe that all transactions of the Group with affiliated companies and persons have been negotiated and conducted on a basis equivalent to those that would have been achievable on an arm's-length basis, and that the terms of these transactions are comparable to those currently contracted with unrelated third-parties.

Furthermore, we expect that all transactions of the Group with Dussur and any of its affiliates be negotiated and conducted on an arm's-length basis.

For further information, note 31 to our Audited Financial Statements and note 30 to our Unaudited Condensed Financial Statements for further information.

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following is a summary of the material terms of our principal financing arrangements after giving effect to the Transactions, in addition to the Indenture. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the actual agreements. Capitalized terms used in the following summaries and not otherwise defined in this Offering Memorandum have the meanings ascribed to them in their respective agreements.

Revolving Credit Facility Agreement

Overview and Structure

On October 16, 2018, the Issuer as original borrower and original guarantor and, *inter alios*, the Agent (as defined therein), the Security Agent (as defined above) and Original Lenders (as defined therein) entered into the Revolving Credit Facility Agreement, which was amended on December 15, 2021 and amended and restated on March 6, 2023 (the "**Existing Revolving Credit Facility**"). The total aggregate committed amount available under the Existing Revolving Credit Facility Agreement is €107.0 million, having been increased from €70.0 million originally. Certain lenders have entered into the Revolving Credit Facility Amendment and Restatement Agreement pursuant to which they have agreed that, on or prior to the Issue Date and subject to completion of the Offering and the satisfaction of customary conditions precedent, they will participate in an upsize of the total commitments under the Revolving Credit Facility from €107.0 million to €117.0 million by way of the Revolving Credit Facility Amendment and Restatement. As part of the Revolving Credit Facility Amendment and Restatement, the maturity of the Revolving Credit Facility is expected to be extended to the earlier of (x) four years and six months from the Issue Date and (y) the date falling six months prior to the maturity date of the Notes (such earlier date being, the "**RCF Maturity Date**"), and subject to certain exceptions, certain of the incurrence covenants and related definitions are expected to be amended on or about the Issue Date as the Issuer and the Agent (as defined in the Revolving Credit Facility Agreement) consider necessary (each acting reasonably and in good faith) to align certain of the terms of such covenants to the equivalent covenants and definitions of the Notes (to the extent applicable) as will be set out in the Indenture. See "*Summary—The Transactions—Amendment to the Revolving Credit Facility.*" As of September 30, 2025, the Existing Revolving Credit Facility was undrawn.

The Revolving Credit Facility may be utilized by the Issuer and certain of its restricted subsidiaries which accede to the Revolving Credit Facility Agreement as additional borrowers of that facility and may be applied in or towards (directly or indirectly) financing or refinancing the working capital and/or the general corporate purposes of the Group, including, without limitation, (i) the financing or refinancing of capital expenditure, cash overfunding, any permitted acquisitions, investments and joint ventures, operational restructurings and reorganization requirements of the Group, any original issue discount or other fees and any related fees costs and expenses and (ii) the rolling over, financing, refinancing or backstopping of any existing ancillary facilities or bank guarantees or providing cash collateral or other credit support.

The Revolving Credit Facility is available in euros, sterling, U.S. dollars and certain other currencies readily available in the relevant interbank market by the drawing of cash advances, the issue of letters of credit and ancillary facilities (on a bilateral and fronted basis).

The Revolving Credit Facility Agreement shall include, from and including the date on which the Revolving Credit Facility Amendment and Restatement becomes effective (in addition to other permissions under the limitation on indebtedness covenant) the ability (without double counting against the limitation on indebtedness covenant) to incur additional indebtedness under one or more uncommitted additional facilities within the Revolving Credit Facility Agreement up to an aggregate amount of the greater of €138.0 million and 100.0% of Consolidated EBITDA (as defined in the section entitled "*Description of the Notes*").

Availability

The Revolving Credit Facility is available to be utilized to (and including) the date which is one month prior to the maturity date of the Revolving Credit Facility.

Conditions Precedent

Utilizations of the Revolving Credit Facility are subject to customary conditions precedent.

Interest and Fees

Loans under the Revolving Credit Facility initially bear interest at rates per annum equal to, for loans denominated in euro, EURIBOR, or for loans denominated in U.S. dollar, Term SOFR, plus an applicable margin, which in each case will be subject to a decreasing margin ratchet based on the ratio of consolidated senior secured net debt to consolidated *pro forma* EBITDA (the "Consolidated Senior Secured Net Leverage Ratio").

If EURIBOR is less than zero, EURIBOR shall be deemed to be zero in respect of loans made under the Revolving Credit Facility. If Term SOFR is less than zero, Term SOFR shall be deemed to be zero in respect of loans made under the Revolving Credit Facility.

A commitment fee is payable on the aggregate undrawn and uncancelled 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 per annum for the Revolving Credit Facility. Commitment fees are payable quarterly in arrears, on the last day of the availability period for the Revolving Credit Facility and on the date on which the relevant lender cancels its commitment under the Revolving Credit Facility in full.

Default interest is calculated as an additional 1% on the defaulted amount.

Repayments

Upon the Revolving Credit Facility Amendment and Restatement becoming effective, the Revolving Credit Facility is expected to mature on the earlier of (a) four years and six months from the Issue Date and (b) the date falling six months prior to the earliest maturity date applicable to the Notes. Amounts repaid by the borrowers on loans made under the Revolving Credit Facility may be reborrowed, subject to certain conditions.

The Revolving Credit Facility Agreement allows for voluntary prepayments (subject to *de minimis* amounts). The Revolving Credit Facility Agreement also permits each lender to require the mandatory prepayment of all amounts due to that lender upon a "Change of Control."

A "Change of Control" for the purposes of the Revolving Credit Facility is defined as per the Existing Notes and shall be defined, from and including the Issue Date, as per the Notes.

Guarantees and Security

Subject to the agreed security principles that apply to the Revolving Credit Facility Agreement, the Issuer and certain of its material subsidiaries (Italmatch USA, Detrex Corporation, The Elco Corporation, Italmatch GB, and WST) are guarantors in respect of the Revolving Credit Facility on a first ranking basis.

The Revolving Credit Facility is and will continue to be secured on a first-ranking basis by the Collateral and by first-ranking security interests granted by virtue of a special lien (*privilegio speciale*) over certain movable assets of the Issuer in accordance with Article 46 of the Italian Banking Act. See "*Description of the Notes—Security.*"

Subject to certain adjustments and the agreed security principles that apply to the Revolving Credit Facility Agreement, the Issuer is required to ensure that members of the Group that generate at least 80% of Consolidated EBITDA (as defined in the section entitled "*Description of the Notes*") (subject to certain adjustments set out in the Revolving Credit Facility Agreement) are guarantors of the Revolving Credit Facility Agreement on the date when the annual financial statements of the Issuer are required to be delivered to the agent in connection with the Revolving Credit Facility Agreement.

The provision and the terms of the security and guarantees set forth above will in all cases be subject to certain limitations and are at all times and in all cases subject to the requirements of applicable law and the other matters set forth in the Revolving Credit Facility Agreement (and, to the extent such requirement is not satisfied on such test date set out above, the Issuer shall ensure that it is so satisfied within 120 days of such date). In particular, the amount recoverable from an Italian guarantor will not exceed (i) the aggregate principal amount of any facility advanced to it pursuant to the revolving credit facility agreement and (ii) the aggregate amount of any intercompany loans advanced to it by any obligor in each case outstanding at the time of the enforcement of the relevant Guarantee. No Italian guarantor shall moreover be liable for any amount in excess of the amount that such Italian guarantor is entitled to set-off against its claims of recourse or subrogation (*regresso* or *surrogazione*) arising as a result of the enforcement of the relevant Guarantee.

Representations and Warranties

The Revolving Credit Facility Agreement contains certain limited repeating representations and warranties subject to certain customary materiality, actual knowledge and other qualifications, exceptions and baskets, as to: (i) status, (ii) binding obligations, (iii) non-conflict with other obligations, (iv) power and authority, (v) validity and admissibility in evidence and pari passu ranking, (vi) no insolvency, taxation and no proceedings pending or threatened, (vii) no default, financial statements, base case model, acquisition documents and reports, (viii) no liens/guarantees/indebtedness, (ix) legal and beneficial ownership, (x) intellectual property, (xi) centre of main interests and compliance with sanctions and anti-corruption laws, (xii) no breach of laws, (xiii) good title to assets and (xiv) shares.

Certain representations and warranties are made on the date of each utilization, on the first day of each interest period (other than in the case of roll over cash drawings) and at certain other times.

Covenants

The Revolving Credit Facility Agreement contains certain of the incurrence covenants and related definitions (with certain adjustments and exceptions) under the indenture relating to the Existing Notes and the Issuer intends that the Revolving Credit Facility Agreement shall be amended to contain, promptly following the Issue Date, certain of the incurrence covenants and related definitions (with certain adjustments and exceptions) under the Indenture and the Notes.

The Revolving Credit Facility Agreement also requires the Issuer and certain of its restricted subsidiaries to observe certain other customary positive and negative covenants, subject to certain exceptions and grace periods, including covenants relating to (i) authorizations, (ii) compliance with laws; (iii) provision of guarantees and security and further assurance, (iv) compliance with sanctions, anti-money laundering and anti-corruption laws and (v) center of main interests.

The Revolving Credit Facility Agreement also contains a "note purchase condition" covenant which provides that subject to certain exceptions set out in the Revolving Credit Facility Agreement, the Issuer may not, and shall procure that no restricted subsidiary will, repay, prepay, purchase, defease, redeem or otherwise directly or indirectly acquire or retire the principal amount of the Notes (or, in each case, any replacement or refinancing thereof as permitted under the Revolving Credit Facility Agreement from time to time). The exceptions to such covenant include (among other things) payments that do not exceed 50% of the aggregate original principal face value amount of the Notes as at the Issue Date (the "**Notes Purchase Basket**") or to the extent the aggregate principal face value amount exceeds the Notes Purchase Basket, an amount of the commitments under the Revolving Credit Facility are cancelled or prepaid in the same proportion by which the Notes in excess of the Notes Purchase Basket are prepaid or redeemed or otherwise returned for value, until the commitments under the Revolving Credit Facility (and any additional facility established under the Revolving Credit Facility Agreement) are reduced to €50,000,000 (or its equivalent in any other currency or currencies).

In addition, the Revolving Credit Facility Agreement includes a financial covenant requiring the drawn super senior leverage ratio not to exceed a ratio set at 1.50:1.00 (the "**Drawn Super Senior Leverage Ratio**"). The Drawn Super Senior Leverage Ratio is calculated as the ratio of the aggregate principal amount of all outstanding drawn loans under the Revolving Credit Facility, less the aggregate amount of cash, cash equivalents and temporary cash investments held by the Group (the "**Drawn Super Senior Facilities Debt**") to consolidated *pro forma* EBITDA for the twelve month period preceding the relevant quarterly testing date and is tested quarterly on a rolling basis, subject to the aggregate amount of the outstanding loans under the Revolving Credit Facility (and any additional facility established under the Revolving Credit Facility Agreement) (excluding (i) any utilizations by way of letters of credit (or bank guarantees), (ii) any utilization of any ancillary facilities (iii) any loan under the Revolving Credit Facility utilized on or prior to the Italmatch Acquisition Closing Date and (iv) any amounts utilized to fund any original issue discount) less the aggregate amount of any cash, cash equivalents and temporary cash investments being greater than 35% of the total commitments under the Revolving Credit Facility (and any additional facility established under the Revolving Credit Facility Agreement) on the relevant test date (or, if higher, such total commitments at the date of entry into the Revolving Credit Facility Agreement (and, in either case, adjusted to disregard any reduction or cancellation of the total commitments after the Italmatch Acquisition Closing Date)). The Drawn Super Senior Leverage Ratio only acts as a draw stop to new drawings under the Revolving Credit Facility and, if breached, will not trigger a default or an event of default under the Revolving Credit Facility Agreement.

The Drawn Super Senior Leverage Ratio is based on the definitions and adjustments in the Revolving Credit Facility Agreement, which may differ from similar definitions in the Indenture and the equivalent definitions described in this offering memorandum.

The Revolving Credit Facility Agreement contains an equity cure provision enabling the shareholders of the Issuer to make shareholder injections by way of debt and/or equity to the Issuer to be (i) added to consolidated *pro forma* EBITDA, (ii) taken into account when calculating Drawn Super Senior Facilities Debt or (iii) taken into account when calculating if the Test Condition (as defined in the Revolving Credit Facility Agreement) has been met. The equity cure right for cures under paragraphs (i) and (ii) above may not be exercised in aggregate on more than five occasions during the term of the Revolving Credit Facility and may not be exercised in consecutive quarters. The equity cure right for cures under paragraph (iii) above may be exercised in consecutive quarters and there is no limit on how many occasions it can be used.

Events of Default

The Revolving Credit Facility Agreement provides for substantially the same events of default as under the Existing Notes and, from and including the Issue Date, the Notes. In addition, the Revolving Credit Facility Agreement provides for additional events of default, subject to customary materiality qualifications and grace periods, including (i) inaccuracy of a representation or statement when made, (ii) repudiation, rescission, invalidity and unlawfulness of the Revolving Credit Facility financing documents and (iii) material failure to comply with the Intercreditor Agreement by certain parties.

Governing Law

The Revolving Credit Facility Agreement and any non-contractual obligations arising out of or in connection with it, are governed by, construed in accordance with and will be enforced in accordance with English law although certain of the information undertakings, the restrictive covenants, certain of the events of default and related definitions scheduled to the Revolving Credit Facility Agreement will be interpreted in accordance with New York law (without prejudice to the fact that the Revolving Credit Facility Agreement is governed by English law).

Intercreditor Agreement

General

On October 16, 2018, the Issuer, the Original Super Senior Agent, the Original Senior Secured Notes Trustee and the Security Agent (each term as defined therein), amongst others, entered into an intercreditor agreement (the "**Intercreditor Agreement**") to establish the relative rights of certain of our creditors under our financing arrangements which is expected to be amended and restated on or about the Issue Date by the Intercreditor Amendment and Restatement Agreement. The Notes, together with the Existing Notes, shall constitute "Senior Secured Notes" under the intercreditor agreement. The issuance of the Notes will be classified as a New Debt Financing (as described below) upon certain conditions being fulfilled under the Intercreditor Agreement (including, amongst other things, the delivery of a certificate designating the Notes as "Senior Secured Notes"). The Trustee will accede to the Intercreditor Agreement on or prior to the Issue Date as an Agent and a Senior Secured Notes Trustee (as each term is defined in the Intercreditor Agreement).

By accepting a Note, holders of the Notes will be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement.

The Intercreditor Agreement is governed by English law and sets out various matters governing the relationship of the creditors to our group including the relative ranking of certain debts of the Issuer, the Guarantor and any other person that becomes party to the Intercreditor Agreement as a Debtor (as defined below) or Third Party Security Provider, when payments can be made in respect of debt of the Debtors or Third Party Security Providers, when enforcement action can be taken in respect of that debt, the terms pursuant to which certain of that debt will be subordinated, including upon the occurrence of certain insolvency events and turnover provisions and provisions related to the enforcement of shared security.

The following description is a summary of certain provisions contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety and we urge you to read that document because it, and not the discussion that follows, defines certain rights of the holders of the Notes and of the Trustee. Capitalized terms used but not defined herein have the meanings given to them in the Intercreditor Agreement.

For the purposes of this description:

"**Senior Secured Group**" shall mean the Issuer and any of its restricted subsidiaries from time to time.

References to the "Senior Secured Notes" shall include the Notes and any other notes, securities or other debt instruments issued or to be issued by or in relation to which a New Debt Financing has been made available to or by a member of the Senior Secured Group which are designated by the Issuer as Senior Secured Notes under the Intercreditor Agreement and references to the "Topco Notes" shall include any notes, securities or other debt instruments issued or to be issued by or in relation to which a New Debt Financing has been made available to or by a Topco Borrower which are designated by the Issuer as Topco Notes.

The Intercreditor Agreement uses the term the "Company" to refer to the Issuer and "Senior Secured Notes Liabilities" to refer to the Notes and certain other indebtedness of the Issuer, the other Debtors and the Third Party Security Providers, and "Topco" to refer to (i) Fire (BC) Holdco Limited as "Original TopCo" and (ii) any person that becomes a direct shareholder of the Issuer and which has acceded to the Intercreditor Agreement as a Topco.

Ranking and Priority

Priority of Debts

The Intercreditor Agreement provides that the liabilities owed by the Issuer and each other debtor (under the Intercreditor Agreement) (together, the "**Debtors**") (other than TopCo and any member of the Senior Secured Group which is designated as a Topco Borrower under the Intercreditor Agreement (a "**Topco Borrower**")) shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

(i) first, liabilities owed to (i) the lenders, issuing banks and ancillary lenders in relation to any senior secured facilities agreements (a "**Permitted Senior Secured Facilities Agreement**") (the "**Senior Lender Liabilities**"),

(ii) the lenders, issuing banks, and ancillary lenders in relation to the Revolving Credit Facility Agreement or any future super senior facilities agreement (a "**Permitted Super Senior Secured Facilities Agreement**") and any hedge counterparty under a hedging agreement that is designated by the Issuer as super senior (together the "**Super Senior Liabilities**" and creditors thereof being the "**Super Senior Creditors**"), (iii) the Trustee and any trustee in relation to future senior secured notes (each a "**Senior Secured Notes Trustee**") (other than certain amounts paid to it in its capacity as trustee), the holders of the Notes and any future senior secured notes (the "**Senior Secured Notes**") and the Security Agent in relation to the Senior Secured Notes (the "**Senior Secured Notes Liabilities**"), (iv) the lender under any future loan made by the issuer of any Senior Secured Notes (if so designated by the Issuer in its discretion and not including, for the avoidance of doubt, the Issuer) to a member of the Group for the purposes of on lending the proceeds of any Senior Secured Notes together with any additional or replacement loan made on substantially the same terms (the "**Senior Secured Notes Proceeds Loan Liabilities**"), (v) the arrangers, agents, issuing banks and lenders under any cash management facility (a "**Cash Management Facility**" and the liabilities under a Cash Management Facility being the "**Cash Management Facility Liabilities**"), (vi) the hedge counterparties in relation to any hedging agreements that are not Super Senior Liabilities (the "***Pari Passu* Hedging Liabilities**") (together with the hedging designated by the Issuer as being Super Senior Liabilities, the "**Hedging Liabilities**"), (vii) the lenders in relation to any future second lien facility agreement (a "**Second Lien Facility Agreement**" and the liabilities to the lenders under a Second Lien Facility Agreement being the "**Second Lien Lender Liabilities**"), (viii) any second lien notes trustee (other than certain amounts paid to it in its capacity as trustee), the holders of any future second lien notes and the Security Agent in relation to any second lien notes (such second lien notes being "**Second Lien Notes**" and the liabilities in respect of such Second Lien Notes being the "**Second Lien Notes Liabilities**" and together with the Second Lien Lender Liabilities, the "**Second Lien Liabilities**"), (ix) any agent or trustee under any finance documents relating to any of the aforementioned liabilities, any agent or trustee under the Topco Liabilities (as defined below) and to any agent or trustee in relation to certain other unsecured liabilities (together the "**Agent Liabilities**"), (x) the Security Agent, *pari passu* and without any preference between them and (xi) in each case, together with any applicable liabilities owed to any arranger (the "**Arranger Liabilities**") in respect thereof; and

(ii) second, all liabilities owed (i) to the trustee (other than certain amounts paid to it in its capacity as Trustee), and the holders of any future notes issued by or in relation to which a New Debt Financing (as defined herein) has been made available to or by a Topco Borrower and designated by the Issuer as Topco Notes and the Security Agent in relation to such Topco Notes (the "**Topco Notes Liabilities**"), (ii) under any future loan facility made available to any Topco Borrower (the "**Topco Facility Liabilities**" and together with the Topco Notes Liabilities, the "**Topco Liabilities**"), and (iii) the liabilities owed under any future loan (a "**Topco Proceeds Loan**") made by any Topco Borrower for the purpose of on lending the proceeds of any Topco Notes or Topco Loans (the "**Topco Proceeds Loan Liabilities**"), *pari passu* and without any preference between them.

The Intercreditor Agreement provides that the liabilities owed by any Topco Borrower to the Secured Parties (as defined below) shall rank *pari passu* in right and priority of payment and without any preference between them in respect of (i) the Senior Lender Liabilities, (ii) the Super Senior Liabilities, (iii) the Senior Secured Notes Liabilities, (iv) the Cash Management Facility Liabilities, (v) the Hedging Liabilities, (vi) the Second Lien Lender Liabilities, (vii) the Second Lien Notes Liabilities, (viii) the Topco Liabilities and (ix) the Topco Proceeds Loan Liabilities (in each case, together with the applicable Arranger Liabilities and the Agent Liabilities in respect thereof).

The Intercreditor Agreement provides that the intra-group liabilities owed by one member of the Senior Secured Group to another member of the Senior Secured Group (other than any Subordinated Liabilities (as defined below), Senior Secured Notes Proceeds Loan Liabilities or Topco Proceeds Loan Liabilities) (the "**Intra-Group Liabilities**") will be subordinated to the liabilities owed by the Debtors and Third Party Security Providers to the creditors under the Senior Lender Liabilities, Super Senior Liabilities, Senior Secured Notes Liabilities, Cash Management Facility Liabilities, Hedging Liabilities, Second Lien Lender Liabilities and Second Lien Notes Liabilities, Agent Liabilities and Arranger Liabilities (such creditors, together with the Security Agent, any receiver or delegate, any creditor of the Agent Liabilities and any arranger with respect to the Secured Liabilities, the "**Secured Parties**").

The Intercreditor Agreement also provides that the liabilities owed by any member of the Senior Secured Group (other than any Topco Proceeds Loan Liabilities) to a holding company of the Issuer or to any other person who becomes a subordinated creditor (a "**Subordinated Creditor**") under the Intercreditor Agreement (the "**Subordinated Liabilities**") will be subordinated to the liabilities owed by the Debtors and Third Party Security Providers to the Secured Parties, the unsecured liabilities of any unsecured creditors who are party to the Intercreditor Agreement (the "**Unsecured Creditors**") and to the Intra-Group Liabilities.

For the purposes of this description only:

"**Debt Documents**" means the Intercreditor Agreement, the Security Documents, and the documents creating or evidencing the Cash Management Facility Liabilities, the Hedging Liabilities, the Second Lien Liabilities, the Senior Secured Liabilities (as defined below), any Senior Secured Notes Proceeds Loan Liabilities, the Topco Liabilities, the

Topco Proceeds Loan Liabilities, the liabilities owed to the Unsecured Creditors, the Subordinated Liabilities and the Intra-Group Liabilities (each as defined in this description) and any other document designated as such by the Security Agent and the Issuer.

"**Finance Documents**" means the Revolving Credit Facility Agreement, any Permitted Senior Secured Facilities Agreement, any Permitted Super Senior Secured Facilities Agreement, the indenture in respect of the Notes, the indenture in respect of any future Senior Secured Notes, any Second Lien Facility Agreement, the indenture in respect of any Second Lien Notes, the facility agreement or other document or instrument documenting any Topco Facility (as defined in the Intercreditor Agreement), the indenture in respect of any Topco Notes and any document designated by the Issuer as an unsecured finance document under and in accordance with the Intercreditor Agreement.

"**Secured Creditors**" means the Senior Secured Creditors (as defined below), the Second Lien Creditors (as defined in the Intercreditor Agreement) and the Topco Creditors (each as defined below).

"**Secured Debt Documents**" means the documents relating to the Senior Secured Liabilities, the Second Lien Liabilities, the Topco Liabilities and the Hedging Liabilities.

"**Senior Secured Group**" shall mean the Issuer and any of its restricted subsidiaries from time to time.

"**Third Party Security Provider**" means Topco and any person that has provided Transaction Security (including Topco Shared Security) but is not a Debtor in respect of any direct borrowing or guarantee liabilities of the applicable secured obligations to which that Transaction Security relates (other than Topco Liabilities) and which is designated by the Issuer (in its discretion).

"**Transaction Security**" refers to security (from the Senior Secured Group, any Third Party Security Provider and Topco Shared Security (but excluding, for the avoidance of doubt, Topco Independent Transaction Security) as defined below) which is created, or expressed to be created, in favor of the Security Agent as agent or trustee for the other Secured Parties (or if such trustee arrangements are not legally possible, in favor of all the Secured Parties or in favor of the Security Agent under a parallel debt or similar structure). Transaction Security which is not Topco Shared Security shall secure all liabilities and present and future obligations of the Debtors and Third Party Security Providers to the Secured Parties (other than the creditors under the Topco Liabilities (the "**Topco Secured Parties**")) under the Debt Documents (other than the finance documents relating to the Topco Liabilities (the "**Topco Finance Documents**")).

"**Topco Shared Security**" refers to security at any time which is created, or expressed to be created, over each of (i) the shares in the Issuer held by any direct shareholder of the Issuer, (ii) all receivables owed by the Issuer to a Topco Investor (as defined below), Subordinated Creditor or other Holding Company (as defined in the Intercreditor Agreement) or shareholder of the Issuer (including any Topco Proceeds Loan and the Topco Proceeds Loan Liabilities), (iii) the shares in any Topco Borrower which is a member of the Senior Secured Group, (iv) all receivables owed by a member of the Senior Secured Group under any Topco Proceeds Loan, (v) any escrow account relating to the proceeds of any Topco Liabilities and (vi), any other assets not falling within limbs (i), (ii), (iii), (iv) and (v) of this paragraph of a Topco Borrower which is not a member of the Senior Secured Group, and (to the extent that the Issuer has confirmed to the Security Agent that the granting of such security in favor of the Topco Shared Security Secured Obligations (as defined in the Intercreditor Agreement) is expressly permitted by any applicable prior ranking financing agreements) any other member of the Senior Secured Group in each case to the extent provided for by the Topco Finance Documents at any time and designated as Topco Shared Security by the Issuer (in its discretion) in favor of the Security Agent as agent or trustee for the other Secured Parties (or if such trustee arrangements are not legally possible, in favor of all the Secured Parties or in favor of the Security Agent under a parallel debt or similar structure). Topco Shared Security shall secure all liabilities and present and future obligations of each Topco Borrower that is not a member of the Senior Secured Group and each of its Restricted Subsidiaries (as defined in the documents governing the relevant Topco Notes or Topco Facility (as the case may be)) (the "**Topco Group**"), each Debtor and each Third Party Security Provider to the Secured Parties under the Secured Debt Documents.

"**Topco Independent Transaction Security**" refers to security (other than Transaction Security) which is created, or expressed to be created, by Topco or any Topco Borrower or its affiliates (in each case, other than a member of the Senior Secured Group) and designated as such by the Issuer (in its discretion) (together, the "**Topco Independent Obligors**") in favor of the Security Agent as agent or trustee for the other Topco Secured Parties (or if such trustee arrangements are not legally possible, in favor of all the Topco Secured Parties or in favor of the Security Agent under a parallel debt or similar structure). Topco Independent Transaction Security shall secure all liabilities and present and future obligations of each Topco Independent Obligor to the Topco Secured Parties under the Topco Finance Documents.

The Notes and the Guarantees will be Senior Secured Notes Liabilities for the purposes of the Intercreditor Agreement. On the Issue Date, no Second Lien Lender Liabilities, Second Lien Notes Liabilities or Topco Liabilities will be outstanding. Such liabilities and liabilities in respect of other new debt financings may only be incurred and/or designated if not prohibited under the terms of the Debt Documents, including, without limitation, the covenants applicable to the Notes described under "*Description of the Notes—Certain Covenants*."

Guarantees and Security: Topco Creditors

The creditors in respect of the Topco Liabilities (the "**Topco Creditors**") have the right to take, accept or receive the benefit of:

(i) any Topco Shared Security from any member of the Senior Secured Group or from a Third Party Security Provider in respect of the Topco Liabilities if and to the extent legally possible and subject to any Agreed Security Principles (as defined in the Intercreditor Agreement), at the same time it is also offered either:

(A) to the Security Agent as agent or trustee for the other Secured Parties (or applicable class thereof) in respect of their Liabilities (as defined in the Intercreditor Agreement); or

(B) in the case of any jurisdiction in which effective security cannot be granted in favor of the Security Agent as agent or trustee for the Secured Parties (or applicable class thereof):

(1) to the other Secured Parties (or applicable class thereof) in respect of their Liabilities; or

(2) to the Security Agent under a parallel debt structure, joint and several creditor structure or agency structure for the benefit of the other Secured Parties (or applicable class thereof),

and ranks in the same order of priority as described under "*—Priority of Debts*" or "*—Priority of Security*" above, provided that all amounts received or recovered by any Topco Creditor with respect to such Topco Shared Security are paid to the Security Agent for application as set out under "*—Application of Proceeds*" below immediately;

(ii) any guarantee, indemnity or other assurance against loss from any member of the Senior Secured Group in respect of the Topco Liabilities in addition to any guarantee, indemnity or assurance in the original form of any Topco Finance Documents or the Intercreditor Agreement, or given to all the Secured Parties as security for the liabilities of the Topco Group, each Debtor and any Third Party Security Provider to the Secured Parties under the Debt Documents if, subject to any Agreed Security Principles (as defined in the Intercreditor Agreement):

(A) (except for any guarantee, indemnity or other assurance permitted by the Finance Documents), the Secured Parties other than the Topco Creditors (the "Priority Secured Parties") already benefit from such a guarantee, indemnity or other assurance or at the same time it is also offered to the Priority Secured Parties and ranks in the same order of priority as described under "*—Priority of Debts*" above, as applicable; and

(B) all amounts received by any Topco Creditor with respect to such guarantee, indemnity or assurance are paid to the Security Agent for application as set out under "*—Application of Proceeds*" below; and

(iii) any security, guarantee indemnity or other assurance from any member of the Topco Group:

(A) in connection with any escrow or similar arrangements relating to amounts held by a person which is not a member of the Topco Group prior to release of those amounts to a member of the Topco Group;

(B) in connection with any actual or proposed defeasance, redemption, prepayment, repayment, purchase or other discharge of any Secured Liabilities not prohibited by the Intercreditor Agreement; or

(C) as otherwise permitted by the Intercreditor Agreement.

No security (other than Topco Independent Transaction Security or Topco Shared Security or as described above) shall be granted by a member of the Senior Secured Group in respect of any Topco Liabilities.

New Debt Financing

The Intercreditor Agreement provides, subject to certain conditions, for the implementation of existing, additional, supplemental or new financing arrangements that will constitute, for the purposes of the Intercreditor Agreement, Senior Lender Liabilities, Senior Secured Notes Liabilities, Cash Management Facility Liabilities, Hedging Liabilities, Second Lien Liabilities, Topco Liabilities, Super Senior Liabilities or Hedging Liabilities (each a "**New Debt Financing**"). The conditions include certification by the Issuer that such New Debt Financing is not prohibited under the terms of the Finance Documents.

Such financing arrangements may be implemented by way of refinancing, replacement, exchange, set-off, discharge or increase of any such new, existing, additional, supplemental or new financing arrangement under the relevant finance documents. In connection with and in order to facilitate any New Debt Financing, each agent in respect of any Priority Secured Liabilities and the Security Agent (and each other person party to a Transaction Security document or a Topco Independent Transaction Security document) is authorized and instructed to enter promptly into any new security document, amend or waive any term of an existing security document and/or release any asset from the Transaction Security or Topco Independent Transaction Security (as the case may be) subject to certain conditions, including as regards the terms of such security (which shall be, unless otherwise agreed by the Issuer or otherwise required by the Issuer to the extent that the existing Transaction Security or Topco Independent Transaction Security is not being amended or released and the new Transaction Security or new Topco Independent Transaction Security only secures the New Debt Financing, substantially the same as the terms applicable to the existing Transaction Security or Topco Independent Transaction Security over equivalent assets).

Where any indebtedness ("**Permitted Acquired Indebtedness**") which is not prohibited under the Finance Documents is incurred by or in connection with the acquisition of (i) a person or any of its subsidiaries who, after the Closing Date (as defined in the Intercreditor Agreement), becomes a Restricted Subsidiary of the Issuer or merges, consolidates or is otherwise combined with a Restricted Subsidiary of the Issuer, or (ii) in relation to an asset of any such person or which is otherwise acquired after the Closing Date (together an "**Acquired Person or Asset**"), any security, guarantee, indemnity or other assurance against loss in respect of such New Debt Financing which is subsisting at the date when the conditions to the incurrence of such New Debt Financing set out in the Intercreditor Agreement have been satisfied (or is to be granted thereafter, including subject to any condition or periodic testing) shall be permitted to subsist and there is no requirement to offer that security, guarantee, indemnity or other assurance in respect of any other liabilities under any Debt Document. No security, guarantee, indemnity or other assurance against loss is required to be given by any member of the Topco Group in respect of any liabilities (including under any Debt Document) (i) over any Acquired Person or Asset if this would breach a contractual undertaking applicable to the Topco Group or is excluded or exempt from being given under the Agreed Security Principles (as defined in the Intercreditor Agreement), (ii) over any asset required (including subject to any condition) to provide credit support in relation to any Permitted Acquired Indebtedness (other than as a result of any obligation to extend any Transaction Security ratably for the benefit of such Permitted Acquired Indebtedness), or (iii) where the grant of such security, guarantee, indemnity or other assurance against loss is prevented by the documentation relating to such Permitted Acquired Indebtedness or would give rise to an obligation (including any payment obligation but not including an obligation to extend any Transaction Security ratably for the benefit of such Permitted Acquired Indebtedness) under or in relation thereto.

Permitted Payments

Permitted Payments in Respect of the Senior Debt and Super Senior Debt

The Debtors and Third Party Security Providers may make payment in respect of the Senior Lender Liabilities, Senior Secured Notes Liabilities, Super Senior Liabilities and Cash Management Facility Liabilities (together with the Hedging Liabilities, the "**Senior Secured Creditor Liabilities**", the creditors in respect thereof being the "**Senior Secured Creditors**") at any time, provided that following certain acceleration events under the Revolving Credit Facility Agreement or any Permitted Senior Secured Facilities Agreement or Senior Secured Notes Indenture or Permitted Super Senior Secured Facilities Agreement or following certain insolvency events in relation to a member of the Senior Secured Group, payments may only be made by Debtors or Third Party Security Providers and received by creditors in accordance with the provisions described below under "*—Application of Proceeds*" (and provided that certain payments shall be subject to certain turnover obligations).

Any failure to make a payment in accordance with the finance documents in respect of the Senior Secured Liabilities (the "**Senior Secured Finance Documents**") following an acceleration event as required by the Intercreditor Agreement shall not prevent the occurrence of an event of default under such applicable Senior Secured Finance Documents.

Permitted Payments in Respect of the Second Lien Debt

Prior to the later of the Super Senior Discharge Date (as defined below) and the date on which all of the Senior Lender Liabilities, the Cash Management Facility Liabilities, the *Pari Passu* Hedging Liabilities (together, the "**Senior Liabilities**") and the Senior Secured Notes Liabilities have been discharged (the "**Senior Secured Discharge Date**"), (together, the Super Senior Liabilities, the Senior Liabilities and the Senior Secured Notes Liabilities comprise the "**Senior Secured Liabilities**" and, together with the Second Lien Liabilities and Topco Liabilities, comprise the "**Secured Liabilities**"), the Debtors may only make specified scheduled payments in respect of the Second Lien Liabilities, in accordance with the finance documents governing such Second Lien Liabilities, subject to compliance with certain conditions in the Intercreditor Agreement.

The principal conditions are (i) that the relevant payment is (1) a payment of principal or capitalized interest that is not prohibited by any prior ranking financing agreement, including the Revolving Credit Facility Agreement or any Permitted Super Senior Secured Facilities Agreement, Permitted Senior Secured Facilities Agreement and any Senior

Secured Notes Indenture (or if it is so prohibited, that all necessary consents have been obtained to permit it), (2) any other amounts including all scheduled interest payments (including, if applicable, specialist interest (or liquidated damages)) and default interest on the Second Lien Liabilities accrued and payable but not included in accordance with the terms of the relevant Second Lien Finance Document (as defined in the Intercreditor Agreement) (as at the date of the issue of the same or as amended in accordance with the terms of the Intercreditor Agreement and the other Debt Documents), additional amounts payable as a result of the tax gross-up provisions relating to the Second Lien Liabilities and amounts in respect of currency indemnities in any Second Lien Finance Document, (3) made in pursuance of a debt buy-back programme in relation to Second Lien Liabilities that was established with the approval of the Majority Senior Secured Creditors and the Majority Super Senior Creditors, or (4) of any amount due under any syndication strategy letter relating to any Second Lien Facility Agreement or any Second Lien Notes Indenture (as defined in the Intercreditor Agreement), (ii) no payment stop notice has been issued to the agent or trustee for the relevant Second Lien Liabilities and (iii) no payment default (subject to a *de minimis* threshold in the case of amounts other than principal, interest or certain fees) is continuing under the Revolving Credit Facility Agreement or any Permitted Senior Secured Facilities Agreement, Permitted Super Senior Secured Facilities Agreement, Cash Management Facility document or Senior Secured Notes document.

Certain specified payments in respect of Second Lien Liabilities are also permitted at all times, notwithstanding that a payment stop notice is outstanding or such a payment default is continuing. These payments and basket amounts are substantially similar to those referenced for Topco Liabilities in (ii) of the next paragraph.

Permitted Payments in Respect of Topco Liabilities

Prior to the date which is the later of the Senior Secured Discharge Date and the first date (the "**Second Lien Discharge Date**") on which all Second Lien Liabilities have been discharged (the "**Priority Discharge Date**"), the Issuer, Topco Borrowers, Third Party Security Providers and other members of the Senior Secured Group may only make specified scheduled payments (including any other direct or indirect step, matter, action or dealing in relation to any Topco Liabilities otherwise prohibited under the Intercreditor Agreement) under the Topco Liabilities or under any Topco Proceeds Loan (together the "**Topco Group Liabilities**") to the Topco Creditors or any holding company of the Issuer or other lender in respect of a Topco Proceeds Loan (in respect of the Topco Proceeds Loan Liabilities only) (such payments, collectively, "**Permitted Topco Payments**"):

(i) if:

(A) no Topco Payment Stop Notice (as defined below) is outstanding;

(B) no payment default (subject to a *de minimis* threshold in the case of amounts other than principal, interest or certain fees) has occurred and is continuing under any Permitted Senior Secured Facilities Agreement, Permitted Super Senior Secured Facilities Agreement, Cash Management Facility document or Senior Secured Notes document (a "**Senior Secured Payment Default**"), or under the Second Lien Facilities or Second Lien Notes (a "**Second Lien Payment Default**"); and

(C) the payment is of (1) any amount of principal or capitalized interest in respect of the Topco Liabilities which is not prohibited by any prior ranking financing agreements (in respect of the Senior Secured Liabilities and the Second Lien Liabilities), or any required consents to permit such payment have been obtained, (2) any other amount including all scheduled interest payments (including, if applicable, special interest (or liquidated damages)) and default interest on the Topco Liabilities accrued and payable but not included in accordance with the terms of the relevant Topco Finance Document (as at the date of the issue of the same or as amended in accordance with the terms of the Intercreditor Agreement and the other Debt Documents), additional amounts payable as a result of the tax gross-up provisions relating to Topco Liabilities and amounts in respect of currency indemnities in any Topco Finance Document, (3) made in pursuance of a debt buy-back program in relation to Topco Liabilities approved by the Majority Senior Secured Creditors, Majority Super Senior Creditors and Majority Second Lien Creditors (each as defined below), or (4) amounts due under any syndication strategy letter relating to the Topco Finance Documents;

(ii) if, notwithstanding that a Topco Payment Stop Notice (as defined below) is outstanding and/or (other than in respect of paragraph (M) below) a Senior Secured Payment Default and/or a Second Lien Payment Default has occurred and is continuing and (if the Topco Borrower is a guarantor or borrower under any prior ranking debt facilities at such time, other than in respect of paragraph (K) below) irrespective of whether any creditors under prior ranking debt facilities have accelerated their debt, the payment is not prohibited to be made at such time by any prior ranking financing agreements (in respect of the Senior Secured Liabilities and the Second Lien Liabilities), or the payment is (without double counting any equivalent applicable basket in any Debt Document, but whether or not permitted by the Debt Documents): (A) of ongoing fees under any original fee letter relating to the Topco Finance Documents, (B) of commercially reasonable advisory and professional fees for restructuring advice and valuations (including legal advice and the advice of other appropriate financial and/or restructuring advisors) and a Topco Agent's (as defined below) fees, costs and expenses not included in (A) above not exceeding €1,500,000, but excluding the costs of any litigation against a Senior Secured Creditor or Second Lien Creditor (or their affiliates), (C) of any amounts owed to a Topco Agent (as defined below), (D) of costs necessary to protect, preserve or enforce security, (E) of any costs, commissions, taxes, premiums, amendment fees (including any original issue discount and other consent and/or waiver fees) and any expenses incurred in respect of (or reasonably incidental to) the Topco Finance Documents (including in relation to any reporting or listing requirements under the Topco Finance Documents), (F) of any other amount not exceeding €2,500,000 in aggregate in any twelve month period, (G) of any amount of the Topco Liabilities which would have been payable but for the issue of a Topco Payment Stop Notice (which has since expired and no new Topco Payment Stop Notice is outstanding) which has been capitalized and added to the principal amount of the Topco Liabilities or where that amount is outstanding as a result of the accrual of cash interest payable in respect of the Topco Liabilities during such period or any such amount described at (i)(C) above, provided that no such payment may be made if certain events of default have occurred in relation to the Senior Secured Liabilities or Second Lien Liabilities or would occur as a result of making such payment, (H) for as long as an event of default in relation to the Senior Secured Liabilities, Second Lien Liabilities or Topco Group Liabilities which is continuing, all or part of the Topco Liabilities being released or otherwise discharged solely in consideration for the issue of shares in any holding company of the Issuer (a "**Debt for Equity Swap**") provided that no cash or cash equivalent payment is made in respect of the Topco Liabilities, that it does not result in a Change of Control as defined in any prior ranking finance agreement or Topco Finance Document and that any Liabilities owed by a member of the Senior Secured Group to another member of the Senior Secured Group, to the Subordinated Creditors or to any other holding company of the Issuer that arise as a result of any such Debt for Equity Swap are subordinated to the Senior Secured Liabilities and Second Lien Liabilities pursuant to the Intercreditor Agreement and the Senior Secured Creditors and Second Lien Creditors are granted Transaction Security in respect of any of those Intra-Group Liabilities or Subordinated Liabilities owed by any member of the Senior Secured Group, (I) of non-cash interest made by way of capitalizing interest or issuing a non-cash-pay instrument which is subordinated to the Priority Secured Liabilities (as defined below) on the same terms as the Topco Liabilities, (J) if the payment is funded directly or indirectly with the proceeds of Topco Liabilities incurred under or pursuant to any Topco Finance Documents, (K) if the payment is made by the Topco Borrower in respect of its obligations under the Topco Finance Documents, and such payment is not directly or indirectly sourced from a member of the Senior Secured Group or such payment is funded from proceeds received by the Topco Borrower from the Senior Secured Group without breaching the terms of the Debt Documents, unless the Topco Borrower is a guarantor or borrower of any prior ranking debt facilities at such time and any such prior ranking debt facility has been accelerated or an Insolvency Event has occurred; (L) if the payment is of a principal amount of the Topco Liabilities and made in accordance with a provision in a Topco Finance Document relating to prepayment upon illegality or in relation to the prepayment of a single lender in the event of a tax gross-up, increased costs or other indemnity becoming payable and (M) if no Senior Secured Payment Default or Second Lien Payment Default has occurred and is continuing the payment is a payment of principal, interest or any other amounts made on or after the final maturity date of the relevant Topco Liabilities (provided that such maturity date is no earlier than that contained in the original form of the relevant Topco Finance Document as of the date of first issuance or borrowing (as the case may be) of the applicable Topco Liabilities); or

(iii) if the Majority Senior Secured Creditors, the Majority Super Senior Creditors and the Majority Second Lien Creditors (each as defined below) give prior consent to that payment being made.

On or after the Priority Discharge Date, the Debtors, the Topco Borrowers and the Third Party Security Providers may make payments in respect of the Topco Group Liabilities in accordance with the Topco Finance Documents and the Topco Proceeds Loan Agreement (as applicable).

Topco Liabilities Payment Block Provisions

A Topco Payment Stop Notice (as defined below) is outstanding from the date on which, following the occurrence of an event of default under any Senior Secured Liabilities (a "**Senior Secured Event of Default**") or an event of default under the Second Lien Liabilities (a "**Second Lien Event of Default**"), the Security Agent acting on the instructions of the Majority Super Senior Creditors, the Majority Senior Secured Creditors or the Majority Second Lien Creditors (each as defined below) issues a notice (a "**Topco Payment Stop Notice**") to the agent under any Topco Facility (the "**Topco Agent**") and the trustee under any Topco Notes (the "**Topco Notes Trustee**") advising that the Senior Secured Event of Default or Second Lien Event of Default has occurred and is continuing and suspending payments by the Senior Secured Group of the Topco Liabilities, until the first to occur of:

(i) the date falling 179 days after delivery of that Topco Payment Stop Notice;

(ii) the date on which a default occurs for failure to pay principal at the original scheduled maturity of the relevant Topco Liabilities;

(iii) if a Topco Standstill Period (as defined below) commences after delivery of that Topco Payment Stop Notice, the date on which such standstill period expires;

(iv) the date on which the relevant Senior Secured Event of Default or Second Lien Event of Default has been remedied or waived in accordance with the applicable Senior Secured Finance Documents or the finance documents in respect of the Second Lien Liabilities;

(v) the date on which the Security Agent (acting on the instructions of whichever of the Majority Super Senior Creditors, Majority Senior Secured Creditors or Majority Second Lien Creditors (each as defined below) gave the instructions for the relevant stop notice to be delivered) delivers a notice to the Topco Borrower, the Topco Agent and the Topco Notes Trustee cancelling the payment stop notice;

(vi) the Priority Discharge Date; and

(vii) the date on which the Topco Creditors take any enforcement action that is permitted under the Intercreditor Agreement (see "*—Permitted Topco Enforcement*" below).

No Topco Payment Stop Notice may be delivered by the Security Agent in reliance on a particular Senior Secured Event of Default or a Second Lien Event of Default more than 45 days after the occurrence of the relevant event of default. No more than one Topco Payment Stop Notice may be served (i) with respect to the same event or set of circumstances or (ii) in any period of 360 days.

Any failure to make a payment due in respect of the Topco Group Liabilities as a result of the issue of a Topco Payment Stop Notice or the occurrence of a Senior Secured Payment Default or Second Lien Payment Default shall not prevent (i) the occurrence of an event of default as a consequence of that failure to make a payment in relation to the relevant Topco Group Liabilities or (ii) the issue of an enforcement notice in respect of an event of default under the finance documents documenting any Topco Group Liabilities (a "**Topco Enforcement Notice**") on behalf of the Topco Creditors.

Payment Obligations and Capitalization of Interest Continue

Nothing in the second lien or Topco payment block provisions will release any Debtor from the liability to make any payment (including of default interest, which shall continue to accrue) under the applicable Debt Documents even if its obligation to make such payment is restricted at any time. The accrual and capitalization of interest (if any) in accordance with the applicable Debt Documents shall continue notwithstanding the issue of a payment stop notice.

Cure of Payment Stop

If:

(i) at any time following the issue of a Topco Payment Stop Notice or the occurrence of a Senior Secured Payment Default or Second Lien Payment Default, that Topco Payment Stop Notice ceases to be outstanding and/or (as the case may be) the Senior Secured Payment Default or Second Lien Payment Default ceases to be continuing; and

(ii) the relevant Debtor or Topco Borrower then promptly pays to the Topco Creditors or any party that has acceded to the Intercreditor Agreement as a creditor under a Topco Proceeds Loan (the "**Topco Investors**") (in respect of the Topco Proceeds Loan Liabilities only) an amount equal to any payments which had accrued under the Topco Finance Documents or the Topco Proceeds Loan Agreement (as applicable) and which would have been Permitted Topco Payments but for that Topco Payment Stop Notice or Senior Secured Payment Default or Second Lien Payment Default (as the case may be),

then any event of default which may have occurred under a Topco Finance Document or Topco Proceeds Loan Agreement and any Topco Enforcement Notice which may have been issued as a result of that suspension of payments shall be deemed automatically waived without any further action being required.

Turnover

Subject to certain exceptions (including, but not limited to, a provision that provides that any Intra-Group Lender (as defined in the Intercreditor Agreement) in respect of Intra-Group Liabilities who is under a competing contractual requirement to turnover those proceeds to any trade creditor of the Topco Group (and that competing obligation is not prohibited by a Finance Document) is not required to turnover the applicable proceeds), the Intercreditor Agreement provides that if, at any time prior to the latest to occur of the Super Senior Discharge Date, the Senior Secured Discharge Date, the Second Lien Discharge Date and the first date on which all of the Topco Liabilities have been fully discharged (the "**Topco Discharge Date**") (the "**Final Discharge Date**") any creditor (other than a Senior Secured Creditor) receives or recovers from any Debtor, member of the Senior Secured Group or Third Party Security Provider:

(i) any payment or distribution of, or on account of or in relation to, any of the liabilities owed to the creditors under the Debt Documents other than any payment or distribution which is either (x) not prohibited under the Intercreditor Agreement or (y) made in accordance with the provisions set out below under "*—Application of Proceeds*";

(ii) any amount by way of set-off which does not give effect to a payment permitted under the Intercreditor Agreement;

(iii) any amount:

(A) on account of, or in relation to, any of the liabilities owed to the creditors under the Debt Documents (I) after the occurrence of an acceleration event or the enforcement of any Transaction Security as a result of such an acceleration event, or (II) as a result of any other litigation or proceedings against a Debtor, member of the Senior Secured Group or any Third Party Security Provider (other than after the occurrence of an Insolvency Event (as defined below)); or

(B) by way of set-off in respect of any of the liabilities owed to it after the occurrence of an acceleration event or the enforcement of any Transaction Security as a result of such an acceleration event,

except in accordance with the provisions set out below under "*Application of Proceeds*";

(iv) the proceeds of any enforcement of any of the Transaction Security except in accordance with the provisions set out below under "*Application of Proceeds"*; or

(v) 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 Debtor, any member of the Senior Secured Group or Third Party Security Provider which is not in accordance with the provisions set out below under "*—Application of Proceeds*" and which is made as a result of, or after, the occurrence of an Insolvency Event (as defined below) in respect of that Debtor, member of the Senior Secured Group or Third Party Security Provider,

that creditor will:

(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 (or otherwise on behalf and for the account of) the Security Agent and promptly pay or distribute that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement, and (y) promptly pay or distribute 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, promptly pay an amount equal to that recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

A turnover mechanism on substantially the same terms applies in the event that, at any time prior to the Final Discharge Date, any Senior Secured Creditor receives or recovers from any Debtor, any member of the Senior Secured Group or Third Party Security Provider (x) any proceeds from the enforcement of security or from a Distressed Disposal (as defined below) or following an acceleration event or the enforcement of security, any proceeds arising from any of the charged property or (y) any other amounts which should otherwise be received or recovered by the Security Agent except in accordance with the provisions set out below under "*—Application of Proceeds*."

Effect of Insolvency Event

"**Insolvency Event**" is defined as, in relation to a Debtor, Material Subsidiary (as defined in the Revolving Credit Facility Agreement) or Third Party Security Provider (or, in certain cases, a member of the Senior Secured Group), (a) the passing of any resolution or making of an order for its insolvency, bankruptcy, winding up, dissolution, administration or reorganization, (b) a composition, compromise, assignment or arrangement with any class of creditors generally (other than any Secured Party), (c) a moratorium is declared in relation to any of its indebtedness, (d) the appointment of any liquidator, receiver, examiner, administrative receiver, administrator, compulsory manager or other similar officer in respect of it or any of its assets, or (e) any analogous procedure or step is taken in any jurisdiction, other than (in each case), frivolous or vexatious proceedings, any proceedings or appointments which the Security Agent is satisfied will be withdrawn or will be unsuccessful or as permitted under any Revolving Credit Facility Agreement or in any Permitted Senior Secured Facilities Agreement, Permitted Super Senior Secured Facilities Agreement or a Second Lien Facility Agreement, or otherwise not constituting a default.

The Intercreditor Agreement provides that, after the occurrence of an Insolvency Event, any party entitled to receive a distribution out of the assets of a Debtor, Material Subsidiary or Third Party Security Provider (in the case of a

Senior Secured Creditor, only to the extent such amounts constitute proceeds of enforcement) shall direct the person responsible for the distribution to pay that distribution to the Security Agent until the liabilities owing to the Secured Parties have been paid in full. The Security Agent shall apply all such distributions paid to it in accordance with the provisions set out under "—*Application of Proceeds*" below.

To the extent that any member of the Senior Secured Group or Third Party Security Provider's liabilities to creditors are, with certain exceptions, discharged by way of set-off (mandatory or otherwise and in the case of a Senior Secured Creditor, only to the extent such amounts constitute proceeds of enforcement) after the occurrence of an Insolvency Event, any creditor benefiting from such set-off shall 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 "—*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 liabilities, the liabilities will not be reduced by that distribution until and except to the extent that the realization proceeds are actually applied towards such liabilities.

Subject to certain netting and set-off rights under ancillary or cash management facilities, each creditor irrevocably authorizes the Security Agent to take Enforcement Action (as defined below), make demands, collect and receive distributions, file claims and take other actions necessary to make recovery after the occurrence of an Insolvency Event in relation to a Debtor, member of the Senior Secured Group or Third Party Security Provider. The creditors agree to do all things the Security Agent reasonably requests in order to give effect to these provisions.

Security Enforcement Regime

Enforcement of Security

The Intercreditor Agreement provides that the Security Agent may not take any action to enforce the Transaction Security or the Topco Independent Transaction Security without the prior written consent of an Instructing Group, Majority Second Lien Creditors or Majority Topco Creditors (as applicable) or otherwise as specified in the provisions described below.

An "**Instructing Group**" means:

(i) prior to the later of the Senior Secured Discharge Date and the first date on which the Super Senior Liabilities have been fully and finally discharged (the "**Super Senior Discharge Date**"), Senior Secured Creditors (other than the Super Senior Creditors) representing more than 50% of the Senior Secured Liabilities (other than the Super Senior Liabilities) (the "**Majority Senior Secured Creditors**"), and Super Senior Creditors representing more than 50% of the Super Senior Liabilities (the "**Majority Super Senior Creditors**") save that, for instructions relating to enforcement, it shall mean the group of Secured Creditors entitled to give instructions in accordance with the enforcement regime described under "—*Enforcement of Transaction Security*" below;

(ii) on or after the later of the Senior Secured Discharge Date and the Super Senior Discharge Date but before the Priority Discharge Date, Second Lien Creditors representing more than 50% of the Second Lien Liabilities (the "**Majority Second Lien Creditors**"); and

(iii) on or after the Priority Discharge Date but before the Topco Discharge Date, Topco Creditors representing more than 50% of the Topco Liabilities (the "**Majority Topco Creditors**").

Enforcement of Transaction Security

The Security Agent may refrain from enforcing the Transaction Security unless instructed otherwise in accordance with the provisions described in this paragraph. Subject to the Transaction Security becoming enforceable in accordance with its terms, if either the Majority Super Senior Creditors or the Majority Senior Secured Creditors wish to issue enforcement instructions they shall deliver a copy of those instructions (an "Initial Enforcement Notice") to the Security Agent and to the other agents, trustees and hedge counterparties.

The Security Agent will act in accordance with any instructions (provided they are consistent with the Enforcement Principles (as defined below)) received from (i) the Majority Senior Secured Creditors, (ii) if the Majority Senior Secured Creditors have not made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue within three months of the Initial Enforcement Notice or if the Super Senior Discharge Date has not occurred within six months of the Initial Enforcement Notice, the Majority Super Senior Creditors, until such time as the Super Senior Discharge Date has occurred, (iii) if an Insolvency Event (other than an Insolvency Event directly caused by enforcement action taken at the request of a Super Senior Creditor) is continuing, the Majority Super Senior Creditors, until the Super Senior Discharge Date has occurred, (iv) if the Majority Senior Secured Creditors have not made a determination as to the method of enforcement they wish to instruct the Security Agent to pursue and the Majority Super

Senior Creditors determine in good faith that a delay in issuing enforcement instructions could reasonably be expected to have a material adverse effect on the Security Agent's ability to enforce the Transaction Security or on the expected realization of proceeds and the Majority Super Senior Creditors deliver instructions before the Security Agent has received any instructions from the Majority Senior Secured Creditors, the Majority Super Senior Creditors, until the Super Senior Discharge Date has occurred, (v) if, prior to the later of the Senior Secured Discharge Date and the Super Senior Discharge Date, the Majority Senior Secured Creditors or the Majority Super Senior Creditors (as applicable) have not given instructions or they have instructed the Security Agent (A) not to enforce or cease enforcing the Transaction Security or (B) required any Debtor or Third Party Security Provider to make a Distressed Disposal, the Majority Second Lien Creditors, where the rights of the Second Lien Creditors to enforce have arisen under the Intercreditor Agreement, or (vi) if, prior to the Priority Discharge Date, the Majority Senior Secured Creditors, the Majority Super Senior Creditors or the Majority Second Lien Creditors (as applicable) have not given instructions or they have instructed the Security Agent (A) not to enforce or cease enforcing the Transaction Security or (B) required any Debtor or Third Party Security Provider to make a Distressed Disposal, an agent or trustee under the Topco Finance Documents (acting on the instructions of the Majority Topco Creditors).

Notwithstanding the preceding paragraph, if at any time the agents or representatives of the Second Lien Creditors or Topco Creditors then entitled to give the Security Agent instructions either give such instruction or indicate any intention to give such instruction, then the Majority Senior Secured Creditors or Majority Super Senior Creditors, to the extent that such group is entitled to give enforcement instructions as described in the paragraph above, may give instructions to the Security Agent to enforce the Transaction Security as they see fit and the Security Agent shall act on such instructions.

"**Enforcement Principles**" means certain requirements as to the manner of enforcement, including that (i) to the extent consistent with a prompt and expeditious realization of value, the method of enforcement chosen should maximize the value realized from such enforcement, (ii) certain proceeds must be received in cash and (iii) enforcement in relation to assets over €5,000,000 or shares if not carried out by way of a public auction or other competitive sales process, shall (if the Security Agent is requested to do so by the Majority Super Senior Creditors or Majority Senior Secured Creditors) benefit from a fairness opinion from an internationally recognized investment bank, firm of accountants or third party professional firm which is regularly engaged in providing valuations in respect of the relevant type and size of the assets concerned.

Enforcement—Topco Independent Transaction Security

Subject to the Topco Independent Transaction Security having become enforceable in accordance with its terms, an agent or trustee under the Topco Finance Documents (acting on the instructions of the Majority Topco Creditors) may give or refrain giving instructions to the Security Agent to enforce or refrain from enforcing the Topco Independent Transaction Security as they see fit.

Manner of Enforcement

If the Transaction Security or Topco Independent Transaction Security is being enforced in accordance with any of the above paragraphs, the Security Agent shall enforce the relevant Transaction Security or Topco Independent Transaction Security in such manner (including, without limitation, the selection of any administrator of any Debtor or Third Party Security Provider to be appointed by the Security Agent) as any persons entitled at any time under the above provisions shall instruct it or, in the absence of any such instructions, as the Security Agent sees fit (which may include taking no action).

No Secured Party shall have any independent power to enforce, or to have recourse to enforce, any Transaction Security or Topco Independent Transaction Security or to exercise any rights or powers arising under the security documents except through the Security Agent.

Security Held by Other Creditors

If any Transaction Security or Topco Independent Transaction Security is held by a creditor other than the Security Agent, then creditors may only enforce that Transaction Security or Topco Independent Transaction Security in accordance with instructions given by instructing creditors in accordance with the paragraphs above.

Enforcement Regime

Restrictions on Enforcement by Second Lien Creditors

Certain of the features set out below with respect to Topco Creditors may apply to the Second Lien Creditors, with appropriate modifications for their relative position in the capital structure.

Restrictions on Enforcement by Topco Creditors

Until the Priority Discharge Date, except with the prior consent of or as required by an Instructing Group, (i) no Topco Creditor or Topco Investor shall direct the Security Agent to enforce, or otherwise require the enforcement of any Transaction Security (including the crystallization of any floating charge forming part of the Transaction Security), (ii) no Topco Creditor nor Topco Investor shall take or require the taking of any Enforcement Action (as defined below) against any member of the Senior Secured Group or Third Party Security Provider (other than in each case (and to the extent not restricted by (i) above and (iii) below) against a Topco Borrower) in relation to the Topco Group Liabilities, and (iii) no Topco Creditor nor Topco Investor nor Topco Borrower shall take or require the taking of any Enforcement Action (as defined below) in relation to Topco Proceeds Loan Liabilities, except in the case of each of (i) through (iii) as set out under "*—Permitted Topco Enforcement*" below.

Other than as restricted by (i) and (iii) in the paragraph above, any Topco Creditor may at any time take any Enforcement Action (as defined below) against any Topco Investor, Topco Borrower or any Topco Guarantor (as defined in the Intercreditor Agreement) that is not a member of the Senior Secured Group, in each case in accordance with the terms of the Topco Finance Documents.

"**Enforcement Action**" is defined as:

(i) (A) in relation to any liabilities (other than unsecured liabilities) the acceleration, putting on demand, making of a demand, requiring a member of the Topco Group or Third Party Security Provider to acquire such liabilities (subject to certain exceptions), exercising of rights of set-off (other than certain netting under hedging agreements or as otherwise permitted under the Debt Documents) or (B) suing or commencing proceedings in relation to such liabilities;

(ii) premature termination or close-out of a hedging agreement, save to the extent permitted by the Intercreditor Agreement;

(iii) the taking of steps to enforce or require the enforcement of the Transaction Security or, as the case may be, Topco Independent Transaction Security (including the crystallization of any floating charge) as a result of an acceleration event;

(iv) entering into any composition, compromise, assignment or similar arrangement with any Third Party Security Provider or a member of the Topco Group which owes any liabilities or has given security or Guarantee in respect of liabilities owed to a creditor under the Intercreditor Agreement (other than any action permitted under the Intercreditor Agreement or any debt buy-backs pursuant to open market debt repurchases, tender offers or exchange offers entered into in accordance with the Secured Debt Documents and not undertaken as part of an announced restructuring or turnaround plan or while a default was outstanding under the relevant Secured Debt Documents); or

(v) petitioning, applying, voting for or taking steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to the winding up, dissolution, administration or reorganization of any Third Party Security Provider or a member of the Topco Group which owes any liabilities or has given security or Guarantee in respect of liabilities owed to a creditor under the Intercreditor Agreement or any of such Third Party Security Provider or member of the Topco Group's assets or any suspension of payments or moratorium of any indebtedness of any such Third Party Security Provider or member of the Topco Group, or any analogous procedure or step in any jurisdiction,

except that the following shall not constitute Enforcement Action, (A) suing, commencing proceedings or taking any action referred to in paragraph (i)(B) and (v) where necessary to preserve the validity, existence or priority of a claim, (B) discussions between or proposals made by the Priority Secured Parties with respect to instructions to enforce the Transaction Security in accordance with the Intercreditor Agreement, (C) bringing legal proceedings in connection with a securities violation, securities or listing regulations or common law fraud or to restrain any breach of the Debt Documents or for specific performance with no claims for damages, (D) proceedings brought by a Secured Party to obtain injunctive relief, specific performance with no claim for damages or to request judicial interpretation in relation to a Debt Document to which it is party with no claim for damages, (E) demands made by Intra-Group Lenders (as defined in the Intercreditor Agreement) or Subordinated Creditors to the extent they relate to payments permitted under the Intercreditor Agreement or the release of the liabilities owed to such creditors in return for the issue of shares in the relevant member of the Senior Secured Group provided that the ownership interest of the member of the Senior Secured Group is not diluted and any relevant shares remain subject to the same Transaction Security as existed prior to the issue, and (F) proceedings brought by an ancillary lender, a lender of Cash Management Facility Liabilities (a "**Cash Management Facility Lender**"), hedge counterparty, issuing bank, or agent or trustee in respect of the Second Lien Liabilities or Topco Liabilities to obtain injunctive relief, specific performance with no claim for damages or to request judicial interpretation in relation to a Debt

Document to which it is party with no claim for damages or in connection with any securities violation, securities or listing regulations or common law fraud.

Permitted Topco Enforcement

The restrictions set out above under "—*Restrictions on Enforcement by Topco Creditors*" will not apply in respect of the Topco Group Liabilities or any Transaction Security securing the Topco Group Liabilities, if:

(i) an event of default under a Topco Finance Document or a Topco Proceeds Loan Agreement (the "**Relevant Topco Default**") is continuing;

(ii) all agents or trustees in respect of the Senior Lender Liabilities, Senior Secured Notes Liabilities, and Second Lien Liabilities have received a notice of the Relevant Topco Default specifying the event or circumstance in relation to the Relevant Topco Default from the Topco Agent, the Topco Notes Trustee or the Topco Borrower in relation to the relevant Topco Group Liabilities;

(iii) a Topco Standstill Period (as defined below) has elapsed; and

(iv) the Relevant Topco Default is continuing at the end of that Topco Standstill Period.

Promptly upon becoming aware of an event of default under a Topco Finance Document, a Topco Notes Trustee, Topco Agent or Topco Investor (as the case may be) may give a Topco Enforcement Notice notifying any agent under a Permitted Senior Secured Facilities Agreement (the "Senior Agent"), senior secured notes trustee, the Second Lien Agent and any second lien notes trustee of the existence of such event of default.

"**Topco Standstill Period**" means the period beginning on the date (the "**Topco Standstill Start Date**") a Topco Enforcement Notice is served in respect of such a Relevant Topco Default and ending on the earliest to occur of:

(i) the date falling 179 days after the Topco Standstill Start Date (the "**Topco Standstill Period**");

(ii) the date the Priority Secured Parties take any Enforcement Action in relation to a particular Debtor or Third Party Security Provider, provided that:

    (A) if a Topco Standstill Period ends pursuant to this paragraph (ii), the Topco Creditors or a Topco Investor (in respect of the Topco Proceeds Loan Liabilities only) may only take the same Enforcement Action in relation to a Topco Guarantor as the Enforcement Action taken by the Priority Secured Parties against such Topco Guarantor and not against any other member of the Senior Secured Group or Third Party Security Provider; and

    (B) Enforcement Action for the purpose of this paragraph shall not include action taken to preserve or protect any security as opposed to realize it;

(iii) the date of an Insolvency Event (as defined above) in relation to a particular Topco Guarantor against whom Enforcement Action is to be taken; and

(iv) the expiry of any other Topco Standstill Period outstanding at the date such first mentioned Topco Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy).

The Topco Creditors or Topco Investor (in respect of the Topco Proceeds Loan Liabilities only) may take Enforcement Action under the provisions described in this section (*Permitted Topco Enforcement*) in relation to a Relevant Topco Default even if, at the end of any relevant Topco Standstill Period or at any later time, a further Topco Standstill Period has begun as a result of any other event of default in respect of the Topco Liabilities.

Option to Purchase: Topco Creditors

Following acceleration or the enforcement of Transaction Security upon acceleration under any Senior Secured Creditor Liabilities, Second Lien Liabilities or Topco Liabilities, Topco Creditors may elect to purchase all but not part of the Senior Lender Liabilities, Super Senior Lender Liabilities (as defined in the Intercreditor Agreement), Senior Secured Notes Liabilities, Cash Management Facility Liabilities, Second Lien Lender Liabilities and Second Lien Notes Liabilities for the amount that would have been required to prepay or redeem such liabilities on such date plus certain costs and expenses. Topco Creditors must also elect for the counterparties to hedging obligations to transfer their hedging obligations to holders in exchange (subject to specified conditions) for the amount that would have been payable under such hedging obligations had they been terminated on such date plus certain costs and expenses in connection with any such purchase.

Non-Distressed Disposals

The Security Agent (on behalf of itself and the other Secured Parties) and each other person party to a Transaction Security document or a Topco Independent Transaction Security document agrees that it shall (and is irrevocably authorized, instructed and obliged to do so without further consent, agreement or instruction from any creditor, other Secured Party or Debtor) promptly following receipt of a written request from the Issuer:

(i) release (or procure the release) from the Transaction Security:

(A) any security (and/or other claim relating to a Debt Document) over any asset which the Issuer has confirmed is the subject of:

(1) a disposal not prohibited under the Finance Documents or where any applicable release and/or consent has been obtained under the applicable Finance Document including a disposal to a member of the Senior Secured Group but without prejudice to any obligation of any member of the Senior Secured Group in a Finance Document to provide replacement security; and

(2) any other transaction not prohibited by the Finance Documents pursuant to which that asset will cease to be held or owned by a member of the Senior Secured Group; and

in each case where such disposal or other transaction is not a Distressed Disposal (as defined below) (in each case, a "**Non-Distressed Disposal**");

(B) any security (and/or other claim relating to a Debt Document) over any document or other agreement requested in order for any member of the Senior Secured Group to the extent that the Issuer has confirmed that such action is not prohibited by any Finance Document to effect any amendment or waiver or otherwise exercise any rights, comply with any obligation or take any action in relation to such document or agreement;

(C) any security (and/or other claim relating to a Debt Document) over any asset of any member of the Senior Secured Group which has ceased or will cease to be a Debtor or guarantor to the extent that the Issuer has confirmed that such ceasing to be a Debtor or guarantor in accordance with the terms of each Finance Document or the Agreed Security Principles (as defined in the Intercreditor Agreement); and

(D) any security (and/or other claim relating to a Debt Document) over any other asset to the extent that the Issuer has confirmed that such security is not required to be given or such release in accordance with the terms of any Finance Document or the Agreed Security Principles (as defined in the Intercreditor Agreement); and

(ii) in the case of a disposal of shares or other ownership interests in a Debtor, other member of the Senior Secured Group or any holding company of any Debtor or any other transaction pursuant to which a Debtor, other member of the Senior Secured Group or any holding company of any Debtor will cease to be a member of the Topco Group or a Debtor, release or procure the release of that Debtor or other member of the Senior Secured Group and its subsidiaries from all present and future liabilities under the Secured Debt Documents and the respective assets of such Debtor and its subsidiaries from the Transaction Security and the Secured Debt Documents (including any claim relating to a Debt Document) to the extent that the Issuer has confirmed that such disposal or other transaction is otherwise in accordance with the terms of each Finance Document.

When making any request for a release pursuant to paragraphs (i)(A), (i)(B) or (ii) above, the Issuer shall confirm in writing to the Security Agent, that the relevant disposal or other action is not prohibited as at the date of completion of such release or, at the option of the Issuer, on the date that the definitive agreement for such disposal or similar transaction is entered into.

When making any request for a release pursuant to paragraph (i)(C) or (i)(D) above, the Issuer shall confirm in writing to the Security Agent, that such security is not required to be given or the relevant release or cessation is otherwise in accordance with the terms of the Finance Documents or the Agreed Security Principles (as defined in the Intercreditor Agreement).

In the case of a disposal of shares or other ownership interests in a Debtor, member of the Senior Secured Group or holding company of any Debtor or any other transaction pursuant to which a Debtor, member of the Senior Secured Group or holding company of any Debtor will cease to be a member of Topco Group or a Debtor or by designation as an Unrestricted Subsidiary, to the extent the Issuer has confirmed to the Security Agent that it is not prohibited by the Finance Documents, if such member of the Topco Group or a Debtor is a borrower, issuer or primary debtor under any Debt Document, such person shall have the right to voluntarily prepay all Liabilities outstanding under any Debt Document.

Distressed Disposals

"**Distressed Disposal**" means a disposal of an asset or shares of, or other financial securities issued by a member of the Senior Secured Group or, in the case of a Third Party Security Provider any such assets which are subject to the Transaction Security, which is being effected (a) at the request of an Instructing Group in circumstances where the Transaction Security has become enforceable as a result of an acceleration event, (b) by enforcement of the Transaction Security as a result of an acceleration event, or (c) after the occurrence of an acceleration event or the enforcement of security as a result of an acceleration event, by a Debtor or Third Party Security Provider to a person or persons which is not a member of the Topco Group.

If a Distressed Disposal of any asset is being effected, the Security Agent is irrevocably authorized (at the cost of the relevant Debtor, Third Party Security Provider and the Issuer and to the maximum extent allowed by applicable law, without any consent, sanction, authority or further confirmation from any creditor under the Intercreditor Agreement, Third Party Security Provider or Debtor):

(i) to release the Transaction Security or any other claim over that asset, enter into any release of that Transaction Security 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 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, guarantee or other liabilities, (B) any Transaction Security granted by that Debtor or any subsidiary of that Debtor over any of its assets and (C) any other claim of an intra-group lender, a Topco Investor, Subordinated Creditor or another Debtor over that Debtor's assets or over the assets of any subsidiary of that Debtor, on behalf of the relevant creditors and Debtors;

(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, guarantee or other liabilities, (B) any Transaction Security granted by that holding company or any subsidiary of that holding company over any of its assets and (C) any other claim of an intra- group lender, a Topco Investor, Subordinated Creditor or a Debtor over that holding company's assets or over the assets of any subsidiary of that Debtor, on behalf of the relevant creditors and Debtors;

(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 owed by such Debtor or holding company or any of their subsidiaries to creditors or other Debtors:

    (A) if the Security Agent (acting in accordance with the Intercreditor Agreement) does not intend that any transferee of those liabilities (the "Transferee") will be treated as 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, provided that, notwithstanding any other provision of any Debt Document, the Transferee shall not be treated as a Secured Creditor or 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 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 Secured Parties and all or part of any other liabilities,

    on behalf of, in each case, the relevant creditors, Third Party Security Providers and Debtors;

(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 a subsidiary of that Disposed Entity in respect of the intra-group liabilities or liabilities owed to any Debtor, to execute and deliver or enter into any agreement to:

    (A) transfer all or part of the obligations in respect of those intra-group liabilities or liabilities to any Debtor 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) (provided the Receiving Entity is a holding company of the Disposed Entity which is also a guarantor of the Senior Secured Liabilities, the Second Lien Liabilities or the Topco Liabilities) to accept the transfer of all or part of the obligations in respect of those intra-group liabilities, liabilities owed to Debtors on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-group liabilities or liabilities owed to Debtors are to be transferred.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities as described in paragraphs (iv) and (v) above) shall be paid to the Security Agent for application in accordance with the provisions set out under "—*Application of Proceeds*" below as if those proceeds were the proceeds of an enforcement of the Transaction Security and, to the extent that any disposal of liabilities has occurred, as if that disposal of liabilities had not occurred.

In the case of a Distressed Disposal (or a disposal of liabilities pursuant to paragraphs (iv) and (v) above) effected by, or at the request of, the Security Agent, the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (although 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).

If a Distressed Disposal is being effected at a time when the Majority Second Lien Creditors are entitled to give and have given instructions in accordance with the Intercreditor Agreement, the Security Agent is not authorized to release any Debtor, subsidiary or holding company from any borrowing liabilities, guarantee liabilities or other liabilities owed to any Senior Secured Creditor unless those borrowing liabilities, guarantee liabilities or other liabilities and any other Senior Secured Liabilities will be paid (or repaid) in full (or, in the case of any contingent liability relating to a letter of credit, cash management facility or an ancillary facility, made the subject of cash collateral arrangements acceptable to the relevant senior creditor) following that release.

If a Distressed Disposal is being effected at a time when the Majority Topco Creditors are entitled to give, and have given instructions in accordance with the Intercreditor Agreement, the Security Agent is not authorized to release any Debtor, subsidiary or holding company from any borrowing liabilities, guarantee liabilities or other liabilities owed to any Senior Secured Creditor or any Second Lien Creditor unless those borrowing liabilities, guarantee liabilities or other liabilities and any other Senior Secured Liabilities or Second Lien Liabilities will be paid (or repaid) in full (or, in the case of any contingent liability relating to a letter of credit, cash management facility or an ancillary facility, made the subject of cash collateral arrangements acceptable to the relevant senior creditor) following that release.

Where borrowing liabilities, guarantee liabilities and/or other liabilities would otherwise be released pursuant to the Intercreditor Agreement, the creditor concerned may elect to have those borrowing liabilities, guarantee liabilities and/or other liabilities transferred to a holding company of the Issuer, in which case the Security Agent is irrevocably authorized (at the cost of the relevant Debtor or the Issuer and without any consent, sanction, authority or further confirmation from any creditor or Debtor) to execute such documents as are required to so transfer those borrowing liabilities, guarantee liabilities or other liabilities.

If before the Second Lien Discharge Date or the Topco Discharge Date, a Distressed Disposal (or a disposal of liabilities pursuant to paragraphs (iv) and (v) above) is being effected such that the Second Lien Liabilities or the Topco Liabilities and Transaction Security securing Second Lien Liabilities and/or Topco Liabilities will be released pursuant to the Intercreditor Agreement, it is a further condition to the release that either:

(i) the Second Lien Agent, Second Lien Notes Trustee (as defined in the Intercreditor Agreement), Topco Agent and Topco Notes Trustee (as applicable) have approved the release; or

(ii) where shares or assets of a borrower, issuer or guarantor in respect of Second Lien Liabilities or Topco Guarantor (as defined in the Intercreditor Agreement) are sold:

    (A) the proceeds of such sale or disposal are in cash (or substantially in cash) and/or other marketable securities or, if the proceeds of such sale or disposal are not in cash (or substantially in cash) and/or other marketable securities, a valuation opinion has been obtained in accordance with the provisions set out below; and

    (B) all claims of the Secured Creditors (as defined in the Intercreditor Agreement) (other than in relation to performance bonds, Guarantee or similar instruments issued by a Secured Creditor on behalf of a member of the Senior Secured Group) against a member of the Senior Secured Group (if any), all of whose shares (other than any minority interest not owned by members of the Senior Secured Group) are pledged in favor of the Priority Secured Parties 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 Transaction Security, Topco Independent Transaction Security or other security in favor of the Secured Parties in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, provided that in the event of a sale or disposal of any such claim (instead of a release or discharge):

        (1) where the Senior Secured Creditors constitute the Instructing Group, the Senior Agent and any senior secured notes trustee (i) determine, acting reasonably and in good faith, that the Senior

Secured Creditors will recover more than if such claim was released or discharged but nevertheless less than the outstanding Senior Secured Liabilities, and (ii) serve a notice on the Security Agent notifying the Security Agent of the same;

(2) where the Second Lien Creditors constitute the Instructing Group, the Second Lien Agent and any second lien notes trustee (i) determine acting reasonably and in good faith that the Priority Secured Parties (collectively) will recover more than if such claim was released or discharged but nevertheless less than the outstanding amount of the liabilities owed to the Priority Secured Parties (the "Priority Secured Liabilities"), and (ii) serve a notice on the Security Agent notifying the Security Agent of the same; and

(3) where the Topco Creditors constitute the Instructing Group, the Topco Agent and the Topco Notes Trustee (i) determine acting reasonably and in good faith that the Priority Secured Parties and the Topco Creditors (collectively) will recover more than if such claim was released or discharged but is nevertheless less than the outstanding Priority Secured Liabilities and the Topco Liabilities (collectively), and (ii) serve a notice on the Security Agent notifying the Security Agent of the same,

in which case the Security Agent shall be entitled immediately to sell and transfer such claim to such purchaser (or an affiliate of such purchaser) and the consideration for such sale or transfer may be in the form of non-cash consideration by way of the Senior Secured Creditors, Second Lien Creditors or Topco Creditors (whichever constitutes the Instructing Group) bidding by an appropriate mechanic for all or part of the Senior Secured Liabilities, Second Lien Liabilities or Topco Liabilities (as applicable) such that the relevant liabilities would on completion be discharged to the extent of an amount equal to the amount of the offer made by the relevant creditors; and

(C) such sale or disposal (including any sale or disposal of any claim) is made:

(1) pursuant to a public auction or other competitive sale process run in accordance with the advice of an internationally recognized investment bank, firm of accountants or third party professional firm with a view to obtaining the best price reasonably obtainable taking into account all relevant circumstances and in which the Second Lien Creditors and Topco Creditors are entitled to participate as prospective buyers and/or financiers (including as part of a consortium); or

(2) where an internationally recognized investment bank, firm of accountants or third party professional firm which is regularly engaged in providing such valuations has delivered an opinion (including an enterprise valuation) in respect of such sale or disposal that the amount 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 investment bank, firm of accountants or third party professional firm in giving such opinion may be limited to the amount of its fees in respect of such engagement.

Application of Proceeds

Order of Application—Transaction Security

Subject to certain provisions set out in the Intercreditor Agreement and to the proviso described below, all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Debt Document (other than amounts in respect of Topco Independent Transaction Security or any other security which is not Transaction Security or any Guarantee provided by any holding company of the Issuer or any subsidiary of any holding company of the Issuer (other than a member of the Senior Secured Group) in respect of any Topco Liabilities or Topco Proceeds Loan Liabilities) or in connection with the realization or enforcement of all or any part of the Transaction Security shall be applied at any time as the Security Agent sees fit, to the extent permitted by applicable law, in the following order of priority:

(i) in discharging any Agent Liabilities relating to the Senior Secured Liabilities, the Second Lien Liabilities or the Topco Liabilities and any sums owed to the Security Agent and any receiver or delegate on a *pari passu* basis;

(ii) in payment of all costs and expenses incurred by any agent or Secured Creditor in connection with any realization or enforcement of the Transaction 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) for application towards the discharge of:

(A) the Super Senior Lender Liabilities and liabilities to arrangers and agents thereof; and

(B) Hedging Liabilities that have been designated by the Issuer as ranking alongside the Super Senior Lender Liabilities (the "**Super Senior Hedging Liabilities**") (on a *pro rata* basis between the Super Senior Hedging Liabilities of each hedge counterparty),

on a *pro rata* basis and ranking *pari passu* between paragraphs (A) and (B) above, or, if the Super Senior Discharge Date has occurred, for application towards the discharge of:

(A) the Senior Lender Liabilities and liabilities to arrangers thereof;

(B) the Senior Secured Notes Liabilities;

(C) the Cash Management Facility Liabilities; and

(D) the Hedging Liabilities which are not Super Senior Hedging Liabilities,

on a *pro rata* basis and ranking *pari passu* between paragraphs (A), (B), (C) and (D) above;

(iv) for application towards the discharge of (x) the Second Lien Lender Liabilities and liabilities to arrangers thereof, and (y) the Second Lien Notes Liabilities, on a *pro rata* basis and ranking *pari passu* between themselves;

(v) solely to the extent such proceeds are from the realization or enforcement of the Topco Shared Security and any Guarantee provided by a Topco Guarantor or Third Party Security Provider in respect of the Topco Liabilities, for application towards the discharge of (A) the Topco Facility Liabilities and liabilities to arrangers thereof, and (B) the Topco Notes Liabilities, on a *pro rata* basis and ranking *pari passu* between themselves;

(vi) if none of the Debtors or Third Party Security Providers is under any further actual or contingent liability under any Secured Debt Document relating to the Senior Secured Liabilities, the Second Lien Liabilities or the Topco Liabilities, in payment to any other person whom the Security Agent is obliged to pay in priority to any Debtor or Third Party Security Provider; and

(vii) the balance, if any, in payment to the relevant Debtor,

provided that, all amounts from time to time received or recovered by the Security Agent from or in respect of a Topco Borrower pursuant to the terms of any Debt Document (other than in connection with the realization or enforcement of the Transaction Security or Topco Independent Transaction Security) shall be held by the Security Agent on trust to apply at any time as the Security Agent sees fit, in the following order of priority:

(A) in accordance with paragraph (i) above;

(B) in accordance with paragraph (ii) above;

(C) in accordance with paragraphs (iii), (iv) and (v) above (in each case only to the extent there are liabilities due from the relevant Topco Borrower to such creditors);

(D) if none of the Debtors or Third Party Security Providers is under any further actual or contingent liability under any Secured Debt Document, in payment to any other person whom the Security Agent is obliged to pay in priority to any Debtor or Third Party Security Provider; and

(E) the balance, if any, in payment to the relevant Debtor.

Order of Application—Topco Independent Transaction Security

Subject to certain provisions set out in the Intercreditor Agreement, all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Topco Document in connection with the realization or enforcement of Topco Independent Transaction Security or any guarantees provided by an Other Topco Guarantor (as defined in the Intercreditor Agreement) (the "**Topco Recoveries**") shall be applied at any time as the Security Agent sees fit, to the extent permitted by applicable law, in the following order of priority:

(i) in discharging any Agent Liabilities owing to any Topco Creditor Representative (as defined in the Intercreditor Agreement) in respect of the Topco Liabilities (to the extent related to such Topco Recoveries), the Security Agent and any receiver or delegate, on a *pari passu* basis;

(ii) in payment of all costs and expenses incurred by any agent or Topco Creditor in connection with any realization or enforcement of the Topco Independent Transaction 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) for application towards the discharge of:

(A) the Topco Facility Liabilities; and

(B) the Topco Notes Liabilities,

on a *pro rata* basis and ranking *pari passu* between paragraphs (A) and (B) above;

(iv) if none of the Debtors or Third Party Security Providers is under any further actual or contingent liability in respect of the Secured Liabilities, in payment to any other person whom the Security Agent is obliged to pay in priority to any Debtor or Third Party Security Provider; and

(v) the balance, if any, in payment to the relevant Debtor.

Equalization

The Intercreditor Agreement will provide that if, for any reason, any liabilities relating to Super Senior Liabilities, Senior Secured Liabilities, Second Lien Liabilities or Topco Liabilities remain unpaid after the first date on which certain types of Enforcement Action are taken (the "**Enforcement Date**") and the resulting losses are not borne by the creditors in any given specified class in the proportions which their respective exposures at the Enforcement Date bore to the aggregate exposures of all the creditors in that specified class at the Enforcement Date, the relevant class of creditors will make such payments amongst themselves as the Security Agent shall require to put the relevant creditors in such a position that (after taking into account such payments) those losses are borne in those proportions.

Required Consents

The Intercreditor Agreement will provide that, subject to certain exceptions, its terms may be amended or waived only with the consent of the Issuer, the agents and trustees for the Secured Parties, and the Security Agent, provided that, to the extent that an amendment, waiver or consent only affects one class of creditors, and such amendment, waiver or consent could not reasonably be expected materially or adversely to affect the interests of the other classes of creditors, only written agreement from the agent or trustee acting on behalf of the affected class shall be required.

An amendment or waiver of the Intercreditor Agreement that has the effect of changing or which relates to, among other matters, the provisions set out under "*—Application of Proceeds*" above, the order of priority or subordination under the Intercreditor Agreement or the provisions set out under "*—Turnover*" above shall not be made without the consent of (i) each of the agents or trustees (acting in accordance with the relevant finance documents) under the Senior Liabilities, the Super Senior Liabilities, the Second Lien Liabilities and the Topco Liabilities, (ii) each Cash Management Facility Lender (but only to the extent that the proposed amendment or waiver would materially adversely affect the rights and obligations of such Cash Management Facility Lender under the Intercreditor Agreement and would not materially adversely affect the rights and obligations of any other creditor or class of creditors), (iii) each Hedge Counterparty (as defined in the Intercreditor Agreement) (but only to the extent that the proposed amendment or waiver would materially adversely affect the rights and obligations of such Hedge Counterparty under the Intercreditor Agreement and would not materially adversely affect the rights and obligations of any other creditor or class of creditors), and (iv) the Issuer.

Each agent or trustee shall, to the extent instructed to consent by the requisite percentage of creditors it represents or as otherwise authorized by the Debt Documents to which it is party, act on such instructions or authorizations in accordance therewith (save to the extent any amendments so consented or authorized to relate to any provision affecting the personal rights and obligations of that agent or trustee in its capacity as such).

Amendments and Waivers: Transaction Security Documents

Subject to certain exceptions under the Intercreditor Agreement (as described below), the Security Agent may, if the Issuer consents, amend the terms of, release or waive any of the requirements of or grant consents under, any document creating Transaction Security or Topco Independent Transaction Security which shall be binding on each party. provided that any amendment, release or waiver of, or consent under, any document creating Transaction Security which would adversely affect the nature or scope of the assets subject to Transaction Security or the manner in which the proceeds of enforcement of the Transaction Security or Topco Independent Transaction Security are distributed shall not be made without the consent of (i) each of the agents or trustees (acting in accordance with the relevant finance documents) under the Senior Liabilities, the Super Senior Liabilities, the Second Lien Liabilities and the Topco Liabilities (but other than the agent in respect of any Cash Management Facility), (ii) each Cash Management Facility Lender (but only to the extent that the proposed amendment or waiver would materially adversely affect the rights and obligations of such Cash Management Facility Lender under the Intercreditor Agreement and would not materially adversely affect the rights and obligations of any other creditor or class of creditors), (iii) each Hedge Counterparty (as defined in the Intercreditor Agreement) (only to the extent that the proposed amendment or waiver would materially adversely affect the rights and obligations of such

Hedge Counterparty under the Intercreditor Agreement and would not materially adversely affect the rights and obligations of any other creditor or class of creditors), and (iv) the Issuer.

Exceptions

Subject to the paragraph below, an amendment, waiver or consent which relates to the rights or obligations which are personal to an agent, an arranger or the Security Agent in its capacity as such (including, without limitation, any ability of that Security Agent to act in its discretion under the Intercreditor Agreement) may not be effected without the consent of that agent, arranger or, as the case may be, Security Agent.

The preceding paragraph, the provisions set out under "*—Required Consents*" and the first paragraph above under "*—Amendments and Waivers: Transaction Security Documents*" are subject to certain exceptions under the Intercreditor Agreement, relating in particular to (i) any release of Transaction Security or Topco Independent Transaction Security, claim or liabilities, or (ii) to any amendment waiver or consent, which, in each case, the Security Agent gives in accordance with the provisions of the Intercreditor Agreement relating to the incurrence of additional or refinancing debt or the provisions set out under "*—New Debt Financings*," "*—Non-Distressed Disposals*" and "*—Distressed Disposals*" above. Any release, amendment, waiver or consent effected in accordance with the relevant provisions of the Debt Documents relating to such matters can be effected solely by the Issuer and the Security Agent.

In all cases, no amendment, waiver or consent under or in connection with this Intercreditor Agreement shall require the consent of any Unsecured Creditor unless such amendment, waiver or consent is expressed to impose additional restrictions on the rights or increases the obligations of any Unsecured Creditor under the finance documents relating to the liabilities owing to those Unsecured Creditors (without a corresponding restriction or increase in obligation applicable in a similar manner to any other class of creditors) in which case such amendment, waiver or consent shall also require the consent of the Unsecured Creditors representing more than 50% of the unsecured liabilities at that time.

Provisions Following an IPO

On, following or in contemplation of an initial public offering of a member of the Senior Secured Group (or a holding company thereof) (an "**IPO**"), the Issuer is entitled to give notice that the terms of the Debt Documents will automatically operate so that, amongst other things, (i) the Senior Secured Group (and all related provisions) will now refer to the member of the Senior Secured Group or holding company of the Issuer who will issue shares or whose shares are to be sold pursuant to such IPO (the "IPO Pushdown Entity," and if any Topco Notes are not refinanced in full on or before the date of such IPO, the IPO Pushdown Entity shall be any holding company of the Issuer which is the issuer or borrower of any Topco Liabilities) and its Restricted Subsidiaries, (ii) all financial ratio calculations shall be made excluding any holding company of the IPO Pushdown Entity, (iii) certain provisions of the Debt Documents (including representations, undertakings and events of default) will cease to apply to any holding company of the IPO Pushdown Entity.

Each holding company of the IPO Pushdown Entity shall be irrevocably and unconditionally released from all obligations under the Debt Documents (including any Transaction Security and Topco Independent Transaction Security) and each Subordinated Creditor, Third Party Security Provider, Investor (as defined in the Revolving Credit Facility Agreement) or Topco Independent Obligor will be released from its obligations and restrictions under the Intercreditor Agreement in the appropriate capacity.

Subject to the consent of the majority lenders under and as defined in the Senior Lender Liabilities, noteholders representing more than 50% of any Senior Secured Notes Liabilities, the majority lenders under and as defined in any Second Lien Facility Agreement, noteholders representing more than 50% of any Second Lien Notes Liabilities, the majority lenders under and as defined in any Topco Facility and noteholders representing more than 50% of any Topco Notes Liabilities (following the relevant IPO), the Issuer and each subsidiary of the Issuer shall also be released from all obligations as Debtor and guarantor under the Debt Documents and from the Transaction Security (other than, in each case, borrowing liabilities). Each party to the Intercreditor Agreement (other than a member of the Senior Secured Group) shall be required to enter into any amendment, release or replacement of any Debt Document required to facilitate such matters.

Agreement to Override

Unless expressly stated otherwise therein, the Intercreditor Agreement overrides anything in any other Debt Documents to the contrary.

Intercompany loans

The following main intercompany loans have been granted by the Issuer, as lender, to Italmatch USA and Italmatch GB, as applicable, as borrower:

(a) an intercompany loan to Italmatch USA for an original principal amount equal to $166.6 million under the Italian law governed intercompany loan agreement entered into on February 13, 2019, as amended or as amended and restated from time to time, currently outstanding for an amount equal to €174.2 million as of September 30, 2025. Interest on this intercompany loan accrues at a rate equal to 7% *per annum*. The final maturity date is the date falling eight years after the date of the agreement; and

(b) an intercompany loan to Italmatch GB for an original principal amount equal to £41 million under the intercompany loan agreement entered into on February 13, 2019, as amended or as amended and restated from time to time, currently outstanding for an amount equal to €29.2 million as of September 30, 2025. Interest on this intercompany loan accrues at a rate equal to 7% per annum. The final maturity date is the date falling eight years after the date of the agreement.

In addition, further intercompany loans have been granted in various currencies by the Issuer, as lender, to certain other companies of the Group for an aggregate amount outstanding as of September 30, 2025 equal to approximately €19.4 million.

Factoring

The Issuer, Italmatch USA, The Elco Corporation and Detrex Corporation are party to a factoring agreement, dated August 24, 2020, with Crédit Agricole Leasing & Factoring, as amended from time to time (the "**CALF Factoring Agreement**"), pursuant to which the Issuer, Italmatch USA, The Elco Corporation and Detrex Corporation may sell up to €45.0 million in aggregate of trade receivables. A portion of the receivables are sold on a recourse basis as a result of exceeding certain thresholds pursuant to the CALF Factoring Agreement.

As of September 30, 2025, we had €52.7 million of factoring outstanding, of which €37.4 million under the CALF Factoring Agreement (of which €0.8 million on a recourse basis). See "*Risk factors—Risks Related to Our Business and Industry—We are exposed to risks related to our financial arrangements with respect to receivables factoring*."

Lease Agreements

Several entities in the Group are parties to certain lease agreements in respect of several assets, including office buildings, vehicles, warehouse, industrial and office equipment and containers. As of September 30, 2025, the overall amount outstanding in connection with these financial lease agreements was €7.5 million. We expect that these lease agreements will remain outstanding following the Transactions.

DESCRIPTION OF THE NOTES

The Issuer is offering (i) €390,000,000 in aggregate principal amount of Senior Secured Floating Rate Notes due 2031 (the "**Floating Rate Notes**") and (ii) €300,000,000 in aggregate principal amount of 6.250% Senior Secured Notes due 2031 (the "**Fixed Rate Notes**" and, together with the Floating Rate Notes, the "**Notes**") under an indenture to be dated as of the Issue Date (the "**Indenture**"), between, *inter alios*, the Issuer, U.S. Bank Trustees Limited, as trustee (the "**Trustee**"), BNP PARIBAS, Italian Branch, as security agent and in its role as legal representative (*mandatario con rappresentanza*) under the Indenture and representative (*rappresentante*) pursuant to and for the purposes set forth under Article 2414-*bis*, paragraph 3, of the Italian Civil Code (the "**Security Agent**"), and U.S. Bank Europe DAC, as paying agent, transfer agent, registrar and calculation agent, in a private transaction that is not subject to the registration requirements of the Securities Act. The Indenture will not be qualified under, incorporate by reference or include terms of, or be subject to, any of the provisions of the U.S. Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**"). You will find definitions of certain capitalized terms used in this "*Description of the Notes*" under the heading "*Certain Definitions*."

This "*Description of the Notes*" is intended to be an overview of the material provisions of the Notes, the Notes Guarantees, the Indenture and the Security Documents. Since this description of the terms of the Notes is only a summary, you should refer to the Notes, the Indenture and the Security Documents for complete descriptions of the obligations of the Issuer and the Guarantors and your rights. Copies of such documents, as applicable, are available from us upon written request as described under "*Where You Can Find Other Information*" in this Offering Memorandum.

The proceeds from the offering of the Notes sold on the Issue Date will be used as described under "*Use of Proceeds.*"

The Indenture, the Notes and any Notes Guarantee will be subject to the terms of the Intercreditor Agreement and to any Additional Intercreditor Agreements (as defined below). The terms of the Intercreditor Agreement are important to understanding the relative ranking of indebtedness and security, the ability to make payments in respect of the indebtedness, procedures for undertaking enforcement action, subordination of certain indebtedness, turnover obligations, terms related to an IPO Debt Pushdown, release of security and guarantees, and the payment waterfall for amounts received by the Security Agent. See "*Description of Certain Financing Arrangements—Intercreditor Agreement*" for a description of certain terms of the Intercreditor Agreement.

The registered Holder of a Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture, including, without limitation, with respect to enforcement and the pursuit of other remedies. The Notes have not been, and will not be, registered under the Securities Act and are subject to certain transfer restrictions.

Ranking of the Notes and Security

The Notes

The Notes will:

- be general, senior obligations of the Issuer, secured as set forth under "*Security*";
- 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 Notes, including obligations of the Issuer under the Revolving Credit Facility 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;
- be effectively subordinated to any existing or future indebtedness or obligation of the Issuer or of Subsidiaries of the Issuer that is secured by property or assets that do not secure the Notes, or which secures such other indebtedness on a super senior basis, to the extent of the value of the property and assets securing such other Indebtedness or obligation;
- be, subject to the Agreed Security Principles, guaranteed on a joint and several, full and unconditional basis (subject to any limitations on such guarantee by virtue of applicable local law) by the Guarantors as described herein;
- be structurally subordinated to any existing and future indebtedness or obligations of Subsidiaries of the Issuer that are not Guarantors, including obligations owed to trade creditors; and

- be represented by one or more registered Notes in global form but in certain circumstances may be represented by Definitive Registered Notes (see "*Book-Entry; Delivery and Form*").

Under the terms of the Intercreditor Agreement, Holders will receive proceeds from the enforcement of the Collateral only after certain obligations entitled to receive proceeds from the enforcement of the Collateral in priority to the Notes have been repaid in full, including (i) obligations under the Revolving Credit Facility and (ii) certain Hedging Obligations (if any).

The Notes Guarantees

On the Issue Date, the Notes will be guaranteed by Italmatch USA Corporation, Detrex Corporation, The Elco Corporation, Italmatch Chemicals GB Ltd, and Water Science Technologies, LLC (collectively, the "**Guarantors**").

The Notes Guarantee of each Guarantor will upon its issuance:

- be a senior obligation of each Guarantor, secured as set forth under "*Security*";
- rank *pari passu* in right of payment with any existing and future indebtedness of such Guarantor that is not expressly subordinated in right of payment to such Notes Guarantee, including such Guarantor's Guarantee of the Revolving Credit Facility and certain Hedging Obligations (if any);
- rank senior in right of payment to any existing and future indebtedness of such Guarantor that is expressly subordinated to such Notes Guarantee;
- be effectively subordinated to any existing or future indebtedness or obligation of such Guarantor that is secured by property and assets that do not secure such Notes Guarantee, or which secures such other indebtedness on a super senior basis, to the extent of the value of the property and assets securing such other indebtedness or obligation; and
- be structurally subordinated to any existing or future indebtedness or obligations of Subsidiaries of such Guarantor, in each case that are not Guarantors, including obligations owed to trade creditors of such Subsidiaries.

The obligations of a Guarantor under its Notes Guarantee will be limited as necessary to prevent the relevant Notes Guarantee from constituting a fraudulent conveyance or unlawful financial assistance or infringement of capital maintenance or corporate benefit rules under applicable law, otherwise to reflect limitations under applicable law or as set out in the respective Guarantee. In addition, each Notes Guarantee will be further limited as required by the Agreed Security Principles, as described below under "*—The Notes Guarantees—General*." By virtue of these limitations, a Guarantor's obligation under its Notes Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Notes Guarantee. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Security Interests—Enforcing your rights as a holder of the Notes or under the Guarantees thereof or the Collateral across multiple jurisdictions may prove difficult*" and "*—The insolvency laws of Italy and other applicable jurisdictions may not be as favorable to you as the insolvency laws of the United States or those of another jurisdiction with which you are familiar; other limitations on the Guarantees and the Security Interests, including fraudulent conveyance statutes, may adversely affect their validity and enforceability*." The validity and enforceability of the Notes Guarantees and the liability of each Guarantor will be subject to the limitations described in this Offering Memorandum under the caption "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*."

Claims of creditors of non-Guarantor Restricted Subsidiaries, including depositors, trade creditors and creditors holding claims under debt and guarantees issued by those Restricted Subsidiaries, and claims of minority stockholders and preferred stockholders of non-Guarantor Restricted Subsidiaries generally will have priority with respect to the assets and earnings of those Restricted Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders. The Notes therefore will be structurally subordinated to creditors (including trade creditors), preferred stockholders (if any) and minority stockholders of Restricted Subsidiaries (other than the Guarantors).

As of September 30, 2025, after giving pro forma effect to the Transactions, the Issuer and the Guarantors had €1.2 million in aggregate principal amount of external third-party indebtedness (excluding €690.0 million of Notes), none of which was secured and all of which is expected to remain in place following the Transactions. See "*Capitalization*." See "*Description of Certain Financing Arrangements—Revolving Credit Facility Agreement*."

Principal and Maturity

On the Issue Date, the Issuer will issue €690,000,000 in aggregate principal amount of Notes under the Indenture, comprising €390,000,000 Floating Rate Notes and €300,000,000 Fixed Rate Notes. The Notes will mature on February 5,

2031. The Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

Additional Notes

The Indenture is unlimited in aggregate principal amount, of which (i) €390,000,000 aggregate principal amount of Floating Rate Notes and (ii) €300,000,000 aggregate principal amount of Fixed Rate Notes will be issued, in each case, on the Issue Date. After the Issue Date, we may issue an unlimited principal amount of additional Floating Rate Notes having substantially identical terms and conditions as the Floating Rate Notes originally issued (the "**Additional Floating Rate Notes**") and an unlimited principal amount of additional Fixed Rate Notes having substantially identical terms and conditions as the Fixed Rate Notes originally issued (the "**Additional Fixed Rate Notes**" and, together with the Additional Floating Rate Notes and any notes issued under the Indenture of any other series as further described below, the "**Additional Notes**") under the Indenture; provided that if such Additional Notes are not fungible with the Floating Rate Notes or Fixed Rate Notes, as applicable, for U.S. federal income tax purposes in the reasonable judgment of the Issuer, such Additional Notes will be issued with a separate ISIN code or common code, as applicable, from such Notes. We will only be permitted to issue Additional Notes in compliance with the covenants contained in the Indenture, including the covenants restricting the Incurrence of Indebtedness and the Incurrence of Liens (as described below under "*Certain Covenants—Limitation on Indebtedness*" and "*Certain Covenants—Limitation on Liens*"). Any series of Additional Notes shall have terms substantially identical to the relevant series of Notes, as applicable, originally issued, except in respect of any of the following terms which shall be set forth in an Officer's Certificate (defined below) or, at the election of the Issuer, a supplemental indenture, delivered to the Trustee (copying the Paying Agent), as applicable:

(1) whether such Additional Notes shall be issued as part of an existing or new series of Notes (and, in such latter case, the title of such Additional Notes (which shall distinguish the Additional Notes of such new series from Notes of any other series));

(2) the aggregate principal amount of such Additional Notes;

(3) the date or dates on which such Additional Notes will be issued and will mature;

(4) the rate or rates (which may be fixed or floating) at which such Additional Notes shall bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of Holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;

(5) the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such Additional Notes may be payable;

(6) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part;

(7) if other than in denominations of €100,000 and in integral multiples of €1,000 in excess thereof, the denominations in which such Additional Notes shall be issued and redeemed; and

(8) the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such Additional Notes.

Except as otherwise provided for in the Indenture, the Notes issued in this offering and, if issued, any Additional Notes will be treated as a single class for all purposes under the Indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase. Unless otherwise excluded, in this "*Description of the Notes*," references to the "*Notes*" include the Notes and any Additional Notes that are actually issued.

Interest

Interest on the Notes shall be payable entirely in cash in euros.

Interest on the Fixed Rate Notes will accrue at the rate of 6.250% per annum. Interest on the Fixed Rate Notes will:

- accrue from the Issue Date or, if interest has already been paid, from the date it was most recently paid;
- be payable semi-annually in arrears on June 30 and December 31 of each year, commencing on June 30, 2026;

- be payable to the Holder of record of such Notes on the Business Day immediately preceding the related interest payment date; and

- be computed on the basis of a 360-day year comprised of twelve 30-day months.

Interest on the Floating Rate Notes will accrue at a rate per annum (the "**Applicable Rate**"), reset quarterly, equal to the sum of (i) EURIBOR plus (ii) 4.125%, as determined by the Calculation Agent (as defined below). Interest on the Notes will:

- accrue from the Issue Date or, if interest has already been paid from the date it was most recently paid;

- be payable quarterly in arrears, on March 31, June 30, September 30 and December 31 of each year, commencing on June 30, 2026;

- be payable to the Holder of record of such Notes on the Business Day immediately preceding the related interest payment date; and

- be computed on the basis of a 365-day year and the actual number of days elapsed.

Interest on overdue principal and interest in respect of a series of Notes will accrue at a rate that is 1% higher than the then applicable rate of interest. Notwithstanding any other provision to the contrary, if the remuneration applicable to the Notes (including interest, default interest, fees, charges, expenses and other costs and any other form of compensation related to the Notes (the "**Total Remuneration**")) at any time exceeds the maximum remuneration permitted under applicable Italian law (including Italian Law No. 108 of March 7, 1996, as amended and supplemented), then the Total Remuneration shall immediately and automatically be reduced to the maximum admissible remuneration pursuant to applicable Italian law for, and limited to, the period during which it is not possible to apply the remuneration as originally provided; *provided*, *however*, that the Calculation Agent (as defined below) shall not be responsible for verifying that the rate of interest on the Notes is permitted under applicable law.

The Calculation Agent shall, as soon as practicable after 11:00 a.m. (London time) on each Interest Calculation Date, determine the Applicable Rate and calculate the aggregate amount of interest payable on the Floating Rate Notes in respect of the following Interest Period (the "**Interest Amount**") and notify the Issuer in writing thereof. The Interest Amount shall be calculated by applying the Applicable Rate to the principal amount of the Floating Rate Notes outstanding on the Interest Calculation Date, multiplying each such amount by the actual number of days in the Interest Period concerned divided by 365; *provided*, *however*, that interest shall only be paid in respect of Notes outstanding on the applicable interest payment dates. 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 .04876545) being rounded to 4.87655% (or .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 determination of the Applicable Rate and the Interest Amount by the Calculation Agent shall, in the absence of willful misconduct, fraud or manifest error, be final and binding on all parties.

As used herein:

"**Calculation Agent**" means a financial institution appointed by the Issuer to calculate the interest rate payable on the Floating Rate Notes in respect of each interest period, which shall initially be U.S. Bank Europe DAC.

"**EURIBOR**" means, with respect to an Interest Period, the rate (expressed as a percentage per annum) for deposits in euro for a three-month period beginning on the day that is two TARGET Days after the Interest Calculation Date that appears on Reuters page EURIBOR01 as of 11:00 a.m. (London time) on the Interest Calculation Date; *provided*, *however*, that EURIBOR shall never be less than 0%. If Reuters Page EURIBOR01 does not include such a rate or is unavailable on an Interest Calculation Date, the Calculation Agent will request the principal London office of each of four major banks in the euro zone inter-bank market, as selected by the Calculation Agent, to provide such bank's offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m. (London time) on such Interest Calculation Date, to prime banks in the euro zone inter-bank market for deposits in a Representative Amount in euro for a three-month period beginning on the day that is two TARGET Days after the Interest Calculation Date. If at least two such offered quotations are so provided, EURIBOR for such Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, the Calculation Agent will request each of three major banks in London, as selected by the Calculation Agent, to provide such bank's rate (expressed as a percentage per annum), as of approximately 11:00 a.m. (London time) on such Interest Calculation Date, for loans in a Representative Amount in euro to leading European banks for a three-month period beginning on the day that is two TARGET Days after the Interest Calculation Date. If at least two such rates are so provided, EURIBOR for such Interest Period will be the arithmetic mean of such rates. If fewer than two such rates are so provided, then EURIBOR in respect of such Interest Period will be the EURIBOR in effect with respect to the immediately preceding Interest Period.

If the Issuer determines in good faith prior to any Interest Calculation Date, that:

(1) there has been a material disruption to EURIBOR;

(2) EURIBOR is not available for use temporarily, indefinitely or permanently;

(3) there are restrictions or prohibitions on the use of EURIBOR;

(4) an alternative rate has replaced EURIBOR in customary market practice in the international capital markets applicable generally to floating rate notes; or

(5) it has become unlawful for the Calculation Agent, the Issuer or a third party agent of the Issuer to calculate any payments due to Holders using EURIBOR,

the alternative basis for determining the rate of interest on the Floating Rate 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, in consultation with a Rate Determination Agent, shall determine a reasonably appropriate alternative basis for determining the rate of interest on the Floating Rate 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, the Calculation Agent, the Paying Agent and the Trustee of the adoption of any such alternative basis for determining the rate of interest on the Floating Rate Notes. The decision of the Rate Determination Agent will be binding on the Issuer, the Calculation Agent and the Holders. Holders shall be bound by any such alternative basis without any further action or consent by the Holders, the Calculation Agent, the Paying Agent or the Trustee. Following the adoption of an alternative basis pursuant to this paragraph, all references to "EURIBOR" in the Indenture shall be deemed (provided that the alternative basis does not, without the prior agreement of the Trustee, the Paying Agent or the Calculation Agent, as applicable, have the effect of increasing the obligations or duties, or decreasing the rights or protections, of the Trustee, Paying Agent or the Calculation Agent under the Indenture) to refer to such alternative basis.

"**euro zone**" means the region comprised of member states of the European Union that at such time use the euro as their official currency.

"**Interest Calculation Date**" means the day that is two TARGET Days preceding the first day of such Interest Period (as defined below) in respect of the relevant Interest Period except (x) in respect of the first Interest Period, for which the Interest Calculation 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 Floating Rate Notes in respect of any notice of redemption delivered in accordance with the provisions of the Indenture, the Issuer may, in its sole discretion, elect to use the Interest Calculation Date for the prior Interest Period (as notified by the Issuer to the Trustee, Paying Agent, Calculation Agent and the Holders in such redemption notice); *provided* that if the redemption date is delayed requiring the Issuer to update the notice of redemption, the Issuer will also reset the Interest Calculation Date in accordance with this definition.

"**Interest Period**" means the period commencing on and including an interest payment date and ending on and including the day immediately preceding the next succeeding interest payment date, with the exception that the first Interest Period shall commence on and include the Issue Date.

"**Rate Determination Agent**" means (a) an independent financial institution of international standing or an independent financial adviser of recognized standing (that is not an Affiliate of the Issuer) as appointed by the Issuer at the expense of the Issuer or (b) if it is not reasonably practicable to appoint a party as referred to under (a), the Issuer.

"**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 EURIBOR01**" means the display page so designated on 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).

"**TARGET Day**" means any day on which T2 is open for the settlement of payments in euro.

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

The rights of Holders to receive payments of interest on the Notes are subject to applicable procedures of Euroclear and Clearstream. If the due date for any payment in respect of any Notes (including in respect of interest, Additional Amounts or principal amount and including in connection with a redemption pursuant to "*—Optional redemption*") is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Methods of Receiving Payments on the Notes

Principal, interest and premium, if any, on the Global Notes (as defined below) will be payable at the specified office or agency of one or more Paying Agents; *provided* that all such payments with respect to the Notes represented by one or more Global Notes registered in the name of or held by a nominee of a common depositary for Euroclear and Clearstream, as applicable, will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof.

Principal, interest, premium and Additional Amounts, if any, on any certificated securities ("**Definitive Registered Notes**") will be payable at the specified office or agency of one or more Paying Agents maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by electronic means to the person entitled thereto as shown on the register for the Definitive Registered Notes. See "*—Paying Agent and Registrar for the Notes*."

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more Paying Agents for the Notes. The initial Paying Agent will be U.S. Bank Europe DAC (the "**Paying Agent**").

The Issuer will also maintain a registrar (the "**Registrar**"), a transfer agent (the "**Transfer Agent**") and, with respect to the Floating Rate Notes, a calculation agent. The initial Registrar and the initial Transfer Agent will be U.S. Bank Europe DAC and the initial Calculation Agent will be U.S. Bank Europe DAC. The Registrar, Transfer Agent and Paying Agent, as applicable, will maintain a register reflecting ownership of the Notes outstanding from time to time, if any, and will make payments on and facilitate transfers of the Notes on behalf of the Issuer.

Subject to the above restrictions, the Issuer may change the Paying Agent, Registrar, Transfer Agent or Calculation Agent for the Notes without prior notice to the Holders of such Notes. However, for so long as Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF thereof and the rules of the Luxembourg Stock Exchange so require, the Issuer will publish notice of any change of Paying Agent, Registrar, Transfer Agent or Calculation Agent in a newspaper having a general circulation in Luxembourg (which is expected to be the Luxemburger Wort) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (www.luxse.com). The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes.

The Notes Guarantees

General

The Notes will be guaranteed on the Issue Date by Italmatch USA Corporation, Detrex Corporation, The Elco Corporation, Italmatch Chemicals GB Ltd, and Water Science Technologies, LLC on a full and unconditional basis (subject to any limitations on such guarantee by virtue of applicable local law).

As described below under "*Certain Covenants—Additional Guarantees*" and subject to the Intercreditor Agreement and the Agreed Security Principles (including, among others, limitations arising due to corporate benefit rules), if Subsidiaries of the Issuer in the future guarantee the Revolving Credit Facility or certain other Indebtedness of the Issuer or a Guarantor permitted under the Indenture, such Person shall also enter into one or more Guarantees or supplemental indentures or such other instrument to become Guarantors of the Notes and accede to the Intercreditor Agreement.

Agreed Security Principles

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Revolving Credit Facility and the Notes. The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory or other legal limitations or requirements, financial assistance rules, corporate benefit rules, fraudulent preference rules, "thin capitalization" rules, capital maintenance rules, retention of title claims and similar matters, or where the time and cost of granting the guarantee or security would be disproportionate to the benefit accruing to the Holders.

The following is a non-exhaustive summary of certain terms of the Agreed Security Principles, which include, among others:

- general legal and statutory limitations, regulatory restrictions, financial assistance, anti-trust and other competition authority restrictions, corporate benefit, fraudulent preference, equitable subordination, "transfer pricing," "thin capitalization," "earnings stripping," "controlled foreign corporation" and other tax restrictions, "exchange control restrictions," "capital maintenance" rules and "liquidity impairment" rules, tax restrictions, retention of title claims, employee consultation or approval requirements and similar principles may limit the ability of the Issuer and the Restricted Subsidiaries (collectively, the "**Group**") to provide a guarantee or security or may require that the guarantee or security be limited as to amount or otherwise and, if so, the guarantee or security will be limited accordingly; *provided* that, to the extent requested by the Security Agent before signing any applicable security or accession document, the relevant member of the Group shall use reasonable endeavors (but without incurring material cost and without adverse impact on relationships with third parties) to overcome any such obstacle or otherwise such guarantee or Security Document shall be subject to such limit;

- the determination that the time and cost (including adverse effects on taxes, interest deductibility, stamp duty, registration taxes, notarial costs, guarantee fees payable to any person that is not a member of the Group and all applicable legal fees) related to granting the relevant guarantee and/or security (including in respect of the security, the extent of its perfection and/or registration) will not be disproportionate to the benefit accruing to the relevant secured parties of obtaining such guarantee or security;

- the agreement that security that requires payment in Italy of an *ad valorem* registration tax on the amount of the security obligations will not be taken unless it can be executed by way of exchange of correspondence or in any other form required under the applicable law (other than Italian law) governing the relevant security which does not give rise to any such ad valorem registration Tax, or if tax duty can be minimized on execution (including through a cap to the secured obligations agreed between the Security Agent and the Issuer);

- the exclusion from any guarantee or security of any asset subject to a legal requirement, contract, lease, license, instrument, regulatory constraint (including any agreement with any government or regulatory body) or other third party arrangement, which may prevent or condition the asset from being charged, secured or being subject to the applicable Security Document (including requiring a consent of any third party, supervisory board or works council (or equivalent)) and any asset which, if subject to the applicable Security Document, would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations with respect to any member of the Group in respect of the asset or require the relevant charger to take any action materially adverse to the interests of the Group or any member thereof; *provided* that reasonable endeavors (exercised for a specified period of time) to obtain consent to charging any asset (where otherwise prohibited) shall be used by the Group if the Security Agent specifies prior to the date of the security or accession document that the asset is material and the Issuer is satisfied that such endeavors will not involve placing relationships with third parties in jeopardy;

- the agreement that members of the Group will not be required to give guarantees or enter into security documents if they are not wholly owned by another member of the Group or if it is not within the legal capacity of the relevant members of the Group or if it would conflict with the fiduciary or statutory duties of their directors or contravene any applicable legal, regulatory or contractual prohibition or restriction or have the potential to result in a material risk of personal or criminal liability for any director or officer of or for any member of the Group, *provided* that, to the extent requested by the Security Agent before signing any applicable Security Document or accession document, the relevant member of the Group shall, in relation to a contractual prohibition or restriction only, use reasonable endeavors (but without incurring material cost and without adverse impact on relationships with third parties) to overcome any such obstacle or otherwise such guarantee or Security Document shall be subject to such limit;

- the requirement that, to the extent legally effective, all security shall be given in favor of the Security Agent and not the secured creditors individually (with the Security Agent to hold one set of Security Documents for all the secured creditors); *provided* that it shall be permissible to use "parallel debt" provisions where necessary (which shall be included in the Intercreditor Agreement and not the individual Security Documents); and furthermore, the agreement that no member of the Group shall be required to take any action in relation to any guarantees or security as a result of any assignment or transfer of the Notes by a Holder;

- the limitation of guarantees and security so that the aggregate of notarial costs and all registration and like taxes and duties relating to the provision of security will not exceed an amount to be agreed between the Issuer and the Security Agent, and the agreement that where a class of assets to be secured includes material and immaterial assets, if the cost of granting security over the immaterial assets is disproportionate to the benefit of such security, security will be granted over the material assets only;

- the agreement that security will not be required over any assets subject to security in favor of a third party (other than certain limited exceptions in relation to bank accounts) or any cash constituting regulatory capital or customer cash (and such assets or cash shall be excluded from any relevant Security Document) and in no event will "parallel debt" provisions apply to Security Documents governed by Italian law;

- the agreement that it may be either impossible or impractical to create security over certain categories of assets in which event security will not be taken over such assets;

- the agreement that no security may be provided on terms which are inconsistent with the turnover or sharing provisions in the Intercreditor Agreement and guarantees and that security will not be required from or over the assets of, any joint venture or similar arrangement, any minority interest or any member of the Group that is not wholly owned by another member of the Group;

- the agreement that the giving of a guarantee, the granting of security and the registration and/or the perfection of the security granted will not be required if it would have a material adverse effect on the ability of the relevant member of the Group to conduct its operations and business in the ordinary course as otherwise permitted by the Notes Indenture and the Intercreditor Agreement (including dealing with the secured assets and all contractual counterparties or amending, waiving or terminating (or allowing to lapse) any rights, benefits or obligations, in each case prior to a declaration of acceleration of the Notes), and the agreement that any requirement under the Agreed Security Principles to seek consent of any person or take or not take any other action shall be subject to the Agreed Security Principles;

- the agreement that, other than a general security agreement and related filing, no perfection, filing or other action will be required with respect to assets of a type not owned by members of the Group or in a jurisdiction other than a jurisdiction in which (a) a borrower is incorporated or (b) any of the following jurisdictions, Austria, Belgium, France, Germany, Italy, Spain, the United Kingdom or the United States of America (each a "**Covered Jurisdiction**") or otherwise over the shares of a member of the Group located in jurisdiction other than a Covered Jurisdiction;

- the agreement that members of the Group shall not be required to bear any costs or expenses in relation to notarization of any powers of attorney or Spanish tax numbers of the secured parties that may be required in connection with entering into any Security Document and that any Security Document will only be required to be notarized if required by law in order for the relevant security to become effective or admissible in evidence;

- the agreement that no guarantee or security will be required to be given by or over any acquired person or asset (and no consent shall be required to be sought with respect thereto) which are required to support acquired indebtedness to the extent such acquired indebtedness is permitted by the Notes to remain outstanding after an acquisition. No member of a target group or other entity acquired pursuant to an acquisition not prohibited by the Notes shall be required to become a Guarantor or grant security with respect to the Notes if prevented by the terms of the documentation governing that acquired indebtedness (including acquired indebtedness or any refinancing indebtedness in respect of such acquired indebtedness) or if becoming a Guarantor or the granting of any security would give rise to an obligation (including any payment obligation) under or in relation thereto; no security will be granted over any asset secured for the benefit of any permitted indebtedness under the Intercreditor Agreement and/or to the extent constituting a Permitted Lien unless specifically required by the Notes Indenture to the contrary;

- the agreement that to the extent possible and unless required by applicable law, there should be no action required to be taken in relation to the guarantees or security when any lender assigns or transfers any of its participation to a new lender (and, unless explicitly agreed to the contrary in the Notes, no member of the Group shall bear or otherwise be liable for any taxes, any notarial, registration or perfection fees or any other costs, fees or expenses that result from any assignment or transfer of the Notes by a Holder);

- the agreement that no title investigations or other diligence on assets will be required and no title insurance will be required;

- the agreement that each Security Document shall be deemed not to restrict or condition any transaction not prohibited under the Revolving Credit Facility, Notes or the Intercreditor Agreement and the security granted under each Security Document entered into prior to, on or after the Issue Date shall be deemed to be subject to these Agreed Security Principles, before and after the execution of the relevant Security Document and creation of the relevant security;

- the agreement that the secured parties (or any agent or similar representative appointed by them at the relevant time) will not be able to exercise any power of attorney or set-off granted to them prior to the occurrence of a declaration of acceleration of the Notes;

- the agreement that no guarantee or security shall guarantee or secure any "Excluded Swap Obligations" defined in accordance with the LSTA Market Advisory Update dated February 15, 2013 entitled "Swap Regulations' Implications for Loan Documentation," and any update thereto by the LSTA; and

- the agreement that no translation of any document relating to any security or any asset subject to any security will be required to be prepared or provided to the secured parties, unless (i) required for such documents to become effective or admissible in evidence and (ii) a declaration of acceleration of the Notes has occurred and is continuing.

Each Notes Guarantee will also be limited to the maximum amount that would not render the applicable Guarantor's obligations subject to avoidance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable provision of non-U.S. law, or as otherwise required under the Agreed Security Principles, to comply with corporate benefit, financial assistance, capital maintenance rules and other laws or will be limited as set out in the respective Notes Guarantee. By virtue of this limitation, a Guarantor's obligation under its Notes Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Notes Guarantee. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Security Interests—The insolvency laws of Italy and other applicable jurisdictions may not be as favorable to you as the insolvency laws of the United States or those of another jurisdiction with which you are familiar; other limitations on the Guarantees and the Security Interests, including fraudulent conveyance statutes, may adversely affect their validity and enforceability*," "*Risk Factors—Risks Related to the Notes, the Guarantees and the Security Interests—Enforcing your rights as a holder of the Notes or under the Guarantees thereof or the Collateral across multiple jurisdictions may prove difficult*" and "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests.*" A portion of the operations of the Group will be conducted through Restricted Subsidiaries that will not be Guarantors. Claims of creditors of non-Guarantor Restricted Subsidiaries, including trade creditors and creditors holding debt and guarantees issued by those Restricted Subsidiaries, and claims of preferred stockholders (if any) of those Restricted Subsidiaries and minority stockholders of Subsidiaries of non-Guarantor Restricted Subsidiaries (if any) generally will have priority with respect to the assets and earnings of those Restricted Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders. The Guarantors will also guarantee our obligations under the Revolving Credit Facility Agreement and certain Hedging Obligations (if any). The Notes and each Notes Guarantee therefore will be structurally subordinated to creditors (including trade creditors) and preferred stockholders (if any) of Restricted Subsidiaries (other than the Guarantors) and minority stockholders of non-Guarantor Restricted Subsidiaries.

As of and for the twelve months ended September 30, 2025, the Issuer and the Guarantors accounted for approximately 63% of aggregate revenue, approximately 54% of aggregate EBITDA and approximately 79% of aggregate total assets. See "*Presentation of Financial and Other Information—Guarantor Coverage*." As of September 30, 2025, the Group's indebtedness outstanding at non-Guarantor subsidiaries was nil.

Although the Indenture will restrict the Incurrence of Indebtedness by the Issuer and the Restricted Subsidiaries in excess of the limitations described under "*—Certain Covenants—Limitation on Indebtedness*," such limitations are subject to a number of significant exceptions. Moreover, the Indenture will not impose any limitation on the Incurrence by the Issuer or Restricted Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the Indenture. See "*—Certain Covenants—Limitation on Indebtedness*."

Notes Guarantee Release

The Notes Guarantee of a Guarantor will be automatically and unconditionally released and discharged upon:

(1) a sale or other disposition (including by way of consolidation, dissolution or merger) of the Capital Stock of a Guarantor (whether by direct sale or sale of a holding company) as a result of which such Guarantor would no longer be a Restricted Subsidiary or the sale or disposition of all or substantially all the assets of the Guarantor if the sale or other disposition does not violate the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(2) the designation in accordance with the Indenture of the Guarantor as an Unrestricted Subsidiary;

(3) legal defeasance, covenant defeasance or satisfaction and discharge of the Notes in accordance with the Indenture, as provided in "*Defeasance*" and "*Satisfaction and Discharge*";

(4) pursuant to the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement (including as described under "*Description of Certain Financing Arrangements—Intercreditor Agreement—Provisions Following an IPO*");

(5) so long as no Event of Default has occurred and is continuing, to the extent that such Guarantor (i) is unconditionally released and discharged from its liability with respect to the Revolving Credit Facility Agreement and (ii) would not otherwise be required to provide a Guarantee pursuant to the covenant described under "—*Certain covenants—Additional Guarantees*";

(6) as described under "*Amendments and Waivers*";

(7) as described in the second paragraph of the covenant described below under "*Certain Covenants—Additional Guarantees*";

(8) upon payment in full of principal and interest and all other obligations under the Notes;

(9) (i) in connection with a solvent liquidation of such Guarantor pursuant to which substantially all the assets of such Guarantor remain owned by the Issuer or a Restricted Subsidiary and (ii) in connection with, or the resignation, release or substitution is required to give effect to any step, reorganization or action related to, one or more Permitted Reorganizations;

(10) as a result of a transaction that would not be prohibited under "*Certain Covenants—Merger and Consolidation*" or

(11) as otherwise permitted in accordance with the Indenture.

At the request and expense of the Issuer and, if applicable, at the request of the Security Agent, the Trustee shall take all reasonably necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release or amendment of a Notes Guarantee in accordance with these provisions, subject to customary protections and indemnifications. Each of the releases and amendments set forth above shall be effected by the Trustee without any consent of the Holders or any other action or consent on the part of the Trustee. The Trustee shall be entitled to request and rely solely upon an Officer's Certificate and Opinion of Counsel, each certifying which circumstance, as described above, giving rise to any release or amendment of a Notes Guarantee has occurred, and that such release complies with the Indenture.

Security

General

Subject to the Agreed Security Principles, certain material limitations pursuant to applicable laws and certain perfection requirements, the Notes will be secured on a senior basis:

(i) on or about the Issue Date and in any event within five (5) Business Days thereof, by:

(a) a pledge over the shares of the Issuer held by HoldCo and a pledge over certain material bank accounts of the Issuer held in Italy;

(b) a pledge over the shares of each Guarantor and a pledge over the material bank account(s) of each Guarantor; and

(c) an assignment by way of security by the Issuer of the receivables arising under the Intercompany Loans,

in each case, granted and/or reconfirmed (as applicable); and

(ii) on or about the date that a Guarantor executes a supplemental indenture to provide a Note Guarantee, by a pledge over the shares or the membership interests of such Guarantor and security granted by such Guarantor over its material bank accounts, in each case granted or reconfirmed (as applicable),

(collectively, and together with any and all assets in respect of which from time to time a Security Interest has been or will be granted and/or reconfirmed pursuant to the Indenture and/or any Security Document to secure the obligations under the Indenture or the Notes and/or any Notes Guarantee, in each case as may be in existence from time to time subsequent to the Issue Date, the "**Collateral**").

The assets that comprise the Collateral secure on a first-priority basis the obligations under the Revolving Credit Facility and counterparties to certain Hedging Obligations (if any). Lenders under the Revolving Credit Facility and counterparties to certain hedging obligations (if any) will be contractually entitled to receive proceeds from the enforcement of the Collateral in priority to the Notes. The proceeds from the enforcement of the Collateral after all such "super senior" obligations have been satisfied may not be sufficient to satisfy the obligations owed to the Holders. In addition, the Revolving Credit Facility is and will also continue to be secured by a special lien (*privilegio speciale*) granted by the Issuer over its movable assets. The Revolving Credit Facility and other Indebtedness of our Restricted Subsidiaries may also benefit from guarantees and security interests not granted to the Notes as a result of the Agreed Security Principles, the Intercreditor Agreement or the Indenture.

Subject to certain conditions, and subject to the restrictions described under "*Certain Covenants—Impairment of Security Interest*" and "*—Certain Covenants—Limitation on Liens*," the Issuer will be permitted to grant security over the Collateral in connection with future issuances of Indebtedness or Indebtedness of the Restricted Subsidiaries, including Additional Notes, as permitted under the Indenture and the Intercreditor Agreement.

The Collateral will be pledged or assigned pursuant to the Security Documents to the Security Agent as agent and representative on behalf of the Holders, the finance parties under the Revolving Credit Facility and other secured parties. Any other security interests that may in the future be granted to secure obligations under the Notes, any Notes Guarantees and the Indenture would also constitute "Collateral." Any future additional Collateral (for the avoidance of doubt, other than Collateral that is released and retaken either (i) pursuant to clause (1) under "*—Release of Liens*" or (ii) as would not be prohibited under "*—Certain Covenants—Impairment of Security Interest*") will be subject to the Agreed Security Principles and all Collateral will be subject to any Permitted Collateral Liens. The security interests in the Collateral may be released under certain circumstances. See "*—Release of Liens*."

The Liens on the Collateral will be limited as necessary to recognize certain limitations arising under or imposed by local law and defenses generally available to providers of Collateral (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose or benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law. For a brief description of such limitations, see "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*."

Notwithstanding the foregoing and the provisions of the covenants described below under "*—Certain Covenants—Limitation on Liens*" and "*—Certain Covenants—Additional Guarantees*," certain property, rights and assets (other than the Collateral described in the first paragraph of this section) may not be pledged or assigned, and any pledge or assignment over property, rights and assets may be limited (or the Liens not perfected) and certain Persons may grant Notes Guarantees or such Notes Guarantees may be limited, in each case, in accordance with the Agreed Security Principles. See "*—The Notes Guarantees—General*" for a summary of certain terms of the Agreed Security Principles.

No appraisals of the Collateral have been made in connection with this Offering of the Notes. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, the Collateral may not be able to be sold in a short period of time, or at all. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Security Interests—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*" and "*Risk Factors—Risks Related to the Notes, the Guarantees and the Security Interests—The value of the Collateral securing the Notes may not be sufficient to satisfy our obligations under the Notes and such collateral may be reduced or diluted under certain circumstances.*"

Priority

The relative contractual priority with regard to the security interests in the Collateral that are created by the Security Documents (the "**Security Interests**" and each, a "**Security Interest**") as between (a) the lenders under the Revolving Credit Facility, (b) the counterparties under certain Hedging Obligations (if any), (c) the Trustee, the Security Agent, the Paying Agent, the Registrar, the Transfer Agent and the Calculation Agent (collectively, the "**Agents**") and the Holders under the Indenture and (d) the creditors of certain other Indebtedness permitted to be secured by the Collateral, respectively, will be established by the terms of the Intercreditor Agreement, the Indenture, the Notes and the Security Documents, which provide, or will provide, among other things, that the obligations of the Issuer and the Guarantors under the Revolving Credit Facility, certain Hedging Obligations (if any), the Notes and any Notes Guarantees will be secured equally and ratably by first-priority Security Interests over the Collateral. The Intercreditor Agreement also provides, among other things, that the obligations of the Issuer and any Guarantors under the Revolving Credit Facility and certain Hedging Obligations (if any) will receive proceeds from the enforcement of the Collateral in priority to the Notes. See "*Description of Certain Financing Arrangements—Intercreditor Agreement.*" In addition, subject to certain limitations, the Collateral may be pledged to secure future Indebtedness, some of which may receive proceeds from the enforcement of the Collateral in priority to the Notes. See "*—Release of Liens*," "*—Certain Covenants—Impairment of Security Interest*" and "*—Certain Definitions—Permitted Collateral Liens*."

Security Documents

Under the Security Documents, security is, or will be, granted over the Collateral to secure the payment, when due, of the Issuer's and the Guarantors' payment obligations under the Notes, the Notes Guarantees and the Indenture, as well as the payment obligations of the Issuer and the Guarantors under the Revolving Credit Facility and certain Hedging Obligations (if any). The Security Documents will be entered into by the relevant security provider and the Security Agent as agent for the secured parties for the benefit of the secured parties (including itself, the Trustee and the Holders of Notes from time to time), as legal representative (*mandatario con rappresentanza*) under the Indenture and as representative (*rappresentante*) of the Holders pursuant to and for the purposes set forth under Article 2414-*bis*, paragraph 3, of the Italian Civil Code. Under the Intercreditor Agreement, the Security Agent also acts as an agent of the finance parties under the Revolving Credit Facility and the counterparties under certain Hedging Obligations, if any, in relation to the Security Interests created in favor of such parties.

The Indenture will provide and the Intercreditor Agreement provides that, to the extent permitted by applicable law, only the Security Agent has the right to enforce the Security Documents on behalf of the Trustee and the Holders. As a consequence of such contractual provisions, Holders will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee under the Indenture, who will (subject to the provisions of the Indenture) provide instructions to the Security Agent. Under the Intercreditor Agreement, the Security Agent (including in its role as Security Representative) will also act on behalf of the finance parties under the Revolving Credit Facility, the counterparties under certain Hedging Obligations (if any), and the creditors of certain other Indebtedness permitted to be secured by the Collateral in accordance with the Intercreditor Agreement (if any) in relation to the Security Interests in favor of such parties.

The Indenture will provide that, subject to the terms thereof and of the Security Documents and the Intercreditor Agreement, the Notes and the Indenture, as applicable, are, or will be, secured by Security Interests in the Collateral until all obligations under the Notes and the Indenture have been discharged. However, the Security Interests with respect to the Notes and the Indenture may be released under certain circumstances as provided under "*—Release of Liens*."

In the event that the Issuer or its Subsidiaries enter into insolvency, bankruptcy, judicial liquidation or similar proceedings, the Security Interests created under the Security Documents or the rights and obligations enumerated in the Intercreditor Agreement could be subject to potential challenges. If any challenge to the validity of the Security Interests or the terms of the Intercreditor Agreement were to be successful, the Holders may not be able to recover any amounts under the Security Documents. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Security Interests*."

Enforcement of Security Interest; Limitations

The Security Documents will provide that the rights under the Security Documents must be exercised by the Security Agent (including in its role as representative (*rappresentante*) of the Holders pursuant to and for the purposes set forth under Article 2414-*bis*, paragraph 3, of the Italian Civil Code). Since the Holders will not be a party to the Security Documents, they will not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The Holders may only act through the Security Agent (including in its role as Security Representative) or the Trustee (as applicable).

To the extent permitted by the applicable laws and subject to the terms of the Intercreditor Agreement and the Indenture, Holders will, in certain circumstances, be entitled to direct the Trustee to provide instructions to the Security Agent for the enforcement of security over the Collateral. The Indenture will restrict and the Intercreditor Agreement restricts the ability of the Holders or the Trustee to enforce the Security Interests and provide for the release of the Security Interests created by the Security Documents in certain circumstances upon enforcement by the lenders under the Revolving Credit Facility Agreement. These limitations are described under "*Description of Certain Financing Arrangements—Intercreditor Agreement*" and "*Certain Limitations on Validity and Enforceability of the Collateral and Certain Insolvency Law Considerations—Certain Insolvency Law Considerations*". The ability to enforce may also be restricted by similar arrangements in relation to future indebtedness that is secured on the Collateral in compliance with the Indenture and the Intercreditor Agreement.

The creditors under the Revolving Credit Facility, the counterparties to certain Hedging Obligations (if any) secured by the Collateral and the Trustee have and will have and, by accepting a Note, each Holder will be deemed to have, appointed the Security Agent to act on its behalf as its agent and as *mandatario con rappresentanza* pursuant to Article 1704 of the Italian Civil Code and as representative (*rappresentante*) pursuant to Article 2414-*bis*, paragraph 3, of the Italian Civil Code under the Intercreditor Agreement and the relevant security documents securing such Indebtedness, including the Security Documents. The creditors under the Revolving Credit Facility, the counterparties to Hedging Obligations (if any) secured by the Collateral and the Trustee have and will have and, by accepting a Note, each Holder will be deemed to have, authorized the Security Agent under the Intercreditor Agreement and/or the Indenture (as applicable) to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement and the Security Documents securing such Indebtedness, together with any other incidental rights, power and discretions; and (ii) execute each relevant Security Document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Security Agent on its behalf.

Intercreditor Agreement; Additional Intercreditor Agreements; Agreement to be Bound

The Indenture will provide that the Trustee will be authorized (without any further consent of the Holders) to enter into the Intercreditor Agreement to give effect to the provisions described in the section entitled "*Description of Certain Financing Arrangements—Intercreditor Agreement*."

The Indenture will also provide that each Holder of the Notes, by accepting such Note, will be deemed to have:

(1) appointed and authorized the Security Agent and the Trustee to give effect to the provisions in the Intercreditor Agreement, and enter into and give effect to the provisions in any Additional Intercreditor Agreements and the Security Documents;

(2) authorized the Security Agent and the Trustee, as applicable, to enter into the Security Documents and the Intercreditor Agreement and to be bound thereby and to perform their respective obligations and exercise their respective rights thereunder in accordance therewith;

(3) agreed to be bound by the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents;

(4) agreed to, and accepted, the appointment of BNP PARIBAS, Italian Branch, as representative (*rappresentante*) of the noteholders for the purposes of Article 2414-*bis*, paragraph 3, of the Italian Civil Code in relation to the Security Documents;

(5) agreed and acknowledged that the Security Agent will administer the Collateral in accordance with the Intercreditor Agreement, any Additional Intercreditor Agreement, the Indenture and the Security Documents; and

(6) irrevocably appointed the Security Agent and the Trustee to act on its behalf to enter into and comply with the provisions of the Intercreditor Agreement, any Additional Intercreditor Agreements and the Security Documents.

See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Security Interests—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" and "Description of Certain Financing Arrangements—Intercreditor Agreement*."

Similar provisions to those described above may be included in any Additional Intercreditor Agreement (as defined below) entered into as described under "*—Certain Covenants—Additional Intercreditor Agreements*."

Release of Liens

The Issuer, its Subsidiaries and any other provider of Collateral, as applicable, will be entitled to unconditionally release the Security Interests in respect of the Collateral under any one or more of the following circumstances:

(1) in connection with any sale or other disposition of Collateral (a) to any Person that is not the Issuer or a Restricted Subsidiary (but excluding any transaction subject to "*—Certain Covenants—Merger and Consolidation*"), if such sale or other disposition does not violate the covenant described under "*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" and is otherwise not prohibited under the Indenture or (b) to any Restricted Subsidiary; *provided* that this clause (1)(b) shall not be relied upon in the case of a transfer of Capital Stock, obligations under proceeds loans owed to the Issuer, or accounts receivable (including intercompany loan receivables and hedging receivables) to a Restricted Subsidiary (except, in the case of accounts receivable, to a Receivables Subsidiary) unless the relevant property and assets remain subject to, or otherwise become subject to a Lien in favor of the Notes following such transfer, sale or disposal;

(2) in the case of a Guarantor that is released from its Notes Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and Capital Stock, of such Guarantor;

(3) as described under "*Amendments and Waivers*";

(4) upon payment in full of principal, interest and all other obligations in respect of the Notes or legal defeasance, covenant defeasance or satisfaction and discharge of the Notes, as provided in "*Defeasance*" and "*Satisfaction and Discharge*";

(5) if the Issuer designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets, and Capital Stock, of such Unrestricted Subsidiary;

(6) upon the contribution of any claim of the Issuer or any Restricted Subsidiary, which is subject to a Lien, to the equity of the Issuer or any of the Restricted Subsidiaries; *provided* that such contribution is made in compliance with the Intercreditor Agreement;

(7) in connection with a transaction not prohibited by the Indenture pursuant to which such security provider is being liquidated, wound up, or dissolved (or pursuant to which it will otherwise cease to exist), or in connection with a Permitted Reorganization;

(8) in the case of any consolidation, merger or other transfer of assets in a transaction in compliance with the covenant described under "*—Certain Covenants—Merger and Consolidation*";

(9) upon achievement of the conditions described under "*—Certain Covenants—Suspension of Covenants on Achievement of Investment Grade Status*"; provided that if a Reversion Date occurs, subject to the Agreed Security

Principles and the limitations described in this Offering Memorandum, the Issuer will use its commercially reasonable efforts for a Lien of substantially equivalent value to such Lien that was released in reliance on this clause to be re-taken to the extent that the Group continues to own such assets that had constituted Collateral on such date; or

(10) as otherwise not prohibited by the Indenture.

In addition, the Security Interests created by the Security Documents will be released (a) in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement (including as described under "*Description of Certain Financing Arrangements—Intercreditor Agreement—Provisions Following an IPO*") and (b) as would not be prohibited under "*—Certain Covenants—Impairment of Security Interest*."

At the request and expense of the Issuer or the relevant pledgor, the Security Agent and, to the extent reasonably required or necessary, the Trustee will take all necessary action reasonably requested to effectuate any release of Collateral securing the Notes and any Notes Guarantees, including executing and delivering any appropriate document or instrument evidencing such release (in the form provided by the Issuer), in accordance with the provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Security Document, subject to customary protections and indemnification, if applicable. Each of the releases set forth above shall occur automatically or, if required to effect the release, be effected by the Security Agent without the consent of the Holders or any action on the part of the Trustee (unless action is reasonably requested to effect such release). The Security Agent and, only to the extent any action is necessary or required by it to effect the release, the Trustee shall be entitled to request and rely solely upon an Officer's Certificate certifying which circumstance, as described above, giving rise to a release of the Security Interests has occurred, and that such release complies with the Indenture.

Transfer and Exchange

The Notes will be issued in the form of registered notes in global form without interest coupons, as follows:

- Fixed Rate Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act ("**Rule 144A**") will initially be represented by one or more global notes in registered form without interest coupons attached (the "**144A Fixed Rate Global Notes**") and Floating Rate Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A will initially be represented by one or more global notes in registered form without interest coupons attached (the "**144A Floating Rate Global Notes**" and together with the 144A Fixed Rate Global Notes, the "**144A Global Notes**"). The 144A Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream; and

- Fixed Rate Notes sold outside the United States pursuant to Regulation S under the Securities Act ("**Regulation S**") will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Regulation S Fixed Rate Global Notes**") and Floating Rate Notes sold outside the United States pursuant to Regulation S will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Regulation S Floating Rate Global Notes**" and together with the Regulation S Fixed Rate Global Notes, the "**Regulation S Global Notes**" and together with the 144A Global Notes, the "**Global Notes**"). The Regulation S Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes ("**Book-Entry Interests**") will be limited to persons that have accounts with Euroclear and Clearstream or persons that may hold interests through such participants.

Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Notice to Investors*." In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream are, and will be, effected by Euroclear and Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the 144A Global Notes may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes of the same series only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S.

Subject to the foregoing, Book-Entry Interests in the Regulation S Global Notes may be transferred to a person who takes delivery in the form of Book-Entry Interests in the 144A Global Notes of the same series only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "**qualified institutional buyer**" within the meaning of Rule 144A) in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Notice to Investors*" and in accordance with any applicable securities law of any other jurisdiction. No Rule 144A Fixed Rate Global Notes and/or Regulation S Fixed Rate Global Notes may be transferred for any Rule 144A Floating Rate Global Notes and/or Regulation S Floating Rate Global Notes, and no Rule 144A Floating Rate Global Notes and/or Regulation S Floating Rate Global Notes may be transferred for Rule 144A Fixed Rate Global Notes and/or Regulation S Fixed Rate Global Notes.

Any Book-Entry Interest that is transferred as described in the two immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 principal amount, and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant which owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Notice to Investors*."

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, to furnish certain certificates and opinions, and to pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any Taxes payable in connection with such transfer.

Notwithstanding the foregoing, the Issuer is not required to register the transfer or exchange of any Definitive Registered Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of the Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuer, the Trustee, and each Agent will be entitled to treat the registered Holder of a Note as the owner thereof for all purposes.

For the avoidance of doubt, no Book-Entry Interest in any Global Note representing the Fixed Rate Notes (the "**Global Fixed Rate Notes**") and no Definitive Registered Note issued in exchange for a Book-Entry Interest in the Global Fixed Rate Notes (the "**Definitive Registered Fixed Rate Notes**") may be transferred or exchanged for any Book-Entry Interest in any Global Note representing the Floating Rate Notes (the "**Global Floating Rate Notes**") or any Definitive Registered Note issued in exchange for a Book-Entry Interest in the Global Floating Rate Notes (the "**Definitive Registered Floating Rate Notes**"), and no Book-Entry Interest in the Global Floating Rate Notes and no Definitive Registered Floating Rate Note may be transferred or exchanged for any Book-Entry Interest in any Global Fixed Rate Note or any Definitive Registered Fixed Rate Note.

Restricted Subsidiaries and Unrestricted Subsidiaries

As of the Issue Date, each of the Issuer's Subsidiaries will be a Restricted Subsidiary. However, in the circumstances described below under "*—Certain Definitions—Unrestricted Subsidiary*," the Issuer will be permitted to designate Restricted Subsidiaries that are Subsidiaries of the Issuer as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee, provide any security with respect to, or have their shares pledged in favor of, the Notes.

IPO Debt Pushdown

On, in contemplation of, or following an Initial Public Offering, the terms of the Intercreditor Agreement provide (and the Indenture and the Notes shall be subject to such provisions) that the Issuer or its successor shall be entitled to require (by written notice to the Trustee and the Security Agent) that the terms of the Indenture, the Intercreditor Agreement (and any Additional Intercreditor Agreement) and the Security Documents shall operate (with effect from the date specified in such notice) as described under "*Description of Certain Financing Arrangements—Intercreditor Agreement—Provisions Following an IPO*" (an "**IPO Debt Pushdown**"). The Trustee and the Security Agent shall be required to enter into any amendment to the Indenture, 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 any of the matters contemplated by this paragraph. See "*Risk Factors—Risks Related to the Notes, the Guarantee and the Security Interests—There are circumstances other than the repayment or discharge of the Notes under which the Collateral securing the Notes will be released automatically without your consent or the Trustee or the Security Agent obtaining your further consent.*"

Optional Redemption

Floating Rate Notes

Except as described below and under "*Redemption for Taxation Reasons*," the Floating Rate Notes are not redeemable until February 5, 2027. On and after February 5, 2027, the Issuer may redeem all or, from time to time, part of the Floating Rate Notes upon not less than 10 nor more than 60 days' prior written notice, at 100.000% of the principal amount thereof plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date, and Additional Amounts (as defined below), if any. In addition, prior to February 5, 2027 the Issuer may redeem all or, from time to time, part of the Floating Rate Notes upon not less than 10 nor more than 60 days' prior written notice at a redemption price equal to 100.000% of the principal amount thereof, plus the Applicable Premium (as defined below), plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date and Additional Amounts, if any.

Fixed Rate Notes

Except as described below and except as described under "*—Redemption for Taxation Reasons*," the Fixed Rate Notes are not redeemable until February 5, 2028.

At any time prior to February 5, 2028, the Issuer may redeem all or, from time to time, part of the Fixed Rate Notes upon not less than 10 nor more than 60 days' prior written notice at a redemption price equal to 100.000% of the principal amount thereof, plus the Applicable Premium, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date and Additional Amounts, if any.

In addition, prior to February 5, 2028, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of the Fixed Rate Notes issued under the Indenture (including the aggregate principal amount of any additional Fixed Rate Notes) upon not less than 10 nor more than 60 days' prior written notice, with funds in an aggregate amount not exceeding the Net Cash Proceeds of one or more Equity Offerings at redemption price of 106.250% of the principal amount of such Fixed Rate Notes plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date and Additional Amounts, if any; provided that:

(1) at least 50% of the original principal amount of the Fixed Rate Notes (excluding the principal amount of any additional Fixed Rate Notes) issued under the Indenture remains outstanding after each such redemption; and

(2) the redemption occurs within 180 days after the closing of such Equity Offering.

At any time from time to time prior to February 5, 2029, the Issuer may, at its option, during each calendar year redeem up to 10% of the original principal amount of the Fixed Rate Notes (including the original principal amount of any additional Fixed Rate Notes), upon not less than 10 nor more than 60 days' prior written notice, at a redemption price equal to 103% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date and Additional Amounts, if any; *provided that* the aggregate principal amount of Fixed Rate Notes that the Issuer may redeem in each relevant calendar year pursuant to this paragraph may be increased at the option of the Issuer pursuant to the mechanics described in the penultimate paragraph under "*—Certain covenants—Financial Calculations in Respect of Transactions*."

On and after February 5, 2028, the Issuer may redeem all or, from time to time, part of the Notes, upon not less than 10 nor more than 60 days' prior written notice, at the following redemption prices (expressed as a percentage of the principal amount) plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date and Additional Amounts, if any, if redeemed during the twelve month period beginning on February 5 of the years indicated below.

Year	Redemption Price
2028	103.1250%
2029	101.5625%
2030 and thereafter	100.0000%

General

As market conditions warrant, we and our equity holders, including the Permitted Holders, our and their respective Affiliates and members of our management, may from time to time seek to purchase our outstanding debt securities or loans, including the Notes or derivative instruments related thereto, in privately negotiated or open market transactions, by tender or exchange offer or otherwise, upon such terms and at such prices as well as with such consideration as we and our equity holders, including the Permitted Holders, our and their respective Affiliates and members of our management may determine, and the amounts purchased may be material. Subject to any applicable limitations contained in the agreements governing our indebtedness, including the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement, any purchases made by us may be funded by the use of cash on our balance sheet or the incurrence of new secured or unsecured debt, including borrowings under our credit facilities. The amounts involved in any such purchase transactions, individually or in the aggregate, may be material. Any such purchases may be with respect to a substantial amount of a particular class or series of debt, with the attendant reduction in the trading liquidity of such class or series.

Notice of redemption will be provided as set forth under "*Selection and Notice*" below.

If the Issuer effects an optional redemption of Notes, it will, for so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, inform the Luxembourg Stock Exchange of such optional redemption and confirm the aggregate principal amount of the Notes that will remain outstanding immediately after such redemption.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

In connection with any redemption of Notes, any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent. In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied (*provided*, *however*, that, in any case, such redemption date shall be no more than 60 days from the date on which such notice is first given except that redemption notices may be delivered more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture pursuant to the provisions thereof), 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 satisfied by the redemption date, or by the redemption date so delayed.

The Issuer may redeem Notes pursuant to one or more of the relevant provisions in the Indenture, and, subject to the requirements of the relevant clearing system, a single notice of redemption may be delivered with respect to redemptions made pursuant to different provisions and with respect to different series of Notes. Any such notice may provide that redemptions made pursuant to different provisions will have the same or different redemption dates. To the extent that the mandatory rules and procedures of the relevant clearing system conflict with the Indenture, any notice of redemption will be deemed to satisfy the Indenture if it complies with the mandatory rules and procedures of the relevant clearing system.

If requested in writing by the Issuer to the Trustee and the Paying Agent, which request may be included in the applicable notice of redemption or pursuant to the applicable Officer's Certificate no later than two Business Days prior to such distribution, the Paying Agent shall distribute any amounts deposited to the Holders prior to the Stated Maturity of the Notes or the applicable redemption date, as the case may be. For the avoidance of doubt, the distribution and payment to Holders prior to the Stated Maturity or applicable redemption date as set forth above will not include any negative interest, present value adjustment, break costs or any other premium on such amounts. To the extent the Notes are represented by a Global Note deposited with a depositary for a clearing system, any payment to the beneficial holders holding Book-Entry Interests as participants of such clearing system will be subject to the then applicable procedures of the clearing system. Notwithstanding the foregoing, in connection with any tender offer for the Notes, including a Change of Control Offer or Asset Disposition Offer, if Holders of Notes of not less than 90% in aggregate principal amount of the applicable outstanding Notes of a series validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases, all of the Notes of such series validly tendered and not withdrawn by such Holders, all of the Holders of the Notes will be deemed to have consented to such tender and accordingly, the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such tender offer expiration date, to redeem the Notes of such series that remain outstanding in whole, but not in part following such purchase at a price equal to the price (excluding any early tender fee) offered to each other Holder of Notes of such series in such tender offer to the extent not prohibited by law and to the extent that doing so would not result in adverse tax consequences to the Issuer (as determined in the sole discretion of the Issuer), plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, such redemption date.

Notwithstanding any other provision to the contrary, if the Total Remuneration at any time exceeds the maximum remuneration permitted under applicable Italian law (including Italian Law No. 108 of March 7, 1996, as amended and supplemented), then the Total Remuneration shall immediately and automatically be reduced to the maximum admissible remuneration pursuant to applicable Italian law for, and limited to, the period during which it is not possible to apply the remuneration as originally provided.

Sinking Fund

The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

Redemption at Maturity

On February 5, 2031 the Issuer will redeem the Notes that have not been previously redeemed or purchased and cancelled at 100% of their principal amount plus accrued and unpaid interest thereon, if any, to, but not including, the redemption date and Additional Amounts, if any.

Selection and Notice

If less than all of any series of outstanding Notes are to be redeemed at any time, the Paying Agent or the Registrar (as applicable) will select Notes of the applicable series for redemption on a pro rata basis by adjusting the pool factor applicable to the principal amount outstanding of the Notes of such series (or, in the case of Notes issued in global form, based on a method that most nearly approximates a pro rata selection by adjusting the pool factor applicable to the principal amount outstanding of the relevant series of Notes in accordance with the procedures of the relevant clearing system), with de minimis adjustments as they may be required to comply with the minimum denominations (and multiples in excess thereof) under the Indenture, unless otherwise required by law or applicable stock exchange, clearing system or depositary requirements. Neither the Trustee, the Paying Agent nor the Registrar will be liable for any selections made in accordance with this paragraph.

For so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer shall publish notice of redemption in a leading newspaper of general circulation in Luxembourg (which is expected to be the Luxemburger Wort) and in addition to such publication, not less than 10 nor more than 60 days prior to the redemption date, mail such notice to Holders by first class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar. While in global form, notices to Holders may be delivered via Euroclear and Clearstream in lieu of notice via registered mail. Such notice of redemption may instead be published on the website of the Luxembourg Stock Exchange (www.luxse.com).

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered Note, a new Definitive Registered Note in principal amount equal to the unredeemed portion of any Definitive Registered Note redeemed in part will be issued in the name of the Holder thereof upon cancellation of the original Definitive Registered Note. In the case of a Global Note, an appropriate notation will be made on such Global Note (or otherwise in accordance with the applicable procedures of the relevant clearing system) to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

Redemption for Taxation Reasons

The Issuer may redeem any series of the Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' prior written notice to the Holders of the relevant series of Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a "**Tax Redemption Date**") and all Additional Amounts (as defined below under "**Withholding Taxes**"), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise if the Issuer determines in good faith that, as a result of:

(1) any change in, or amendment to, the law or treaties (or any regulations, official guidance or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation; or

(2) any amendment to, an introduction of or change in, an official application, administration or interpretation of such laws, treaties, regulations, official guidance or rulings (including by reason of a holding, judgment or order by a court of competent jurisdiction or a change in published practice) (each of the foregoing in clauses (1) and (2), a "**Change in Tax Law**"),

a Payor (as defined below) is, or on the next interest payment date in respect of the Notes would be, required to pay Additional Amounts (or increased Additional Amounts) with respect to the Notes or with respect to any Note Guarantee (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor who can make such payment without the obligation to pay Additional Amounts), and such obligation cannot be avoided by taking reasonable measures available to the Payor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable). Such Change in Tax Law must be formally announced and become effective on or after the Issue Date (or if the applicable Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after the Issue Date, such later date). The foregoing provisions shall apply *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor Person becomes a party to the Indenture.

Notice of redemption for taxation reasons will be published in accordance with the procedures described under "*Selection and Notice*." Notwithstanding the foregoing, no such notice of redemption will be given earlier than 60 days prior to the earliest date on which the Payor would be obligated to make such payment of Additional Amounts. Prior to the publication or mailing of any notice of redemption of Notes pursuant to the foregoing, the Issuer will deliver to the Trustee and the Paying Agent (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right to so redeem have been satisfied and that the Payor cannot avoid its obligation to pay Additional Amounts by taking reasonable measures available to it and (b) an opinion of an independent tax counsel of recognized standing and reasonably satisfactory to the Trustee (such approval not to be unreasonably withheld, conditioned or delayed) to the effect that the Payor has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee and the Paying Agent will accept and shall be entitled to rely on such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without liability or further inquiry, in which event it will be conclusive and binding on the Holders.

Withholding Taxes

All payments made by or on behalf of the Issuer or any Guarantor (including any successor entity) (each, a "**Payor**") in respect of the Notes or with respect to any Notes Guarantee, as applicable, will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) any jurisdiction from or through which payment on any such Note is made, or any political subdivision or governmental authority thereof or therein having the power to tax, by or on behalf of any Payor or the Paying Agent; or

(2) any other jurisdiction in which a Payor is incorporated, organized or considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1) and (2), a "**Relevant Taxing Jurisdiction**"),

will at any time be required by law to be made from any payments made by or on behalf of the Payor or the Paying Agent with respect to any Note or any Notes Guarantee, including payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts received by each Holder in respect of such payments, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments on any such Note or Note Guarantee in the absence of such withholding or deduction; *provided*, *however*, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any actual or deemed present or former connection between the relevant Holder or the beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, member, partner or shareholder of, or possessor of power over the relevant Holder or the beneficial owner, if the relevant Holder or the beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing 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, having a place of management present or deemed present in or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or Note Guarantee or the receipt of any payment or the exercise or enforcement of rights under such Note, the Indenture or a Notes Guarantee; or

(2) any Tax that is imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a reasonable written request of the Payor addressed to the Holder, after reasonable notice (at least 30 days before any such withholding or deduction is payable), to provide certification, information, documents or other evidence which is required by a law, statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of withholding or deduction of, all or part of such Tax but only to the extent the Holder or beneficial owner is legally entitled to provide such certification, documentation or information; or

(3) any Taxes, to the extent that such Taxes are imposed as a result of the presentation of the Note for payment (where Notes are in the form of Definitive Registered Notes and presentation is required) more than 30 days after the relevant payment is first made available for payment to the Holder (except to the extent that the Holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30-day period); or

(4) any Taxes that are payable otherwise than by deduction or withholding from a payment made under or with respect to the Notes or any Notes Guarantee; or

(5) any estate, inheritance, gift, sales, transfer, capital gains, excise, personal property or similar tax, assessment or other governmental charge; or

(6) any Taxes to the extent such Taxes are on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of April 1, 1996, as amended or supplemented from time to time and, starting from January 1, 2027 as repealed and substituted by Articles 62-71 of Legislative Decree No. 33 of March 24, 2025 ("**Legislative Decree No. 239**") and any related implementing regulations and pursuant to Italian Legislative Decree No. 461 of November 21, 1997 and any related implementing regulations unless the procedure required under Legislative Decree No. 239 in order to benefit from an exemption from *imposta sostitutiva* have not been complied with, due solely to the actions or omissions of the Issuer or its agents; or

(7) any Taxes required to be deducted or withheld pursuant to section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to sections 1471 through 1474 of the Code, in each case, as of the Issue Date (or, in each case, any amended or successor version that is substantively comparable), any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental agreement relating thereto; or

(8) any combination of the items (1) through (7) above.

In addition, no Additional Amounts shall be paid with respect to a Holder who is a fiduciary or a partnership or any person other than the beneficial owner of the Notes, to the extent that the beneficiary or settler with respect to such fiduciary, the member of such partnership or the beneficial owner would not have been entitled to Additional Amounts had such beneficiary, settler, member or beneficial owner held such Notes directly.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use reasonable efforts to obtain and provide certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, or if such tax receipts are not available, certified copies of other reasonable evidence of such payments as soon as reasonably practicable to the Trustee and the Paying Agent. Such copies shall be made available to the Holders upon reasonable request, and will be made available at the offices of the Paying Agent.

If any Payor is obligated to pay Additional Amounts under or with respect to any payment made on any Note or any Notes Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee and the Paying Agent an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable thereafter). The Trustee and the Paying Agent shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

Wherever in the Indenture, the Notes or this "*Description of the Notes*" there is mentioned, in any context:

(1) the payment of principal;

(2) redemption prices or purchase prices in connection with a redemption or a purchase of Notes;

(3) interest; or

(4) any other amount payable on or with respect to any of the Notes or any Notes Guarantee,

such reference shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay and reimburse the Holders for any present or future stamp, issue, registration, court or documentary Taxes (including any related interest or penalties with respect thereto) or any other excise, property or similar taxes (including any related interest or penalties with respect thereto) that arise in a Relevant Taxing Jurisdiction from the execution, delivery, registration, enforcement of, or receipt of payments with respect to any Notes, any Notes Guarantee, the Indenture, or any other document or instrument in relation thereto (other than, in each case, (a) in connection with a transfer of the Notes after this offering or (b) to the extent that such stamp, issue, registration, court or documentary Taxes become payable upon a voluntary registration made by the Holder if such registration is not required by any applicable law or not necessary to maintain, preserve, establish or enforce the rights or obligations of any Holder in relation to the Notes, any Notes Guarantee, the Indenture, or any other document or instrument in relation thereto and limited solely in the case of such Taxes that arise from the receipt of any payments of principal or interest on the Notes, to any such Taxes that are not excluded under clauses (1) through (3) or (5) through (7).

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture, any transfer by a Holder or beneficial owner, and will apply *mutatis mutandis* to any jurisdiction in which any successor to a Payor is incorporated or organized, engaged in business for tax purposes or otherwise resident for tax purposes, or any jurisdiction from or through which any payment under, or with respect to the Notes (or any Notes Guarantee) is made by or on behalf of such Payor, or any political subdivision or taxing authority or agency thereof or therein having the power to tax.

Change of Control

If a Change of Control Triggering Event occurs, subject to the terms of the covenant described under this heading "*Change of Control*," each Holder will have the right to require the Issuer to repurchase all or any part (equal to € 100,000 or integral multiples of €1,000 in excess thereof; *provided* that Notes of €100,000 or less may only be redeemed in whole and not in part) of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes repurchased, plus accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the date of purchase; *provided*, *however*, that the Issuer shall not be obligated to repurchase Notes as described under this heading "*Change of Control*," in the event and to the extent that a notice of redemption of all outstanding Notes has been given pursuant to the Indenture as described under "*—Optional Redemption*," unless and until there is a default in the payment of the redemption price on the applicable redemption date or the redemption is not consummated due to the failure of a condition precedent contained in the applicable redemption notice to be satisfied or waived.

Except as provided in the preceding paragraph, no later than the date that is 60 days after any Change of Control Triggering Event, the Issuer will mail a notice (the "**Change of Control Offer**") to each Holder of any such Notes, with a copy to the Trustee:

(1) stating that a Change of Control Triggering Event has occurred or may occur and that such Holder has the right to require the Issuer to purchase all or any part of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (the "**Change of Control Payment**");

(2) stating the repurchase date (which shall be no earlier than 10 days nor later than 60 days from the date such notice is mailed) (the "**Change of Control Payment Date**");

(3) stating that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date unless the Change of Control Payment is not paid, and that any Notes or any part thereof not tendered will continue to accrue interest;

(4) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control Triggering Event;

(5) describing the procedures determined by the Issuer, consistent with the Indenture, that a Holder must follow in order to have its Notes repurchased; and

(6) if such notice is mailed prior to the occurrence of a Change of Control Triggering Event stating that the Change of Control Offer is conditional on the occurrence of such Change of Control Triggering Event.

On the Change of Control Payment Date, if the Change of Control Triggering Event shall have occurred, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portion thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered;

(3) deliver or cause to be delivered to the Trustee and the Paying Agent an Officer's Certificate stating the aggregate principal amount of Notes or portions of the Notes being purchased by the Issuer in the Change of Control Offer;

(4) in the case of Global Notes, deliver, or cause to be delivered, in accordance with the applicable procedures of the relevant clearing systems, to the Trustee (or an authenticating agent) the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuer; and

(5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.

If any Definitive Registered Notes have been issued, the Paying Agent will promptly, at the cost of the Issuer, mail to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee (or an authenticating agent) will, at the cost of the Issuer, promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder of Definitive Registered Notes a new Definitive Registered Note equal in principal amount to the unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount that is at least €100,000 and integral multiples of €1,000 in excess thereof.

For so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, the Issuer shall publish notices relating to the Change of Control Offer in a leading newspaper of general circulation in Luxembourg (which is expected to be the Luxemburger Wort) or to the extent and in the manner permitted by such rules, post such notices on the official website of the Luxembourg Stock Exchange (www.luxse.com).

Except as described above with respect to a Change of Control Triggering Event, the Indenture will not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The Holders' right to require the Issuer to repurchase Notes upon the occurrence of a Change of Control Triggering Event may deter a third party from seeking to acquire the Issuer or its Subsidiaries in a transaction that would constitute a Change of Control Triggering Event.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control Triggering Event, conditioned upon the consummation of such Change of Control Triggering Event, if a definitive agreement is in place providing for the Change of Control Triggering Event at the time the Change of Control Offer is made.

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance. The Issuer may rely on any no-action letters issued by the SEC indicating that the staff of the SEC will not recommend enforcement action in the event a tender offer satisfies certain conditions.

The Issuer's ability to repurchase Notes issued by it pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control Triggering Event would require the Issuer to make a mandatory prepayment of Indebtedness under the Revolving Credit Facility Agreement. In addition, certain events that may constitute a change of control under the Revolving Credit Facility and require a mandatory prepayment of Indebtedness under such agreement may not constitute a Change of Control Triggering Event under the Indenture. Future Indebtedness of the Issuer or the Restricted Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control Triggering Event or require such Indebtedness to be repurchased upon a change of control. Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the Notes could cause a default under, or require a repurchase of, such Indebtedness, even if the Change of Control or Change of Control Triggering Event itself does not, due to the financial effect of such repurchase on the Issuer. Finally, the Issuer's ability to pay cash to the Holders upon a repurchase may be limited by the Issuer's then existing financial resources and whether the Restricted Subsidiaries are permitted to distribute funds to the Issuer. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Security Interests—The Issuer may not be able to repurchase the Notes upon a change of control. In addition, under certain circumstances, the Issuer may have the right to purchase all outstanding Notes in connection with a tender offer, even if certain holders do not consent to the tender*".

The definition of "Change of Control" includes a disposition, in one or a series of related transactions, of all or substantially all of the property and assets of the Issuer and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the property and assets of the Issuer and its Restricted Subsidiaries. As a result, it may be unclear as to whether a Change of Control Triggering Event has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions of the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control Triggering Event may be waived or modified with the consent of Holders of a majority in outstanding principal amount of the Notes.

Certain Covenants

Limitation on Indebtedness

The Issuer will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness); *provided*, *however*, that the Issuer and any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness), if on the date of such Incurrence, after giving *pro forma* effect to the Incurrence of such Indebtedness (including *pro forma* application of the proceeds thereof), either: (1) the Fixed Charge Coverage Ratio for the Issuer would have been at least 2.0 to 1.0; or (2) the Consolidated Net Leverage Ratio for the Issuer would have been no greater than 5.3 to 1.0.

The first paragraph of this covenant will not prohibit the Incurrence of the following:

(1) Indebtedness Incurred by the Issuer or any Restricted Subsidiary pursuant to any Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder), and any refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding the sum of:

(a) the greater of €138 million and 100% of Consolidated EBITDA; plus

(b) the maximum amount of Senior Secured Indebtedness such that, on the date of such Incurrence, after giving pro forma effect to the Incurrence of such Indebtedness (including pro forma application of the proceeds thereof), the Consolidated Senior Secured Net Leverage Ratio for the Issuer would have been no greater than 4.55 to 1.0; plus

(c) the maximum amount of Indebtedness that is not Senior Secured Indebtedness such that, on the date of such Incurrence, after giving pro forma effect to the Incurrence of such Indebtedness (including pro forma application of the proceeds thereof), either: (i) the Consolidated Net Leverage Ratio for the Issuer would have been no greater than 5.3 to 1.0 or (ii) the Fixed Charge Coverage Ratio for the Issuer would have been at least 2.0 to 1.0; plus

(d) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of accrued and unpaid interest and any fees, costs and expenses, including any premium and defeasance costs, indemnity fees, discounts, premiums (including tender premiums), penalties, interest or hedging break costs, accrued and unpaid interest, any related stamp or other taxes, notarial, registration or similar fees and other fees, costs and expenses (including original issue discount, upfront fees, or similar fees in respect of the Indebtedness Incurred to give effect to such refinancing) Incurred in connection with such refinancing;

(2) (a) Guarantees by the Issuer or any Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary, so long as the Incurrence of such Indebtedness is permitted to be Incurred by another provision of this covenant; *provided* that if the Indebtedness being guaranteed is subordinated or *pari passu* with a Notes Guarantee, then the Guarantee of such Indebtedness shall be subordinated or *pari passu* to the same extent as the Indebtedness being guaranteed; or

(b) without limiting the covenant described under "—*Limitation on Liens*," Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture;

(3) Indebtedness of the Issuer owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Issuer or any Restricted Subsidiary;

(4) (a) Indebtedness represented by the Notes (other than any Additional Notes), the Note Guarantees and any "*parallel debt*" obligations related to the Notes and the Notes Guarantees under the Intercreditor Agreement or any Additional Intercreditor Agreement, as well "*parallel debt*" obligations related to any other Indebtedness permitted to be Incurred pursuant to the Indenture;

(b) any Indebtedness outstanding, Incurred, committed or available for borrowing or utilization (including, for the avoidance of doubt, any amount available under any *fido bancario* or similar instrument and any outstanding Capitalized Lease Obligations) on or as in effect as of the Issue Date after giving *pro forma* effect to the Transactions (other than Indebtedness (x) outstanding on the Issue Date under the Revolving Credit Facility (if any) and (y) Incurred on the Issue Date pursuant to clause (4)(a) of this paragraph);

(c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in clauses 4(a), 4(b), this clause 4(c), (5) and (13) of this paragraph or Incurred pursuant to the first paragraph of this covenant;

(d) Indebtedness Incurred in respect of Management Advances; and

(e) any loan or other instrument constituting Indebtedness that is subordinated in right of payment to the Notes in compliance with the terms of the Intercreditor Agreement on-lending the proceeds of any Indebtedness not prohibited from being Incurred pursuant to the Indenture to the Issuer or a Restricted Subsidiary; *provided*, *however*, that for the avoidance of doubt any such proceeds of Indebtedness that are so received shall be excluded for purposes of making Restricted Payments (as defined below) under the second paragraph and clauses (1), (6), and (16) of the third paragraph of the covenant described below under "*—Limitation on Restricted Payments*";

(5) Indebtedness of any Person (a) outstanding on the date on which such Person becomes a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any Restricted Subsidiary or (b) Incurred to provide all or a portion of the funds utilized to consummate a transaction or series of related transactions pursuant to which (i) any Person became a Restricted Subsidiary or is otherwise acquired by the Issuer or a Restricted Subsidiary or (ii) any assets are acquired and related liabilities are assumed by the Issuer or any Restricted Subsidiary; *provided* that Indebtedness Incurred pursuant to this clause (5) is in an aggregate amount then outstanding not to exceed (I) the greater of €5.0 million and 20% of Consolidated EBITDA, plus (II) unlimited additional Indebtedness to the extent that after giving pro forma effect to such acquisition or other transaction and to the related Incurrence of Indebtedness, either: (A) if such Indebtedness is Senior Secured Indebtedness, either (x) the Issuer would have been able to Incur €1.00 of additional Indebtedness pursuant to clause (1)(b) of this paragraph or (y) the Consolidated Senior Secured Net Leverage Ratio for the Issuer would not be greater than it was immediately prior to giving effect to such acquisition or other transaction and to the related Incurrence of Indebtedness; or (B) if such Indebtedness is not Senior Secured Indebtedness, either (x) the Issuer would be permitted to Incur at least €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant, (y) the Consolidated Net Leverage Ratio for the Issuer would not be greater than it was immediately prior to giving effect to such acquisition or other transaction and to the related Incurrence of Indebtedness or (z) the Fixed Charge Coverage Ratio for the Issuer would not be less than it was immediately prior to giving effect to such acquisition or other transaction and to the related Incurrence of Indebtedness;

(6) Indebtedness in respect of Hedging Obligations not for speculative purposes (as determined in good faith by the Board of Directors or a member of senior management of the Issuer or any Parent);

(7) Indebtedness consisting of (a) Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used or useful in a Similar Business or (b) Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Indebtedness which refinances, replaces or refunds such Indebtedness or reimburses amounts used for such purposes, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) and then outstanding, does not exceed at any time outstanding the greater of €32.5 million and 30% of Consolidated EBITDA; *provided* that such Indebtedness exists on the date of such purchase, lease, rental or improvement or is created within 365 days thereafter;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, unemployment insurance (including premiums related thereto), other types of social security, pension obligations, vacation pay, health, disability or other employee benefits, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax (including interest and penalties with respect thereto) or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Issuer or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business

or in respect of any governmental requirement; (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business or in respect of any governmental requirement, *provided*, *however*, that upon the drawing of such letters of credit or other similar instruments, the obligations are reimbursed within 30 days following such drawing; (c) the financing of insurance premiums in the ordinary course of business; (d) any customary cash management, cash pooling or netting or setting off arrangements, including customary credit card facilities, in the ordinary course of business; (e) Indebtedness (x) representing (i) deferred compensation to current or former directors, officers, employees, members of management, managers and consultants of any Parent, the Issuer or any of its Subsidiaries in the ordinary course of business, (ii) deferred compensation or other similar arrangements in connection with the Transactions or any other Investment or acquisition permitted hereby or (y) otherwise in connection with a Permitted Change of Control; and (f) irrespective of the Election Option, any lease, concession or license of property (or guarantee thereof) which would be considered an operating lease under IAS 17 (Leases);

(9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that the maximum liability of the Issuer and the Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Issuer and the Restricted Subsidiaries in connection with such disposition;

(10) (a) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided*, *however*, that such Indebtedness is extinguished within 30 Business Days of Incurrence;

(b) (i) customer deposits and advance payments received for good faith commercial reasons from customers for goods or services purchased and (ii) Indebtedness consisting of obligations owing under any customer or supplier incentive, supply, license or similar agreements entered into for good faith commercial reasons;

(c) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions Incurred in the ordinary course of business of the Issuer and the Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and the Restricted Subsidiaries; and

(d) Indebtedness Incurred by the Issuer or a Restricted Subsidiary in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case Incurred or undertaken in the ordinary course of business;

(11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed the greater of €53.5 million and 40% of Consolidated EBITDA;

(12) Indebtedness Incurred by the Issuer or any Restricted Subsidiary under (a) a Qualified Receivables Financing or (b) factoring financings, securitizations, asset-backed loans and financings (howsoever described or structured), Receivables Financings, reverse factoring financings or similar arrangements, in each case under this clause (12)(b), that are either: (x) not recourse to the Issuer or any Restricted Subsidiary other than pursuant to Standard Securitization Undertakings; (y) outstanding or available for Incurrence on the Issue Date; or (z) not in excess of the greater of €26.0 million and 30% of Consolidated EBITDA at any time outstanding;

(13) Indebtedness of the Issuer and any Restricted Subsidiary in an aggregate outstanding principal amount which, when taken together with any refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (13) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Issuer from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock or Designated Preference Shares or through an Excluded Contribution or Excluded Amount) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution or Excluded Amount) of the Issuer, in each case, subsequent to the Issue Date; *provided*, *however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the second paragraph and clauses (1), (6), 10(b)(ii), 10(b)(iii) and (16) of the third paragraph of the covenant described below under "*—Limitation on Restricted Payments*" to the extent the Issuer or any Restricted Subsidiary Incurs Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (13) to the extent the Issuer or any

Restricted Subsidiary makes a Restricted Payment under the second paragraph and clauses (1), (6), 10(b)(ii), 10(b)(iii) and (16) of the third paragraph of the covenant described under "*—Limitation on Restricted Payments*" in reliance thereon;

(14) Indebtedness of Restricted Subsidiaries that are not Guarantors and Guarantees by the Issuer or any Restricted Subsidiary of Indebtedness of joint ventures in an aggregate amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness incurred pursuant to this clause (14) and then outstanding, will not exceed the greater of €42 million and 30% of Consolidated EBITDA;

(15) the Incurrence by the Issuer or any Restricted Subsidiary of Indebtedness consisting of local lines of credit, bilateral facilities, overdraft facilities or working capital facilities in an aggregate outstanding principal amount which, together with any Refinancing Indebtedness in respect thereof not exceeding the greater of €32.5 million and 20% of Consolidated EBITDA at any time outstanding;

(16) obligations in respect of Disqualified Stock of the Issuer in an aggregate principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (16) and then outstanding, does not exceed the greater of €14 million and 10% of Consolidated EBITDA at any time outstanding; and

(17) Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary in an aggregate principal amount or liquidation preference, which, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock incurred pursuant to this clause (17) and then outstanding and any Refinancing Indebtedness in respect thereof, does not at any time outstanding exceed the Available RP Capacity Amount (determined on the date of such incurrence); *provided* that the Incurrence of Indebtedness in reliance on the Available RP Capacity Amount shall reduce the amount available for making Restricted Payments pursuant to the covenant described under "—*Limitation on Restricted Payments*" by an amount equal to the outstanding principal amount of such Indebtedness until prepaid in accordance with paragraph (c) of the definition of Available RP Capacity Amount.

Notwithstanding anything to the contrary contained herein, the aggregate principal amount of outstanding Indebtedness (excluding any interest paid in kind) Incurred by Restricted Subsidiaries that are not Guarantors pursuant to the first paragraph and clauses 1(b) and 1(c) of the second paragraph of this covenant and, without double counting, all Refinancing Indebtedness in respect thereof Incurred by Restricted Subsidiaries that are not Guarantors shall not exceed the greater of €42.0 million and 50% of Consolidated EBITDA at the time of the Incurrence of any such Indebtedness; *provided* that Refinancing Indebtedness Incurred in respect of such Indebtedness originally permitted by this paragraph shall always be permitted hereunder. For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

(1) subject to clause (2) below, in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Issuer, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one (or more, if applicable) of the clauses of the first or second paragraph of this covenant;

(2) all Indebtedness outstanding on the Issue Date under the Revolving Credit Facility shall be deemed initially Incurred under clause (1)(a) of the second paragraph of this covenant and may not be reclassified;

(3) the amount of Indebtedness that may be Incurred pursuant to any provision of this covenant or secured pursuant to the covenant set forth under "—*Limitation on Liens*" shall be deemed to include all amounts necessary to renew, refund, redeem, refinance, replace, restructure, defease or discharge any such Indebtedness Incurred and/or secured pursuant to such provisions, including after giving effect to additional Indebtedness in an amount equal to the aggregate amount of fees, underwriting discounts, premia and other costs and expenses Incurred in connection with such renewal, refund, redemption, refinancing, replacement, restructuring, defeasance or discharge. Notwithstanding any other provision of this covenant or any provision of the covenant set forth in "—*Limitation on Liens*," the maximum amount that the Issuer or a Restricted Subsidiary may Incur and/or secure pursuant to this covenant and/or the covenant set forth in "—Limitation on Liens" shall not be deemed to be exceeded, with respect to such Incurrence or grant of Lien, due solely to the result of fluctuations in the amount of Consolidated EBITDA (and, for the avoidance of doubt, such Indebtedness and such Lien will be permitted to be refinanced or replaced notwithstanding that, after giving effect to such refinancing or replacement, such excess will continue);

(4) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(5) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to the first or second paragraph of this covenant and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(6) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(7) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;

(8) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS;

(9) accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness (including interest paid in kind), the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant, nor to be the Incurrence of a Lien under the covenant set forth in "*—Limitation on Liens*"; *provided* that the Lien securing such originally Incurred Preferred Stock or Indebtedness was secured in accordance with the Indenture. The amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount, or liquidation preference thereof, in the case of any other Indebtedness; and

(10) for purposes of determining compliance with this covenant and without prejudice to the section "*—Financial Calculations in Respect of Transactions*" and subject to the last paragraph of this covenant, in the event that the Issuer or a Restricted Subsidiary enters into or increases commitments under a revolving credit facility, enters into any commitment to Incur or issue Indebtedness or commits to Incur any Lien pursuant to clause (29) of the definition of "Permitted Liens" or any Permitted Collateral Lien, the Incurrence or issuance thereof for all purposes under the Indenture, including, without limitation, for purposes of calculating the Fixed Charge Coverage Ratio, the Consolidated Net Leverage Ratio or the Consolidated Senior Secured Net Leverage Ratio, as applicable, or use of clauses (1) through (17) of the preceding paragraph (if any) for borrowings and re-borrowings thereunder (and including issuance and creation of letters of credit and bankers' acceptances thereunder) will, at the Issuer's option, either (a) be determined on the date of such revolving credit facility or such entry into or increase in commitments (assuming that the full amount thereof has been borrowed as of such date) or other Indebtedness, Disqualified Stock or Preferred Stock, and, if such Fixed Charge Coverage Ratio, the Consolidated Net Leverage Ratio or the Consolidated Senior Secured Net Leverage Ratio, as applicable, test or other provision of the Indenture is satisfied with respect thereto at such time, any borrowing or re-borrowing thereunder (and the issuance and creation of letters of credit and bankers' acceptances thereunder) will be permitted under this covenant and under the covenant described under "*—Limitation on Liens*" irrespective of the Fixed Charge Coverage Ratio, Consolidated Net Leverage Ratio, Consolidated Senior Secured Net Leverage Ratio, as applicable, or other provision of the Indenture at the time of any borrowing or re-borrowing (or issuance or creation of letters of credit or bankers' acceptances thereunder) (the committed amount permitted to be borrowed or reborrowed (and the issuance and creation of letters of credit and bankers' acceptances) on a date pursuant to the operation of this clause (a) shall be the "**Reserved Indebtedness Amount**" as of such date for purposes of the Fixed Charge Coverage Ratio, Consolidated Net Leverage Ratio, Consolidated Senior Secured Net Leverage Ratio, as applicable, or other provision of the Indenture, and, to the extent the usage of clauses (1) through (17) of the preceding paragraph (if any), shall be deemed to be Incurred and outstanding under such clauses) or (b) be determined on the date such amount is borrowed pursuant to any such facility or increased commitment, and in each case, the Issuer may revoke such determination at any time and from time to time.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by such Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under this covenant the Issuer shall be in Default of this covenant).

For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the euro equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed or first Incurred (whichever yields the lower euro equivalent), in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euro, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the amount set forth in clause (2) of the definition of "Refinancing Indebtedness"; (b) the euro equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date in respect of the Issuer shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if any such Indebtedness that is denominated in a different currency is subject to a Currency Agreement (with respect to the euro) covering principal amounts payable on such Indebtedness, the amount of such Indebtedness expressed in euro will be adjusted to take into account the effect of such agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

The Issuer will not, and will not permit any Restricted Subsidiary, directly or indirectly, to:

(1) declare or pay any dividend or make any other payment or distribution on or in respect of the Issuer's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Issuer or any Restricted Subsidiary) except:

   (a) dividends or distributions payable in Capital Stock of the Issuer (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Issuer or in Subordinated Shareholder Funding;

   (b) dividends or distributions payable to the Issuer or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Issuer or another Restricted Subsidiary on no more than a *pro rata* basis); or

   (c) dividends or distributions payable to any Parent to fund interest payments in respect of Indebtedness of such Parent which is Guaranteed by the Issuer or any Restricted Subsidiary or is otherwise considered Indebtedness of the Issuer or any Restricted Subsidiary (*provided* that (x) any net proceeds from such Indebtedness are contributed to the equity of the Issuer or any Restricted Subsidiary in any form or otherwise received (including by way of Indebtedness) by the Issuer or any Restricted Subsidiary; (y) any net proceeds described in sub-clause (x) above shall be excluded for purposes of increasing the amount available for distribution pursuant to clause (b) of the immediately following paragraph and clauses (1), (6)(y) and (16) of the third paragraph of this covenant; and (z) in the case that any net proceeds described in sub-clause (x) above are contributed to the Issuer or a Restricted Subsidiary in the form of Indebtedness, there shall be no double-counting of interest paid on such Indebtedness and any dividends or distributions payable to the relevant Parent to fund interest payments in respect of Indebtedness of such Parent);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Issuer or any direct or indirect Parent of the Issuer held by Persons other than the Issuer or a Restricted Subsidiary (other than in exchange for Capital Stock of the Issuer (other than Disqualified Stock));

(3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*");

(4) make any payment (whether of principal, interest or other amounts) on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Funding (other than any payment of interest thereon in the form of additional Subordinated Shareholder Funding or payments of interest on Subordinated

Shareholder Funding resulting from a loan of the net proceeds of Indebtedness contemplated by clause (1)(c) above); or

(5) make any Restricted Investment in any Person (each such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) is referred to herein as a "**Restricted Payment**").

Notwithstanding the foregoing, the Issuer or any Restricted Subsidiary may make Restricted Payments, if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(a) in the case of a Restricted Payment described under clause (1), (2) and (4) above, no Event of Default shall have occurred and be continuing (or would result immediately thereafter therefrom) and in the case of a Restricted Payment described under clause (3) above, no Material Event of Default shall have occurred and be continuing (or would result immediately thereafter therefrom); and

(b) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments (as defined below) permitted below by clause (5) of the third paragraph of this covenant, but excluding all other Restricted Payments permitted by the third paragraph of this covenant) would not exceed the sum of (without duplication):

(i) 50% of Consolidated Net Income of the Issuer for the period (treated as one accounting period) from the first day of the fiscal quarter commencing immediately prior to the Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Issuer are available; *provided* such amount shall be deemed zero (0) for each fiscal quarter if the Consolidated Net Income for such fiscal quarter is less than zero (0);

(ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the fourth paragraph of this covenant) of property or assets or marketable securities, received by the Issuer from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer subsequent to the Issue Date (other than (w) Subordinated Shareholder Funding or Capital Stock in each case sold to a Subsidiary of the Issuer, (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clauses (1) or (6) of the third paragraph of this covenant and (z) Excluded Contributions);

(iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the fourth paragraph of this covenant) of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary from the issuance or sale (other than to the Issuer or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) by the Issuer or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Issuer (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with the fourth paragraph of this covenant) of property or assets or marketable securities received by the Issuer or any Restricted Subsidiary upon such conversion or exchange) but excluding (x) Disqualified Stock or Indebtedness issued or sold to a Subsidiary of the Issuer, (y) Net Cash Proceeds to the extent that any Restricted Payment has been made from such proceeds in reliance on clauses (1) or (6) of the third paragraph of this covenant and (z) Excluded Contributions;

(iv) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the fourth paragraph of this covenant) of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary (other than to the Issuer or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) from the disposition of any Unrestricted Subsidiary or the disposition or repayment of any Investment constituting a Restricted Payment made after the Issue Date;

(v) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary or all of the assets of such Unrestricted Subsidiary are transferred to the Issuer or a Restricted Subsidiary, or the Unrestricted Subsidiary is merged or consolidated into the Issuer or a Restricted Subsidiary, 100% of such amount received in cash and the fair market value of any property or marketable securities received by the Issuer or any Restricted Subsidiary in respect of such redesignation, merger, consolidation or transfer of assets, excluding the amount of any Investment in such Unrestricted Subsidiary that constituted a Permitted Investment made pursuant to clause (11) of the definition of "Permitted Investment";

(vi) 100% of any dividends or distributions received by the Issuer or a Restricted Subsidiary from an Unrestricted Subsidiary, to the extent that such dividend or distribution does not reduce the amount of Investments outstanding under clauses (11) or (18) of the definition of "Permitted Investment"; and

(vii) the greater of €13.0 million and 15% of Consolidated EBITDA,

provided, *however*, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Issuer's option) included in the foregoing clauses (iv), (v) or (vi). The fair market value of property or assets other than cash covered by the preceding sentence shall be the fair market value thereof as determined in good faith by an Officer of the Issuer;

provided, further that, notwithstanding the foregoing, (x) any amounts (such amounts, the "**Excluded Amounts**") that would otherwise be included in the calculation of the amount available for Restricted Payments pursuant to sub-clauses (ii) or (iii) of this clause (b) will be excluded to the extent (A) such amounts result from the receipt of net cash proceeds or marketable securities received by the Issuer or any Restricted Subsidiary in contemplation of, or in connection with, an event that would otherwise constitute a Change of Control, (B) the purpose or effect of the receipt of such net cash proceeds or marketable securities was to reduce the Consolidated Senior Secured Net Leverage Ratio so that there would not be an occurrence of a Change of Control Triggering Event that would otherwise have occurred without the receipt of such net cash proceeds or marketable securities and (C) no Change of Control Offer is made in connection with such Change of Control in accordance with the requirements of the Indenture and (y) Excluded Amounts shall be limited to the amount of net cash proceeds or marketable securities necessary to reduce the Consolidated Senior Secured Net Leverage Ratio to avoid the occurrence of a Change of Control Triggering Event, and amounts of net cash proceeds or marketable securities received in excess thereof shall not constitute Excluded Amounts.

The foregoing provisions will not prohibit any of the following (collectively, "**Permitted Payments**"):

(1) any Restricted Payment made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares pursuant to clause (11) of this paragraph) for, or out of the proceeds of the substantially concurrent sale (other than to a Subsidiary of the Issuer) of, Capital Stock of the Issuer (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution or Excluded Amounts) of the Issuer; *provided*, *however*, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock or Subordinated Shareholder Funding or such contribution will be excluded from clause (b)(ii) of the second paragraph of this covenant;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Disqualified Stock of the Issuer or Preferred Stock of the Issuer or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Disqualified Stock of the Issuer or Preferred Stock of the Issuer or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*" above;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:

(a) (i) from Net Available Cash to the extent permitted under "*—Limitation on Sales of Assets and Subsidiary Stock*," but only if the Issuer shall have first complied with the terms described under "*—Limitation on Sales of Assets and Subsidiary Stock*" and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;

(b) following the occurrence of a Change of Control (or other similar event described therein as a "**change of control**"), but only (i) if the Issuer shall have first complied with the terms described under "*—Change of Control*" and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or

(c) consisting of Acquired Indebtedness (other than Indebtedness Incurred (i) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or any assets were acquired and related liabilities assumed by the Issuer or any Restricted Subsidiary or (ii) otherwise in connection with or contemplation of such transaction or series of transactions) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of such Acquired Indebtedness;

(5) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this covenant;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Issuer to any Parent to permit any Parent to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (in each case, including any options, warrants or other rights in respect thereof), in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (x) the greater of €21 million and 15% of Consolidated EBITDA in any fiscal year (with any amount unused in any calendar year being carried over to the following years), *plus* (y) the Net Cash Proceeds received by the Issuer and the Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (6), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), plus *(*z) the Net Cash Proceeds of key man life insurance policies, to the extent such Net Cash Proceeds in (y) and (z) are not included in any calculation under clause (b)(i) or (b)(ii) of the second paragraph under this covenant and are not Excluded Contributions or Excluded Amounts; *provided further*, that cancellation of Indebtedness owing to the Issuer or any Restricted Subsidiary from members of management, directors or employees of the Issuer, or any Parent or Restricted Subsidiaries in connection with a repurchase of Capital Stock of the Issuer or any Parent will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under "*—Limitation on Indebtedness*";

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent or other Restricted Payments by the Issuer or any Restricted Subsidiary in amounts equal to (without duplication):

(a) the amounts required for any Parent, without duplication, to pay any Parent Expenses or any Related Taxes;

(b) an amount not to exceed the aggregate amount of any Leverage Excess Proceeds; and

(c) (i) amounts in connection with the Transactions, all costs and expenses (including all legal, accounting and other professional fees and expenses) related to the Transactions or disclosed in this Offering Memorandum or (ii) Permitted Change of Control Costs (including all legal, accounting and other professional fees related thereto) or (iii) to the extent specified in clauses (2), (3), (5), (7) and (11) of the second paragraph under "*—Limitation on Affiliate Transactions*";

(10) (a) so long as, in the case of a Restricted Payment described under clause (1), (2) and (4) of the first paragraph of this covenant, no Event of Default has occurred and is continuing (or would result immediately thereafter therefrom) and in the case of a Restricted Payment described under clause (3) of the first paragraph of this covenant, no Material Event of Default shall have occurred and be continuing (or would result immediately thereafter therefrom), Restricted Payments in an aggregate amount outstanding at any time not to exceed the greater of €49.0 million and 35% of Consolidated EBITDA; and

(b) any Restricted Payments, so long as, immediately after giving *pro forma* effect to the payment of such Restricted Payment and the Incurrence of any Indebtedness the net proceeds of which are used to make such Restricted Payment, either:

(i) so long as no Event of Default has occurred and is continuing (or would result immediately after therefrom), the Consolidated Secured Net Leverage Ratio shall be no greater than 3.8 to 1.00; or

(ii) so long as, in the case of a Restricted Payment described under clause (1), (2) and (4) of the first paragraph of this covenant, no Event of Default shall have occurred and be continuing (or would result immediately thereafter therefrom) and in the case of a Restricted Payment described under clause (3) of the first paragraph of this covenant, no Material Event of Default shall have occurred and be continuing (or would result immediately thereafter therefrom), in the case that the Consolidated Secured Net Leverage Ratio exceeds 3.8 to 1.00, the Consolidated Secured Net Leverage Ratio shall be no greater than 4.05 to 1.00, and 50% of such Restricted Payment shall be funded from the Available Amount (without double counting) at the time of such Restricted Payment; or

(iii) so long as, in the case of a Restricted Payment described under clause (1), (2) and (4) of the first paragraph of this covenant, no Event of Default shall have occurred and be continuing (or would result immediately thereafter therefrom) and in the case of a Restricted Payment described under clause (3) of the first paragraph of this covenant, no Material Event of Default shall have occurred and be continuing (or would result immediately thereafter therefrom), in the case the Consolidated Secured Net Leverage Ratio exceeds 4.05 to 1.00, 100% of such Restricted Payment shall be funded from the Available Amount (without double counting) at the time of such Restricted Payment;

(11) payments by the Issuer, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Issuer or any Parent in lieu of the issuance of fractional shares of such Capital Stock, *provided*, *however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors, an Officer or a member of senior management of the Issuer or any Parent);

(12) Restricted Payments in an aggregate amount outstanding at any time not to exceed (a) the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments made in exchange for or using as consideration Investments previously made under this paragraph (12), or (b) an amount not to exceed the cash proceeds from a sale, conveyance, transfer or other disposition in respect of property or assets acquired with proceeds from Excluded Contributions;

(13) payment of any Receivables Fees and purchases of Receivables Assets and other assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing or a Receivables Financing;

(14) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Issuer issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent or Affiliate issued after the Issue Date; *provided* that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (14) shall not exceed the Net Cash Proceeds received by the Issuer or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or Excluded Contributions or Excluded Amounts or, in the case of Designated Preference Shares by such Parent or Affiliate, the issuance of Designated Preference Shares) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer, as applicable, from the issuance or sale of such Designated Preference Shares;

(15) dividends or other distributions of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries;

(16) the declaration or payment of dividends or distributions, or the making of any cash payments, advances, loans or expense reimbursements on the Capital Stock, common stock or common equity interests of the Issuer, any Parent or any IPO Entity following a Public Offering of such Capital Stock, common stock or common equity interests; *provided* that the aggregate amount of all such dividends or distributions shall not exceed in any fiscal year the greater of: (a) 6% of the Net Cash Proceeds received from such Public Offering or subsequent Equity Offering by

the Issuer or an IPO Entity or contributed to the capital of the Issuer by any Parent in any form other than Indebtedness or Excluded Contributions or Excluded Amounts; and (b) following an Initial Public Offering, an amount equal to the greater of (x) 7% of the Market Capitalization and (y) 7% of the IPO Market Capitalization;

(17) advances or loans to (a) any future, present or former officer, director, employee or consultant of the Issuer or a Restricted Subsidiary or any Parent to pay for the purchase or other acquisition for value of Capital Stock of the Issuer or any Parent (other than Disqualified Stock or Designated Preference Shares), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement; or (b) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Capital Stock of the Issuer or any Parent (other than Disqualified Stock or Designated Preference Shares); *provided*, *however*, that the total aggregate amount of Restricted Payments made under this clause (17) does not exceed the greater of €21 million and 15% of Consolidated EBITDA in any fiscal year; and

(18) so long as no Material Event of Default has occurred and is continuing, the redemption, defeasance, repurchase, exchange or other acquisition or retirement of Subordinated Indebtedness of the Issuer or any Restricted Subsidiary (excluding, for the avoidance of doubt, any Subordinated Shareholder Funding) in an aggregate amount at the time redeemed, defeased, repurchased, exchanged or otherwise acquired not to exceed the greater of €35 million and 25% of Consolidated EBITDA.

For purposes of determining compliance with this covenant, and without prejudice to the section "*—Financial Calculations in Respect of Transactions*," in the event that a Restricted Payment (or portion thereof) or Investment (i) meets the criteria of more than one of the categories of Permitted Payments described in clauses (1) through (18) of the third paragraph of this covenant, and/or (ii) is permitted pursuant to the first or second paragraph of this covenant and/or (iii) constitutes a Permitted Investment, the Issuer will be entitled to classify such Restricted Payment or Investment (or portion thereof) on the date of its payment or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment or Investment (or portion thereof) in any manner that complies with this covenant, including as a Permitted Investment.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Issuer or any Parent acting in good faith.

Unrestricted Subsidiaries may use value transferred from the Issuer and the Restricted Subsidiaries in a Permitted Investment or other Restricted Payment to purchase or otherwise acquire Indebtedness or Capital Stock of the Issuer, any Parent or any of the Issuer's Restricted Subsidiaries, and to transfer value to the holders of the Capital Stock of the Issuer or any Parent, or to Affiliates thereof, and such purchase, acquisition or transfer will not be deemed to be a "direct or indirect" action by the Issuer or the Restricted Subsidiaries.

Notwithstanding the foregoing or anything to the contrary in the Indenture, in no event shall the Issuer or any Restricted Subsidiary be permitted to dispose of, or grant an exclusive license to, any Material Intellectual Property, whether as an asset sale, investment, dividend or otherwise, to any Unrestricted Subsidiary.

Limitation on Liens

HoldCo, solely in respect of any of its property or assets constituting Collateral, will not, and the Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the "**Initial Lien**"), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if, subject to the Agreed Security Principles, the Notes and all payments due under the Indenture are directly secured equally and ratably with, or prior to (in the case of Liens with respect to Subordinated Indebtedness), the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, and (ii) otherwise as set forth under "*Security—Release of Liens*." or the terms of the Intercreditor Agreement, any Additional Intercreditor Agreement or the relevant Security Document.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The "**Increased Amount**" of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing such Indebtedness.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Issuer or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;

(2) make any loans or advances to the Issuer or any Restricted Subsidiary; or

(3) sell, lease or transfer any of its property or assets to the Issuer or any Restricted Subsidiary,

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Issuer or any Restricted Subsidiary to other Indebtedness Incurred by the Issuer or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

(1) any encumbrance or restriction pursuant to (a) any Credit Facility (including the Revolving Credit Facility) and any guarantees related thereto, (b) the Indenture, the Notes, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents, or (c) any other agreement or instrument, in each case in effect at or entered into on or prior to the Issue Date after giving *pro forma* effect to the Transactions;

(2) any encumbrance or restriction pursuant to applicable law, rule, regulation or order;

(3) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Issuer or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Issuer or was merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary) and outstanding on such date; *provided* that, for the purposes of this clause (3), if another Person is the Successor Issuer (as defined below), the Successor Issuer or the Successor Guarantor (each as defined under "*—Merger and Consolidation*"), any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Issuer or any Restricted Subsidiary when such Person becomes the Successor Issuer or the Successor Guarantor;

(4) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clauses (1) or (3) of this paragraph or this clause (4) (an "**Initial Agreement**") or contained in any amendment, supplement or other modification to an agreement referred to in clauses (1) or (3) of this paragraph or this clause (4); *provided*, *however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are (i) no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Board of Directors or a member of senior management of the Issuer or any Parent) or (ii) customary in comparable financings and where, in the case of this sub-clause (ii), the Issuer determines at the time of Incurrence of such Indebtedness that such encumbrances or restrictions would not adversely affect, in any material respect, the Issuer's ability to make principal or interest payments on the Notes (as determined in good faith by the Board of Directors or a member of senior management of the Issuer or any Parent);

(5) any encumbrance or restriction:

(a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

(b) contained in mortgages, charges, pledges or other security agreements permitted under the Indenture or securing Indebtedness of the Issuer or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, charges, pledges or other security agreements; or

(c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Issuer or any Restricted Subsidiary;

(6) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired in the nature of clause (b) of the preceding paragraph, or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the distribution or transfer of the assets or Capital Stock of the joint venture;

(7) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(8) customary provisions in leases, licenses, shareholder agreements, joint venture agreements and other similar agreements, organizational documents and instruments entered into in the ordinary course of business;

(9) encumbrances or restrictions arising or existing by reason of, or pursuant to, applicable law or any applicable rule, regulation, licensing requirement or order, or required by any regulatory authority or any governmental license, concessions, franchises or permits, including restrictions on encumbrances on cash or deposits (including assets in escrow accounts) paid on property;

(10) any encumbrance or restriction on cash or other deposits or net worth imposed by customers or suppliers, or as required by insurance, surety or bonding companies or indemnities, in each case, under agreements entered into in the ordinary course of business;

(11) any encumbrance or restriction in respect of Hedging Obligations;

(12) any encumbrance or restriction arising pursuant to an agreement or instrument (a) relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "*—Limitation on Indebtedness*" if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders (taken as a whole) than (i) the encumbrances and restrictions contained in the Revolving Credit Facility, the Notes or the Indenture, together with the Security Documents associated therewith, and the Intercreditor Agreement, in each case, as in effect on the Issue Date or (ii) as is customary in comparable financings (as determined in good faith by the Board of Directors or a member of senior management of the Issuer or any Parent) or (b) constituting an Additional Intercreditor Agreement;

(13) any encumbrance or restriction effected in connection with a Qualified Receivables Financing that, in good faith determination of the Board of Directors or a member of senior management of the Issuer or any Parent are customarily Incurred in connection with a Qualified Receivables Financing and that are necessary or advisable to effect such Qualified Receivables Financing; or

(14) any encumbrance or restriction existing by reason of any lien permitted under "*—Limitation on Liens*."

Limitation on Sales of Assets and Subsidiary Stock

The Issuer will not, and will not permit any Restricted Subsidiary to, consummate any Asset Disposition unless:

(1) the consideration the Issuer or such Restricted Subsidiary receives for such Asset Disposition is not less than the fair market value of the Capital Stock, property or other assets subject to such Asset Disposition (as determined by the Issuer's Board of Directors); and

(2) at least 75% of the consideration the Issuer or such Restricted Subsidiary receives in respect of such Asset Disposition consists of:

(a) cash (including any Net Available Cash received from the conversion within 180 days of such Asset Disposition of securities, notes or other obligations received in consideration of such Asset Disposition);

(b) Cash Equivalents;

(c) the assumption by the purchaser of (x) any liabilities recorded on the Issuer's or a Restricted Subsidiary's balance sheet or the notes thereto (or, if Incurred since the date of the latest balance sheet, that would be recorded on the next balance sheet) (other than Subordinated Indebtedness), as a result of which neither the Issuer nor any of the Restricted Subsidiaries remains obligated in respect of such liabilities or (y) Indebtedness of a Restricted Subsidiary (other than Subordinated Indebtedness and Indebtedness owed to the Issuer or any Restricted Subsidiary) that is no longer a Restricted Subsidiary as a result of such Asset Disposition, if the Issuer and each other Restricted Subsidiary is released from any Guarantee of such Indebtedness as a result of such Asset Disposition;

(d) Replacement Assets;

(e) any Capital Stock or assets of the kind referred to in clause (4) or (6) in the second paragraph of this covenant;

(f) consideration consisting of Indebtedness of the Issuer or any Guarantor received from Persons who are not the Issuer or any Restricted Subsidiary, but only to the extent that such Indebtedness (i) has been extinguished by the Issuer or the applicable Guarantor, and (ii) is not Subordinated Indebtedness of the Issuer or such Guarantor;

(g) any Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary, having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at any one time outstanding, not to exceed the greater of €32.5 million and 25% of Consolidated EBITDA (calculated without giving effect to such Asset Disposition and with the fair market value of each issue of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value); or

(h) a combination of the consideration specified in sub-clauses (a) through (g) of this clause (2).

If the Issuer or any Restricted Subsidiary consummates an Asset Disposition, the Net Available Cash of the Asset Disposition, within 365 days (or 545 days in the circumstances in clause (8) below) of the later of (i) the date of the consummation of such Asset Disposition and (ii) the receipt of such Net Available Cash, may be used by the Issuer or such Restricted Subsidiary, as applicable, to:

(1) (i) prepay, repay, purchase or redeem any Indebtedness Incurred under clause (1)(a) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*" that is secured by a Lien on the Collateral that is accorded super senior priority status with respect to proceeds of enforcement of Collateral under the Intercreditor Agreement or any Additional Intercreditor Agreement; (ii) unless included in the preceding clause (1)(i), prepay, repay, purchase or redeem (a) the Notes and/or (b) Indebtedness (other than the Notes, Subordinated Indebtedness or Indebtedness owed to the Issuer or any Restricted Subsidiary) that is secured by a Lien on the Collateral on a *pari passu* basis with the Notes (including Indebtedness that, pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement has priority status in respect of the proceeds from the enforcement of the Collateral) at a price of no more than 100% of the principal amount of such applicable Indebtedness, plus accrued and unpaid interest to the date of such prepayment, repayment, purchase or redemption; or (iii) prepay, repay, purchase or redeem any Indebtedness of a Restricted Subsidiary that is not a Guarantor or any Indebtedness that is secured by Liens on assets which do not constitute Collateral (in each case other than Subordinated Indebtedness of the Issuer or a Guarantor or Indebtedness owed to the Issuer or any Restricted Subsidiary) and at a price of no more than 100% of the principal amount of such applicable Indebtedness, plus accrued and unpaid interest to, but excluding, the date of such prepayment, repayment, purchase or redemption; *provided*, *however*, that in connection with the prepayment, repayment or purchase of Indebtedness (other than the Notes or any revolving Indebtedness (including, for the avoidance of doubt, under the Revolving Credit Facility)), the Issuer or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitments (if any) to be reduced in an amount equal to the principal amount so prepaid, repaid or purchased;

(2) purchase Notes pursuant to an offer to all Holders or redeem or otherwise purchase or acquire (including through open market purchases, voluntary tender offers or privately negotiated transactions at market prices or pursuant to the redemption provisions of the Indenture) any series of Notes; *provided*, *however*, that to the extent the Issuer or any Restricted Subsidiary has elected to purchase any amount of the Notes at a price not less than par, to the extent Holders elect not to tender their Notes for such purchase, the Issuer will be deemed to have applied an amount of Net Available Cash equal to such amount not tendered, and such amount shall not increase the amount of Excess Proceeds;

(3) invest in any Replacement Assets;

(4) acquire all or substantially all of the assets of, or any Capital Stock of, another Similar Business, if, after giving effect to any such acquisition of Capital Stock, the Similar Business is or becomes a Restricted Subsidiary;

(5) make a capital expenditure;

(6) acquire other assets (other than Capital Stock and cash or Cash Equivalents) that are used or useful in a Similar Business;

(7) consummate any combination of the foregoing; or

(8) enter into a binding commitment to apply the Net Available Cash pursuant to clauses (1) through (6) of this paragraph or a combination thereof; *provided* that a binding commitment shall be treated as a permitted application of the Net Available Cash from the date of such commitment until the earlier of (x) the date on which such investment is consummated and (y) the 180th day following the expiration of the aforementioned 365-day period, if the investment has not been consummated by that date.

The amount of such Net Available Cash not so used as set forth in this paragraph constitutes "*Excess Proceeds*:"

(1) if the Consolidated Senior Secured Net Leverage Ratio as at the applicable test date in respect of the relevant Asset Disposition exceeds 4.3 to 1.00 after giving effect to any application of any Net Cash Proceeds as set forth herein, 100% of the Net Available Cash from such Asset Disposition;

(2) if the Consolidated Senior Secured Net Leverage Ratio as at the applicable test date in respect of the relevant Asset Disposition exceeds 4.05 to 1.00 but does not exceed 4.3 to 1.0 after giving effect to any application of any Net Cash Proceeds as set forth herein, 50% of the Net Available Cash from such Asset Disposition; or

(3) if the Consolidated Senior Secured Net Leverage Ratio as at the applicable test date in respect of the relevant Asset Disposition does not exceed 4.05 to 1.0 after giving effect to any application of any Net Cash Proceeds as set forth herein, 0% of the Net Available Cash from such Asset Disposition.

Pending the final application of any such Net Available Cash, the Issuer may temporarily reduce revolving credit borrowings or otherwise invest such Net Available Cash in any manner that is not prohibited by the terms of the Indenture.

On the 366th day (or the 546th day, if a binding commitment as described in clause (8) above has been entered into) after an Asset Disposition, or at such earlier time if the Issuer elects, if the aggregate amount of Excess Proceeds exceeds the greater of €10.0 million and 25% of Consolidated EBITDA, the Issuer will be required within 10 Business Days thereof to make an offer ("**Asset Disposition Offer**") to all Holders and, to the extent the Issuer elects, to all holders or lenders of other outstanding *Pari Passu* Indebtedness, to purchase the maximum principal amount of Notes and any such *Pari Passu* Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes in an amount equal to (and, in the case of any *Pari Passu* Indebtedness, an offer price of no more than) 100% of the principal amount of the Notes and 100% of the principal amount of *Pari Passu* Indebtedness, in each case, plus accrued and unpaid interest thereon and Additional Amounts, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing the *Pari Passu* Indebtedness, as applicable, in minimum denominations, in respect of the Notes, of €100,000 and in integral multiples of € 1,000 in excess thereof.

To the extent that the aggregate amount of Notes and *Pari Passu* Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the Indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and other *Pari Passu* Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and *Pari Passu* Indebtedness to be repaid or purchased on a *pro rata* basis (or otherwise in accordance with the relevant clearing systems) on the basis of the aggregate principal amount of tendered Notes and *Pari Passu* Indebtedness. For the purposes of calculating the principal amount of any such Indebtedness not denominated in euro, such Indebtedness shall be calculated by converting any such principal amounts into their euro equivalent determined as of a date selected by the Issuer that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the relevant Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Issuer upon converting such portion of the Net Available Cash into such currency.

The Asset Disposition Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "**Asset Disposition Offer Period**"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "**Asset Disposition Purchase Date**"), the Issuer will purchase the principal amount of Notes and, to the extent it elects, *Pari Passu* Indebtedness required to be repaid or purchased by it pursuant to this covenant (the "**Asset Disposition Offer Amount**") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and *Pari Passu* Indebtedness validly tendered in response to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the Asset Disposition Offer Amount of Notes and *Pari Passu* Indebtedness or portions of Notes and *Pari Passu* Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and *Pari Passu* Indebtedness so validly tendered and not properly withdrawn and in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Issuer will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this covenant. The Issuer or the Paying Agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and accepted by the Issuer for purchase, and the Issuer will promptly issue a new Note (or amend the applicable Global Note), and the Trustee (or an authenticating agent), upon delivery of an Officer's Certificate from the Issuer, will authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in a principal amount with a minimum denomination of €100,000. Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Issuer to the Holder thereof.

Notwithstanding the foregoing provisions of this covenant, to the extent that (x) a distribution of any or all the Net Available Cash of any Asset Disposition by a Subsidiary to the Issuer or another Restricted Subsidiary (to the extent necessary to comply with this covenant) is prohibited or delayed by applicable local law (including financial assistance and corporate benefit restrictions and fiduciary and statutory duties of the relevant directors) or (y) a distribution of any or all the Net Available Cash of any Asset Disposition by a Subsidiary to the Issuer or another Restricted Subsidiary (to the extent necessary to comply with this covenant) could result in material adverse Tax consequences, as determined by the Issuer in its reasonable discretion, the portion of such Net Available Cash so affected will not be required to be applied in compliance with this covenant.

The Issuer will comply, to the extent applicable, with the requirements of Rule 14e-1 of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance. The Issuer may rely on any no-action letters issued by the SEC indicating that the staff of the SEC will not recommend enforcement action in the event a tender offer satisfies certain conditions.

The Issuer or a Restricted Subsidiary, as the case may be, may make an Asset Disposition Offer prior to the expiration of the 365-day (or 545-day, as applicable) period mentioned in this covenant.

The provisions under the Indenture related to the Issuer's obligations to make an offer to repurchase the Notes as a result of an Asset Disposition may be waived or modified with the consent of the Holders of a majority in principal amount of all the then outstanding Notes.

The Revolving Credit Facility Agreement may prohibit or limit, and future credit agreements or other agreements to which the Issuer or another member of the Group becomes a party may prohibit or limit, the Issuer from purchasing any Notes pursuant to this covenant. In the event the Issuer is prohibited from purchasing the Notes, the Issuer could seek the consent of the lenders under such agreements to the purchase of the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuer does not obtain such consent or repay such borrowings, it will remain prohibited from purchasing the Notes. In such case, the Issuer's failure to purchase tendered Notes could constitute an Event of Default (subject to the relevant grace periods and other provisions described under "*—Events of Default*" below) under the Indenture.

Limitation on Affiliate Transactions

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Issuer (any such transaction or series of related transactions being an "**Affiliate Transaction**") involving aggregate value in excess of the greater of € 5.0 million and 10% of Consolidated EBITDA unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Issuer or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's-length dealings with a Person who is not such an Affiliate; and

(2) in the event such Affiliate Transaction involves an aggregate value in excess of the greater of €10.0 million and 15% of Consolidated EBITDA, the terms of such transaction or series of related transactions have been approved or ratified by a resolution of the majority of the members of the Board of Directors of the Issuer resolving that such transaction complies with clause (1) above; *provided* that any Affiliate Transaction shall also be deemed to have satisfied the requirements set forth in this clause if such Affiliate Transaction is approved by a majority of the Disinterested Directors of the Issuer, if any.

The provisions of the preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the covenant described under "*—Limitation on Restricted Payments*" (other than pursuant to clause (9)(c)(iii) of the third paragraph of the covenant described under "*—Limitation on Restricted Payments*") and any agreement related to such Restricted Payments or any Permitted Investment (other than Permitted Investments as defined in paragraphs (1)(b), (2), (11) and (14) of the definition thereof);

(2) any issuance or sale of Subordinated Shareholder Funding, Capital Stock, options, other equity-related investments or other warrants or securities or right to purchase Capital Stock, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Issuer, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved or ratified by the Board of Directors of the Issuer;

(3) any Management Advances, and any waiver or transaction with respect thereto, or Parent Expenses;

(4) any transaction between or among the Issuer and any Restricted Subsidiary (or with an entity that is not an Affiliate that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries or any Receivables Subsidiary;

(5) the payment of compensation, fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, managers, officers, contractors, consultants, distributors or employees of the Issuer, any Restricted Subsidiary or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, managers, officers, contractors, consultants, distributors or employees);

(6) (i) the Transactions and the payment of all costs and expenses (including all legal, accounting and other professional fees and Transaction expenses) related to the Transactions, (ii) the entry into and performance of obligations of the Issuer or any Restricted Subsidiary under the terms of any transaction pursuant to or contemplated by, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date or indicated in the section entitled "*Certain Relationships and Related Party Transactions*" in this Offering Memorandum, as these agreements and instruments may be amended, modified, supplemented, extended, renewed, replaced or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders (taken as a whole) in any material respect, (iii) transactions related to a Permitted Change of Control, the payment of Permitted Change of Control Costs and the issuance of Capital Stock to the management of the Issuer or any of its Restricted Subsidiaries in connection with a Permitted Change of Control and (iv) the entry into and performance of any registration rights or other listing agreement;

(7) the execution, delivery and performance of any Tax Sharing Agreement or any arrangement pursuant to which the Issuer or any Restricted Subsidiary is required or permitted to file a consolidated tax return, or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business; *provided* that payments under such Tax Sharing Agreement shall not exceed, and shall not be duplicative of, the amounts described under clause (7) of the definition of "**Parent Expenses**" and that the related tax liabilities of the Issuer and the Restricted Subsidiaries are relieved thereby;

(8) transactions with customers, clients, joint venture partners, suppliers, contractors, distributors or purchasers or sellers of goods or services, which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable

determination of the Board of Directors or an Officer or senior management of the Issuer or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(9) any transaction in the ordinary course of business between or among the Issuer or any Restricted Subsidiary and any Affiliate of the Issuer (other than an Unrestricted Subsidiary) or an Associate or similar entity, including any joint venture, that would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary or any Affiliate of the Issuer or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Issuer or options, warrants or other rights to acquire such Capital Stock, or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, as applicable;

(11) without duplication of the payments referred to under item 6 of the definition of "Parent Expenses," (a) payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual management, consulting, monitoring, refinancing, transaction, subsequent transaction exit fees or advisory and other fees (including termination fees) in an aggregate amount not to exceed the greater of €5 million and 3% of Consolidated EBITDA in any fiscal year and, in each case, related expenses and (b) customary payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with loans, capital market transactions, acquisitions or divestitures, and payments related to the reimbursement of reasonable out-of-pocket expenses Incurred by a Permitted Holder in connection with its Investment in the Issuer or any Restricted Subsidiary, which payments (or agreements providing for such payments) in respect of this clause (11)(b) are either in connection with the Transactions or approved by a majority of the Board of Directors of the Issuer in good faith;

(12) any transactions in respect of which the Issuer or a Restricted Subsidiary delivers a written opinion (in form and substance reasonably satisfactory to the Trustee) to the Trustee from an Independent Financial Advisor stating that such transaction is (i) fair to the Issuer or such Restricted Subsidiary from a financial point of view or (ii) on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's-length basis from a Person who is not an Affiliate;

(13) any contribution to the equity of the Issuer in exchange for Capital Stock (other than Disqualified Stock and Preferred Stock) or any investments by any of the Permitted Holders in securities of any Restricted Subsidiary (and the payment of reasonable out-of-pocket expenses of the Permitted Holders in connection therewith);

(14) pledges of Capital Stock of Unrestricted Subsidiaries;

(15) any transaction effected as part of a Qualified Receivables Financing; and

(16) Investments by Affiliates in Indebtedness or Preferred Stock of the Issuer or any of its Subsidiaries, so long as (i) the investment complies with clause (1) of the preceding paragraph, (ii) non-Affiliates were also offered the opportunity to invest in such Indebtedness or Preferred Stock on the same or more favorable terms and (iii) in the case of securities, the investment constitutes less than 5% of the issue amount of such securities, and transactions with Affiliates solely in their capacity as holders of Indebtedness or Preferred Stock of the Issuer or any of its Subsidiaries, so long as such transaction is with all holders of such class (and there are such non-Affiliate holders) and such Affiliates are treated no more favorably than all other holders of such class generally.

Reports

So long as any Notes are outstanding, the Issuer will provide to Holders the following reports:

(1) within 120 days after the end of the Issuer's fiscal year beginning with the fiscal year ending December 31, 2025, (a) annual reports containing: (i) an operating and financial review of the audited financial statements, including a discussion of the financial condition, results of operations and material changes in liquidity and capital resources of the Issuer; (ii) unaudited *pro forma* income statement and balance sheet information of the Issuer together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates (unless such *pro forma* information has been provided in a previous report pursuant to clause 2(b) or (2)(c) below); *provided* that such *pro forma* financial information will be provided only to the extent reasonably available without unreasonable

expense or burden, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials; and (iii) the audited consolidated balance sheet of the Issuer as at the end of the most recent fiscal year and audited consolidated income statements and statements of cash flow of the Issuer for the most recent fiscal year, including appropriate footnotes to such financial statements, for and as at the end of such fiscal year and the report of the independent auditors on the financial statements; (b) a description of the management and shareholders of the Issuer, all material affiliate transactions and a description of all material debt instruments; (c) a description of material changes in risk factors and material subsequent events; and (d) Consolidated EBITDA; *provided* that the information described in clauses (b), (c) and (d) may be provided in the footnotes to the audited financial statements;

(2) within (a) 60 days following the end of each of the first and third fiscal quarters and (b) 75 days following the end of the second fiscal quarter in each fiscal year of the Issuer, beginning with the fiscal quarter ending March 31, 2026, quarterly financial statements containing the following information: (a) the Issuer's unaudited condensed consolidated balance sheet as at the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year to date period ending on the unaudited condensed balance sheet date and the comparable prior period, together with condensed footnote disclosure; (b) unaudited *pro forma* income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such quarterly report relates; *provided* that such *pro forma* financial information will be provided only to the extent available without unreasonable expense or burden, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials; and (c) an operating and financial review of the unaudited financial statements; and

(3) promptly after the occurrence of a material event that the Issuer announces publicly or any acquisition, disposition or restructuring, merger or similar transaction that is material to the Issuer and the Restricted Subsidiaries, taken as a whole, or a change in the chief executive officer or chief financial officer at the Issuer or a change in auditors of the Issuer, a report containing a description of such event.

In addition, the Issuer shall furnish to the Holders and to prospective investors, upon the request of such parties, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act for so long as the Notes are not freely transferable under the Securities Act.

The Issuer shall be deemed to satisfy its obligations to furnish a report to the Holders pursuant to this covenant by making such report available on its website (or a website of a Parent) and, if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market and to the extent that the rules and regulations of the Luxembourg Stock Exchange so require, copies of such reports will also be made available on the website of the Luxembourg Stock Exchange.

All financial statement information shall be prepared on a basis consistent with IFRS (or U.S. GAAP, as applicable) as in effect on the date of such report or financial statement and on a consistent basis for the periods presented, except, in each case, as may otherwise be described in such information; *provided*, *however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in IFRS, present earlier periods on a basis that applied to such periods. Except as provided below, no report need include separate financial statements for the Issuer or any Subsidiaries of the Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Offering Memorandum. In addition, the reports set forth above which are prepared on a basis consistent with IFRS will not be required to contain any reconciliation to U.S. GAAP.

For purposes of this covenant, an acquisition or disposition shall be deemed to be material if the entity or business acquired or disposed of represents greater than 20% of the Issuer's Consolidated EBITDA for the Relevant Testing Period tested after giving effect to such transaction in the case of an acquisition and prior to giving effect to such transaction in the case of a disposition.

At any time that any of the Issuer's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or a group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the Issuer, then the quarterly and annual financial information required by the first paragraph of this "—*Reports*" will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Issuer and the Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.

In the event that (i) the Issuer or any Parent becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, for so long as it continues to file the reports required by Section 13(a) with the SEC or (ii) the Issuer elects to provide to the Trustee reports which, if filed with the SEC, would satisfy (in the good faith judgment of the Issuer) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of U.S. GAAP information, certifications, exhibits or information as to internal controls and procedures), for so long as it elects, the Issuer will make available to the Trustee such annual reports, information, documents and other reports that the Issuer or such Parent, as applicable, is, or would be, required to file with the SEC pursuant to such Section 13(a) or 15(d).

The Issuer may comply with the requirements of clauses (1) and (2) of this covenant by providing any report or financial statements of (x) a direct or indirect Parent of the Issuer or (y) any report or financial statements of an IPO Entity or a direct or indirect Subsidiary of the Issuer that represents substantially all the assets of the Issuer and its Restricted Subsidiaries (any entity under sub-clause (x) or (y), a "**Financial Reporting Entity**"), in each case (if such entity is different from the Issuer) so long as such reports (if an annual or quarterly report) (a) meet the requirements (including as to content and time of delivery) of clause (1) and (2) of this covenant as if references to the Issuer therein were references to such Financial Reporting Entity; provided that if the report or financial statements of a Financial Reporting Entity are provided to meet the requirements of clause (1) or (2) of this covenant in accordance with this sentence for any period after the Issue Date, a reasonably detailed unaudited description of material differences between the financial statements of the Financial Reporting Entity and the Issuer shall be included in such report or financial statements. Upon complying with the foregoing requirement, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs.

Additionally, in the event that, and for so long as, the equity securities of the Issuer or any Parent or IPO Entity are listed on the Main Market of the London Stock Exchange or one or more of the equivalent regulated markets of the Milan Stock Exchange, the Frankfurt Stock Exchange or the Paris Stock Exchange or another internationally recognized stock exchange (any of the foregoing, an "**International Exchange**") and the Issuer or such Parent or IPO Entity is subject to the admission and disclosure standards applicable to issuers of equity securities admitted to trading on such International Exchange and such annual reports, information, documents and other reports that the Issuer or such Parent or IPO Entity is, or would be, required to file with such International Exchange are publicly available, the Issuer will be deemed to have furnished such reports referred to above to the Trustee and the Holders. Upon complying with the foregoing requirements, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs.

All reports provided pursuant to this "—*Reports*" covenant shall be made in the English language. If the due date for any report set forth in clauses (1) and (2) above is not a Business Day, the Issuer or Financial Reporting Entity will be entitled to provide such report on the next succeeding Business Day.

To the extent any information is not provided within the time periods specified under this covenant, and such information is subsequently provided, the Issuer will be deemed to have satisfied its obligations with respect thereto at such time and any Default with respect thereto shall be deemed to have been cured.

Merger and Consolidation

The Issuer

The Issuer will not, directly or indirectly, consolidate with or merge with or into, or assign, convey, transfer, lease, sell or otherwise dispose all or substantially all the assets of the Issuer and its Restricted Subsidiaries, taken as a whole, as an entirety or substantially as an entirety, in one transaction or a series of related transactions to, any Person, unless:

(1) either the Issuer is the surviving entity or the resulting, surviving or transferee Person (the "**Successor Issuer**") will be a Person organized and existing under the laws of any member state of the European Union, any State of the United States of America or the District of Columbia, Canada or any province of Canada, Norway, Switzerland or the United Kingdom and the Successor Issuer (if not the Issuer) will expressly assume, (a) by supplemental indenture, executed and delivered to the Trustee, in a form reasonably satisfactory to the Trustee, all the obligations of the Issuer under the Notes and the Indenture and (b) all obligations of the Issuer under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Issuer or any Subsidiary of the Successor Issuer as a result of such transaction as having been Incurred by the Successor Issuer or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction, either (a) the Issuer or the Successor Issuer, as applicable, would be able to Incur at least an additional €1.00 of Indebtedness pursuant to the first paragraph of the covenant described under "—*Limitation on Indebtedness*" or (b) the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such transaction or the Consolidated Net Leverage Ratio would not be greater than it was immediately prior to giving effect to such transaction; and

(4) the Issuer or the Successor Issuer, as applicable, shall have delivered to the Trustee (a) an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the terms of the Indenture and (b) an Opinion of Counsel to the effect that in the

case of the Successor Issuer, such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Issuer (in each case, in form and substance reasonably satisfactory to the Trustee); *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact.

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Issuer, which properties and assets, if held by the Issuer instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

The Successor Issuer will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Indenture but in the case of a lease of all or substantially all its assets, the predecessor Person will not be released from its obligations under the Indenture or the Notes.

There is no precise established definition of the phrase "*substantially all*" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "*all or substantially all*" of the property or assets of a Person.

Guarantors

No Guarantor (other than a Guarantor whose Notes Guarantee is to be released in accordance with the terms of the Indenture or the Intercreditor Agreement substantially concurrently with such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition) will, directly or indirectly, consolidate with or merge with or into, or assign, convey, transfer, lease, sell or otherwise dispose of all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions to, any Person, unless:

(1) the other Person is the Issuer or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor substantially concurrently with such consolidation, merger, sale, assignment, conveyance, transfer, lease, sell or other disposition;

(2) (a) either (x) the Issuer or a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Notes Guarantee and the Indenture (pursuant to a supplemental indenture executed and delivered in a form reasonably satisfactory to the Trustee) and all obligations of the Guarantor under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable (such resulting, surviving or transferee Person (other than the Issuer), the "**Successor Guarantor**"); and (b) immediately after giving effect to the transaction, no Default or Event of Default shall have occurred and is continuing; or

(3) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of a Guarantor or the sale or disposition of all or substantially all the assets of a Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the Indenture.

The provisions set forth in this "*Merger and Consolidation*" covenant shall not restrict (and shall not apply to): (i) any Restricted Subsidiary that is not the Issuer or a Guarantor from consolidating with, merging or liquidating into or transferring all or substantially all of its properties and assets to the Issuer, a Guarantor or any other Restricted Subsidiary that is not the Issuer or a Guarantor; (ii) any Guarantor from merging or liquidating into or transferring all or part of its properties and assets to the Issuer or a Guarantor; (iii) any consolidation or merger of any Guarantor into the Issuer; *provided* that, if the Issuer is not the surviving entity of such merger or consolidation, the relevant Guarantor will assume the obligations of the Issuer under the Notes, the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents and clauses (1) and (4) under the heading "*—The Issuer*" shall apply to such transaction; (iv) the Transactions or a Permitted Reorganization; and (v) the Issuer or any Guarantor consolidating into or merging or combining with an Affiliate incorporated or organized for the purpose of changing the legal domicile of such entity, reincorporating such entity in another jurisdiction, or changing the legal form of such entity; *provided*, *however*, that in the case of a consolidation, merger, combination or transfer of all or substantially all assets of (x) the Issuer with or into an Affiliate that is not a Guarantor, clauses (1) and (4) under the heading "*—The Issuer*" shall apply to any such transaction, or (y) any Guarantor with or into an Affiliate, clauses (1) through (3) under the heading "*—The Guarantors*," as the case may be, shall apply to any such transaction. None of the provisions under this covenant shall apply to the creation of a new Subsidiary as a Restricted Subsidiary.

Impairment of Security Interest

Neither HoldCo nor the Issuer shall, and the Issuer shall not permit any Restricted Subsidiary to, take or knowingly or negligently 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 Collateral Liens or the confirmation or affirmation of security interests in respect of the Collateral, the occurrence of or implementation or any step in the Transactions or any

Permitted Reorganization and the implementation of an IPO Debt Pushdown shall under no circumstances be deemed to materially impair the Security Interest with respect to the Collateral) for the benefit of the Trustee and the Holders, and neither HoldCo nor the Issuer shall, and the Issuer shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement, any interest whatsoever in any of the Collateral, except that (1) the Issuer, its Restricted Subsidiaries and HoldCo may amend, extend, renew, restate, supplement, release or otherwise modify or replace any Security Documents for the purposes of Incurring Permitted Collateral Liens; (2) the Collateral may be discharged or released or released and retaken in accordance with the Indenture, the applicable Security Documents or the Intercreditor Agreement or any Additional Intercreditor Agreement, including in respect of the implementation of an IPO Debt Pushdown; and (3) the applicable Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released and retaken and/or new Security Documents may be entered into, from time to time (i) to cure any ambiguity, mistake, omission, defect, error or inconsistency therein, (ii) to comply with the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement, (iii) to add Collateral, (iv) to evidence the succession of another Person to the Issuer or any Guarantor and the assumption by such successor of the obligations under the Indenture, the Notes, the Intercreditor Agreement and the Security Documents, in each case, including in accordance with "*—Certain Covenants—Merger and Consolidation*," (v) to evidence and provide for the acceptance of the appointment of a successor Trustee or Security Agent, (vi) to effect any Permitted Reorganizations, (vii) in any manner that does not adversely affect the Holders in any material respect or (viii) *provided* that a Lien of at least equivalent ranking is promptly retaken over the same or substantially identical assets such that they form part of the Collateral; *provided, however*, that, except with respect to any discharge, amendment, extension, renewal, restatement, supplement or modification, replacement, release or release and retaking in accordance with the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement, the Incurrence of Permitted Collateral Liens or any action expressly permitted by the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement (including for the avoidance of doubt, clause (3) above), the Security Documents may not be amended, extended, renewed, restated, supplemented, released or otherwise modified or replaced, unless contemporaneously with any such action, the Issuer delivers to the Trustee, either (i) a solvency opinion reasonably satisfactory to the Trustee from an Independent Financial Advisor confirming the solvency of the relevant Person and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, (ii) a certificate from an Officer or the Board of Directors of the relevant Person which confirms the solvency of the person granting such Security Interest after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, or (iii) an Opinion of Counsel reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, the Lien or Liens created under the Security Documents, so amended, extended, renewed, restated, supplemented, released, modified or replaced are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, release, modification or replacement. In the event that the Issuer or the relevant Restricted Subsidiary complies with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to such amendments without the need for instructions from the Holders.

Additional Guarantees

Notwithstanding anything to the contrary in this covenant, no Restricted Subsidiary shall Guarantee the Indebtedness of the Issuer or a Guarantor Incurred pursuant to a Credit Facility (including, for the avoidance of doubt, the Revolving Credit Facility) or any Public Debt of the Issuer or a Guarantor unless such Restricted Subsidiary is or becomes a Guarantor within 20 Business Days from (but excluding) the date on which the Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Notes Guarantee; *provided*, *however*, that no Opinion of Counsel will be required in connection with the execution of any amendment or supplement adding a new Guarantor under the Indenture and *provided* further that such Restricted Subsidiary shall not be obligated to become such a Guarantor to the extent and for so long as the Incurrence of such Notes Guarantee would be inconsistent with the Agreed Security Principles or may reasonably be expected to give rise to or result in (1) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules, retention of title claims or the laws, rules or regulations (or analogous restrictions) of any applicable jurisdiction; (2) any risk or liability for the officers, directors or shareholders of such Restricted Subsidiary; or (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 (2) undertaken in connection with, such Notes Guarantee which cannot be avoided through measures reasonably available to the Issuer or any Restricted Subsidiary. At the option of the Issuer, any Notes Guarantee may contain limitations on such Guarantor's liability to the extent reasonably necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law. The Issuer may elect, in its sole discretion, to cause any Subsidiary that is not otherwise required to be a Guarantor to become a Guarantor, in which case such Subsidiary shall not be required to comply with the 20-Business Day period described in this covenant. The Indenture will provide that this covenant shall not be applicable to any guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary.

Future Notes Guarantees granted pursuant to this provision shall be released as set forth under "*—The Notes Guarantees—Notes Guarantee Release*." A Notes Guarantee of a future Guarantor may also be released at the option of the Issuer if at the date of such release either (1) there is no Indebtedness of such Guarantor outstanding which was Incurred after the Issue Date and which could not have been Incurred in compliance with the Indenture if such Guarantor had not been designated as a Guarantor or (2) there is no Indebtedness of such Guarantor outstanding which was Incurred after the Issue Date and which could not have been Incurred in compliance with the Indenture as at the date of such release if such Guarantor were not designated as a Guarantor as at that date. The Trustee and the Security Agent shall each take all necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Notes Guarantee in accordance with these provisions, subject to each of the Trustee and the Security Agent being indemnified and secured to its satisfaction.

The validity and enforceability of the Notes Guarantees and the Security Interests and the liability of each Guarantor will be subject to the limitations as described and set out in "*Certain Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Guarantees and the Security Interests*."

Additional Intercreditor Agreements

The Indenture will provide that, at the request of the Issuer, in connection with the Incurrence by the Issuer or the Restricted Subsidiaries of any (x) Indebtedness secured on the Collateral or as otherwise required or permitted herein and (y) any refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clause (x), the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized Representatives) an intercreditor agreement (an "**Additional Intercreditor Agreement**") or a restatement, amendment or other modification of the existing Intercreditor Agreement on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the Holders), including containing substantially the same terms with respect to release of Guarantees and priority and release of the Security Interests; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, as applicable, adversely affect the rights, duties, liabilities, indemnities or immunities of the Trustee or Security Agent under the Indenture or the Intercreditor Agreement.

The Indenture will also provide that, at the direction of the Issuer and without the consent of Holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (1) cure any ambiguity, omission, defect, manifest error or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuer or any Restricted Subsidiary that is subject to any such agreement (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes), (3) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Notes (including Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Additional Notes, (6) facilitate a Permitted Reorganization, (7) implement any Permitted Collateral Liens, (8) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or (9) make any other change to any such agreement that does not adversely affect the Holders (taken as a whole) in any material respect. In formulating its opinion on such matters, the Trustee shall be entitled to request and rely absolutely on such evidence as it deems appropriate, including an Officer's Certificate and an Opinion of Counsel. The Issuer shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of the majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under "*—Amendments and Waivers*" or as permitted by the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement and the Issuer may only direct the Trustee and the 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 or immunities under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture will also provide that, in relation to any Intercreditor Agreement or Additional Intercreditor Agreement, the Trustee (and Security Agent, if applicable) shall consent on behalf of the Holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided*, *however*, that such transaction would comply with the covenant described under "*—Limitation on Restricted Payments*."

The Indenture will also provide that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement, (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have directed the Trustee and the Security Agent to enter into any such Additional Intercreditor Agreement.

Suspension of Covenants on Achievement of Investment Grade Status

If on any date following the Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "**Suspension Event**"), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (the "**Reversion Date**"), the provisions of the Indenture summarized under the following captions will not apply to the Notes:

(1) "*—Limitation on Restricted Payments*";

(2) "*—Limitation on Indebtedness*";

(3) "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*";

(4) "*—Limitation on Affiliate Transactions*";

(5) "*—Limitation on Sales of Assets and Subsidiary Stock*";

(6) the provisions of clause (3) of the covenant described under "*—Merger and Consolidation—The Issuer*";

(7) "*—Impairment of Security Interest*"; and

(8) the second, third and fourth paragraphs of the definition of "**Unrestricted Subsidiary**,"

and, in each case, any related default provision of the Indenture will cease to be effective and will not be applicable to the Issuer or the Restricted Subsidiaries.

Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer properly taken during the continuance of the Suspension Event, and no action taken prior to the Reversion Date will constitute a Default or Event of Default. The covenant set forth under "*—Limitation on Restricted Payments*" and the second, third and fourth paragraphs of the definition of "Unrestricted Subsidiary" will be interpreted as if it has been in effect since the date of the Indenture but not during the continuance of the Suspension Event. On the Reversion Date, all Indebtedness of the Issuer and the Restricted Subsidiaries Incurred during the continuance of the Suspension Event will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under "*—Limitation on Indebtedness*."

Furthermore, (a) any transactions prohibited by the covenant set forth under "*—Limitation on Affiliate Transactions*" entered into after the Reversion Date pursuant to an agreement entered into during any continuance of a Suspension Event shall be deemed to be permitted pursuant to clause (6)(ii) of the second paragraph of the covenant set forth under "*—Limitation on Affiliate Transactions*," and (b) any encumbrance or restriction on the ability of any Restricted Subsidiary to take any action described in clauses (A) through (C) of the first paragraph of the covenant described under "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*" that becomes effective during any continuance of a Suspension Event shall be deemed to be permitted pursuant to clause (1)(c) of the second paragraph of the covenant set forth under "*—Limitation on Restrictions on Distributions from Restricted Subsidiaries*."

In addition, the Indenture will also permit, without causing a Default or Event of Default, the Issuer or any of the Restricted Subsidiaries to honor any contractual commitments or take actions in the future after any date on which the Notes cease to have an Investment Grade Status as long as the contractual commitments were entered into during the Suspension Event and not in anticipation of the Notes no longer having an Investment Grade Status. The Trustee shall have no duty to monitor the ratings of the Notes, shall not be deemed to have any knowledge of the ratings of the Notes and shall have no duty to notify Holders if the Notes achieve an Investment Grade Status or upon the occurrence of the Reversion Date. The Issuer shall notify the Trustee that the conditions set forth in the first paragraph under this caption have been satisfied, *provided* that, no such notification shall be a condition for the suspension of the covenants described under this caption to be effective. The Trustee shall not be obliged to notify Holders of a Suspension Event or, if applicable, upon the occurrence of a Reversion Date.

There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Status.

Financial Calculations in Respect of Transactions

When calculating the availability under any basket or ratio under the Indenture in connection with any transaction (including, for the avoidance of doubt and without limitation, any Incurrence or assumption of Indebtedness or Liens, a Change of Control, a Change of Control Triggering Event, the making of any Restricted Payment, Permitted Payment or Investment, any Asset Disposition, any acquisition, merger, consolidation, amalgamation or other business combination and any other transaction requiring the testing of any basket based on the Consolidated EBITDA of the Issuer), the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of the Issuer, be (A) the date the definitive agreements for such transaction are entered into, the date of the relevant offer, notice or commitment or any other date (as determined in good faith by the Board of Directors or a member of Senior Management) on which the definitive terms of such transaction are established (any such date, the "**Transaction Commitment Date**"), and such baskets or ratios shall be calculated with such *pro forma* adjustments as are appropriate and consistent with the *pro forma* provisions set forth in the definitions of Consolidated EBITDA, Fixed Charge Coverage Ratio and Consolidated Net Leverage Ratio after giving effect to such transaction and other transactions to be entered into in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable period for purposes of determining the ability to consummate any such transaction (and not for purposes of any subsequent availability of any basket, threshold or ratio); *provided* that the Issuer may elect to redetermine compliance with the Indenture in respect of the relevant transaction on any date on or prior to the date of its consummation (but following the Transaction Commitment Date), in which case such date of redetermination shall thereafter be the Transaction Commitment Date in respect of the relevant transaction, or (B) the date of consummation of any such transaction. For the avoidance of doubt, if any of such baskets, thresholds or ratios are determined to be in compliance under sub-clause (A) above, (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in the Consolidated Net Income or Consolidated EBITDA of the Issuer or that arises from an asset or a target company subject to such transaction) subsequent to a Transaction Commitment Date and at or prior to the consummation of the relevant transaction, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the transaction is permitted hereunder, (y) such baskets or ratios shall not be tested at the time of consummation of such transaction or related transactions and (z) any such transactions (including any Incurrence of Indebtedness and the use of proceeds therefrom) shall be deemed to have occurred on the Transaction Commitment Date for purposes of calculating any baskets or ratios under the Indenture after the Transaction Commitment Date and before the consummation of such transaction. To the extent the date of determination of a basket or ratio is tested prior to the date of consummation of a transaction, such basket or ratio shall be deemed utilized to the same extent until the earlier of the date of consummation of such transaction or the date such transaction is terminated or expires without consummation, except that in the case of an acquisition, merger or consolidation, any calculation of Consolidated EBITDA for purposes other than Incurrences of Indebtedness or Liens or the making of Restricted Payments (not related to such acquisition, merger or consolidation) shall not reflect such transaction until it has been consummated. If compliance with an Applicable Metric is established in accordance with the preceding paragraph, such Applicable Metric shall be deemed to have been complied with (or satisfied) for all purposes; provided that (a) the Issuer may elect, in its sole discretion, to recalculate any Applicable Metric on the basis of a more recent applicable test date, in which case, such date of redetermination shall thereafter be deemed to be the relevant applicable test date for purposes of such Applicable Metrics; and (b) save as contemplated in clause (a) above, compliance with any Applicable Metric shall not be determined or tested at any time after the relevant applicable test date for such transaction and any actions or transactions related thereto.

If an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is committed, incurred or issued, any Lien is committed or incurred or any other transaction is undertaken or any Applicable Metric is tested in reliance on a ratio-based basket or any other ratio-based metric, such ratio(s) shall be calculated without regard to the Incurrence or drawing of any Indebtedness under any revolving facility, letter of credit facility or bank guarantee facility and/or other Indebtedness which is available to be re-drawn (including under the Revolving Credit Facility or any ancillary facility under the Revolving Credit Facility Agreement) solely to the extent that such Incurrence or drawing of Indebtedness is for working capital purposes and, for the avoidance of doubt, subject to clause (10) of the third paragraph of the covenant described under "*—Limitation on Indebtedness,*" any undrawn commitments for Indebtedness (including under the Revolving Credit Facility) shall be disregarded for the purposes of testing the Applicable Metric.

For any relevant Applicable Metric set by reference to a fiscal year, a calendar year, a four-quarter period (including Relevant Testing Period) or any other similar annual period (each an "**Annual Period**"):

(i) at the option of the Issuer, the maximum amount so permitted under such Applicable Metric during such Annual Period may be increased by: (A) an amount equal to 100% of the difference (if positive) between the permitted amount in the immediately preceding Annual Period and the amount thereof actually used or applied by the Issuer during such preceding Annual Period (the "**Carry Forward Amount**"); and/or (B) an amount equal to 100% of the permitted amount in the immediately following Annual Period and the permitted amount in such immediately following Annual Period shall be reduced by such corresponding amount (the "**Carry Back Amount**"); and

(ii) to the extent that the maximum amount so permitted under such Applicable Metric during such Annual Period is increased in accordance with clause (i) above, any usage of such Applicable Metric during such Annual Period shall be deemed to be applied in the following order: (A) first, against the Carry Forward Amount; (B) second, against the maximum amount so permitted during such Annual Period prior to any increase in accordance with clause (i) above; and (C) third, against the Carry Back Amount.

The Indenture will provide that references to (i) any matter being "permitted" by or under the Indenture (or any covenant or section thereof) or any other Notes Document shall include references to such matters not being prohibited or otherwise being approved under the Indenture or such other Notes Document and (ii) any transaction being in the "ordinary course of business" of a member of the Group shall be construed to include any transaction that is consistent with industry practice in the industries in which the Group operates or consistent with past practice of the Issuer or any Restricted Subsidiary.

Events of Default

Each of the following will be an "**Event of Default**" under the Indenture:

(1) default in any payment of interest on any Note issued under the Indenture when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon acceleration or otherwise;

(3) failure by the Issuer or, solely in connection with the covenants described under *"—Certain Covenants—Limitation on Liens*" and "*—Certain Covenants—Impairment of Security Interest*," HoldCo, to comply for 60 days after notice by the Trustee or the Holders of at least 30% in principal amount of the outstanding Notes with their respective other agreements contained in the Indenture; *provided* that in the case of a failure to comply with the Indenture provisions described under "*—Certain Covenants—Reports,*" such period of continuance of such default or breach shall be 120 days after written notice described in this clause (3) has been given;

(4) the occurrence of any default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements of the Issuer), would constitute a Significant Subsidiary (or the payment of which is Guaranteed by the Issuer or any Significant Subsidiary or a group of such Restricted Subsidiaries) other than Indebtedness owed to the Issuer or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, which default:

(a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("**payment default**"); or

(b) results in the acceleration of such Indebtedness prior to its maturity (the "**cross acceleration provision**"),

and the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €25.0 million or more;

(5) certain events of bankruptcy, insolvency or court protection of the Issuer, HoldCo, a Significant Subsidiary or a group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer), would constitute a Significant Subsidiary (the "**bankruptcy provisions**");

(6) failure by the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €25.0 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final (the "**judgment default provision**");

(7) any Security Interest under the Security Documents having a fair market value in excess of €15.0 million 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 Indenture and except through the gross negligence or willful misconduct of the Trustee or Security Agent) for any reason other than the satisfaction in full of all obligations under the Indenture or the release of any such Security Interest in accordance with the terms of the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents or any such Security Interest created thereunder shall be declared invalid or unenforceable or the Issuer shall assert in writing that any such Security Interest is invalid or unenforceable and any such Default continues for 10 days; and

(8) any Notes Guarantee of a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Notes Guarantee or the Indenture) or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Notes Guarantee and any such Default continues for 10 days.

However, a default under clauses (3), (4) or (6) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of 30% in principal amount of the outstanding Notes under the Indenture notify the Issuer of the default and, with respect to clauses (3), (4) and (6) the Issuer does not cure such default within the time specified in clauses (3), (4) or (6), as applicable, of this paragraph after receipt of such notice; provided that such notice of Default may not be given with respect to any action taken or event that has occurred and that is reported to the Trustee more than two years after such reporting of such action or event. Any time period providing for the cure of any actual or alleged Default or Event of Default described under the first paragraph of this section may be extended or stayed by a court of competent jurisdiction to the extent such actual or alleged Default or Event of Default is the subject of litigation.

If an Event of Default (other than an Event of Default described in clause (5) above) occurs and is continuing, the Trustee, by notice to the Issuer or the Holders of at least 30% in principal amount of the outstanding Notes under the Indenture by written notice to the Issuer and the Trustee, may, and the Trustee (subject to certain conditions) at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on all the Notes under the Indenture to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (4) above has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (4) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (i) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (ii) all existing Events of Default, except non-payment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

Any (1) consent (or non-consent) to any amendment, modification or waiver of any provision of any Notes Document or any departure by Holdco or any Restricted Subsidiary therefrom, (2) action on any matter related to any Notes Document, (3) direction to the Trustee or the Security Agent to undertake any action (or refrain from taking any action) with respect to, or under, any Notes Document or (4) notice of Default under the first paragraph of this section, notice of acceleration with respect to an Event of Default under the first paragraph of this section or instruction to the Trustee to provide a notice of Default under the first paragraph of this section, notice of acceleration with respect to an Event of Default under the first paragraph of this section or direction to take (or refrain from taking) any other action with respect to an alleged Default or Event of Default the first paragraph of this section (collectively, a "**Noteholder Direction**"), in each case, provided by any one or more Holders (each, a "**Directing Holder**") must be accompanied by a written representation from each such Holder to the Issuer and the Trustee that such Holder is not, or, in the case such Holder is a relevant clearing system or such relevant clearing system's nominee, that such Holder is being instructed solely by beneficial owners that are not, Net Short (a "**Position Representation**"), which representation, in the case of a Noteholder Direction relating to matters described under clause (4) of this paragraph shall be deemed repeated at all times until the resulting Event of Default is cured or otherwise ceases to exist or the Notes are accelerated. Subject to mandatory provisions of Italian law and without prejudice to what is provided for in paragraph "*—Meetings of Holders*" below, any Directing Holder that does not provide a Position Representation with a Noteholder Direction shall be deemed to have voted its interest as a Holder without discretion in the same proportion as the allocation of voting with respect to such matter by Holders who are not Net Short. In addition, each Directing Holder must, at the time of providing a Noteholder Direction, covenant to provide the Issuer with such other information as the Issuer may reasonably request from time to time in order to verify the accuracy of such Directing Holder's Position Representation within five Business Days of request thereof (a "**Verification Covenant**"). The Issuer (in its sole discretion) may waive any requirement for a Position Representation or Verification Covenant to be delivered by any Holder. In any case in which the Holder is the relevant clearing system or the relevant clearing system's nominee, any Position Representation or Verification Covenant required hereunder shall be provided by the beneficial owner of the Notes in lieu of the relevant clearing system or the relevant clearing system's nominee.

If, following the delivery of a Noteholder Direction, but prior to acceleration of the Notes, the Issuer determines in good faith that there is a reasonable basis to believe a Directing Holder was, at any relevant time, in breach of its Position Representation and the Issuer provides to the Trustee an Officer's Certificate (which shall be provided to the Holders) certifying that the Issuer (i) believes in good faith that there is a reasonable basis to believe a Directing Holder was at any relevant time in breach of its Position Representation or its Verification Covenant and (ii) has filed papers with a court of competent jurisdiction seeking a determination that such Directing Holder was, at such time, in breach of its Position Representation, and seeking to invalidate any action, direction or Event of Default that resulted from the applicable Noteholder Direction, the cure period with respect to such Event of Default shall be automatically stayed pending a final and non-appealable determination of a court of competent jurisdiction on such matter. If such Officer's Certificate has been delivered to the Trustee, the Trustee shall refrain from acting in accordance with such Noteholder Direction until such time as the Issuer provides to the Trustee an Officer's Certificate stating that (i) a Directing Holder has satisfied its Verification Covenant, (ii) a Directing Holder has failed to satisfy its Verification Covenant or (iii) a court of competent jurisdiction rules that such Directing Holder was, at such time, not in breach of its Position Representation or its Verification Covenant, and, if applicable, during such time the cure period with respect to any Event of Default that resulted from the applicable Noteholder Direction shall be automatically stayed pending satisfaction of such Verification Covenant.

Any breach of the Position Representation or failure to satisfy its Verification Covenant shall result in such Directing Holder's participation in such Noteholder Direction being treated as "not outstanding" for purposes of determining the denominator in the calculation of the requisite level of consent (and their position may also not be included in the numerator); and, if, without the participation of such Directing Holder, the percentage of Notes held by the remaining Holders that provided such Noteholder Direction would have been insufficient to validly provide such Noteholder Direction, such Noteholder Direction shall be void ab initio, with the effect that such Event of Default shall be deemed never to have occurred, and any related acceleration rescinded, and the Trustee shall be deemed not to have received such Noteholder Direction or any notice of such alleged Default or Event of Default, shall not be permitted to act thereon and shall be restricted from accepting and acting on any future Noteholder Direction in relation to such Event of Default. If the Directing Holder has satisfied its Verification Covenant, then the Trustee shall be permitted to act in accordance with such Noteholder Direction. Notwithstanding the above, if such Directing Holder's participation is not required to achieve the requisite level of consent of Holders required under the Indenture to give such Noteholder Direction, the Trustee shall be permitted to act in accordance with such Noteholder Direction notwithstanding any action taken or to be taken by the Issuer (as described above). The Trustee shall be entitled to conclusively rely on any Noteholder Direction (*provided* that the relevant Position Representations are provided in accordance with the provisions of the preceding paragraph) or Officer's Certificate delivered to it in accordance with the Indenture without verification, investigation or otherwise as to the statements made therein.

The Issuer and each Holder (by such Holder accepting a Note), acknowledge and agree that the Trustee (and the Security Agent and any Agent) shall not be liable to any party howsoever arising for acting or refraining to act in accordance with (i) the foregoing provisions, (ii) any Noteholder Direction, (iii) any Officer's Certificate or (iv) its duties under the Indenture, as the Trustee may determine in its sole discretion (provided that the Trustee's conduct does not constitute gross negligence, willful misconduct or fraud). The Trustee shall have no obligation (i) to monitor, investigate, verify or otherwise determine if a Holder has Net Short position, (ii) investigate the merits, validity, accuracy or authenticity of any Position Representation or Officer's Certificate, as the case may be, (iii) inquire if the Issuer will seek action to determine if a Directing Holder has breached its Position Representation, (iv) enforce any Verification Covenant, (v) monitor any court proceedings undertaken in connection therewith, (vi) monitor or investigate whether any Default or Event of Default has been publicly reported or (vii) otherwise make any calculations, investigations or determinations with respect to any Net Short position or otherwise. The Trustee shall be entitled to rely on its rights, protections and benefits under the Indenture at all times, including without limitation for actions that are taken and subsequently stayed or annulled.

If an Event of Default described in clause (5) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Holders of not less than a majority in principal amount of the outstanding Notes under the Indenture by notice to the Trustee may, on behalf of all Holders, waive all past or existing Defaults or Events of Default (except with respect to non-payment of principal, premium, interest or Additional Amounts, if any, on any Note held by a non-consenting Holder (which may only be waived with the consent of Holders holding at least 75% of the aggregate principal amount of the Notes outstanding under the Indenture)) and rescind any such acceleration with respect to such Notes and its consequences (including the payment default that resulted from such acceleration) if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee and, if requested, the Trustee has received, customary indemnification and/or security satisfactory to the Trustee in its sole discretion against any loss, liability, cost or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing and, such Holder is not in breach of a Position Representation or Verification Covenant;

(2) Holders of at least 30% in principal amount of the outstanding Notes have requested in writing the Trustee to pursue the remedy and such Holder is not in breach of a Position Representation or Verification Covenant;

(3) such Holders, or Directing Holders that are not in breach of a Position Representation (as applicable), have offered the Trustee indemnity and/or security satisfactory to it against any loss, liability, cost or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of such indemnity and/or security; and

(5) the Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a written direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of not less than a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee.

The Indenture will provide that, in the event an Event of Default has occurred and is continuing of which a responsible officer of the Trustee is aware, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to customary indemnification and/or security satisfactory to the Trustee against all losses, liabilities and expenses (including legal fees) caused by taking or not taking such action. The Indenture will provide that if a Default occurs and is continuing and the Trustee is informed of such occurrence by the Issuer, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the Issuer. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as the Trustee determines that withholding notice is in the interests of the Holders. The Issuer is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default or Event of Default that occurred during the previous year and is continuing. The Issuer is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

The Indenture will provide that (i) if a Default occurs for a failure to deliver a required certificate in connection with another default (an "**Initial Default**") then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed under "*Certain Covenants—Reports*" or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured upon the delivery of any such report required by such provision or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

The Indenture will provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified and/or secured to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

Amendments and Waivers

Subject to certain exceptions, and to the provisions described in "*—Meetings of Holders of Notes*," the Notes Documents may be amended, supplemented or otherwise modified with the consent of Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). If any amendment, supplement or waiver will only affect the Fixed Rate Notes, the Floating Rate Notes or another series of senior secured notes issued under the Indenture, only the holders of a majority in aggregate principal amount of the then outstanding Fixed Rate Notes, Floating Rate Notes or another series of senior secured notes issued under the Indenture (and not the consent of the holders of the majority of all Notes), as the case may be, shall be required.

However, without the consent of Holders holding not less than 75% of the then outstanding principal amount of the Notes affected (*provided*, *however*, that if any amendment, supplement, waiver or other modification or consent will only affect the Fixed Rate Notes, the Floating Rate Notes or another series of senior secured notes issued under the Indenture, only the consent of the holders of at least 75% of the aggregate principal amount of the then outstanding Fixed Rate Notes, Floating Rate Notes or other series of senior secured notes issued under the Indenture, as the case may be, shall be required), an amendment or waiver under the Indenture may not, with respect to any Notes held by a non-consenting Holder:

(1) reduce the principal amount of Notes whose Holders must consent to an amendment, waiver or modification;

(2) reduce the stated rate of or extend the stated time for payment of interest on any Note (other than provisions relating to a Change of Control and Asset Dispositions);

(3) reduce the principal of or extend the Stated Maturity of any Note (other than provisions relating to a Change of Control and Asset Dispositions);

(4) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed, in each case as described under "—*Optional Redemption*";

(5) make any Note payable in money other than that stated in the Note;

(6) impair the contractual right of any Holder of any outstanding Note to institute suit for the enforcement of any payment of principal of, or interest or Additional Amounts on, if any, such Holder's Notes on or after the due dates therefor;

(7) make any change in the provision of the Indenture described under "—*Withholding Taxes*" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Issuer or the applicable Payor agrees to pay Additional Amounts, if any, in respect thereof;

(8) release all or substantially all security interests granted for the benefit of the Holders in the Collateral (taken as a whole) other than in accordance with the terms of the Security Documents, the Intercreditor Agreement, any applicable Additional Intercreditor Agreement or the Indenture;

(9) waive a Default or Event of Default with respect to the non-payment of principal, premium or interest or Additional Amounts, if any, on the Notes (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration);

(10) release any Guarantor from any of its obligations under its Notes Guarantee or the Indenture, except in accordance with the terms of the Indenture and the Intercreditor Agreement; or

(11) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

For the avoidance of doubt, the Indenture shall not include any provision incorporating, giving effect to, or otherwise reflecting the provisions of Section 316(b) of the Trust Indenture Act. Notwithstanding the foregoing, without the consent of any Holder, the Issuer, the Trustee and the Security Agent, as applicable, may amend or supplement any Notes Documents to:

(1) cure any ambiguity, omission, mistake, defect, error or inconsistency;

(2) provide for the assumption by a successor Person of the obligations of the Issuer or any Restricted Subsidiary under any Notes Document;

(3) add to the covenants, add an obligor or provide for a Notes Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuer or any Restricted Subsidiary;

(4) make any change that would provide additional rights or benefits to the Trustee or the Holders or that does not adversely affect the rights or benefits to the Trustee or any of the Holders in any material respect under the Notes Documents;

(5) make such provisions as necessary (as determined in good faith by the Board of Directors of the Issuer) for the issuance of Additional Notes;

(6) provide for any Restricted Subsidiary to provide a Notes Guarantee in accordance with the provision described under "—*Certain Covenants—Limitation on Indebtedness*" or "*Certain Covenants—Additional Guarantees*," to add Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Notes Guarantee or Lien (including the Collateral and the Security Documents) or any amendment in respect thereof with respect to or securing the Notes when such release, termination, discharge or retaking or amendment is provided for under the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(7) conform the text of the Indenture, the Security Documents or the Notes to any provision of this "*Description of the Notes*" to the extent that such provision in this "*Description of the Notes*" was intended to be a recitation of a provision of the Indenture, the Intercreditor Agreement, the Security Documents or the Notes;

(8) evidence and provide for the acceptance and appointment under any Notes Documents of a successor Trustee or Security Agent pursuant to the requirements thereof, to provide for the accession by the Trustee or the Security Agent to any Notes Document or to make such administrative provisions as necessary for acceptance and clearing of the Notes in a relevant clearing system (as determined in good faith by the Board of Directors of the Issuer) or to comply with the rules of any applicable securities depository;

(9) in the case of the Security Documents, mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of the Holders and/or parties to the Revolving Credit Facility, in any property which is required by the Security Documents or the Revolving Credit Facility (as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent, or to the extent necessary to grant a security interest in the Collateral for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement and the provisions described under "*Certain Covenants—Impairment of Security Interest*" is complied with;

(10) release any Guarantor from its Notes Guarantee pursuant to the Indenture when permitted or required by the Indenture or to release and discharge any Lien securing the Notes when permitted or required by the Indenture or the Security Documents;

(11) provide for a reduction in the minimum denominations of the Notes;

(12) (i) provide for uncertificated Notes (provided, that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code) in addition to or in place of certificated Notes or (ii) make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including to facilitate the issuance and administration of Notes; provided that in the case of this clause (ii), compliance with the Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any other applicable securities law and such amendment does not adversely affect the rights of Holders to transfer Notes in any material respect;

(13) facilitate any transaction that complies with the provisions described under "*—Certain Covenants—Merger and Consolidation*" or "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*";

(14) make any amendment of an administrative or ministerial nature to the provisions of the Indenture or any Notes Document to facilitate the Transactions, a Permitted Reorganization or an IPO Debt Pushdown; or

(15) as provided in "*—Certain Covenants—Impairment of Security Interest*" and "*—Certain Covenants—Additional Intercreditor Agreements*."

In formulating its decision on such matters, the Trustee shall be entitled to receive and rely absolutely on such evidence as it deems necessary, including Officer's Certificates and Opinions of Counsel. For the avoidance of doubt, no amendment to, or deletion of, or actions taken in compliance with, the covenants described under the caption "*—Certain Covenants*" or this section shall be deemed to impair or affect any rights of Holders to receive payment of principal of, or interest or premium, if any, on the Notes.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Notes Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

Notwithstanding anything to the contrary in the paragraph above, in order to effect an amendment authorized by subsections (3) and (6) in respect of providing for a Notes Guarantee, it shall only be necessary for the supplemental indenture or Notes Guarantee (or such other instrument) of such additional Guarantor to be duly authorized and executed by (i) the Issuer, (ii) such additional Guarantor and (iii) the Trustee. All other amendments may be effected by way of a supplemental indenture or such other instrument signed only by the Issuer and the Trustee.

The Indenture will not contain a covenant regulating the offer and/or payment of a consent fee to Holders.

Acts by Holders

In determining whether the Holders of the required principal amount of the Notes have concurred in any direction, waiver or consent, the Notes owned by the Issuer or by any Person directly or indirectly controlled, or controlled by, or under direct or indirect common control with, the Issuer will be disregarded and deemed not to be outstanding if the Trustee has received written notice of such ownership at least two Business Days prior to the date of determination; provided that the disregarding and deeming not outstanding of Notes described in this sentence shall not apply to any Sponsor Related Fund that receives an allocation of the Notes in the initial syndication thereof. Prior to the receipt of such notice, the Trustee shall be entitled to assume (without inquiry or investigation) that none of the Notes are owned by the Issuer or any Person directly or indirectly controlled, or controlled by, or under direct or indirect common control with, the Issuer. For the avoidance of doubt, provision of such notice shall not be an obligation of the Issuer. For the avoidance of doubt, for the purposes of this provision, no Independent Debt Fund shall be considered to be a Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer.

Defeasance

The Issuer at any time may terminate all obligations of the Issuer and each Guarantor under the Notes and the Indenture ("**legal defeasance**") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuer in connection therewith and obligations concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Security Documents and the rights of the Trustee and the Holders under the Intercreditor Agreement or any Additional Intercreditor Agreement in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate the obligations of it and the Restricted Subsidiaries under the covenants described under "*—Certain Covenants*" (other than clauses (1) and (2) of "*—Certain Covenants—Merger and Consolidation*") and "*—Change of Control*" and the default provisions relating to such covenants described under "*—Events of Default*" above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions with respect to Significant Subsidiaries, the judgment default provision, the guarantee provision (other than in respect of the Issuer) and the security default provision described under "*—Events of Default*" ("**covenant defeasance**").

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to such Notes. If the Issuer exercises its covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1) and (2) of the covenant described under "*Certain Covenants—Merger and Consolidation*"), (4), (5) (with respect only to Significant Subsidiaries), (6), (7) or (8) under "*Events of Default*."

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "**defeasance trust**") with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose) cash in euros or euro-denominated European Government Obligations or a combination thereof sufficient for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel in the United States, subject to customary assumptions and exclusions, to the effect that Holders of the relevant Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law after the date hereof);

(2) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer;

(3) an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with; and

(4) the Issuer delivers to the Trustee all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and Discharge

The Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreement and any Additional Intercreditor Agreement and the Security Documents will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when (1) either (a) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes, and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Paying Agent for cancellation; or (b) all Notes not previously delivered to the Paying Agent for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Paying Agent in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee (or another entity designated or appointed (as agent) by the Trustee for this purpose), money or euro-denominated European Government Obligations, or a combination thereof, as applicable, in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not previously delivered to the Paying Agent for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the Indenture; (4) the Issuer has delivered irrevocable instructions to both the Paying Agent and the Trustee under the Indenture to apply the deposited money toward the payment of such Notes at maturity or on the redemption date, as the case may be; and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "*Satisfaction and Discharge*" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with as to such Notes, *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

If requested in writing by the Issuer, which request may be included in the applicable notice of redemption or pursuant to the applicable Officer's Certificate no later than two Business Days prior to such distribution, the Trustee or the Paying Agent (or such other entity directed, designated or appointed by the Issuer and reasonably acceptable to the Trustee, acting for the Trustee for this purpose) shall distribute any amounts deposited to the Holders prior to the Stated Maturity of the Notes or the applicable redemption date, as the case may be. For the avoidance of doubt, the distribution and payment to Holders prior to the Stated Maturity or applicable redemption date as set forth above will not include any negative interest, present value adjustment, break costs or any other premium on such amounts. To the extent the Notes are represented by a Global Note deposited with a depositary for a clearing system, any payment to the beneficial holders holding Book-Entry Interests as participants of such clearing system will be subject to the then applicable procedures of the clearing system.

Meetings of Holders

All meetings of Holders of each series of Notes will be held in accordance with applicable Italian laws and regulation. In addition to and without prejudice to the provisions described above under the caption "*—Amendments and Waivers*," in accordance with the provisions set forth under the Italian Civil Code, the Indenture will include provisions for the convening of meetings of the Holders to consider any matter affecting their interests, including, without limitation, the modification or abrogation by extraordinary resolution of any provisions of the Notes or the Indenture. A meeting may be convened either (i) by the Board of Directors of the Issuer, (ii) by the Noteholders' Representative (as defined below) (if appointed) or (iii) upon request by Holders of at least 5.0% of the aggregate principal amount of the outstanding Notes.

In accordance with the Italian Civil Code, the vote required to pass a resolution by a meeting of the Holders will be (i) in the case of the first meeting, one or more persons that hold or represent Holders of more than one half of the aggregate principal amount of the outstanding Notes and (ii) in the case of the second and any further adjourned meeting, one or more persons that hold or represent Holders of at least two-thirds of the aggregate principal amount of the Notes so present or represented at such meeting. Any such second or further adjourned meeting will be validly held if there are one or more persons present that hold or represent Holders of more than one-third of the aggregate principal amount of the outstanding Notes; *provided*, *however*, that the Issuer's bylaws may provide for a higher quorum (to the extent permitted under Italian law). Certain proposals, as set out under Article 2415 paragraph 1, item 2, and paragraph 3 of the Italian Civil Code (namely, the amendment of the economic terms and conditions of the Notes) may only be approved by an extraordinary resolution passed at a meeting of Holders (including any adjourned meeting) by one or more persons present that hold or represent holders of not less than one-half of the aggregate principal amount of the outstanding Notes.

With respect to the matters set forth in the second paragraph under "*—Amendments and Waivers*," and to the extent permitted under Italian law, the Indenture will contractually increase the percentage of the aggregate principal amount of Notes otherwise required by Article 2415 of the Italian Civil Code to pass an extraordinary resolution with respect to such matters from 50% to 75% of the aggregate principal amount of the outstanding Notes. See "*Risk Factors—Risks Related to the Notes, the Guarantee and the Security Interests—The Issuer may amend the economic terms and conditions of the Notes without the prior consent of all noteholders with the vote of either 75% or 50% of the aggregate principal amount of the outstanding Notes*." Any resolution duly passed at any such meeting shall be binding on all the Holders, whether or not such Holder was present at such meeting or voted to approve such resolution.

To the extent provided by the Italian Civil Code, the resolutions passed by a meeting of Holders can be challenged by Holders pursuant to Articles 2377 and 2379 of the Italian Civil Code. The Indenture will provide that the provisions described under this "*—Meetings of Holders*" will be in addition to, and not in substitution of, the provisions described under the caption "*—Amendments and Waivers*." As such and notwithstanding the foregoing, any amendment, supplement and/or waiver, in addition to complying with the provisions described under this "*—Meetings of Holders*" must also comply with the other provisions described under "*—Amendments and Waivers*."

Security Agent and Security Representative

Pursuant to the terms of the Indenture, the execution of the Indenture and the issuance and purchase of the Notes on the Issue Date shall be deemed to constitute the authorization and agreement on behalf of the Holders of the initial appointment as of the Issue Date of BNP PARIBAS, Italian Branch, as Security Agent and legal representative (*rappresentante*) pursuant to Article 2414-bis, paragraph 3, of the Italian Civil Code (the "**Security Representative**") in order to create and grant in its favor security interests and guarantees securing and guaranteeing the Notes and entitle it 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 such security interests and guarantees. Pursuant to the terms of the Indenture, each holder of the Notes from time to time, by accepting a Note, shall be deemed to have agreed to, and accepted, the appointment of BNP PARIBAS, Italian Branch, as Security Representative.

Moreover, a representative of the Holders of the Notes (*rappresentante comune*) (the "**Noteholders' Representative**") may be appointed pursuant to Articles 2415 and 2417 of the Italian Civil Code by the holders of the Notes in order to represent the interests of the holders of the Notes pursuant to Article 2418 of the Italian Civil Code as well as to give effect to resolutions passed at a meeting of the holders of the Notes. If the Noteholders' Representative is not appointed by a meeting of the holders of the Notes, the Noteholders' Representative shall be appointed by a decree of the Court where the Issuer has its registered office upon request by one or more holders of the Notes or upon request by the directors of the Issuer. The Noteholders' Representative remains appointed for a maximum period of three financial years but may be subsequently reappointed thereafter.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the Issuer, any Parent HoldCo or any Subsidiaries or Affiliates of the Issuer, as such, shall have any liability for any obligations of the Issuer or any Guarantor under the Notes Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Concerning the Trustee and Certain Agents

U.S. Bank Trustees Limited is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty. Furthermore, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder, unless such Holder has offered to the Trustee, and the Trustee has received, customary protection and indemnification.

The Indenture will impose certain limitations on the rights of the Trustee, should it become a creditor of the Issuer, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee or any Agent is permitted to engage in other transactions with the Issuer, its Subsidiaries and Affiliates.

The Indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the then outstanding Notes, or may resign at any time by giving written notice to the Issuer and (2) that if the Trustee at any time (a) has or acquires actual knowledge of a conflict of interest that is not eliminated, or (b) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Issuer may remove the Trustee, or any Holder who has been a bona fide Holder for not less than six months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, Taxes, charges, claims, costs or expenses (including legal fees) Incurred without gross negligence, willful misconduct or fraud on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Notices

For so long as any of the Notes are listed on Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF thereof and the rules of the Luxembourg Stock Exchange so require, notices of the Issuer with respect to the Notes will be published on the official website of the Luxembourg Stock Exchange (www.luxse.com). In addition, for so long as any Notes are represented by Global Notes, all notices to Holders will be delivered by or on behalf of the Issuer to Euroclear and Clearstream. Such notices may instead be published in a leading newspaper of general circulation in Luxembourg (which is expected to be the Luxemburger Wort) or if, in the opinion of the Issuer such publication is not practicable, in an English language newspaper having general circulation in Europe.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it. If a notice or communication is given in via Euroclear or Clearstream, it is duly given on the day the notice is given to Euroclear or Clearstream.

Prescription

Claims against the Issuer and the Guarantors for the payment of principal, or premium, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer and the Guarantors for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

Currency Indemnity and Calculation of Euro-Denominated Restrictions

The euro is the sole currency of account and payment for all sums payable by the Issuer and the Guarantors under or in connection with the Notes and the Notes Guarantees, including damages. Any amount received or recovered in a currency other than euro, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee or the Paying Agent, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the recipient or the Trustee or the Paying Agent under any Note (as applicable), the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee or the Paying Agent as a result. In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee or the Paying Agent on a joint and several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be *prima facie* evidence of the matter stated therein for the Holder of a Note or the Trustee or the Paying Agent to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note or the Trustee or the Paying Agent (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any Notes Guarantee, or to the Trustee or the Paying Agent.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any euro-denominated restriction herein, the euro equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is Incurred or made, as the case may be.

Listing

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF thereof.

Enforceability of Judgments

Since substantially all of the assets of the Issuer and the Guarantors are located outside the United States, any judgment obtained in the United States against the Issuer or the Guarantors, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes, may not be collectable within the United States.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indenture, the Notes Guarantees and the Notes, the Issuer in the Indenture and each Guarantor in the Indenture or in its respective supplemental indenture will irrevocably submit, to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States. The Indenture will provide that the Issuer appoints, and each Guarantor appoints or will appoint, as applicable, Law Debenture Corporate Services Inc., as their agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and the Notes Guarantees brought in any U.S. federal or New York state court located in the City of New York.

Governing Law

The Indenture and the Notes, and the rights and duties of the parties thereunder, will be governed by and construed in accordance with the laws of the State of New York. For the avoidance of doubt, the governing law of the Indenture (including the Notes Guarantees) and the Notes may be amended with the consent of Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). The Intercreditor Agreement and the rights and duties of the parties thereunder are governed by and construed in accordance with the laws of England and Wales. The Security Documents are, and will be (as applicable), governed by the laws of the jurisdiction of the relevant asset that is part of the Collateral.

Certain Definitions

"**Acquired Indebtedness**" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"**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.

"**Agents**" means the Security Agent, the Paying Agent, the Registrar, the Transfer Agent, the Calculation Agent and any authenticating agent.

"**Agreed Security Principles**" means the agreed security principles appended to the Revolving Credit Facility Agreement and included as an exhibit to the Indenture, as applied *mutatis mutandis* with respect to the Notes in good faith by the Issuer.

"**Applicable Metric**" means any financial covenant or financial ratio or Incurrence-based permission, test, basket or threshold in the Indenture (including any financial definition or component thereof and any financial ratio, test, basket or threshold or permission based on the calculation of Consolidated EBITDA, the Consolidated Senior Secured Net Leverage Ratio, the Consolidated Secured Net Leverage Ratio, the Consolidated Net Leverage Ratio or the Fixed Charge Coverage Ratio), as well as any occurrence of any Default, Event of Default or other relevant breach of any Notes Document.

"**Applicable Premium**" means, with respect to any Note the greater of:

(a) 1% of the principal amount of such Note; and

(b) (i) with respect to any Floating Rate Note, the excess (to the extent positive) of:

(A) the present value at such redemption date of (1) the redemption price of such Floating Rate Note at February 5, 2027 (such redemption price (expressed in percentage of principal amount) being 100.000% (excluding accrued and unpaid interest)), *plus* (2) all required interest payments due on such Floating Rate Note to and including February 5, 2027 (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points and assuming that the rate of interest on the Floating rate Notes for the period from the redemption date through February 5, 2027 will equal the rate of interest on the Floating Rate Notes in effect on the date on which the applicable notice of redemption is given; *over*

(B) the outstanding principal amount of such Floating Rate Note,

(ii) with respect to any Fixed Rate Note, the excess (to the extent positive) of:

(A) the present value at such redemption date of (1) the redemption price of such Fixed Rate Note at February 5, 2028 (such redemption price (expressed in percentage of principal amount) being set forth in the table under the heading "*—Optional redemption—Fixed Rate Notes*" (excluding accrued and unpaid interest)), plus (2) all required interest payments due on such Fixed Rate Note to and including February 5, 2028 (excluding accrued but unpaid interest), computed upon the redemption date using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over

(B) the outstanding principal amount of such Fixed Rate Note

in each case, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate. For the avoidance of doubt, calculation of the Applicable Premium shall not be an obligation or duty of the Trustee or any of the Agents.

"**Asset Disposition**" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares or Capital Stock of a Subsidiary of the Issuer (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "**disposition**") by the Issuer or any Restricted Subsidiary, including any disposition by means of a merger, consolidation or similar transaction; *provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Issuer will constitute a default under "*Certain Covenants—Merger and Consolidation*" unless the conditions described therein are met. Notwithstanding the preceding provisions of this definition, the following items shall be deemed not to be Asset Dispositions:

(1) a disposition by the Issuer to a Restricted Subsidiary or by a Restricted Subsidiary to the Issuer or another Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of inventory, trading stock, security equipment or other equipment or assets in the ordinary course of business;

(4) a disposition of obsolete, damaged, retired, surplus or worn out equipment or assets or equipment, facilities or other assets that are no longer useful in the conduct of the business of the Issuer or the Restricted Subsidiaries and any transfer, termination, unwinding or other disposition of hedging instruments or arrangements not for speculative purposes;

(5) transactions permitted under "*Certain Covenants—Merger and Consolidation*" or a transaction that constitutes a Change of Control;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved or ratified by the Board of Directors of the Issuer or such Restricted Subsidiary or the issuance of directors' qualifying shares and shares issued to individuals as required by applicable law;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Issuer) not to exceed the greater of €16.0 million and 15% of Consolidated EBITDA;

(8) (a) the making of any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*", (b) the making of any Restricted Payment, Permitted Payment or Permitted Investment or (c) solely for purposes of the second paragraph under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*," asset sales, leases, transfers or other dispositions to the extent the proceeds thereof are used within 180 days of receipt of such proceeds to make Restricted Payments, Permitted Payments or Permitted Investments;

(9) the granting of Liens not prohibited pursuant to the conditions described above under "*Certain Covenants—Limitation on Liens*";

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements or any sale of assets received by the Issuer or any Restricted Subsidiary upon the foreclosure of a Lien granted in favor of the Issuer or any Restricted Subsidiary;

(11) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business or pursuant to a research or development agreement in which the counterparty to such agreement receives a license or other right in the intellectual property from such agreement;

(12) foreclosure, condemnation, taking by eminent domain or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of Receivables or notes receivable arising in the ordinary course of business, or the conversion or exchange of Receivables for notes receivable;

(14) sales or dispositions of receivables in connection with (i) any Qualified Receivables Financing, (ii) any securitization, Receivables Financing or similar arrangement that would not be prohibited under clause (12)(b) under the second paragraph of "*Certain Covenants—Limitation on Indebtedness*" or (iii) any factoring transaction or otherwise in the ordinary course of business;

(15) any issuance, sale or disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;

(16) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(17) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(18) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person; *provided*, *however*, that the Board of Directors of the Issuer shall certify that in the opinion of the Board of Directors of the Issuer, the outsourcing transaction will be economically beneficial to the Issuer or such Restricted Subsidiary (considered as a whole);

(19) an issuance or sale by a Restricted Subsidiary of Preferred Stock or redeemable Capital Stock that would not be prohibited under "*Certain Covenants—Limitation on Indebtedness*";

(20) any sale, transfer or other disposition of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements;

(21) any disposition with respect to property built, owned, improved or otherwise acquired by the Issuer or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the Indenture; and

(22) the unwinding of any Cash Management Services or Hedging Obligations.

In the event that a transaction (or any portion thereof) meets the criteria of a permitted Asset Disposition and would also be a Permitted Investment or an Investment permitted under "*Certain Covenants—Limitation on Restricted Payments*," the Issuer, in its sole discretion, will be entitled to divide and classify such transaction (or such portion thereof) as an Asset Disposition and/or one of more of the types of Permitted Investments or Investments permitted under "*Certain Covenants—Limitation on Restricted Payments*."

"**Associate**" means (i) any Person engaged in a Similar Business of which the Issuer or one or more Restricted Subsidiaries is the legal and beneficial owner of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Issuer or any Restricted Subsidiary.

"**Available RP Capacity Amount**" means:

(a) the aggregate amount of Restricted Payments that may be made at the time of determination pursuant to clause (b) of the second paragraph under "*—Certain Covenants—Limitation on Restricted Payments*" and clauses (6), (10), (12) and (16) of the third paragraph under "*—Certain Covenants—Limitation on Restricted Payments,*" in each case, multiplied by 100%; minus

(b) the sum of the amount of the Available RP Capacity Amount utilized by the Issuer or any Restricted Subsidiary to (i) make Restricted Payments in reliance on clause (b) of the second paragraph under "*—Certain Covenants—Limitation on Restricted Payments*" and clauses (6), (10), (12) and (16) of the third paragraph under "*—Certain Covenants—Limitation on Restricted Payments*" and (ii) incur Indebtedness pursuant to clause (17) of the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*"; plus

(c) the aggregate principal amount of Indebtedness prepaid prior to or substantially concurrently at such time, solely to the extent such Indebtedness was incurred pursuant to clause (17) of the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" (it being understood that the amount under this paragraph (c) shall only be available for use pursuant to clause (17) of the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*").

"**Available Amount**" means, at any time, an amount equal to, without duplication or double-counting (including without double-counting amounts which would increase the capacity to make Restricted Payments, Permitted Payments or Permitted Investments pursuant to the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*"), the sum of:

(a) Retained Cash; plus

(b) the amount of any Equity Contribution and/or any Subordinated Shareholder Funding made after the Issue Date; plus

(c) IPO Proceeds; plus

(d) cash and Cash Equivalent Investments held by members of the Group; *provided* that such cash and Cash Equivalent Investments would otherwise have been able to be used at that time to make a Permitted Payment (excluding the Available Amount permissions); plus

(e) the aggregate principal amount of any Indebtedness of the Issuer or any Restricted Subsidiary issued after the Issue Date (other than Indebtedness issued to the Issuer or a Restricted Subsidiary), which has been converted into or exchanged for equity and/or shareholder loans, together with the fair market value of any Cash Equivalent Investments and the fair market value (as reasonably determined by the Issuer) of any property or assets received by the Issuer or such Restricted Subsidiary upon such exchange or conversion, in each case, during the period from and including the day immediately following the Issue Date through and including such time; plus

(f) the aggregate amount of net cash proceeds received by the Issuer or any Restricted Subsidiary during the period from and including the day immediately following the Issue Date through and including such time in connection with the disposal to a person (other than the Issuer or any Restricted Subsidiary) of any investment funded using the Available Amount (in whole or in part); plus

(g) to the extent not already reflected as a return of capital with respect to such investment for purposes of determining the amount of such investment, the aggregate amount of proceeds received by the Issuer or any Restricted Subsidiary during the period from and including the day immediately following the Issue Date through and including such time in connection with cash returns, cash profits, cash distributions and similar cash amounts, (including cash interest and/or principal repayments of loans) in each case received in respect of any investment made after the Issue Date using the Available Amount (in whole or in part) (in an amount not to exceed the original amount of such investment); plus

(h) an amount equal to the sum of:

   a. the amount of any investment made by the Issuer or any Restricted Subsidiary using the Available Amount in any Unrestricted Subsidiary (in an amount not to exceed the original amount of such investment) that has been re-designated as a Restricted Subsidiary or has been merged, consolidated or amalgamated with or into, or is liquidated, wound up or dissolved into, the Issuer or any Restricted Subsidiary; and

   b. the fair market value (as reasonably determined by the Issuer) of the property or assets of any Unrestricted Subsidiary that have been transferred, conveyed or otherwise distributed (in an amount not to exceed the original amount of the investment in such Unrestricted Subsidiary) to the Issuer or any Restricted Subsidiary,

in each case, during the period from and including the day immediately following the Issue Date through and including such time.

"**Board of Directors**" means with respect to (1) any corporation, the board of directors, sole manager or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision of the Indenture requires any action or determination to be made by, or any approval or ratification of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved or ratified, as the case may be, by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval or ratification is taken as part of a formal board meeting or as a formal board approval or ratification).

"**Bund Rate**" as selected by the Issuer, means 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 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 Board of Directors or a member of Senior Management of the Issuer)) most nearly equal to the period from the redemption date to, with respect to the Fixed Rate Notes, February 5, 2028 or with respect to the Floating Rate Notes, February 5, 2027; *provided*, however, that if the period from the redemption date to, with respect to the Fixed Rate Notes, February 5, 2028 or with respect to the Floating Rate Notes, February 5, 2027, 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 Bund 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 redemption date to, with respect to the Fixed Rate Notes, February 5, 2028 or with respect to the Floating Rate Notes, February 5, 2027, 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.

"**Business Day**" means each day that is not a Saturday, Sunday or other day on which banking institutions in Milan, Italy, New York, New York or London, United Kingdom are authorized or required by law to close and, with respect to payments to be made under the Indenture, other than any day which is not a TARGET Day.

"**Capital Stock**" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"**Capitalized Lease Obligations**" means, in relation to any determination under the Indenture, an obligation that is required to be classified and accounted for as a finance lease or a capitalized lease for financial reporting purposes on the basis of IFRS 16 (Leases) (or any equivalent measure under U.S. GAAP), or as the case may be and subject to (as applicable) the Election Option, as lease liabilities on the balance sheet in accordance with IAS 17 (Leases) (or any equivalent measure under U.S. GAAP). The amount of Indebtedness will be, at the time any determination is to be made, the amount of such obligation required to be capitalized on a balance sheet (excluding any notes thereto) prepared in accordance with IFRS, subject to the Election Option, and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"**Cash Equivalents**" means:

(1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a member state of the European Union, Norway, Switzerland or the United Kingdom or, in each case, any agency or instrumentality thereof (*provided* that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar or other recognized time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender party to the Revolving Credit Facility or by any bank or trust company (a) whose commercial paper is rated at least "A-2" or the equivalent thereof (or has an equivalent long-term rating) by S&P or at least "P-2" or the equivalent thereof (or has an equivalent long-term rating) by Moody's or at least "F2" or the equivalent thereof (or has an equivalent long-term rating) by Fitch (or if at the time none of the foregoing is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the

event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €250 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P, at least "P-2" or the equivalent thereof by Moody's or at least "F2" or the equivalent thereof by Fitch or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization if the three named Rating Agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by the United States of America, any state of the United States of America, Canada, any province of Canada, any member of the European Union, Norway, Switzerland or the United Kingdom or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Fitch, Moody's or S&P (or, if at the time, none of the foregoing is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or preferred stock issued by Persons with a rating of "BBB−" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in the United States, Canada, a member state of the European Union, Norway, Switzerland, the United Kingdom or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent); and

(8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above.

"**Cash Equivalent Investments**" means, at any time when held by a member of the Group, any Cash Equivalents, Temporary Cash Investments or Investment Grade Securities and (without double counting):

(a) debt securities or other investments in marketable debt obligations issued or guaranteed by Australia, Canada, any member state of the EU, Japan, Switzerland, the UK, the US, or any other state, country or sub-division of a country which has a rating for its short-term unsecured and non-credit-enhanced debt obligations of A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's or by an instrumentality or agency of any such government having an equivalent credit rating (each an "**Acceptable Nation**") or any agency thereof and having not more than one year to final maturity;

(b) certificates of deposit maturing within one year after the relevant date of calculation and issued by:

(i) a bank or financial institution which has a long term unsecured credit rating of at least BBB- by S&P or Fitch or at least Baa3 by Moody's or a comparable rating from an internationally recognized credit rating agency, or any bank or financial institution which (having previously satisfied such requirement) ceases to satisfy the foregoing ratings requirement for a period of not more than three months;

(ii) any finance party or any affiliate of a finance party under the Revolving Credit Facility;

(iii) any other bank or financial institution on the approved list or which otherwise provides banking services to the Group and is notified in writing to the agent under the Revolving Credit Facility on or before the Issue Date; and

(iv) any other bank or financial institution approved by the agent under the Revolving Credit Facility (acting reasonably) or providing banking services to a business or entity acquired by a member of the Group, provided that such services are terminated and moved to a bank or financial institution falling under another limb of this definition within six months of completion of the relevant acquisition

(c) any investment in marketable debt obligations issued or guaranteed by any government of any Acceptable Nation, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;

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

(i) for which a recognized trading market exists;

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

(iii) which has a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its short term unsecured and non-credit enhanced debt obligations, an equivalent rating;

(e) bills of exchange issued in any Acceptable Nation or, in each case, any agency thereof and eligible for rediscount at the relevant central bank and accepted by a bank (or their dematerialized equivalent);

(f) any investment which:

(i) is an investment in money market funds:

(A) with a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's; or

(B) which invests substantially all their assets in securities of the types described in clauses (a) to (e) above;

(ii) is any other money market investment (including repurchase agreements) and substantially all of the assets or collateral in respect of that investment have a credit rating of either A-1 or higher by S&P or F1 or higher by Fitch or P-1 or higher by Moody's; or

(iii) can be turned into cash on not more than 30 days' notice,

in each case, to which any member of the Group is alone (or together with other members of the Group) beneficially.

"**Cash Management Services**" means any of the following: automated clearing house transactions, treasury, depository, credit or debit card, purchasing card, stored value card, electronic fund transfer services and/or cash management services, including controlled disbursement services, overdraft facilities, foreign exchange facilities, deposit and other accounts and merchant services or other cash management arrangements in the ordinary course of business or consistent with past practice.

"**Change of Control**" means the occurrence of any of the following:

(1) the Issuer becoming aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer; or

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries (taken as a whole) to a Person, other than a Restricted Subsidiary or one or more Permitted Holders.

Notwithstanding the foregoing, (a) a transaction in which the Issuer or a Parent becomes a Subsidiary of another Person (such Person, the "**New Parent**") shall not constitute a Change of Control if (i) the equity holders of the Issuer or such Parent immediately prior to such transaction beneficially own, directly or indirectly through one or more intermediaries, at least a majority of the total voting power of the Voting Stock of the Issuer or such New Parent immediately following the consummation of such transaction, substantially in proportion to their holdings of the equity of the Issuer or such Parent prior to such transaction or (ii) immediately following the consummation of such transaction, no Person, other than a Permitted Holder, beneficially owns, directly or indirectly through one or more intermediaries, more than 50% of the voting power of the Voting Stock of the Issuer or the New Parent, and (b) the right to acquire Voting Stock (so long as such Person does not have the right to direct the voting of the Voting Stock subject to such right) or any veto power in connection with the acquisition or disposition of Voting Stock will not cause a party to be a beneficial owner.

"**Change of Control Triggering Event**" means the occurrence of a Change of Control, other than the first Change of Control in respect of which the Consolidated Senior Secured Net Leverage Ratio is equal to or less than 4.9 to 1.0 after giving pro forma effect to such Change of Control; *provided* that, notwithstanding anything herein to the contrary, when calculating the Consolidated Senior Secured Net Leverage Ratio for purposes of this definition, the Issuer shall be entitled at its option to make such calculations as it would if making calculations of baskets or ratios appropriate or consistent with the provisions set forth under "*—Financial Calculations in Respect of Transactions.*"

"**Clearstream**" means Clearstream Banking, S.A., as currently in effect or any successor securities clearing agency.

"**Collateral**" means any and all assets from time to time in which a security interest has been or will be granted on the Issue Date or thereafter pursuant to any Security Document to secure the obligations under the Indenture, the Notes and/or any Notes Guarantee.

"**Commodity Hedging Agreement**" means, with respect to any Person, any commodity price protection agreement, commodity price future agreement, commodity price option agreement, any commodity swap agreement, commodity cap agreement, commodity collar agreement, commodity price option agreement or similar agreement or arrangements to which such Person is party or a beneficiary providing for the transfer or mitigation of commodity price risks either generally or under specific contingencies.

"**Consolidated Depreciation and Amortization Expense**" means, with respect to any Person for any period, the total amount of depreciation and amortization expense, including amortization or write-off of (i) intangibles and non-cash organization costs, (ii) deferred financing fees or costs and (iii) capitalized expenditures, lease obligations (subject to the Election Option), customer acquisition costs and incentive payments, conversion costs and contract acquisition costs, the amortization of original issue discount resulting from the issuance of Indebtedness at less than par and amortization of favorable or unfavorable lease assets or liabilities, of such Person and its Subsidiaries that are Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with IFRS and any write down of assets or asset value carried on the balance sheet.

"**Consolidated EBITDA**" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period:

(1) increased (without duplication) by:

(a) provision for taxes based on income or profits, revenue or capital, including federal, state, provincial, territorial, local, foreign, unitary, excise, property, franchise and similar taxes and foreign withholding and similar taxes of such Person paid or accrued during such period, including any penalties and interest relating to any tax examinations (including any additions to such taxes, and any penalties and interest with respect thereto), deducted (and not added back) in computing Consolidated Net Income; *plus*

(b) Fixed Charges of such Person for such period (including (x) net losses on any Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate, currency or commodities risk, (y) bank fees and (z) costs of surety bonds in connection with financing activities), plus amounts excluded from the definition of "Consolidated Interest Expense" pursuant to clauses (i) through (iii), in each case, to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income; *plus*

(c) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent the same were deducted (and not added back) in computing Consolidated Net Income; *plus*

(d) any (x) Transaction Expenses and (y) any fees, costs, expenses or charges (other than Consolidated Depreciation and Amortization Expense) related to any actual, proposed or contemplated Equity Offering (including any expense relating to enhanced accounting functions or other transactions costs associated with becoming a public company), Investment, acquisition, disposition, recapitalization or the Incurrence of Indebtedness permitted to be Incurred under the Indenture (including a refinancing thereof) (whether or not successful), in each case, including (i) such fees, expenses or charges (including rating agency fees and related expenses) related to the offering of the Notes, the Revolving Credit Facility, the offering of any other debt securities, any other Credit Facility and any Receivables Fees (in each case, including any Guarantees thereof), and (ii) any amendment, waiver or other modification of the Notes, the Revolving Credit Facility, the Intercreditor Agreement, any Security Documents, factoring financings, securitizations, Receivables Financings or similar arrangements, any other Credit Facility, any other Indebtedness permitted to be Incurred under the Indenture or any Equity Offering, in each case, whether or not consummated, to the extent the same were deducted (and not added back) in computing Consolidated Net Income; *plus*

(e) (i) the amount of any restructuring charge, accrual or reserve (and adjustments to existing reserves), integration cost or other business optimization expense or cost (including charges directly related to the implementation of cost-savings initiatives) that is deducted (and not added back) in such period in computing Consolidated Net Income, including any one-time costs Incurred in connection with acquisitions or divestitures after the Issue Date, including those related to any severance, retention, signing bonuses, relocation, recruiting and other employee related costs, internal costs in respect of strategic initiatives and curtailments or modifications to pension and post-retirement employment benefit plans (including any settlement of pension liabilities), systems development and establishment costs, future lease commitments and costs related to the opening and closure and/or consolidation of facilities and to exiting lines of business and consulting fees Incurred with any of the foregoing and (ii) fees, costs and expenses associated with acquisition related litigation and settlements thereof; *plus*

(f) any other non-cash charges, write-downs, expenses, losses or items reducing Consolidated Net Income for such period including any impairment charges or the impact of purchase accounting; *provided* that if any such non-cash charge, write-down or item to the extent it represents an accrual or reserve for a cash expenditure for a future period then the cash payment in such future period shall be subtracted from Consolidated EBITDA when paid or other items classified by the Issuer as special items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period); *plus*

(g) the amount of board of director fees, management, monitoring, advisory, consulting, refinancing, subsequent transaction, advisory and exit fees (including termination fees) and related indemnities and expenses paid or accrued in such period to any member of the Board of Directors of the Issuer, any Permitted Holder or any Affiliate of a Permitted Holder to the extent permitted under "*Certain Covenants—Limitation on Affiliate Transactions*"; *plus*

(h) the "run rate" synergies, cost savings, operating expense reductions, restructuring charges, operating cost improvements, revenue, operating improvements, revenue increases, revenue enhancements or other adjustments, similar initiatives or effects of synergies ("**Synergies**") that are expected (in good faith) to be realized as a result of actions initiated, taken, committed to be taken or expected to be taken in respect of any acquisition, the Transactions and under a letter of intent, disposition, divestiture, restructuring, new contracts, new product lines, new sites, capacity or capacity utilization increases, operating expense reductions, operating improvements, Group Initiatives, or the implementation of a cost savings, revenue enhancements or other similar initiative or related to information and technology system establishment, modernization or modification or related steps, as applicable (calculated on a pro forma basis as though such Synergies had been realized from the first day of such period and during the entirety of such period), net of the amount of actual benefits realized during such period from such actions (which adjustments, without double counting, may be incremental to pro forma adjustments made pursuant to the covenant described under "*—Certain Covenants—Financial Calculations in Respect of Transactions*" and/or the definition of Fixed Charge Coverage Ratio); *provided* that (i) such actions are expected to be taken within 24 months after the consummation of any of the above or similar transactions or initiatives, as applicable, which is expected to result in Synergies; and (ii) no Synergies shall be added pursuant to this defined term to the extent duplicative of any expenses or charges otherwise added to Consolidated EBITDA, whether through a *pro forma* adjustment or otherwise, for such period; *plus*

(i) the amount of loss or discount on sale of Receivables Assets and related assets to a Receivables Subsidiary in connection with a factoring financing, securitization, Receivables Financing or similar arrangement; *plus*

(j) any costs or expense Incurred by the Issuer or a Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement, any severance agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Issuer or Net Cash Proceeds of an issuance of Capital Stock (other than Disqualified Stock) of the Issuer solely to the extent that such Net Cash Proceeds are excluded from the calculation set forth in clause (b) of the second paragraph under "—*Certain Covenants—Limitation on Restricted Payments*"; *plus*

(k) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing Consolidated EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of Consolidated EBITDA pursuant to clause (2) below for any previous period and not added back; *plus*

(l) any net loss included in the Consolidated Net Income attributable to non-controlling interests; *plus*

(m) realized foreign exchange losses resulting from the impact of foreign currency changes on the valuation of assets or liabilities on the balance sheet of the Issuer and the Restricted Subsidiaries; *plus*

(n) net realized losses from Hedging Obligations or embedded derivatives; *plus*

(o) the amount of any minority interest expense consisting of Subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Subsidiary, and any costs and expenses (including all legal, accounting and other professional fees and expenses) related thereto; *plus*

(p) with respect to any joint venture, an amount equal to the proportion of those items described in clauses (a) and (c) above relating to such joint venture corresponding to the Issuer's and the Restricted Subsidiaries' proportionate share of such joint venture's Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary) to the extent the same was deducted (and not added back) in calculating Consolidated Net Income; *plus*

(q) earn-out and contingent consideration obligations (including to the extent accounted for as bonuses or otherwise) and adjustments thereof and purchase price adjustments; *plus*

(r) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost), and any other items of a similar nature; *plus*

(s) the amount of expenses relating to payments made to option holders of the Issuer or any Parent in connection with, or as a result of, any distribution being made to equityholders of such Person or its Parents, which payments are being made to compensate such option holders as though they were equityholders at the time of, and entitled to share in, such distribution, in each case to the extent permitted under the Indenture; *plus*

(t) to the extent not already otherwise included herein, adjustments and add-backs of the nature (and including those) made in calculating Adjusted EBITDA and Further Adjusted EBITDA for the twelve months ended September 30, 2025, included in this Offering Memorandum (notwithstanding anything to the contrary in clause (h) of this definition, adjustments and add-backs included in Adjusted EBITDA and Further Adjusted EBITDA in this Offering Memorandum may be included pursuant to this clause (t)); *plus*

(u) earn out obligations Incurred in connection with any acquisition permitted under the Indenture or other Investment permitted under the Indenture and paid or accrued during such period; *plus*

(v) losses, charges and expenses related to the pre-opening and opening of new facilities, and start-up period prior to opening, that are operated, or to be operated, by the Issuer or any Restricted Subsidiary; *plus*

(y) any internal costs (which are not otherwise capitalized) for research and development expenditure incurred by any member of the Group; and

(2) decreased (without duplication) by non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period.

For purposes of calculating Consolidated EBITDA for the purpose of any basket or ratio under the Indenture, Consolidated EBITDA shall be the Consolidated EBITDA of the Issuer measured for the Relevant Testing Period, in each case with such *pro forma* adjustments giving effect to such Indebtedness, acquisition or Investment, as applicable, since the start of such four fiscal quarters and as are consistent with the *pro forma* adjustments set forth in the definition of "Fixed Charge Coverage Ratio."

"**Consolidated Interest Expense**" means, for any Person for any period (in each case, determined on the basis of IFRS), the consolidated net interest income (expense) of such Person and its Restricted Subsidiaries, whether paid or accrued, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (as applicable), *plus* (without duplication) any interest, costs and charges consisting of:

(1) interest expense attributable to Capitalized Lease Obligations;

(2) amortization of original issue discount (but not including deferred financing fees, debt issuance costs, commissions, fees and expenses) and any other consideration given by the Issuer or the Restricted Subsidiaries during the relevant period, and relating to that period, in connection with any acceptance credit, bill discounting debt factoring or other similar arrangement;

(3) non-cash interest expense;

(4) costs associated with Hedging Obligations (excluding amortization of fees or any non-cash interest expense attributable to the movement in mark-to-market valuation of such obligations);

(5) the product of (a) all dividends or other distributions in respect of all Disqualified Stock of such Person and all Preferred Stock of any Restricted Subsidiary of such Person, to the extent held by Persons other than such Person or a Restricted Subsidiary of such Person, *multiplied by* (b) a fraction, the numerator of which is one and the denominator of which is one *minus* the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by the Issuer;

(6) interest capitalized in the relevant period and not recorded as interest expense in such period; and

(7) cash interest actually paid by such Person under any Guarantee of Indebtedness or other obligation of any other Person,

minus (i) accretion or accrual of discounted liabilities other than Indebtedness, (ii) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition and depreciation charges in respect of interest capitalized in a period following the Issue Date, (iii) interest with respect to Indebtedness of any Holding Company of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under IFRS and (iv) any Additional Amounts with respect to the Notes or other similar tax gross-up on any Indebtedness, which is included in interest expense under IFRS.

"**Consolidated Net Income**" means, with respect to any Person for any period, the net income (loss) of such Person and its Subsidiaries that are Restricted Subsidiaries for such period determined on a consolidated basis on the basis of IFRS after any reduction in respect of Preferred Stock dividends; *provided*, *however*, that there will not be included in such Consolidated Net Income:

(1) any net income (loss) of any Person if such Person is not a Restricted Subsidiary (including any net income (loss) from Investments recorded in such Person under the equity method of accounting), except that the Issuer's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that (as reasonably determined by an Officer of the Issuer) could have been distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution or return on investment (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below); *provided* that, for the purposes of clause (b) of the second paragraph of the covenant described under "*Certain Covenants—Limitation on Restricted Payments*," such dividend, other distribution or return on investment does not reduce the amount of Investments outstanding under the definition of "Permitted Investments";

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (b)(i) of the second paragraph of the covenant described under "*Certain Covenants—Limitation on Restricted Payments*," any net income (loss) of any Restricted Subsidiary (other than the Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Issuer or a Guarantor by operation of the terms of such Restricted Subsidiary's articles, charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Revolving Credit Facility, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Notes or the Indenture and (c) restrictions specified in clause (11)(b) of the second paragraph of the covenant described under "*Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries*") except that the Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Issuer or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(3) any gain (or loss), together with any related provisions for taxes on any such gain (or the tax effect of any such loss), realized upon the sale or other disposition of any asset (including pursuant to any Sale and Leaseback Transaction) or disposed or discontinued operations of the Issuer or any Restricted Subsidiaries which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Issuer);

(4) any extraordinary, one-off, exceptional, unusual or nonrecurring gain, loss, charge or expense, including Transaction Expenses, Permitted Change of Control Costs or any charges, expenses or reserves in respect of any restructuring, redundancy or severance expense or relocation costs, one-time compensation charges, integration and facilities' opening costs and other business optimization expenses and operating improvements (including related to new product introductions), systems development and establishment costs, accruals or reserves

(including restructuring and integration costs related to acquisitions after the Issue Date and adjustments to existing reserves), whether or not classified as restructuring expense on the consolidated financial statements, signing costs, retention or completion bonuses, transition costs, costs related to closure, consolidation or disruption of facilities, costs associated with temporary decreases in work volume and expenses related to maintaining underutilized personnel facilities, losses arising from natural disasters, internal costs in respect of strategic initiatives and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities), contract terminations and professional and consulting fees Incurred with any of the foregoing;

(5) the cumulative effect of a change in law, regulation or accounting principles at any time following the Issue Date;

(6) any (i) non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions or on the revaluation of any benefit plan obligation and (ii) income (loss) attributable to deferred compensation plans or trusts;

(7) all deferred financing costs written off and premiums paid or other expenses Incurred directly in connection with any early extinguishment of Indebtedness or Hedging Obligations and any net gain (loss) from any write-off or forgiveness of Indebtedness;

(8) any unrealized gains or losses in respect of any Hedging Obligations or other financial instruments or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of any Hedging Obligations;

(9) any fees and expenses (including any transaction or retention bonus or similar payment) Incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, disposition of assets or securities, issuance or repayment of Indebtedness, issuance of Capital Stock, refinancing transaction or amendment or modification of any debt instrument (in each case, including any such transaction consummated prior to the Issue Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs Incurred during such period as a result of any such transaction, in each case whether or not successful;

(10) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person, and any unrealized foreign currency transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(11) any unrealized or realized gain or loss due solely to fluctuations in currency values and the related tax effects, determined in accordance with IFRS;

(12) any recapitalization accounting or purchase accounting effects, including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by IFRS and related authoritative pronouncements (including the effects of such adjustments pushed down to the Issuer and the Restricted Subsidiaries), as a result of any consummated acquisition (including in connection with the Transactions), or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

(13) any impairment charge, write-off or write-down, including impairment charges, write-offs or write-downs related to intangible assets, long-lived assets, goodwill, investments in debt or equity securities (including any losses with respect to the foregoing in bankruptcy, insolvency or similar proceedings) and the amortization of intangibles arising pursuant to IFRS;

(14) any effect of income (loss) from the early extinguishment or cancellation of Indebtedness or any Hedging Obligations or other derivative instruments;

(15) accruals and reserves that are established or adjusted (including any adjustment of estimated payouts on existing earn-outs) that are so required to be established as a result of the Transactions in accordance with IFRS, or changes as a result of adoption or modification of accounting policies;

(16) any costs associated with the Transactions;

(17) any non-cash expenses, accruals or reserves related to adjustments to historical tax exposures and any deferred tax expense associated with tax deductions or net operating losses arising as a result of the Transactions, or the release of any valuation allowances related to such item;

(18) any (i) payments to third parties in respect of research and development, including amounts paid upon signing, success, completion and other milestones and other progress payments, to the extent expensed and (ii) effects of adjustments to accruals and reserves during a period relating to any change in the methodology of calculating reserves for returns, rebates and other chargebacks (including government program rebates);

(19) any net gain (or loss) from disposed, abandoned or discontinued operations and any net gain (or loss) on disposal of disposed, discontinued or abandoned operations; and

(20) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal, including in respect of Subordinated Shareholder Funding.

In addition, to the extent not already included in the Consolidated Net Income of such Person and its Subsidiaries that are Restricted Subsidiaries, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include (i) any expenses and charges that are reimbursed by indemnification or other reimbursement provisions in connection with any investment or any sale, conveyance, transfer or other disposition of assets permitted hereunder, or, so long as the Issuer has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed and only to the extent that such amount is (A) not denied by the applicable payor in writing within 180 days and (B) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days) and (ii) to the extent covered by insurance (including business interruption insurance) and actually reimbursed, or, so long as the Issuer has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 180 days and (B) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), expenses with respect to liability or casualty events or business interruption.

"**Consolidated Net Leverage**" means, without double-counting, the sum of the aggregate outstanding Indebtedness and the Reserved Indebtedness Amount of the Issuer on a consolidated basis (excluding (x) Hedging Obligations entered into not for speculative purposes (as determined in good faith by the Issuer) and (y) Indebtedness with respect to Cash Management Services), less the sum (which shall in no case be less than zero) of the aggregate amount of cash and Cash Equivalents that would be stated on the consolidated balance sheet of the Issuer as of such date in accordance with IFRS.

"**Consolidated Net Leverage Ratio**" means, as of any date of determination, the ratio of (x) Consolidated Net Leverage at such date to (y) the Consolidated EBITDA of the Issuer for the Relevant Testing Period; *provided*, *however*, that, the *pro forma* calculation shall not give effect to (i) any Indebtedness Incurred on such determination date pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" (other than Indebtedness Incurred pursuant to clauses (1)(b), (1)(c) and (5)(ii) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*") or (ii) the discharge on such determination date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph of the covenant described under "*Certain Covenants—Limitation on Indebtedness*" (other than the discharge of Indebtedness using proceeds of Indebtedness Incurred pursuant to clauses (1)(b), (1)(c) and (5)(ii) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*").

"**Consolidated Secured Net Leverage Ratio**" means the Consolidated Net Leverage Ratio, but calculated by excluding (a) all Indebtedness other than Senior Secured Indebtedness and Junior Secured Indebtedness and (b) the Reserved Indebtedness Amount that, upon Incurrence, would not constitute Senior Secured Indebtedness or Junior Secured Indebtedness.

"**Consolidated Senior Secured Net Leverage Ratio**" means the Consolidated Net Leverage Ratio, but calculated by excluding all Indebtedness other than Senior Secured Indebtedness and excluding the Reserved Indebtedness Amount that, upon Incurrence, would not constitute Senior Secured Indebtedness.

"**Contingent Obligations**" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease (subject, as applicable, to the Election Option), dividend or other obligation that does not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

    (a) for the purchase or payment of any such primary obligation; or

    (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"**Credit Facility**" means, with respect to the Issuer or any Restricted Subsidiary, one or more debt facilities, arrangements, instruments, trust deeds or indentures (including the Revolving Credit Facility Agreement or commercial paper facilities and overdraft facilities) with banks, institutions or investors providing for revolving credit loans, performance guarantees, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), notes, letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks, institutions or investors and whether provided under the original Revolving Credit Facility or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"**Currency Agreement**" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement or arrangement to which such Person is a party or beneficiary.

"**Default**" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"**Designated Non-Cash Consideration**" means the fair market value (as determined in good faith by the Board of Directors of the Issuer) of non-cash consideration received by the Issuer or one or more Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the conditions described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*."

"**Designated Preference Shares**" means, with respect to the Issuer or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Issuer or a Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any such Subsidiary for the benefit of their employees to the extent funded by the Issuer or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Issuer at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (b)(ii) and (b)(iii) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*."

"**Disinterested Director**" means, with respect to any Affiliate Transaction, a member of the Board of Directors having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors shall be deemed not to have such a financial interest by reason of such member's holding Capital Stock of the Issuer or any options, warrants or other rights in respect of such Capital Stock.

"**Disqualified Stock**" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, in each case on or prior to the date that is 90 days after the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Disposition will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption would not be prohibited under "*—Certain Covenants—Limitation on Restricted Payments*." For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock, such fair market value to be determined as set forth herein. Only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock.

"**Equity Contribution**" means the aggregate investment in cash or in kind (directly or indirectly) in the Issuer by way of any subscription for shares issued by, and any capital contributions (including by way of premium and/or contribution to the capital reserves and on a cash or cashless basis) to, the Issuer (including by way of contribution of the proceeds of any Holdco financing (including on a cashless basis) but excluding the proceeds of any Indebtedness of a Parent (x) which is guaranteed by any member of the Group, and (y) in respect of which dividends or distributions on the Issuer's Capital Stock are permitted to be paid from cash in the Group pursuant to clause (1)(C) of the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*").

"**Equity Offering**" means (x) a sale of Capital Stock of the Issuer or a Parent HoldCo (other than Disqualified Stock and other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions), or (y) the sale of Capital Stock or other securities by any Person, in each case the proceeds of which are contributed as Subordinated Shareholder Funding or to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through Excluded Contributions) of the Issuer or any of the Restricted Subsidiaries.

"**Escrowed Proceeds**" means the proceeds from the offering of any debt securities or other Indebtedness paid into escrow accounts with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"**Euroclear**" means Euroclear Bank SA/NV or any successor securities clearing agency.

"**European Government Obligations**" means any security denominated in euro that is (1) a direct obligation of any country that is a member of the European Monetary Union and whose long-term debt is rated "A-1" or higher by Moody's or "A+" or higher by S&P or the equivalent rating category of another Nationally Recognized Statistical Rating Organization on the Issue Date, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

"**Excess Cash Flow**" means, for any testing period ending on or about the last day of the relevant financial year of the Issuer, an amount equal to the difference (if positive) between paragraphs (a) and (b) where:

(a) *equals*: the sum, without duplication, of (in each case, for the Group on a consolidated basis):

(i) Consolidated Net Income for such period;

(ii) an amount equal to the amount of all non-cash charges to the extent deducted in arriving at such Consolidated Net Income and cash receipts to the extent excluded in arriving at such Consolidated Net Income;

(iii) decreases in working capital for such period (except as a result of (A) the reclassification of items from short-term to long-term or vice versa or (B) any such decreases arising from acquisitions or disposals completed during such period or the application of purchase accounting);

(iv) an amount equal to the aggregate net non-cash loss on disposals by the Group during such period (other than disposals in the ordinary course of trading) to the extent deducted in arriving at such Consolidated Net Income;

(v) cash payments received in respect of hedging or derivative arrangements during such period to the extent not included in arriving at such Consolidated Net Income;

(vi) increases in current and non-current deferred revenue to the extent deducted or not included in arriving at such Consolidated Net Income; and

(vii) extraordinary gains; and

(b) *equals*: the sum, without duplication, of:

(i) an amount equal to the amount of all:

(A) non-cash credits included in arriving at such Consolidated Net Income;

(B) cash charges to the extent excluded in arriving at such Consolidated Net Income;

(C) fees, expenses or charges related to the Transactions (including any fees, costs or expenses in connection with related due diligence activities) to the extent not deducted in arriving at such Consolidated Net Income and paid in cash during such period;

(D) cash receipts to the extent applied (and which have been paid during such financial year) for any purpose permitted under the Indenture; and

(E) an amount equal to all fees, commissions, costs and expenses, stamp, registration and other Taxes incurred by any member of the Group (or any Holding Company thereof) in connection with the Transactions or the negotiation, preparation, execution, notarization and registration of any documents in connection with the Transactions together with all fees, commissions, costs and expenses incurred by the Group in connection with the Transactions or the documents in connection with the Transactions (including for the avoidance of doubt, the payment of any make-whole costs and other costs in relation thereto, hedging costs in connection with any hedging entered into in relation to any financial indebtedness arising under a Secured Debt Document (as defined in the Intercreditor Agreement), all payments made to any hedge counterparty, and all fees, costs and expenses incurred by any member of the Group in connection with the close-out or termination of any hedging arrangements in respect of which any member of the Group was a party (including in respect of interest rate, exchange rate and commodity price risk hedging));

(ii) an amount equal to the aggregate net non-cash gain on disposals by the Group during such period (other than disposals in the ordinary course of trading) to the extent included in arriving at such Consolidated Net Income;

(iii) increases in working capital for such period (except as a result of (A) the reclassification of items from short-term to long-term or vice versa or (B) any such decreases arising from acquisitions or disposals completed during such period or the application of purchase accounting);

(iv) cash payments by the Group during such period in respect of deferred purchase price and/or earn out obligations and long-term liabilities of the Group other than Indebtedness;

(v) an amount equal to the proceeds of any disposal received during such period and permitted to be reinvested, retained or required to be applied in prepayment in accordance with the provisions of the Revolving Credit Facility Agreement;

(vi) without duplication of amounts deducted pursuant to paragraph (viii) below in prior financial years, the amount of Investments made with cash or Cash Equivalent Investments and acquisitions made during such period to the extent that such Investments and acquisitions were not financed with any of the proceeds received from:

(A) the Incurrence of long-term Indebtedness; or

(B) an Equity Contribution;

(vii) the aggregate amount of expenditures actually made by the Group in cash during such period (including expenditures for the payment of financing fees);

(viii) without duplication of amounts deducted from Excess Cash Flow in other periods:

(A) the aggregate consideration required to be paid in cash by any member of the Group pursuant to binding contracts, commitments, letters of intent or purchase orders (the "**Contract Consideration**") entered into prior to or during such period; and

(B) any planned cash expenditures by any member of the Group (the "**Planned Expenditures**"),

in the case of each of paragraphs (A) and (B) above, relating to acquisitions permitted under the Indenture, capital expenditures, disposals or acquisitions to be consummated or made, or restructuring costs anticipated to be paid, during the period of four consecutive fiscal quarters of the Group following the end of such period, provided that to the extent that the aggregate amount of cash actually utilized to finance any acquisitions permitted under the Indenture (or Investments similar to those made for such acquisitions), capital expenditures, disposals, or acquisitions to be consummated or made or restructuring costs during such following period of four consecutive fiscal quarters is less than the Contract Consideration and Planned Expenditures, the amount of such shortfall shall be added to the calculation of Excess Cash Flow, at the end of such period of four consecutive fiscal quarters;

(ix) the amount of taxes (including penalties and interest) paid in cash or tax reserves set aside or payable (without duplication) in such period or falling due;

(x) cash expenditures made in respect of hedging or derivative arrangements during such period to the extent not deducted in arriving at such Consolidated Net Income;

(xi) decreases in current and non-current deferred revenue to the extent included or not deducted in arriving at such Consolidated Net Income;

(xii) extraordinary, one-off or one-time, non-recurring, exceptional or unusual losses;

(xiii) any amount received by way of an Equity Contribution or (without double counting) the cash proceeds of any subscription (to the extent paid in cash) for common and/or preference shares of the Group from a person that is not a member of the Group by way of any capital contribution to the Group or any raising of funds by way of private placement of ordinary or preference share capital in each case to the extent otherwise included or not deducted in arriving at such Consolidated Net Income;

(xiv) amounts claimed under loss of profit, business interruption or equivalent insurance in respect of such period not received in cash during such period;

(xv) the amount of any loss of any member of the Group which is attributable to any third party (not being a member of the Group) which is a shareholder (or holder of a similar interest) in such member of the Group;

(xvi) the amount of expenses relating to pensions including service costs and pension interest costs but after deducting any contributions and the current cash service costs attributable to any income or charge attributable to a post-employment benefit scheme;

(xvii) an amount equal to any trapped cash;

(xviii) the amount of any addbacks for adjustments (including anticipated synergies) or costs or expenses taken into account in determining Adjusted EBITDA and Further Adjusted EBITDA as set out in the Offering Memorandum;

(xix) any payment or amount described in the preceding paragraphs made after the end of the applicable financial year for which such Excess Cash Flow calculation applies to and before the date on which a prepayment is required to be made in accordance with the Excess Cash Flow provisions of the Revolving Credit Facility Agreement which the Issuer elects to deduct in such Excess Cash Flow calculation, provided that any such amount deducted under this sub-paragraph (xix) may not be deducted in any subsequent calculation of Excess Cash Flow; and

(xx) the aggregate amount of all payments in respect of Fixed Charges.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"**Excluded Contribution**" means (x) Net Cash Proceeds or property or assets received by the Issuer or a Restricted Subsidiary (other than from the Issuer or a Restricted Subsidiary) as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer or a Restricted Subsidiary from the first day of the fiscal quarter commencing immediately prior to the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding of the Issuer or a Restricted Subsidiary from the first day of the fiscal quarter commencing immediately prior to the Issue Date, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Issuer and not constituting Excluded Amounts and (y) the Original Contribution.

"**fair market value**" wherever such term is used in this "*Description of the Notes*" or the Indenture (except in relation to an enforcement action pursuant to the Intercreditor Agreement and except as otherwise specifically provided in this "*Description of the Notes*" or the Indenture), may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Issuer setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

"**Fitch**" means Fitch Ratings Inc., or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Fixed Charge Coverage Ratio**" means, with respect to any Person on any determination date, the ratio of Consolidated EBITDA of such Person to the Fixed Charges of such Person for the Relevant Testing Period. In the event that the Issuer or any Restricted Subsidiary Incurs, assumes, Guarantees, repays, repurchases, redeems, defeases, retires, extinguishes or otherwise discharges any Indebtedness (other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or has caused any Reserved Indebtedness Amount to be deemed to be Incurred, or issues or redeems Disqualified Stock or Preferred Stock, in each case subsequent to the commencement of the Relevant Testing Period but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "**Fixed Charge Coverage Ratio Calculation Date**"), then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect to such Incurrence, deemed Incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance, retirement, extinguishment or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, and the use of proceeds therefrom, as if the same had occurred at the beginning of the Relevant Testing Period; *provided*, *however*, that the *pro forma* calculation shall not give effect to: (i) any Fixed Charges attributable to Indebtedness Incurred on the Fixed Charge Coverage Ratio Calculation Date pursuant to the provisions described in the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" (other than Fixed Charges attributable to Indebtedness Incurred pursuant to clauses (1)(b), (1)(c) and (5)(II) of the second paragraph thereof) or (ii) Fixed Charges attributable to any Indebtedness discharged on such Fixed Charge Coverage Ratio Calculation Date to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described under the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" (other than Fixed Charges attributable to Indebtedness discharged on such Fixed Charge Coverage Ratio Calculation Date using proceeds of Indebtedness Incurred pursuant to clauses (1)(b), (1)(c) and (5)(II) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*").

For purposes of making the computation referred to above, any Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, or disposed or discontinued operations that have been made or committed (unilaterally, conditionally or otherwise and including under a letter of intent) by the Issuer or any of the Restricted Subsidiaries (by merger or otherwise), during the Relevant Testing Period or subsequent to the Relevant Testing Period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a *pro forma* basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations and disposed or discontinued operations (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the Relevant Testing Period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged or amalgamated with or into the Issuer or any of the Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation or disposed or discontinued operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving *pro forma* effect thereto for such period as if such Investment, acquisition, disposition, merger, amalgamation, consolidation or disposed operation had occurred at the beginning of the Relevant Testing Period.

For purposes of this definition, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or chief accounting officer of the Issuer (and may include cost savings and synergies). If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire Relevant Testing Period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a *pro forma* basis shall be computed based upon the average daily balance of such Indebtedness during the Relevant Testing Period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Issuer may designate.

"**Fixed Charges**" means, with respect to any specified Person for any period, the sum, without duplication, of:

(1) the Consolidated Interest Expense of such Person for such period; *plus*

(2) all dividends, whether paid or accrued and whether or not in cash, on or in respect of all Disqualified Stock of the Issuer or any series of Preferred Stock of any Restricted Subsidiary, other than dividends on Disqualified Stock or Preferred Stock payable to the Issuer or a Restricted Subsidiary; *plus*

(3) Fixed Charges that would have arisen from the Reserved Indebtedness Amount had such Reserved Indebtedness Amount been incurred as of the date of its classification as a Reserved Indebtedness Amount.

"**Group Initiative**" means any action or step (including any restructuring, reorganization, new or revised contract, information and technology systems establishment, modernization or modification or the implementation of an operating improvement initiative, efficiency initiative, cost savings initiative, opening and/or development of any facility, site or operation, capacity increases, capacity utilization or any other adjustments or similar initiative) taken, committed or expected (unilaterally, conditionally or otherwise) to be taken by the Group.

"**Guarantee**" means any guarantee (including any Notes Guarantee) or obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part),

provided, *however*, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"**Guarantors**" means any Restricted Subsidiary that Guarantees the Notes pursuant to the Indenture.

"**Hedging Obligations**" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement.

"**HoldCo**" means Fire (BC) HoldCo Limited, established as a limited liability company under the laws of England and Wales and as the parent company of the Issuer, or any of its successors or assigns.

"**Holder**" means each Person in whose name the Notes are registered on the Registrar's books, which shall initially be the respective nominee of Euroclear or Clearstream, as applicable.

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

"**IFRS**" means International Financial Reporting Standards (formerly International Accounting Standards) endorsed by the European Union or any variation thereof with which the Issuer or its Restricted Subsidiaries are required to comply as in effect on the Issue Date, or, solely with respect to the covenant described under the heading "*—Certain Covenants—Reports*," as in effect from time to time; *provided* that:

(1) except as otherwise set forth in the Indenture, all ratios and calculations based on IFRS (or, as applicable, U.S. GAAP) will be computed in accordance with IFRS as in effect on the Issue Date (or, as applicable, U.S. GAAP as in effect at the date specified by the Issuer in its election to adopt U.S. GAAP in accordance with paragraph (3) below);

(2) at any time after the Issue Date, the Issuer may elect to implement any new measures or other changes to IFRS (or, as applicable, U.S. GAAP) in effect on or prior to the date of such election;

(3) at any time after the Issue Date, the Issuer may elect to apply U.S. GAAP accounting principles in lieu of IFRS and, upon any such election, references herein to IFRS shall thereafter be construed to mean U.S. GAAP (except as otherwise *provided* in the Indenture), including as to the ability of the Issuer to make an election pursuant to clause (2) above; *provided* that any calculation or determination in the Indenture that requires the application of IFRS for periods that include fiscal quarters ended prior to the Issuer's election to apply U.S. GAAP will remain as previously calculated or determined in accordance with IFRS (*provided* that the Issuer may only make such election if it also elects to report any subsequent financial reports required to be made pursuant to U.S. GAAP); and

(4) notwithstanding any of the foregoing or any other provision of the Indenture: in relation to the making of any determination or calculation under the Indenture, the Issuer may elect (the "**Election Option**"), from time to time, either (i) to apply IFRS 16 (Leases) or (ii) to apply IAS 17 (Leases) (or, in either case,

the equivalent measure under U.S. GAAP) to the making of such determination or calculation (provided that for the avoidance of doubt, in connection with any determination hereunder which is based upon the calculation of more than one component, including any determination in respect of Consolidated EBITDA, Fixed Charge Coverage Ratio, Consolidated Senior Secured Net Leverage Ratio, Consolidated Secured Net Leverage Ratio and Consolidated Net Leverage Ratio, all such components shall be calculated on a consistent basis, applying the same accounting standard).

"**Incur**" means issue, create, assume, enter into any Guarantee of, incur or otherwise become liable for; *provided*, *however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "**Incurred**" and "**Incurrence**" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder.

"**Indebtedness**" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not been reimbursed) (except to the extent such reimbursement obligations relate to trade payables or other obligations not constituting Indebtedness and such obligations are satisfied within 30 days of Incurrence), in each case, only to the extent that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables or similar obligation, including accrued expenses owed, to a trade creditor), where the deferred payment is arranged primarily as a means of raising financing, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided*, *however*, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Issuer) and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Obligations (the amount of any such obligations to be equal at any time to the net payments under such agreement or arrangement giving rise to such obligation that would be payable by such Person at the termination of such agreement or arrangement),

with respect to clauses (1), (2), (4) and (5) above, if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with IFRS.

The amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount of Indebtedness, or liquidation preference thereof, in the case of any other Indebtedness.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Contingent Obligations Incurred in the ordinary course of business or consistent with past practice, other than Guarantees or other assumptions of Indebtedness;

(ii) Cash Management Services;

(iii) if the Issuer elects to apply IAS 17 (Leases) pursuant to the Election Option, any lease, concession or license of property (or guarantee thereof) which would be considered an operating lease under IFRS or any prepayments of deposits received from clients or customers in the ordinary course of business or consistent with past practice;

(iv) obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Issue Date or in the ordinary course of business or consistent with past practice;

(v) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided*, *however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid in a timely manner;

(vi) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes or under any Tax Sharing Agreement;

(vii) (a) obligations under or in respect of Qualified Receivables Financings and (b) obligations for the reimbursement of any obligor in relation to any confirming services, reverse factoring and commercial discount lines;

(viii) Indebtedness of any Parent appearing on the balance sheet of the Issuer solely by reason of push down accounting under IFRS;

(ix) Capital Stock (other than Disqualified Stock of the Issuer and Preferred Stock of a Restricted Subsidiary);

(x) amounts owed to dissenting stockholders pursuant to applicable law (including in connection with, or as a result of, exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential)), pursuant to or in connection with a consolidation, merger or transfer of all or substantially all of the assets of the Issuer and the Restricted Subsidiaries, taken as a whole, that complies with the covenant described under "*Certain Covenants—Merger and Consolidation*";

(xi) trade payables and accrued commissions owed to banks in the ordinary course of business; and

(xii) Subordinated Shareholder Funding.

"**Independent Debt Fund**" means a trust, fund, entity or other person (including, funds managed or advised by an Initial Investor or any of its Affiliates) established primarily for the purpose of making, purchasing or investing in loans or debt securities and which is managed or controlled independently (and where customary information barriers are in place) from trusts, funds, partnerships, entities or other persons managed or controlled by an Initial Investor or any of its Affiliates, which have a direct or indirect interest in the Issuer or Holding Company of the Issuer.

"**Independent Financial Advisor**" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; *provided*, *however*, that such firm or appraiser is not an Affiliate of the Issuer.

"**Initial Investors**" means:

(a) one or more funds, limited partnerships and other persons managed by or otherwise advised by Bain Capital Private Equity (Europe) LLP and/or any of its Affiliates or Related Funds and/or any of its Affiliates or Related Funds; and

(b) Saudi Arabian Industrial Investments Company and one or more funds, limited partnerships and other persons managed by or otherwise advised by Saudi Arabian Industrial Investments Company and/or any of their respective Affiliates or Related Funds, and/or any of their respective Affiliates or Related Funds.

"**Initial Public Offering**" means an Equity Offering of common stock or other common equity interests of the Issuer or any Parent or Restricted Subsidiary or any successor of the Issuer or any Parent or Restricted Subsidiary or the acquisition, purchase, merger or combination of the Issuer or any Parent by or with a publicly traded special purpose acquisition company or target acquisition company or any entity similar to the foregoing (the "**IPO Entity**") following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"**Intercreditor Agreement**" means the intercreditor agreement originally dated October 16, 2018, by and among, *inter alios*, the Issuer, the Security Agent and the Trustee (the "**Existing Intercreditor Agreement**"), as amended, restated or otherwise modified or varied from time to time, including, on or about the Issue Date, by the Intercreditor Amendment and Restatement Agreement.

"**Intercreditor Amendment and Restatement Agreement**" means the amendment and restatement agreement in relation to the Existing Intercreditor Agreement that we expect will be entered into on or around the Issue Date by and between, among others, the Issuer, the Trustee, BNP PARIBAS, Italian Branch as the facility agent with respect to the Revolving Credit Facility and the Security Agent.

"**Interest Rate Agreement**" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"**Investment**" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers, managers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet (excluding any notes thereto) prepared on the basis of IFRS; *provided*, *however*, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Issuer or a Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment equal to the fair market value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in the fifth paragraph of the covenant described under "*Certain Covenants—Limitation on Restricted Payments*."

For purposes of the "*Certain Covenants—Limitation on Restricted Payments*" section:

(1) "**Investment**" will include the portion (proportionate to the Issuer's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors or an Officer of the Issuer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"**Investment Grade Securities**" means:

(1) securities issued or directly and fully guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) securities issued or directly and fully guaranteed or insured by a member of the European Union, Norway, Switzerland or the United Kingdom or any agency or instrumentality thereof (other than Cash Equivalents);

(3) debt securities or debt instruments with a rating of "BBB−" or higher from S&P, "Baa3" or higher by Moody's or "BBB−" or higher from Fitch or the equivalent of such rating by such rating organization or, if no rating of Moody's, Fitch or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Rating Organization, but excluding any debt securities or instruments constituting loans or advances among the Restricted Subsidiaries and the Issuer;

(4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution; and

(5) any investment in repurchase obligations with respect to any securities of the type described in clauses (1), (2) and (3) above which are collateralized at par or over.

"**Investment Grade Status**" shall be achieved when the Notes receive at least two of the following:

(1) a rating of "BBB–" or higher from S&P;

(2) a rating of "Baa3" or higher from Moody's; or

(3) a rating of "BBB" or higher from Fitch,

or the equivalent of such rating by either such rating organization or, if no rating from Moody's, S&P or Fitch then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"**IPO Entity**" has the meaning given to it in the definition of Initial Public Offering.

"**IPO Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering *multiplied by* (ii) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

"**IPO Proceeds**" means the cash proceeds received by members of the Group or any Parent from a Listing or a primary issue of shares in connection with such a Listing after deducting:

(a) all taxes incurred and required to be paid or reserved against (as reasonably determined by the Issuer on the basis of their existing rates) by the seller in relation to a Listing (including any Taxes incurred as a result of the transfer of any cash consideration intra-Group);

(b) fees, costs and expenses (including, for the avoidance of doubt, reasonable legal fees, reasonable agents' commission, reasonable auditors' fees, reasonable out of pocket reorganization costs (including redundancy, closure and other restructuring costs, both preparatory to, and in consequence of, a Listing));

(c) any amount required to be applied in repayment or prepayment of any Indebtedness other than the Notes (including to an entity the subject of a disposal, amounts to be repaid or prepaid to the entity disposed of in respect of intra-Group indebtedness and any third-party debt secured on the assets disposed of which is to be repaid or prepaid out of those proceeds) or amounts owed to partners in permitted joint ventures as a consequence of that Listing; and

(d) any reasonable amounts retained to cover indemnities, contingent and other liabilities in connection with the Listing.

"**Issue Date**" means on February 5, 2026.

"**Issuer**" means Italmatch Chemicals S.p.A., a *società per azioni* incorporated under the laws of Italy or any other Successor Company in accordance with the Indenture.

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

"**Junior Secured Indebtedness**" means Indebtedness of the Issuer and the Restricted Subsidiaries that constitutes "Second Lien Liabilities" as such term is defined in the Intercreditor Agreement (or any Indebtedness that is secured by a lien ranking junior in priority to Second Lien Liabilities).

"**Leverage Excess Proceeds**" means any Net Available Cash not so used as set forth in the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*" that does not constitute Excess Proceeds pursuant to the third paragraph of the covenant described under "*—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.*"

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof); *provided* that in no event shall a lease obligation in the ordinary course of business be deemed to constitute a Lien.

"**Listing**" means the listing or the admission to trading of all or any part of the share capital of any member of the Group or any Parent (the only material assets of which are shares or other investments (directly or indirectly in the Group)) of a member of the Group (other than the Initial Investors) on any recognized investment exchange (as that term is used in the Financial Services and Markets Act 2000) or in or on any other exchange or market in any jurisdiction or country or any other sale or issue by way of listing, flotation or public offering or any equivalent circumstances in relation to any member of the Group or any such Parent of any member of the Group (other than the Initial Investors and their respective holding companies) in any jurisdiction or country.

"**Management Advances**" means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, the Issuer or any Restricted Subsidiary:

(1) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business and in accordance with past practice;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) (in the case of this clause (3)) not exceeding the greater of €7 million and 5% of Consolidated EBITDA in the aggregate outstanding at any time.

"**Management Investors**" means (i) members of the management team of the Issuer or the Issuer's Subsidiaries who invest or commit to invest, directly or indirectly, in the Issuer, another Restricted Subsidiary or a Parent HoldCo on or prior to the Issue Date through a management equity program, (ii) persons who are or become members of the management team of the Issuer or the Issuer's Subsidiaries following the Issue Date (other than in connection with a transaction that would otherwise be a Change of Control if such persons were not included in the definition of "**Permitted Holders**") and who invest, directly or indirectly, in a Parent HoldCo, the Issuer or the Issuer's Subsidiaries through a management equity plan and (iii) any entity that may hold shares transferred by departing members of the management team of a Parent HoldCo, the Issuer or the Issuer's Subsidiaries for future redistribution to the management team of the Issuer or the Issuer's Subsidiaries. For the avoidance of doubt, the expression "**management team**" shall include, but not be limited to, any managers, officers and (executive and non-executive) directors of a Parent HoldCo, the Issuer or the Issuer's Subsidiaries.

"**Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend *multiplied by* (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"**Material Event of Default**" means an Event of Default under clauses (1), (2) or (5) of the first paragraph under "*—Events of Default.*"

"**Material Intellectual Property**" means the intellectual property required in order to conduct the business of the Group in all material respects as it is being conducted, to the extent that failure to own or have such intellectual property licensed to it would have a Material Adverse Effect (as defined in the Revolving Credit Facility).

"**Moody's**" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Nationally Recognized Statistical Rating Organization**" means a nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Exchange Act.

"**Net Available Cash**" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions and any tax sharing agreements), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition (other than Capitalized Lease Obligations), in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition.

“**Net Cash Proceeds**” with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of Taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any tax sharing agreements).

“**Net Short**” means a Holder or a beneficial owner of any Notes (or any affiliate of such Person) (*provided* that for purposes of this definition, affiliates shall not include Persons that are subject to customary procedures to prevent the sharing of confidential information between such Holders or beneficial owner and such Person and such Person is managed having independent fiduciary duties to the investors or other equity holders of such Person) that, as a result of its interest in any total return swap, total rate of return swap, credit default swap or other derivative contract (other than any such total return swap, total rate of return swap, credit default swap or other derivative contract entered into pursuant to bona fide market making activities), has a net short position with respect to the Notes. For purposes of determining whether a Holder or a beneficial owner of any Notes has a “net short position” on any date of determination: (i) derivative contracts with respect to the Notes and such contracts that are the functional equivalent thereof shall be counted at the notional amount thereof in euro, (ii) notional amounts in other currencies shall be converted to the euro equivalent thereof by such Holder or beneficial owner in a commercially reasonable manner consistent with generally accepted financial practices and based on the prevailing conversion rate (determined on a mid-market basis) on the date of determination, (iii) derivative contracts in respect of an index that includes any of the Issuer or the Guarantors or any instrument issued or guaranteed by any of the Issuer or the Guarantors shall not be deemed to create a short position with respect to the Notes or any Notes Guarantee, so long as (x) such index is not created, designed, administered or requested by such Holder or beneficial owner or its respective Affiliates and (y) the Issuer or the Guarantors and any instrument issued or guaranteed by any of the Issuer or the Guarantors, collectively, shall represent less than 5% of the components of such index, (iv) derivative transactions that are documented using either the 2014 ISDA Credit Derivatives Definitions or the 2003 ISDA Credit Derivatives Definitions (collectively, the “*ISDA CDS Definitions*”) shall be deemed to create a short position with respect to the Notes or any Notes Guarantees if such Holder or beneficial owner is a protection buyer or the equivalent thereof for such derivative transaction and (x) the Notes or any Notes Guarantees are a “Reference Obligation” under the terms of such derivative transaction (whether specified by name in the related documentation, included as a “Standard Reference Obligation” on the most recent list published by IHS Markit, if “Standard Reference Obligation” is specified as applicable in the relevant documentation or in any other manner), (y) the Notes or any Notes Guarantees would be a “Deliverable Obligation” under the terms of such derivative transaction or (z) any of the Issuer or the Guarantors (or any of its or their respective successors) is designated as a “Reference Entity” under the terms of such derivative transactions, and (v) credit derivative transactions or other derivatives transactions not documented using the ISDA CDS Definitions shall be deemed to create a short position with respect to the Notes and/or any Notes Guarantees if such transactions are functionally equivalent to a transaction that offers the Holder or beneficial owner or its affiliates protection against a decline in the value of the Notes or any Notes Guarantees, or as to the credit quality of any of the Issuer or the Guarantors other than, in each case, as part of an index so long as (x) such index is not created, designed, administered or requested by such Holder or beneficial owner and (y) the Issuer or the Guarantor and any instrument issued or guaranteed by any of the Issuer or the Guarantors, collectively, shall represent less than 5% of the components of such index. Notwithstanding the foregoing, no Holder or beneficial owner of Notes that is a regulated bank shall be deemed “Net Short” for any purpose under the Indenture.

“**Notes Documents**” means the Notes (including Additional Notes), the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreements.

“**Notes Guarantee**” means a Guarantee of the Notes by a Guarantor.

“**Offering Memorandum**” means this offering memorandum in relation to the Notes.

“**Officer**” means, with respect to any Person, (1) any member of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an “Officer” for the purposes of the Indenture by the Board of Directors of such Person. The obligations of an “Officer of the Issuer” may be exercised by the Officer of any Restricted Subsidiary or the Issuer who has been delegated such authority by the Board of Directors of the Issuer.

“**Officer’s Certificate**” means, with respect to any Person, a certificate signed by one Officer of such Person.

“**Opinion of Counsel**” means a written opinion (which may be subject to customary assumptions and qualifications) from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Issuer or a Restricted Subsidiary.

“**Original Contribution**” means €100 million of Net Cash Proceeds received by the Issuer in connection with the investment by Dussur in 2023.

"**Parent**" means any Person of which the Issuer at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

"**Parent Expenses**" means:

(1) costs (including all professional fees and expenses) Incurred by any Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Indebtedness of any Restricted Subsidiary and the Issuer, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Restricted Subsidiaries or the Issuer;

(3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Issuer or its Restricted Subsidiaries;

(4) fees and expenses payable by any Parent in connection with the Transactions and any future transactions undertaken by the Issuer or a Restricted Subsidiary;

(5) general corporate overhead expenses and administrative costs, including (a) professional fees and expenses, regulatory costs and other operational expenses of any Parent related to the ownership or operation of the business of any Restricted Subsidiaries or the Issuer, (b) costs and expenses with respect to the ownership, directly or indirectly, of any Restricted Subsidiaries or the Issuer by any Parent, (c) any Taxes of any Parent to the extent arising from an investment in the equity interests or equity-like interests of such Parent, or shareholder loans extended to or by such Parent, in connection with the Transactions or an investment in any Restricted Subsidiaries or the Issuer, (d) any Taxes and other fees and expenses required to maintain such Parent's corporate existence and to provide for other ordinary course operating costs, including customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of such Parent and (e) to reimburse reasonable out of pocket expenses of the Board of Directors of such Parent;

(6) other fees, expenses and costs relating directly or indirectly to activities of any Restricted Subsidiaries or the Issuer or any Parent or any other Person which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding of the Issuer, in an amount not to exceed the greater of €7 million and 5% of Consolidated EBITDA in any fiscal year, *plus* management fees in an amount not to exceed the greater of €5.0 million or 3% of Consolidated EBITDA of the Issuer in any fiscal year;

(7) (a) any Taxes, including under any Tax Sharing Agreement, to the extent such Taxes are referable to the income of the Issuer or the Restricted Subsidiaries and, to the extent of the amount actually received in cash from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent referable to the income of such Unrestricted Subsidiaries; *provided*, *however*, that the amount of such payments in any fiscal year do not exceed the amount that the Restricted Subsidiaries and the Issuer would be required to pay in respect of such taxes on a consolidated basis on behalf of an affiliated group consisting only of the Restricted Subsidiaries and the Issuer, and (b) any Taxes and other fees and expenses required to maintain any Parent's organizational existence and to provide for other ordinary course operating costs, including customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of such Parent, the Issuer and any Restricted Subsidiaries;

(8) amounts to finance Investments that would otherwise be permitted to be made pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" if made by the Issuer or a Restricted Subsidiary, *provided* that (i) such Restricted Payment shall be made substantially concurrently with the closing of such Investment; (ii) such direct or indirect parent company shall, immediately following the closing thereof cause (A) all property acquired (whether assets or Capital Stock) to be contributed to the capital of the Issuer or one of the Restricted Subsidiaries or (B) the merger, consolidation or amalgamation of the person formed or acquired into the Issuer or one of the Restricted Subsidiaries in order to consummate such Investment; (iii) such direct or indirect parent company and its Affiliates (other than the Issuer or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Issuer or a Restricted Subsidiary could have given such consideration or made such payment in compliance with the Indenture and such consideration or other payment is included as a Restricted Payment under the Indenture; (iv) any property received by the Issuer shall not increase amounts available for Restricted Payments pursuant to clause (b)(i) of the second paragraph of the covenant described under "*—Certain Covenants— Limitation on Restricted Payments*" or be an Excluded Contribution; and (v) such Investment shall be deemed to be made by the Issuer or such Restricted

Subsidiary pursuant to a provision of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*" or pursuant to the definition of Permitted Investments; and

(9) expenses Incurred by any Parent in connection with any public offering or other sale of Capital Stock or Indebtedness;

(a) where the net proceeds of such offering or sale are intended to be received by or contributed to the Issuer or a Restricted Subsidiary;

(b) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or

(c) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Issuer or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"**Parent HoldCo**" means any Person of which the Issuer at any time is or becomes a Subsidiary, and any holding companies established by any Permitted Holder for the primary purpose of holding its investment in the Issuer or any other Parent HoldCo; *provided* that such Person is the owner, directly or indirectly, of at least a majority of the total voting power of the Voting Stock of the Issuer after giving effect to the Equity Offering relevant to such Person's status as a Parent HoldCo.

"**Pari Passu Indebtedness**" means (a) any Indebtedness of the Issuer that ranks equally in right of payment with the Notes or (b) with respect to any Notes Guarantee of a Guarantor, any Indebtedness that ranks equally in right of payment with such Notes Guarantee.

"**Paying Agent**" means any Person authorized by the Issuer to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuer.

"**Permitted Change of Control**" means any Change of Control that does not constitute a Change of Control Triggering Event.

"**Permitted Change of Control Costs**" means all fees, costs, expenses and other amounts incurred or payable by any Parent, the Issuer or any of its Restricted Subsidiaries in connection with a Permitted Change of Control (including all legal, accounting and other professional fees related thereto).

"**Permitted Collateral Liens**" means Liens on the Collateral:

(1) that are described in one or more of clauses (2), (3), (4), (5), (6), (8), (9), (11), (12), (14), (18), (20), (23) and (24) of the definition of "Permitted Liens" and, in each case, arising by law or that would not materially interfere with the ability of the Security Agent to enforce the Security Interests in the Collateral;

(2) to secure:

(a) Indebtedness the Incurrence of which would not be prohibited under the first paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*"; *provided* that in the case of this clause (a), after giving effect to such Incurrence on the date thereof, the Consolidated Senior Secured Net Leverage Ratio would have been no greater than 4.55 to 1.0;

(b) Indebtedness described under clause (1)(a) and (b) of the second paragraph of the covenant described under "*—Certain covenants—Limitation on Indebtedness*;" *provided that* Indebtedness described under clause (1)(a) thereof may be entitled to receive proceeds of an enforcement of the Collateral in priority to the Notes in a manner not materially less favorable to the Holders than that accorded to the Revolving Credit Facility on the Issue Date pursuant to the Intercreditor Agreement;

(c) Indebtedness described under clause (2) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*," to the extent Incurred by a Guarantor and to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens;

(d) Indebtedness described under clause (4)(a) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(e) Indebtedness described under clause (5) of the second paragraph of the covenant described under "*—Certain Covenants—Limitation on Indebtedness*";

(f) Indebtedness described under clause (6) of the second paragraph of the covenant described under "—*Certain Covenants—Limitation on Indebtedness*"; *provided* that Currency Agreements and Interest Rate Agreements entered into with respect to any Indebtedness, the Incurrence of which would not be prohibited under the covenant described under "—*Certain Covenants—Limitation on Indebtedness*," may be entitled to receive proceeds of an enforcement of the Collateral in priority to the Notes in a manner not materially less favorable to the Holders than that accorded to the Revolving Credit Facility on the Issue Date pursuant to the Intercreditor Agreement;

(g) Indebtedness described under clauses (7) (other than with respect to Capitalized Lease Obligations), (11), (13), (15) or (17) of the second paragraph of the covenant described under "—*Certain Covenants—Limitation on Indebtedness*";

(h) Indebtedness secured on a junior basis to the Notes; and

(i) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clauses (a), (b), (d), (e), (f) and (g) (other than in respect of clause (11), (13), (15) or (17) of the second paragraph of the covenant described under "—*Certain Covenants—Limitation on Indebtedness*") and this clause (i) (*provided* that, if such Refinancing Indebtedness is secured on a basis equal or senior to the Notes, to the extent such Indebtedness was, or would otherwise be permitted to be, so secured); and

(3) Incurred in the ordinary course of business of the Issuer or any Restricted Subsidiary with respect to obligations that in total do not exceed the greater of €8 million and 5% of Consolidated EBITDA at any one time outstanding and that (i) are not Incurred in connection with the borrowing of money and (ii) do not in the aggregate materially detract from the value of the property or materially impair the use thereof or the operation of the Issuer's or such Restricted Subsidiary's business,

provided that, in the case of (2) and (3), each of the secured parties to any such Indebtedness (acting directly or through its respective creditor representative) will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; *provided*, *further*, that all property and assets (including, without limitation, the Collateral) securing such Indebtedness (including any guarantees thereof) or refinancing Indebtedness secure the Notes and the Indenture on a senior or *pari passu* basis (including by application of payment order, turnover or equalization provisions substantially consistent with the corresponding provisions set forth in the Intercreditor Agreement or any Additional Intercreditor Agreement), except to the extent provided in clauses (2)(b) and (2)(f) above.

For purposes of determining compliance with this definition, (a) Liens need not be incurred solely by reference to one category of Permitted Collateral Liens described in this definition but are permitted to be incurred in part under any combination thereof and of any other available exemption and (b) in the event that a Lien (or any portion thereof) meets the criteria of one or more of the categories of Permitted Collateral Liens, the Issuer will, in its sole discretion, classify or reclassify such Lien (or any portion thereof) in any manner that complies with this definition.

"**Permitted Holders**" means, collectively, (1) the Initial Investors, (2) the Management Investors, (3) any Related Person of any Management Investor, (4) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any IPO Entity, acting in such capacity and (5) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing (including any Persons mentioned in the following sentence, but excluding Persons specified in clause (4) who are not specified in clause (1), (2) or (3)) are members; *provided* that, in the case of such group and without giving effect to the existence of such group or any other group, the Initial Investors (or at least one of them) and such Persons referred to in the following sentence, collectively, have exclusive legal and beneficial ownership of at least 50% of the total voting power of the Voting Stock of the Issuer or any of its direct or indirect parent companies wholly owned by such group or in the case of such group and without giving effect to the existence of such group or any other group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision), no person or other group other than persons referred to in clauses (1) to (4) hereof collectively, has beneficial ownership of more than 50% of the total voting power of the Voting Stock of the Issuer or any of their direct or indirect parent companies wholly owned by such group. Any person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture or whose acquisition of beneficial ownership constitutes a Permitted Change of Control will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"**Permitted Investment**" means (in each case, by the Issuer or a Restricted Subsidiary):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Issuer or (b) a Person (including the Capital Stock of any such Person) if such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person if such Person as a result of such Investment in such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business, including Investments in connection with any factoring financing, securitization, Qualified Receivables Financing or similar arrangement;

(5) Investments in payroll, travel, relocation, entertainment and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) Management Advances;

(7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Issuer or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition, in each case, that was made in compliance with "*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*";

(9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date, and, in each case, any extension, modification, restructuring or renewal of any such Investment; *provided* that the amount of the Investment may be increased (a) as required by the terms of the Investment as in existence on the Issue Date or (b) as otherwise permitted under the Indenture;

(10) Hedging Obligations, which transactions or obligations are Incurred to the extent they would not be prohibited under "*Certain Covenants—Limitation on Indebtedness*";

(11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment (net of any distributions, dividends, payments or other returns in respect of such Investments) not to exceed the greater of €65 million or 40% of Consolidated EBITDA of the Issuer; *provided* that, if an Investment is made pursuant to this clause in a Person that is not the Issuer or a Restricted Subsidiary and such Person subsequently becomes the Issuer or a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary in accordance with the definition of "Unrestricted Subsidiary," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause;

(12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens the Incurrence of which would not be prohibited under "*Certain Covenants—Limitation on Liens*";

(13) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock), Subordinated Shareholder Funding or Capital Stock of any Parent as consideration;

(14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of clauses (4), (6) or (14) the second paragraph of the covenant described under "*Certain Covenants—Limitation on Affiliate Transactions*";

(15) Guarantees of Indebtedness of the Issuer or any Restricted Subsidiary, the Incurrence of which would not be prohibited under "*Certain Covenants—Limitation on Indebtedness*" and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;

(16) Investments in loans under the Revolving Credit Facility, the Notes (including any Additional Notes), the Notes Guarantees and any future proceeds loan from the Issuer or a Restricted Subsidiary under an agreement and other Indebtedness of the Issuer or a Restricted Subsidiary permitted by the Indenture;

(17) Investments in Associates, joint ventures or a Similar Business, (i) which Investments are in existence on the Issue Date; or (ii) otherwise, taken together with all other Investments made pursuant to this clause (17) and at any time outstanding, in an aggregate amount at the time of such Investment (net of any distributions, dividends, payments or other returns in respect of such Investments) not to exceed the greater of €42.2 million or 40% of Consolidated

EBITDA of the Issuer; *provided* that, if an Investment is made pursuant to this clause (17) in a Person that is not the Issuer or a Restricted Subsidiary and such Person subsequently becomes the Issuer or a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary in accordance with the definition of "Unrestricted Subsidiary," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause;

(18) Investments in Unrestricted Subsidiaries, taken together with all other Investments made pursuant to this clause (18) and at any time outstanding, in an aggregate amount at the time of such Investment (net of any distributions, dividends, payments or other returns in respect of such Investments) not to exceed the greater of €41.0 million or 40% of Consolidated EBITDA of the Issuer; *provided* that, if an Investment is made pursuant to this clause (18) in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary in accordance with the definition of "Unrestricted Subsidiary," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause;

(19) Investments made at a time when no Event of Default is continuing; *provided that* immediately after giving *pro forma* effect to such Investment, the Consolidated Secured Net Leverage Ratio would not exceed 4.05 to 1.00; and

(20) any Investment arising in the ordinary course of business of the Issuer or a Restricted Subsidiary.

provided, *however*, that any Investment consisting of the transfer of any Material Intellectual Property by the Issuer or any of the Restricted Subsidiaries to an Unrestricted Subsidiary shall not constitute a Permitted Investment.

For purposes of determining compliance with this definition, (a) Permitted Investments need not be made solely by reference to one category of Permitted Investments described in this definition but are permitted to be made in part under any combination thereof and of any other available exemption and (b) in the event that a Permitted Investment (or any portion thereof) meets the criteria of one or more of the categories of Permitted Investments, the Issuer will, in its sole discretion, classify or reclassify such Permitted Investment (or any portion thereof) in any manner that complies with this definition.

"**Permitted Liens**" means, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not the Issuer or a Guarantor permitted by the covenant described under "*Certain Covenants—Limitation on Indebtedness*";

(2) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested Taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other similar Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for Taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS have been made in respect thereof;

(5) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Issuer or any Restricted Subsidiary in the ordinary course of its business;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Issuer or any Restricted Subsidiary or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Issuer or any Restricted Subsidiary;

(7) Liens on assets or property of the Issuer or any Restricted Subsidiary (other than Collateral) securing (i) Hedging Obligations permitted under the Indenture and relating to Indebtedness permitted to be Incurred under the Indenture and which is secured by a Lien on the same assets or property that secures such Indebtedness or (ii) Cash Management Services;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens on assets or property of the Issuer or any Restricted Subsidiary for (a) the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or Indebtedness in respect of Sale and Leaseback Transactions, and, in each case, any Indebtedness which refinances, replaces, refunds or reimburses such Indebtedness (as applicable); or (b) securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance or reimburse amounts used for the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business or consistent with past practice; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under clause (7) of the second paragraph of the covenant described above under "*Certain Covenants—Limitation on Indebtedness*" and (b) any such Lien may not extend to any assets or property of any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

(11) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;

(12) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Issuer and the Restricted Subsidiaries in the ordinary course of business;

(13) Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date, after giving *pro forma* effect to the use of the proceeds of the Notes as described in this Offering Memorandum;

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Issuer or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Issuer or any Restricted Subsidiary), including Liens created, incurred or assumed in connection with, or in contemplation of such acquisition or transaction; *provided* that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;

(15) Liens on assets or property of the Issuer or any Restricted Subsidiary securing Indebtedness or other obligations of the Issuer or such Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary, or Liens in favor of the Issuer or any Restricted Subsidiary;

(16) Liens securing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (*plus* improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of, or assets owned by, any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens (i) on Receivables Assets Incurred in connection with a Qualified Receivables Financing or (ii) securing Indebtedness or other financing arrangements described in clause (12)(b) under the second paragraph under "*Certain Covenants—Limitation on Indebtedness*";

(22) Liens on Escrowed Proceeds including for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in escrow accounts or similar arrangement to be applied for such purpose;

(23) Liens (i) arising under general business conditions in the ordinary course of business, including without limitation the general business conditions of any bank or financial institution with whom the Issuer or any of its Restricted Subsidiaries maintains a banking relationship in the ordinary course of business or (ii) securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(25) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(26) (a) Liens over cash paid into an escrow account pursuant to any purchase price retention arrangement as part of any permitted disposal by the Issuer or a Restricted Subsidiary; (b) Liens over cash paid into an escrow account to fund an acquisition or pay related fees and expenses pending the closing of such acquisition by the Issuer or any Restricted Subsidiary; and (c) Liens over cash paid into an escrow account pursuant to any purchase price retention arrangement or deferred consideration in connection with the acquisition by the Issuer or any Restricted Subsidiary;

(27) (i) Liens on the equity interests or assets of a joint venture to secure Indebtedness of such joint venture Incurred pursuant to clause (14) of the second paragraph under "*—Certain Covenants—Limitation on Indebtedness*" and (ii) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(28) (a) Liens created for the benefit of or to secure, directly or indirectly the Notes and the Notes Guarantees, (b) Liens pursuant to the Intercreditor Agreement and the security documents entered into pursuant to the Indenture or the Revolving Credit Facility Agreement, (c) Liens in respect of property and assets securing Indebtedness if the recovery in respect of such Liens is subject to loss-sharing as among the Holders and the creditors of such Indebtedness pursuant to the Intercreditor Agreement or an Additional Intercreditor Agreement, (d) Liens to secure Indebtedness where the granting of an equal and ratable (or prior) Lien on such property or assets to secure the Notes would be inconsistent with the Agreed Security Principles and (e) Permitted Collateral Liens;

(29) Liens, *provided* that the maximum amount of Indebtedness secured in the aggregate at any one time pursuant to this clause (29) does not exceed the greater of €49.0 million and 30% of Consolidated EBITDA;

(30) Liens securing Indebtedness and other obligations permitted to be Incurred by the Issuer and its Restricted Subsidiaries under any of clauses (4)(b), (8), (9), (10), (11), (12) and (15) of the second paragraph under "—*Certain Covenants—Limitation on Indebtedness*"; and

(30) Liens on rights under any loan or other instrument lending or contributing the proceeds of Indebtedness Incurred by the Issuer or another Person to one or more Guarantors in favor of the third-party creditors in respect of such Indebtedness.

For purposes of determining compliance with this definition, (a) Liens need not be incurred solely by reference to one category of Permitted Liens described in this definition but are permitted to be incurred in part under any combination thereof and of any other available exemption and (b) in the event that a Lien (or any portion thereof) meets the criteria of one or more of the categories of Permitted Liens, the Issuer will, in its sole discretion, classify or reclassify such Lien (or any portion thereof) in any manner that complies with this definition.

"**Permitted Parent Reorganization**" means a Reorganization involving the incorporation of a new direct Parent of the Issuer ("**New Holdco**") and the transfer of the Capital Stock and receivables of the Issuer held by the direct Parent at such time ("**Prior Holdco**") to New Holdco; provided that (1) New Holdco shall be a person organized and existing under the laws of any member state of the European Union, any State of the United States of America or the District of Columbia, Canada or any province of Canada, Norway, Switzerland or the United Kingdom, (2) New Holdco will acquire all the Capital Stock and receivables of the Issuer held by the Prior Holdco and shall have entered into a confirmation deed or similar instrument (x) confirming the first-priority pledge of the Capital Stock and receivables of the Issuer which formed part of the Collateral at the time of such Permitted Parent Reorganization in favor of the Holders of the Notes and (y) assuming all relevant obligations of the Prior Holdco under any Security Document and the Intercreditor Agreement, (3) the Issuer will provide to the Trustee and the Security Agent an Officer's Certificate confirming that (i) such Permitted Parent Reorganization is permitted under the terms of the Notes Documents and (ii) no Default is continuing or would arise as a result of such Permitted Parent Reorganization and (4) the Issuer will provide to the Trustee a certificate from the Board of Directors of New Holdco which confirms the solvency of New Holdco after giving effect to the Permitted Parent Reorganization. Upon completion of such Permitted Parent Reorganization, Prior Holdco shall be released from its obligations under the Notes Documents save for any obligations expressed to survive release and any reference to such Prior Holdco will be construed as a reference to the relevant New Holdco.

"**Permitted Reorganization**" means (i) a Permitted Parent Reorganization and (ii) any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganization, winding up or corporate reconstruction involving the Issuer or any Restricted Subsidiary (a "**Reorganization**") that is made on a solvent basis; *provided* that, in the case of (ii) only:

(1) any payments or assets distributed in connection with such Reorganization remain within the Issuer and the Restricted Subsidiaries (unless such distribution is otherwise permitted by the covenant set forth in "*Certain Covenants—Limitations on Restricted Payments*"); and

(2) if any shares or other assets of an entity subject to reorganization form part of the Collateral, substantially equivalent Liens must be granted over such shares or assets of the recipient such that they form part of the Collateral, unless the release of such Liens is not otherwise prohibited by the Indenture and ignoring for the purposes of assessing such equivalency any limitations required in accordance with the Agreed Security Principles or hardening periods (or any similar or equivalent concept)); and

(3) to the extent any such Permitted Reorganization results in a new holding company (other than HoldCo) directly owning the Capital Stock of the Company, such holding company shall enter into a supplemental indenture and an accession deed to the Intercreditor Agreement to assume any and all obligations of HoldCo under the Indenture and the Intercreditor Agreement.

Promptly upon consummation of a Permitted Reorganization, the Issuer will file with the Trustee a copy of the resolution of the Board of Directors of the Issuer or the applicable Restricted Subsidiary authorizing such Permitted Reorganization and an Officer's Certificate certifying that such Permitted Reorganization complied with the terms of the Indenture and did not result in a Default or an Event of Default.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"**Preferred Stock**," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**Public Debt**" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"**Public Market**" means any time after:

(1) an Equity Offering has been consummated; and

(2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of €50.0 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

"**Public Offering**" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A or Regulation S under the Securities Act to professional market investors or similar persons).

"**Purchase Money Obligations**" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"**Qualified Receivables Financing**" means any Receivables Financing that meets the following conditions: (1) the Board of Directors of the Issuer shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the Receivables Subsidiary or other Subsidiary, as the case may be, (2) all sales of Receivables and related assets to the Receivables Subsidiary or other Subsidiary, as the case may be, are made at fair market value (as determined in good faith by the Board of Directors of the Issuer), and (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Board of Directors of the Issuer) and may include Standard Securitization Undertakings.

The grant of a security interest in any Receivables of the Issuer or a Restricted Subsidiary (other than a Receivables Subsidiary) to secure Indebtedness under a Credit Facility or Indebtedness in respect of the Notes shall not be deemed a Qualified Receivables Financing.

"**Rating Agencies**" means Moody's, S&P or Fitch or, in the event Moody's, S&P or Fitch no longer assigns a rating to the Notes, any other Nationally Recognized Statistical Rating Organization selected by the Issuer as a replacement agency.

"**Receivable**" means a right to receive payment arising from a sale or lease of goods or services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit, as determined on the basis of IFRS.

"**Receivables Assets**" means any Receivables of the Issuer or a Restricted Subsidiary and any assets related thereto, including all collateral securing such Receivables, all contracts and all guarantees or other obligations in respect of such Receivables, proceeds of such Receivables and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization, factoring or similar transactions involving Receivables and any Hedging Obligations entered into by the Issuer or any such Subsidiary in connection with such Receivables.

"**Receivables Fees**" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not the Issuer or a Restricted Subsidiary in connection with, any factoring financing, securitization, Receivables Financing or similar arrangement.

"**Receivables Financing**" means any transaction or series of transactions that may be entered into by the Issuer or any Subsidiary of the Issuer pursuant to which the Issuer or any of its Subsidiaries may sell, convey or otherwise transfer (including any synthetic transfer) to (a) a Receivables Subsidiary, or (b) any other Person (in the case of a transfer by the Issuer or any of its Subsidiaries), or may grant a security interest in, Receivables Assets.

"**Receivables Repurchase Obligation**" means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"**Receivables Subsidiary**" means a Wholly Owned Subsidiary of the Issuer or a Restricted Subsidiary (or another Person formed for the purposes of engaging in a Qualified Receivables Financing in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers Receivables and related assets) which engages in no activities other than in connection with the financing of Receivables of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Issuer (as provided below) as a Receivables Subsidiary and:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Issuer or any Restricted Subsidiary (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Issuer or any Restricted Subsidiary, (iii) is recourse to or obligates the Issuer or any Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings, or (iv) subjects any property or asset of the Issuer or any other Restricted Subsidiary of the Issuer, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither the Issuer nor any Restricted Subsidiary has any material contract, agreement, arrangement or understanding (except in connection with a Qualified Receivables Financing) other than on terms which the Issuer

reasonably believes to be no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and

(3) to which neither the Issuer nor any Restricted Subsidiary has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"**refinance**" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "**refinances**," "**refinanced**" and "**refinancing**" as used for any purpose in the Indenture shall have a correlative meaning.

"**Refinancing Indebtedness**" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness of the Issuer and its Restricted Subsidiaries that is (x) existing or committed on the Issue Date and/or (y) Incurred in compliance with the Indenture (including Indebtedness of the Issuer that refinances Indebtedness of a Restricted Subsidiary and Indebtedness of a Restricted Subsidiary that refinances Indebtedness of the Issuer or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided*, *however*, that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final stated maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final stated maturity of the Indebtedness being refinanced or, if shorter, the Stated Maturity of the Notes;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the greater of (i) the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness or unutilized commitment in respect of Indebtedness being refinanced and (ii) the aggregate principal amount of Indebtedness permitted to be Incurred pursuant to the relevant provision of the Indenture under which the Indebtedness being refinanced was incurred (including following any reclassifications permitted under the Indenture) plus, in each case and without duplication, any additional Indebtedness Incurred to pay fees, underwriting discounts, interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith; and

(3) if the Indebtedness being refinanced is expressly subordinated to the Notes or Notes Guarantees, such Refinancing Indebtedness is subordinated to the Notes or such Notes Guarantees, as applicable, on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced,

provided further, *however*, that Refinancing Indebtedness shall not include (i) Indebtedness of the Issuer or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary or (ii) Indebtedness of a Restricted Subsidiary that is not a Guarantor that refinances Indebtedness of the Issuer or a Guarantor.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"**Related Fund**", in relation to a fund (the "**first fund**"), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

"**Related Person**" with respect to any Permitted Holder specified in clause (2) of the definition thereof, means:

(1) any controlling equity holder, majority (or more) owned Subsidiary or partner or member of such Person;

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof;

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"**Related Taxes**" means any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid (provided that such Taxes are in fact paid) by any Parent by virtue of its:

(1) being incorporated or otherwise being established or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Issuer or any Restricted Subsidiary);

(2) issuing or holding Subordinated Shareholder Funding;

(3) being a holding company parent, directly or indirectly, of the Issuer or any Restricted Subsidiary;

(4) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Issuer or any Restricted Subsidiary; or

(5) having made any payment with respect to any of the items for which the Issuer is permitted to make payments to any Parent pursuant to "*Certain Covenants—Limitation on Restricted Payments*."

"**Relevant Testing Period**" means, for purposes of the calculation of any applicable financial covenant, test, basket or ratio (including those based on Consolidated EBITDA, Fixed Charge Coverage Ratio, Consolidated Senior Secured Net Leverage Ratio, Consolidated Secured Net Leverage Ratio and/or Consolidated Net Leverage Ratio), the most recently completed four consecutive fiscal quarters ending on the last day of the most recent fiscal quarter (or fiscal year, if later) for which financial statements have been delivered pursuant to the "*—Certain Covenants—Reports*" covenant or, at the option of the Issuer, the most recently completed twelve consecutive months ending on the last day of a calendar month for which the Issuer has, in its sole determination, sufficient available information to be able to determine any applicable financial covenant, test, basket or ratio.

"**Replacement Assets**" means non-current properties and assets that replace the properties and assets that were the subject of an Asset Disposition or non-current properties and assets that will be used in the business of the Issuer or a Restricted Subsidiary as of the Issue Date or any and all other businesses that in the good faith judgment of the Board of Directors of the Issuer are related thereto.

"**Representative**" means any trustee, agent or representative (if any) for an issue of Indebtedness or the provider of Indebtedness (if provided on a bilateral basis), as the case may be.

"**Restricted Investment**" means any Investment by the Issuer or a Restricted Subsidiary other than a Permitted Investment.

"**Restricted Subsidiary**" means any Subsidiary of the Issuer (other than an Unrestricted Subsidiary).

"**Retained Cash**" means, at any time and from time to time to the extent allocated as such at the option of the Issuer and to the extent not previously applied or allocated for a particular purpose (without double counting):

(a) Retained Excess Cash;

(b) Net Cash Proceeds;

(c) any prepayment waived (and not taken up by another lender) or deemed waived by a lender under the Revolving Credit Facility;

(d) any amounts received or receivable from any person which is not a member of the Group for the purpose of, or with the intention that such amounts are available to be used for, the relevant expenditure (including under the or agreements governing any permitted acquisition (by way of indemnity, compensation or otherwise));

(e) the net cash proceeds of a disposition which are not required to be applied in prepayment of the Notes;

(f) prepayments under any relevant contractual arrangements;

(g) investment grants; and

(h) capital contributions received from landlords in relation to real property.

"**Retained Excess Cash**" means accumulated unspent Excess Cash Flow from previous years to the extent not utilized or applied in accordance with the Revolving Credit Facility and shall for the avoidance of doubt include all Excess Cash Flow generated in any financial year that ends after the Issue Date under the Revolving Credit Facility but which is not required to be prepaid under the Revolving Credit Facility.

"**Revolving Credit Facility**" means the super senior revolving credit facility established pursuant to the Revolving Credit Facility Agreement.

"**Revolving Credit Facility Agreement**" means the agreement governing the Revolving Credit Facility originally dated October 16, 2018, entered into by and between, among others, the Issuer as borrower, the arrangers thereunder, and BNP PARIBAS, Italian Branch as agent and the Security Agent. as amended and/or amended and restated on December 15, 2021 and March 6, 2023 (the "**Existing Revolving Credit Facility Agreement**"), and as further amended pursuant to the Revolving Credit Facility Amendment and Restatement Agreement (as amended, supplemented and/or restated from time to time).

"**Revolving Credit Facility Amendment and Restatement Agreement**" means the amendment and restatement agreement in relation to the Existing Revolving Credit Facility Agreement that we have entered with, *inter alios*, BNP PARIBAS, Italian Branch as the agent and the Security Agent.

"**S&P**" means Standard & Poor's Ratings Services, a division of McGraw Hill, Inc., or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Sale and Leaseback Transaction**" means any arrangement providing for the leasing by the Issuer or any Restricted Subsidiary of any real or tangible personal property, which property has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to a third Person in contemplation of such leasing.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended and the rules and regulations of the SEC promulgated thereunder, as amended.

"**Security Documents**" means the security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the Indenture 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 Indenture.

"**Security Interests**" means the security interests in the Collateral that are created by the Security Documents.

"**Senior Secured Indebtedness**" means any Indebtedness secured by a Lien on the Collateral on a basis *pari passu* with or senior to the security in favor of the Notes or the Notes Guarantees.

"**Significant Subsidiary**" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Issuer's and the Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Issuer on a consolidated basis as of the end of the most recently completed fiscal year;

(2) the Issuer's and the Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Issuer on a consolidated basis as of the end of the most recently completed fiscal year; or

(3) the Issuer's and the Restricted Subsidiaries' proportionate share of the Consolidated EBITDA of the Restricted Subsidiary exceeds 10% of the Consolidated EBITDA of the Issuer on a consolidated basis for the most recently completed fiscal year.

"**Sponsor Related Fund**" means one or more funds, limited partnerships or other investment vehicles advised by an Initial Investor or its Affiliates or other entities associated with an Initial Investor.

"**Similar Business**" means (a) any businesses, services or activities engaged in by the Issuer or any of its Subsidiaries or any Associates on the Issue Date and (b) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"**Standard Securitization Undertakings**" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Qualified Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"**Stated Maturity**" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations, including those described in "*Change of Control*" and the conditions under "*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*," to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"**Subordinated Indebtedness**" means (a) any Indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes and (b) any Indebtedness of a Guarantor that is expressly subordinated in right of payment to such Guarantor's Notes Guarantee.

"**Subordinated Shareholder Funding**" means, collectively, any funds provided to the Issuer by any Parent, any Affiliate of any Parent or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by any of the foregoing Persons, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided*, *however*, that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition) or the making of any such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;

(2) does not require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(3) contains no change of control, asset sale or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes or the payment of any amount as a result of any such action or provision or the exercise of any rights or enforcement action, in each case, prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

(4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries; and

(5) pursuant to its terms or the terms of the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to Holders than those contained in the Intercreditor Agreement as in effect on the Issue Date with respect to the "Subordinated Liabilities" (as defined therein, *mutatis mutandis*).

"**Subsidiary**" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which:

   (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

   (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"**Tax Sharing Agreement**" means any tax sharing or profit and loss pooling or similar agreement with customary or arm's-length terms entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture, and any arrangements or transactions made between the Issuer and/or any of its Subsidiaries and/or any Parent in order to satisfy the obligations arising under any such Tax Sharing Agreement (including, for the avoidance of doubt, distributions for purposes of compensating accounting losses in relation to a profit and loss pooling agreement and/or upstream loans to any parent company to enable a parent company to compensate the Issuer or such Subsidiary for losses incurred which may need to be compensated by a parent company under any profit and loss pooling agreement).

"**Taxes**" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest and penalties with respect thereto) that are imposed by any government or other taxing authority and "**Tax**" will be construed accordingly.

"**Temporary Cash Investments**" means any of the following:

(1) any investment in:

(a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) any European Union member state, (iii) Norway, Switzerland or the United Kingdom, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Issuer or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state; or

(b) direct obligations of any country recognized by the United States of America rated at least "A" by S&P, "A" by Fitch or "A-1" by Moody's (or, in each case, the equivalent of such rating by such organization or, if no rating of S&P, Fitch or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

(a) any lender under the Revolving Credit Facility Agreement;

(b) any institution authorized to operate as a bank in any of the countries or member states referred to in sub-clause (1)(a) above; or

(c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof,

in each case, having capital and surplus aggregating in excess of €250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A−" by S&P or Fitch or "A-3" by Moody's (or, in each case, the equivalent of such rating by such organization or, if no rating of S&P, Fitch or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than a Restricted Subsidiary or the Issuer), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, any European Union member state or Norway, Switzerland or the United Kingdom or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least "BBB−" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in the United States, Canada, a member state of the European Union, Norway, Switzerland, the United Kingdom or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A−" by S&P or Fitch or "A-3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P, Fitch or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment or distribution); and

(9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

"**Transactions**" has the meaning ascribed to such term under the heading "*Summary—The Transactions*" in this Offering Memorandum.

"**Transaction Expenses**" means any fees or expenses Incurred or paid by the Issuer or any Restricted Subsidiary in connection with the Transactions, including any fees, costs and expenses associated with settling any claims or action arising from a dissenting stockholder exercising its appraisal rights.

"**U.S. GAAP**" means generally accepted accounting principles in the United States of America as in effect from time to time.

"**Uniform Commercial Code**" means the New York Uniform Commercial Code.

"**Unrestricted Subsidiary**" means:

(1) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Issuer in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Issuer or a Guarantor; and

(2) such designation and the Investment of the Issuer or the relevant Restricted Subsidiary in such Subsidiary would not be prohibited under "*Certain Covenants—Limitation on Restricted Payments*."

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Issuer could Incur at least €1.00 of additional Indebtedness under the first paragraph of the covenant described under "*Certain Covenants—Limitation on Indebtedness*" or (y) the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such designation, in each case, on a *pro forma* basis taking into account such designation. Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions. Notwithstanding the foregoing or anything to the contrary in the Indenture, no Restricted Subsidiary may be designated an Unrestricted Subsidiary if such Subsidiary owns or has an exclusive license to any Material Intellectual Property.

"**Voting Stock**" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

"**Wholly Owned Subsidiary**" means a Restricted Subsidiary, all of the Capital Stock of which (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Issuer or another Wholly Owned Subsidiary) is owned by the Issuer or another Wholly Owned Subsidiary.

BOOK-ENTRY; DELIVERY AND FORM

General

The Notes sold within the United States to qualified institutional buyers in reliance on Rule 144A will initially be represented by one or more global notes in registered form without interest coupons attached (the "**144A Global Notes**"). The Notes sold outside the United States pursuant to Regulation S will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Regulation S Global Notes**" and, together with the 144A Global Notes, the "**Global Notes**"). On the Issue Date, the Global Notes will be deposited with, or on behalf of, a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the 144A Global Notes ("**144A Book-Entry Interests**") and ownership of interests in the Regulation S Global Notes (the "**Regulation S Book-Entry Interests**" and, together with the 144A Book-Entry Interests, the "**Book-Entry Interests**") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants or otherwise in accordance with applicable transfer restrictions set out in the Indenture governing the Notes and any applicable securities laws of any state of the United States or any other jurisdiction. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, Book-Entry Interests will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book entry form by, Euroclear and Clearstream and their participants. Book-Entry Interests will be issued only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

Book-Entry Interests will not be held in definitive form. Instead, Euroclear and/or Clearstream, as applicable, will credit a participant's account on their respective book-entry registration and transfer systems with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive certificated form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not have the Notes registered in their names, will not receive physical delivery of the Notes in certificated form and will not be considered the owners or "holders" of Notes for any purpose.

So long as the Notes are held in global form, the common depositary of Euroclear and/or Clearstream (or its respective nominee) will be considered the sole holder of the Global Notes for all purposes under the Indenture. As such, participants in Euroclear and/or Clearstream must rely on the procedures of Euroclear and/or Clearstream and indirect participants must rely on the procedures of Euroclear and/or Clearstream and the participants through which they own Book-Entry Interests to transfer their interests or to exercise any rights of holders of the Notes under the Indenture.

None of the Issuer, the Initial Purchasers, the Registrar, the Paying Agent, the Calculation Agent, the Transfer Agent, the Trustee nor any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Issuance of Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive definitive registered Notes in certificated form (the "**Definitive Registered Notes**") only in the following circumstances:

(1) if Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or

(2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an Event of Default under the Indenture and enforcement action is being taken in respect thereof under the Indenture.

Euroclear and Clearstream have advised the Issuer that upon request by an owner of a Book Entry Interest described in the immediately preceding clause (2), their current procedure is to request that the Issuer issue or cause to be issued Notes in definitive registered form to all owners of Book Entry Interests and not only to the owner who made the initial request.

In such an event, the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear and/or Clearstream (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the Indenture, unless that legend is not required by the Indenture or applicable law.

To the extent permitted by law, the Issuer, the Trustee, the Paying Agent, the Calculation Agent, any Transfer Agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

In the case of the issuance of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Note by surrendering it to the Registrar. In the event of a partial transfer or a partial redemption of a holding of Definitive Registered Notes represented by one Definitive Registered Note, a Definitive Registered Note will be issued to the transferee in respect of the part transferred, and a new Definitive Registered Note in respect of the balance of the holding not transferred or redeemed will be issued to the transferor or the holder, as applicable; *provided* that no Definitive Registered Note in a denomination less than €100,000 and in integral multiples of €1,000, in excess thereof, will be issued. We will not impose any fees or other charges in respect of the Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream, as applicable.

We will not impose any fees or other charges in respect of the Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream, as applicable.

We will not be required to register the transfer or exchange of Definitive Registered Notes for a period of 15 calendar days preceding (i) the record date for any payment of interest on the Notes, (ii) any date fixed for redemption of the Notes or (iii) the date fixed for selection of the Notes to be redeemed in part. We are also not required to register the transfer or exchange of any Notes selected for redemption or which the holder has tendered (and not withdrawn) for repurchase in connection with a change of control offer or asset sale offer. In the event of the transfer of any Definitive Registered Note, the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents as described in the Indenture. We may require a holder to pay any transfer taxes and fees required by law and permitted by the Indenture and the Notes.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Notes have been lost, destroyed or wrongfully taken, or if such Definitive Registered Notes are mutilated and are surrendered to the Registrar or at the office of the Transfer Agent, we will issue and the Trustee (or an authenticating agent appointed by the Trustee) will authenticate a replacement Definitive Registered Note if the Trustee's and the Issuer's requirements are met. We or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both the Trustee and us to protect us, the Registrar or the Paying Agent appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. We, the Registrar and/or the Trustee may charge for expenses in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by us pursuant to the provisions of the Indenture, we in our discretion may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests only in accordance with the Indenture and, if required, only after the transferor first delivers to the Transfer Agent a written certification (in the form provided in the Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such Notes. See "*Notice to Investors*."

Redemption of the Global Notes

In the event any Global Note, or any portion thereof, is redeemed, Euroclear and/or Clearstream will distribute the amount received by it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Issuer understands that under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts as described under "*Description of the Notes*"; *provided*, *however*, that no Book-Entry Interest of less than €100,000 principal amount at maturity may be redeemed in part.

Payments on Global Notes

The Issuer will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the Paying Agent. In turn, the Paying Agent will make such payments to Euroclear and Clearstream, which will distribute such payments to participants in accordance with their respective procedures. The Issuer expects that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, the Issuer, the Trustee, the Paying Agent, the Calculation Agent, the Transfer Agent, the Registrar and any of their respective agents will treat the registered holder of the Global Notes (i.e. the common depositary for Euroclear and Clearstream (or their respective nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee, the Registrar, the Calculation Agent, the Transfer Agent, the Paying Agent nor any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book- Entry Interest;

- payments made by Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;

- Euroclear, Clearstream or any participant or indirect participant;

- any other matter relating to the actions and practices of Euroclear, Clearstream or any participant or indirect participant; or

- the records of the common depositary.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of subscribers registered in “street name.” Payments on the Global Notes to owners of Book-Entry Interests are subject to the applicable procedures of Euroclear and Clearstream and are not the responsibility of the Issuer or the Paying Agent.

The Issuer understands that Euroclear’s and Clearstream’s applicable procedures apply a record date in respect of interest payments to owners of Book-Entry Interests of one business day prior to the applicable interest payment date, regardless of the record date specified in the Indenture.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of the Global Notes will be paid to holders of interest in such notes through Euroclear and/or Clearstream in euro.

Payments will be subject in all cases to any fiscal or other laws and regulations (including any regulations of the applicable clearing system) applicable thereto. None of the Issuer, the Trustee, the Initial Purchasers, the Paying Agent, the Calculation Agent, the Transfer Agent and the Registrar, nor any of their respective agents, will be liable to any holder of a Global Note or any other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection with any such payment. Holders may be subject to foreign exchange risks that may have economic and tax consequences to them.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of the Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default (as defined in the Indenture) under the Notes, each of Euroclear and Clearstream, at the request of the holders of such Notes, reserves the right to exchange the Global Notes for Definitive Registered Notes in certified form, and to distribute such Definitive Registered Notes to their participants.

Transfers

Transfers between participants in Euroclear and Clearstream will be done in accordance with Euroclear and Clearstream rules and will be settled in immediately available funds. If a holder requires physical delivery of Definitive Registered Notes for any reason, including to sell the Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder must transfer its interest in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the provisions of the Indenture.

The Global Notes will bear a legend to the effect set forth in "*Notice to Investors*." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers as discussed in "*Notice to Investors*."

Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to the transfer restrictions contained in the legend appearing on the face of the Rule 144A Global Note, as set forth in "*Notice to Investors.*"

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a beneficial interest in the Regulation S Global Note upon receipt by the Trustee of a written certification (in the form provided in the Indenture) from the transferor to the effect that such transfer is being made in accordance with Regulation S or Rule 144 or any other exemption (if available) under the Securities Act.

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon receipt by the Trustee of a written certification (in the form provided in the Indenture) from the transferor to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Notice to Investors*" and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interests for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under "*Description of the Notes—Transfer and Exchange*" and, if required, only if the transferor first delivers to the Trustee and the Registrar a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such notes. See "*Notice to Investors*."

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in the other Global Note, and accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it retains such a Book-Entry Interest.

Pledges

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a Book-Entry Interest to pledge such interest to persons or entities who or that do not participate in the Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definite certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited.

Information Concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable.

The Issuer provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. None of the Issuer, the Initial Purchasers, the Trustee, the Paying Agent, the Transfer Agent, the Calculation Agent, the Registrar nor any of their respective agents are responsible for those operations or procedures.

Euroclear and Clearstream hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets in several countries. Euroclear and Clearstream participants are financial institutions, such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others, such as banks, brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definite certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such person may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the 144A Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement Under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market upon their issuance. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures. The Issuer expects that secondary trading in any Notes will be settled in accordance with the rules and operating procedures of Euroclear, Clearstream and/or the Luxembourg Stock Exchange.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes between participants in Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the Initial Purchasers, the Trustee, the Paying Agent, the Calculation Agent, the Transfer Agent or the Registrar will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes will be made in euros. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the Business Day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear and Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book- Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Notes through Euroclear or Clearstream on days when those systems are open for business.

In addition, because of time zone differences, there may be complications with completing transactions involving Clearstream and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Notes, or to receive or make a payment or delivery of Notes, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream is used, or in Brussels if Euroclear is used.

CERTAIN TAXATION CONSIDERATIONS

The information provided below does not purport to be a complete analysis of the tax law and practice currently applicable in Italy and the United States and does not purport to address the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

Prospective purchasers of the Notes are advised to consult with their own tax advisors as to the tax consequences of a purchase of Notes including, without limitation, the consequences of receipt of interest and premium paid (if any), and the sale or redemption of the Notes or any interest therein.

The summaries set forth below are based upon, as applicable, in Italy or United States law as in effect on the date of this Offering Memorandum and are subject to any change in such law that may take effect after such date. References in this section to holders of the Notes include the beneficial owners of the Notes. Terms defined under each subsection related to Italy and United States tax law below only have such meanings as defined therein for such respective section. The statements regarding Italy and United States laws and practices set forth below assume that the Notes will be issued, and the transfers thereof will be made, in accordance with the Indenture.

Certain Italian Tax Considerations

The statements herein regarding Italian taxation are based on the laws and published practice of the Italian tax authorities in effect 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. The following is a summary only of the material Italian tax consequences of the purchase, ownership and disposition of the Notes for Italian resident and non-Italian resident beneficial owners, although it is not intended to be, nor should it be constructed to be, legal or tax advice. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to 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. Neither the Issuer nor any other entity belonging to the Italmatch Group will update this summary to reflect changes in law or in the interpretation thereof and, if any such change occurs, the information in this summary could be superseded.

Interest on the Notes

Italian Resident Holders of the Notes

Italian Legislative Decree No. 239 of April 1, 1996, as amended and supplemented (and, starting from January 1, 2027, as repealed and substituted by Articles 62-71 of Legislative Decree No. 33 of March 24, 2025) ("**Decree No. 239**"), regulates the tax treatment of interest, premiums and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "Interest") from Notes to the extent:

(a) the Notes are issued by, *inter alia*, joint stock corporations, whose shares are listed on a regulated market or on a multilateral trading platform of a member state of the EU or of a state that is party to the European Economic Area Agreement (each an "**EEA State**") and is included in the list of states allowing an adequate exchange of information with Italian tax authorities, as indicated in the Italian Ministerial Decree of September 4, 1996, as subsequently amended and supplemented or in any other future decrees issued pursuant to Article 11 par. 4 (c) of Decree No. 239 (the "**White List States**"); or

(b) the Notes are listed on a qualifying regulated market or on a multilateral trading platform of a member state of the EU or of an EEA State included in the list of White List States; or

(c) the Notes are held by qualified investors as defined under Article 100 of the Italian Legislative Decree No. 58 of February 28, 1998.

The provisions of Decree No. 239 only apply to Notes which qualify as *obbligazioni or titoli similari alle obbligazioni pursuant* to Article 44 of Italian Presidential Decree No. 917 of December 22, 1986, as amended and supplemented ("**Decree No. 917**"). Pursuant to Article 44 of Decree No. 917, for securities to qualify as *titoli similari alle obbligazioni* (securities similar to bonds), they must (i) incorporate an unconditional obligation to pay at maturity an amount not lower than their nominal value or principal amount ("*valore nominale*") and (ii) attribute to the holders no direct or indirect right to control or participate to the management of the Issuer.

Pursuant to Decree No. 239, payments of Interest relating to Notes issued by the Issuer that qualify as *obbligazioni or titoli similari alle obbligazioni* are subject to a tax, referred to as *imposta sostitutiva* (as defined below), levied at the rate of 26% (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes) where an Italian resident holder of Notes is the beneficial owner of such Notes, and is:

(a) an individual holding Notes otherwise than in connection with entrepreneurial activity, unless he has entrusted the management of his financial assets, including the Notes, to an authorized intermediary and has opted for the application of the so-called risparmio gestito regime (the "**Asset Management Option**") pursuant to Article 7 of Italian Legislative Decree No. 461 of November 21, 1997, as amended ("**Decree No. 461**"); or

(b) a partnership (other than a *società in nome collettivo or società in accomandita semplice* or similar partnership) or a de facto partnership not carrying out commercial activities or professional associations; or

(c) a private or public entity (other than a company) or a trust not carrying out commercial activities; or

(d) an investor exempt from Italian corporate income tax.

All the above categories are classed as "net recipients."

Where the resident holders of the Notes described in (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional tax and may be deducted from the income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decrees No. 509/1994 and No. 103/1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth under Italian tax law.

Pursuant to Decree No. 239, the 26% *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *società di gestione del risparmio,* 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 No. 239. 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 of Notes. 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.

Payments of Interest in respect of the Notes issued by the Issuer that fall within the definitions set out above are not subject to the 26% *imposta sostitutiva* if made to beneficial owners who are:

(a) Italian resident corporation or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected;

(b) Italian resident partnerships carrying out commercial activities (*società in nome collettivo or società in accomandita semplice*);

(c) Italian resident open-ended or closed-ended collective investment funds, investment companies with fixed capital (SICAFs) or investment companies with variable capital (SICAVs) established in Italy;

(d) Italian resident pension funds referred to in Italian Legislative Decree No. 252 of December 5, 2005 ("**Decree No. 252**") and Italian resident real estate investment funds; and

(e) Italian resident individuals holding the Notes in connection with an entrepreneurial activity or Italian resident individuals who have entrusted the management of their financial assets, including the Notes, to an authorized financial intermediary and have opted for the Asset Management Option.

Such categories are classed as "gross recipients." To ensure payment of Interest in respect of the Notes without the application of the 26% *imposta sostitutiva*, gross recipients must:

(a) be the beneficial owners of payments of Interest on the Notes (if the holder is an institutional investor, the holder itself is deemed to be the beneficial owner); and

(b) deposit the Notes together with the coupons relating to such Notes in due time directly or indirectly with an Italian authorized financial Intermediary (or permanent establishment in Italy of foreign intermediary).

Where the Notes and the relevant coupons are not deposited with an authorized Intermediary (or permanent establishment in Italy of foreign intermediary), *imposta sostitutiva* is applied and withheld:

(a) by any Italian bank or any Italian intermediary paying Interest to the holders of the Notes; or

(b) by the Issuer,

and gross recipients that are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct any *imposta sostitutiva* suffered from income taxes due.

Interest accrued on the Notes would be included in the corporate taxable income (and in certain circumstances, depending on the "status" of the holders of the Notes, also in the net value of production for purpose of regional tax on productive activities—IRAP) of the holders of the Notes who are Italian resident corporations or similar commercial entities or permanent establishments in Italy or foreign corporations to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

Italian resident individuals holding the Notes not in connection with entrepreneurial activity who have opted for the Asset Management Option are subject to a 26% annual substitute tax (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorized intermediary.

Interest accrued on the Notes held by Italian investment funds, SICAVs and SICAFs is not subject to the *imposta sostitutiva,* but is included in the aggregate income of the Italian investment funds, SICAVs and SICAFs. The Italian investment funds, SICAVs or SICAFs will not be subject to taxation on such result, but a withholding tax of 26% will apply, in certain circumstances, to distributions made in favor of unitholders or shareholders (the "**Collective Investment Fund Substitute Tax**").

Where an Italian resident noteholder is a pension fund (subject to the regime provided for by Article 17 of Decree No. 252) and the Notes are deposited with an Italian resident intermediary, 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, to be subject to a 20% substitute tax on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income 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 individuale di risparmio a lungo termine*) that meets the requirements set forth under Italian tax law.

Where a holder of the Notes is an Italian resident real estate investment fund or a SICAF to which the provisions of Italian Law Decree No. 351 of September 25, 2001, as subsequently amended, apply, Interest accrued on the Notes will be subject neither to *imposta sostitutiva*, nor to any other income tax in the hands of the Italian real estate investment fund or the SICAF. The income of the Italian real estate investment fund or the SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Non-Italian Resident Holders of the Notes

Pursuant to Decree No. 239, payments of Interest in respect of the Notes issued by the Issuer falling within the definitions set out in "*—Italian Resident Holders of the Notes*" above will not be subject to *imposta sostitutiva* at the rate of 26%, provided that:

(a) the payments are made to non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected;

(b) such beneficial owners are resident, for tax purposes, in White List States; and

(c) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva*, are complied with in due time.

Decree No. 239 also provides for additional exemptions from *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international entities and organizations established in accordance with international agreements ratified in Italy, (ii) "institutional investors," whether or not subject to tax, which are established in White List States and (iii) "Central Banks" or entities which manage, *inter alia*, the official reserves of a foreign State.

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) be the beneficial owners of payments of Interest on the Notes (if the holder is an institutional investor, the holder itself is deemed to be the beneficial owner);

(b) deposit the Notes in due time together with the coupons relating to such Notes directly or indirectly with an Intermediary, or a permanent establishment in Italy of a non-Italian bank or financial intermediary, or with a non-Italian resident operator participating in a centralized securities management system which is in contact via computer with the Ministry of Economy and Finance; and

(c) file in due time with the relevant depository a declaration (*autocertificazione*) stating, *inter alia*, that he or she is a resident, for tax purposes, 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 December 12, 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 depository. 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.

Failure of a non-resident holders of the Notes to comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interest payments to a non-resident holder of the Notes. The 26% *imposta sostitutiva* may generally be reduced to 10% or to zero under certain applicable double tax treaties entered into by Italy, if more favorable, subject to timely filing of required documentation provided by Measure of the Director of Italian Revenue Agency No. 2013/84404 of July 10, 2013.

Capital Gains

Italian Resident Holders of the Notes

Pursuant to Decree No. 461, a 26% capital gains tax (referred to as "*imposta sostitutiva*") is applicable to capital gains realized by (i) an Italian resident individual not engaged in entrepreneurial activities to which the Notes are connected, (ii) a non-business partnership, (iii) a non-business private or public entity on any sale or transfer for consideration of the Notes or redemption thereof.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decrees No. 509/1994 and No. 103/1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth under Italian tax law.

Under the so called "tax declaration regime," which is the standard regime for taxation of capital gains realized by Italian resident individuals not engaged in entrepreneurial activities to the extent that they do not opt for the "*risparmio amministrato*" regime or the Asset Management Option, the 26% *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realized by Italian resident individuals not engaged in entrepreneurial activities pursuant to all investment transactions carried out during any given tax year. The capital gains realized in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains by Italian resident individuals together with any balance income tax due for the relevant tax year. Alternatively, holders of the Notes who are Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected, may elect to pay imposta sostitutiva separately on capital gains realized on each sale or transfer or redemption of the Notes ("*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to:

(a) the Notes being deposited with an Intermediary (or permanent establishment in Italy of a foreign intermediary); and

(b) an express election for the so called *risparmio amministrato* regime being made in writing in due time by the relevant holder of the Notes.

The Intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realized on each sale or transfer or redemption of the Notes, as well as on capital gains realized as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian tax authorities on behalf of the holder of the Notes, deducting a corresponding amount from proceeds to be credited to the holder of the Notes. Where a sale or transfer or redemption of the Notes results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realized on assets held by the holder of the Notes within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, any realized capital gain is not required to be included in the annual income tax return of the holders of the Notes and the holders of the Notes remains anonymous.

Special rules apply if the Notes are part of (i) a portfolio managed under the Asset Management Option by an Italian asset management company or an authorized intermediary or (ii) an Italian *Organismo di Investimento Collettivo del Risparmio* (which includes a *Fondo Comune di Investimento*, SICAV or SICAF). In both cases, capital gains on the Notes will not be subject to 26% *imposta sostitutiva* on capital gains.

In particular, under the Asset Management Option, any capital gain realized on of the Notes, even if not realized, will contribute to determine the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at year-end may be carried forward against appreciation accrued in each of the four subsequent years. Under the Asset Management Option the realized capital gain is not required to be included in the annual income tax return of the holders of the Notes.

In the case of Notes held by Italian investment funds, SICAVs or SICAFs, capital gains on Notes contribute to determine the increase in value of the managed assets of the Italian investment funds, SICAVs or SICAFs accrued at the end of each tax year. The Italian investment funds, SICAVs or SICAFs will not be subject to taxation on such increase, but the Collective Investment Fund Substitute Tax will apply, in certain circumstances, to distributions made in favor of unitholders or shareholders.

Any capital gains realized by a holder of the Notes that is an Italian pension fund (subject to the regime provided for by Article 17 of Decree No. 252) and the Notes are deposited with an Italian resident intermediary, 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, to be subject to a 20% on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). Subject to certain conditions (including 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 savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth under Italian tax law.

Where a holder of the Notes is an Italian real estate investment fund or a SICAF, to which the provisions of Italian Law Decree No. 351 of September 25, 2001, as subsequently amended, apply, capital gains realized will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or the SICAF. The income of the Italian real estate investment fund or the Italian SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Any capital gains realized by Italian resident corporations or similar commercial entities or permanent establishments in Italy of non-Italian resident corporations to which the Notes are connected or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected will be included in their business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant ordinary tax rules.

Non-Italian Resident Holders of the Notes

The 26% *imposta sostitutiva* on capital gains 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, any capital gains realized by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed 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 December 23, 2020), and in certain cases subject to timely filing of required documentation (in the form of a declaration (*autocertificazione*) of non-residence in Italy) 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.

Where the Notes are not listed 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 December 23, 2020):

(a) Pursuant to the provisions of Decree No. 461, non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from *imposta sostitutiva* in Italy on any capital gains realized upon sale for consideration or redemption of the Notes if they are resident for tax purposes in a White List State. Under these circumstances, if non-Italian resident beneficial owners of the Notes without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset

Management Option or are subject to the *risparmio amministrato regime*, exemption from Italian capital gains tax will apply provided that they timely file with the authorized financial intermediary an appropriate declaration (*autocertificazione*) stating that they meet the requirement indicated above. The same exemption applies in case the beneficial owners of the Notes are (i) international entities or organizations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors, whether or not subject to tax, established in White List States; or (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

(b) In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realized upon sale or redemption of the Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realized upon sale for consideration or redemption of the Notes. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Option or are subject to the *risparmio amministrato regime*, exemption from Italian capital gains tax will apply provided that they timely file with the authorized financial intermediary appropriate documents which include, *inter alia*, a statement from the competent tax authorities of the country of residence of the non-Italian residents.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-resident persons and entities in relation to the Notes deposited for safekeeping or administration with Italian banks, SIMs and other eligible entities, but non-resident holders of the Notes retain the right to waive this regime. Such waiver may also be exercised by non-resident intermediaries in respect of safekeeping, administration and deposit accounts held in their names in which third-parties' financial assets are held.

Inheritance and Gift Tax

Pursuant to Italian Legislative Decree No. 346 of October 31, 1990, (and, starting from January 1, 2027, Legislative Decree No. 123 of August 1, 2025), the transfers of any valuable assets (including the Notes) as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

(a) transfers in favor of spouses and 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 gift exceeding €1,000,000 (per beneficiary);

(b) transfers in favor of 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);

(c) transfers in favor of relatives up to the fourth degree and 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

(d) any other transfer is 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 transfer is made in favor of persons with severe disabilities, the tax applies on the value exceeding €1,500,000.

With respect to the Notes listed on a regulated market (according to the meaning identified by the Italian tax authorities in Circular Letter No. 32/E of December 23, 2020), the value for inheritance and gift tax purposes is the average stock exchange price of the last quarter preceding the date of the succession or of 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.

Italian inheritance tax and gift tax may apply to non-Italian resident individuals for bonds issued by Italian resident companies.

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 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 are subject to the registration tax as follows: (i) public deeds and deeds executed in Italy with notarized signatures (*atti pubblici e scritture private autenticate*) are subject to fixed registration tax of €200; (ii) private deeds (*scritture private non autenticate*) are subject to registration tax of €200 only in the case of use or voluntary registration or occurrence of the so-called *enunciazione*.

Stamp Duty

According to Article 13 of the tariff Part I attached to Italian Presidential Decree No. 642 of October 26, 1972, as amended by Article 1 par. 581 of Italian Law No. 147 of December 27, 2013 (and, starting from 1 January 2027, Annex III of Legislative Decree No. 123 of August 1, 2025), a proportional stamp duty applies on a yearly basis to the periodic reporting communications sent by financial intermediaries to their clients in respect of any financial product, which may be deposited with such financial intermediary in Italy. This stamp duty applies at the rate of 0.20% on the market value or—in the absence of a market value—on the nominal value or the redemption amount or in the case the nominal or redemption values cannot be determined, on the purchase value of any financial products and cannot exceed the amount of €14,000 for holders of the Notes that are not individuals. Stamp duty will apply on the Notes, both to Italian resident holders of the Notes and to non-Italian resident holders of the Notes, to the extent that the Notes are held with an Italian based financial intermediary.

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory, nor the deposit, nor the release or the drafting of the statement. In case of reporting periods of less than twelve months, the stamp duty is payable on a *pro rata* basis.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on May 24, 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on June 20, 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth Tax on Financial Assets Deposited Abroad

According to Decree No. 201/2011, individuals, non-business entities and non-business partnerships resident for tax purposes in Italy, which hold financial assets—including the Notes—outside of the Italian territory are required to pay a wealth tax at the rate of 0.2% (the level of tax being determined in proportion to the period of ownership).

Pursuant to the provision of Article 134 of Law Decree No. 34 of May 19, 2020, the wealth tax cannot exceed €14,000 per year for taxpayers different from individuals. This tax applies on the market value at the end of the relevant year or—in the absence of a market value— on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of any financial assets (including the Notes) held outside of the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due). The financial assets held abroad are excluded from the scope of the wealth tax if administered by Italian financial intermediaries pursuant to an administration agreement.

Tax Monitoring Obligations

Pursuant to Italian Law Decree No. 167 of June 28, 1990, converted by Italian Law No. 227 of August 4, 1990, as amended by Italian Law No. 97 of August 6, 2013 and subsequently amended by Italian Law No. 50 of March 28, 2014 and Italian Law No. 225 of December 1, 2016, individuals, non-business entities and non-business partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy who hold investments, including the Notes, directly or indirectly held abroad must disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (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). The requirement applies also where the persons above, being not the direct holder of the financial investments, are the actual owner of the instrument under the Italian money-laundering law.

Furthermore, the above reporting requirement is not required to comply with respect to the Notes deposited for management or administration with qualified Italian financial intermediaries, with respect to contracts entered into through their intervention, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries and with respect to foreign investments which are only composed by deposits and/or bank accounts when their aggregate value never exceeds a €15,000 threshold throughout the year.

OECD Common Reporting Standards

The EU Savings Directive adopted on June 3, 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 January 1, 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 by Council Directive 2014/107/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 2017.

Italy has enacted Italian Law No. 95 of June 18, 2015 ("**Law 95/2015**"), implementing the CRS (and the amended EU Directive on Administrative Cooperation) Italian Ministerial Decree dated December 28, 2015, which has entered into force on January 1, 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 December 28, 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 United States Federal Income Tax Considerations

The following is a discussion of certain U.S. federal income tax considerations related to the purchase, ownership and disposition of the Notes, but does not purport to be a complete analysis of all potential tax effects. This discussion is limited to consequences relevant to a U.S. holder (as defined below) except for the discussion of FATCA (as defined under "*—Foreign Account Tax Compliance Act*"), and does not address the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any state, local or non-U.S. tax laws. This discussion is based upon the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury regulations issued thereunder (the "Treasury Regulations"), and judicial and administrative interpretations thereof, each as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. No rulings from the U.S. Internal Revenue Service (the "IRS") have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder's particular circumstances, including the impact of the unearned income Medicare contribution tax, or to holders subject to special rules, such as certain financial institutions, U.S. expatriates, insurance companies, individual retirement accounts, dealers in securities or currencies, traders in securities, U.S. holders whose functional currency is not the U.S. dollar, tax-exempt entities, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities and investors in such entities, persons liable for alternative minimum tax, U.S. holders that are resident in or have a permanent establishment in a jurisdiction outside the United States, persons holding the Notes as part of a "straddle", "hedge", "conversion transaction" or other integrated transaction, entities covered by the anti-inversion rules, persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement and holders of Existing Notes. In addition, this discussion is limited to persons who purchase the Notes for cash at original issue at their "issue price" (*i.e.*, the first price at which a substantial amount of a series of Notes is sold to the public for cash, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and who hold the Notes as capital assets within the meaning of Section 1221 of the Code (generally for investment).

For purposes of this discussion, a "U.S. holder" is a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation or any entity taxable as a corporation for U.S. federal income tax purposes created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a U.S. person.

If any entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the U.S. federal income tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. A partnership considering an investment in the Notes, and partners in such a partnership, should consult their tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes.

Prospective purchasers of the Notes should consult their tax advisors concerning the tax consequences of holding Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of other federal, state, local, non-U.S. or other tax laws.

Effect of the IPO Pushdown Provisions

In the event that the Issuer of the Notes changes as a result of the provisions described under "*Description of Certain Financing Arrangements—Intercreditor Agreement—Provisions Following an IPO*," such change in the Issuer could result in a deemed exchange of the Notes for "new" Notes for U.S. federal income tax purposes. In such event, U.S. holders generally would recognize any gain or loss on such exchange (although any loss could be disallowed) and would have a new holding period and new tax basis in the Notes for U.S. federal income tax purposes. In addition, if the fair market value of a series of Notes at the time of the deemed exchange is less than the stated redemption price at maturity of such series of Notes (by an amount equal to or greater than a statutorily defined de minimis amount), such series of Notes may be treated as issued with OID for U.S. federal income tax purposes (or as issued with a greater amount of OID), in which case the U.S. federal income tax consequences of the ownership and disposition of the Notes may be different than what is described below. In addition, the determination of whether the deemed new Notes are treated as contingent payment debt instruments (as described below under "*—Characterization of the Notes*") would be made at the time of the deemed exchange. U.S. holders are urged to consult their tax advisors regarding the U.S. federal income tax consequences to them of the provisions described under "*Description of Certain Financing Arrangements—Intercreditor Agreement—Provisions Following an IPO*."

Characterization of the Notes

In certain circumstances, (see e.g., "*Description of the Notes—Optional Redemption*," "*Description of the Notes—Withholding Taxes*," and "*Description of the Notes—Change of Control*"), the Issuer may be obligated to redeem the Notes or may be obligated to make certain payments on the Notes in excess of stated principal and interest. The Issuer believes that the Notes should not be treated as contingent payment debt instruments due to the possibility of such a redemption occurring or such excess payments being made. The Issuer's position is binding on a U.S. holder, unless the U.S. holder discloses in the proper manner to the IRS that it is taking a different position. This determination, however, is not binding on the IRS. If the IRS successfully challenged this position, and the Notes were treated as contingent payment debt instruments, U.S. holders could be required to accrue interest income at a rate different than their yield to maturity and to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange, retirement, redemption or other taxable disposition of a Note. The balance of this discussion assumes that the Notes will not be treated as contingent payment debt instruments for U.S. federal income tax purposes. U.S. holders are urged to consult their own tax advisors regarding the potential application to the Notes of the contingent payment debt instrument rules and the consequences thereof.

Payments of Stated Interest

Payments of stated interest on the Notes (including any additional amounts paid in respect of withholding taxes and without reduction for any amounts withheld) generally will be includible in the gross income of a U.S. holder as ordinary income at the time that such payments are received or accrued, in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes.

A U.S. holder that uses the cash method of accounting for U.S. federal income tax purposes and that receives a payment of stated interest on the Notes will be required to include in income (as ordinary income) the U.S. dollar value of the euro interest payment (translated at the spot rate of exchange on the date such payment is received) regardless of whether the payment is in fact converted to U.S. dollars at such time. A cash method U.S. holder will not recognize foreign currency exchange gain or loss with respect to the receipt of such interest, but may recognize exchange gain or loss attributable to the actual disposition of the euro so received.

A U.S. holder that uses the accrual method of accounting for U.S. federal income tax purposes (or who otherwise is required to accrue interest prior to receipt) will be required to include in income (as ordinary income) the U.S. dollar value of the amount of stated interest income in euro that has accrued with respect to its Notes during an accrual period. The U.S. dollar value of such euro denominated accrued interest will be determined by translating such amount at the average spot rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average spot rate of exchange for the partial period within each taxable year. An accrual basis U.S. holder may elect, however, to translate such accrued interest income into U.S. dollars at the spot rate of exchange on the last day of the interest accrual period or, with respect to an accrual period that spans two taxable years, at the spot rate of exchange on the last day of the taxable year. Alternatively, if the last day of an accrual period is within five business days of the date of receipt of the accrued interest, a U.S. holder that has made the election described in the prior sentence may translate such interest at the spot rate of exchange on the date of receipt of the interest. The above election will apply to other debt instruments held by an electing U.S. holder and may not be changed without the consent of the IRS. A U.S. holder that uses the accrual method of accounting for U.S. federal income tax purposes will recognize exchange gain or loss with respect to accrued interest income on the date such interest is received. The amount of exchange gain or loss recognized will equal the difference, if any, between the U.S. dollar value of the euro payment received (translated at the spot rate of exchange on the date such interest is received) in respect of such accrual period and the U.S. dollar value of the interest income that has accrued during such accrual period (as determined above), regardless of whether the payment is in fact converted to U.S. dollars at such time. Any such exchange gain or loss generally will constitute ordinary income or loss and be treated, for foreign tax credit purposes, as U.S. source income or loss, and generally not as an adjustment to interest income or expense.

Original Issue Discount

The Fixed Rate Notes or the Floating Rate Notes may be treated as issued with OID for U.S. federal income tax purposes. In the event that the Fixed Rate Notes or Floating Rate Notes are issued with OID, U.S. holders of such Notes generally will be required to include such OID in gross income as ordinary interest income for U.S. federal income tax purposes as it accrues on a constant yield to maturity basis regardless of their regular method of accounting for U.S. federal income tax purposes. As a result, U.S. holders of such Notes will generally include any OID in income in advance of the receipt of cash attributable to such OID.

The Fixed Rate Notes and the Floating Rate Notes will be treated as issued with OID if the stated principal amount of such series of Notes exceeds its issue price (as defined above) by an amount equal to or greater than a statutorily defined de minimis amount (generally, 0.0025 multiplied by the stated principal amount and the number of complete years to maturity from the issue date).

In the event that the Fixed Rate Notes or the Floating Rate Notes are issued with OID, the amount of OID includible in income by a U.S. holder of such Notes is the sum of the "daily portions" of OID with respect to such Note for each day during the taxable year or portion thereof in which such U.S. holder holds such Note. A daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID that accrued in such period. The accrual period of a Note may be of any length and may vary in length over the term of the Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first or last day of an accrual period. The amount of OID that accrues with respect to any accrual period is the excess of (i) the product of the Note's "adjusted issue price" at the beginning of such accrual period and its "yield to maturity," determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of such period, over (ii) the amount of stated interest allocable to such accrual period. The adjusted issue price of a Note at the start of any accrual period generally is equal to its issue price, increased by the accrued OID for each prior accrual period. The yield to maturity of a Note is the discount rate that, when used in computing the present value of all principal and interest payments to be made under the Note, produces an amount equal to the issue price of the Note. For purposes of determining OID accruals and adjusted issue price only with respect to the Floating Rate Notes, the amounts of stated interest and OID are determined by assuming that the interest rate on the Floating Rate Notes is a fixed rate based on the value of the floating rate applicable to the Floating Rate Notes as of the Issue Date.

OID, if any, on the Notes will be determined for any accrual period in foreign currency and then translated into U.S. dollars in accordance with either of the two alternative methods described above in the third paragraph under "—*Payments of Stated Interest*."

A U.S. holder will recognize exchange gain or loss when OID is paid (including, upon the disposition of a Note, the receipt of proceeds that include amounts attributable to OID previously included in income) to the extent of the difference, if any, between the U.S. dollar value of the euro payment received (translated at the spot rate of exchange on the date such payment is received) and the U.S. dollar value of the accrued OID, as determined in the manner described above. For these purposes, all receipts on a Note other than stated interest will be viewed first, as receipts of previously accrued OID (to the extent thereof), with payments considered made for the earliest accrual periods first; and second, as receipts of principal. Any such exchange gain or loss generally will constitute ordinary income or loss and be treated, for foreign tax credit purposes, as U.S. source income or loss, and generally not as an adjustment to interest income or expense.

Election to Treat All Interest as Original Issue Discount

A U.S. holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under "—*Original Issue Discount*", with certain modifications. For purposes of this election, interest includes interest and OID. This election generally applies only to the Note with respect to which it is made and may not be revoked without the consent of the IRS.

Foreign Tax Credit

Stated interest income (and OID, if any) on a Note generally will constitute foreign source income and generally will be considered "passive category income" in computing the foreign tax credit allowable to U.S. holders under U.S. federal income tax laws. Any non-U.S. withholding tax paid by or on behalf of a U.S. holder at the rate applicable to such holder may be eligible for foreign tax credits (or deduction in lieu of such credits) for U.S. federal income tax purposes, subject to applicable limitations (including holding period and at risk rules). In addition, Treasury regulations (the "**Foreign Tax Credit Regulations**") impose additional requirements for foreign taxes to be eligible for a foreign tax credit and there can be no assurance that those requirements will be satisfied. However, IRS guidance allows taxpayers to defer the application of many aspects of the Foreign Tax Credit Regulations until new guidance or regulations are issued. The rules governing the foreign tax credit are complex. U.S. holders should consult their tax advisors regarding the creditability or deductibility of any withholding taxes.

Sale, Exchange, Retirement, Redemption or Other Taxable Disposition of Notes

Upon the sale, exchange, retirement, redemption or other taxable disposition of a Note, a U.S. holder generally will recognize gain or loss equal to the difference, if any, between the amount realized upon such disposition (including any additional amounts paid in respect of withholding taxes and without reduction for any taxes withheld, but excluding any amount equal to any accrued but unpaid stated interest, which will be taxable as interest income as discussed above to the extent not previously included in income by the U.S. holder), and such U.S. holder's adjusted tax basis in the Note.

A U.S. holder's adjusted tax basis in a Note will, in general, be the cost of such Note to such U.S. holder increased by the amount of any OID previously included in the U.S. holder's income with respect to such Note. The cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the foreign currency purchase price translated at the spot rate on the date of purchase. If the applicable Note is treated as traded on an established securities market and the relevant U.S. holder is either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described below, such U.S. holder will determine the U.S. dollar value of the cost of such Note by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

If a U.S. holder receives foreign currency on such a sale, exchange, retirement, redemption or other taxable disposition of a Note, the amount realized generally will be based on the U.S. dollar value of such foreign currency translated at the spot rate of exchange on the date of disposition. In the case of a Note that is considered to be traded on an established securities market, a cash basis U.S. holder and, if it so elects, an accrual basis U.S. holder, will determine the U.S. dollar value of such foreign currency by translating such amount at the spot rate of exchange on the settlement date of the disposition. The special election available to accrual basis U.S. holders in regard to the purchase or disposition of Notes traded on an established securities market must be applied consistently to all debt instruments held by the U.S. holder and cannot be changed without the consent of the IRS. An accrual basis U.S. holder that does not make the special election will recognize foreign currency exchange gain or loss to the extent that there are exchange rate fluctuations between the disposition date and the settlement date, and such gain or loss generally will constitute U.S. source ordinary income or loss.

Gain or loss recognized upon the sale, exchange, retirement, redemption or other taxable disposition of a Note that is attributable to fluctuations in currency exchange rates with respect to the principal amount of such Note generally will be U.S. source ordinary income or loss and generally will not be treated as interest income or expense. Such gain or loss generally will equal the difference, if any, between the U.S. dollar value of the U.S. holder's foreign currency purchase price for the Note, translated at the spot rate of exchange on the date principal is received from the Issuer or the U.S. holder disposes of the Note, and the U.S. dollar value of the U.S. holder's foreign currency purchase price for the Note, translated at the spot rate of exchange on the date the U.S. holder purchased such Note. In addition, upon the sale, exchange, retirement, redemption or other taxable disposition of a Note, a U.S. holder may recognize foreign currency exchange gain or loss attributable to amounts received with respect to accrued and unpaid stated interest and accrued OID, if any, which will be treated as discussed above under "*—Payments of Stated Interest*" and "*—Original Issue Discount,*" as applicable. However, upon a sale, exchange, retirement, redemption or other taxable disposition of a Note, a U.S. holder will recognize any foreign currency exchange gain or loss (including with respect to accrued stated interest and accrued OID, if any) only to the extent of total gain or loss realized by such U.S. holder on such disposition.

Any gain or loss recognized upon the sale, exchange, retirement, redemption or other taxable disposition of a Note in excess of foreign currency exchange gain or loss attributable to such disposition generally will be U.S. source gain or loss and generally will be capital gain or loss. Capital gains of non-corporate U.S. holders (including individuals) derived in respect of capital assets held for more than one year are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

U.S. holders should consult their tax advisors regarding how to account for payments made in a foreign currency with respect to the acquisition, sale, exchange, retirement or other taxable disposition of a Note and the foreign currency received upon a sale, exchange, retirement or other taxable disposition of a Note.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to payments of stated interest on and accruals of OID with respect to the Notes (including additional amounts, if any) and to the proceeds of the sale or other taxable disposition (including a retirement or redemption) of a Note paid to a U.S. holder unless such U.S. holder is an exempt recipient, and, when required, provides evidence of such exemption. Backup withholding may apply to such payments, including payments of accrued OID, if the U.S. holder fails to provide a correct taxpayer identification number or a certification that it is not subject to backup withholding, or otherwise fails to comply with the applicable requirements of the backup withholding rules.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Tax Return Disclosure Requirements

Treasury Regulations require the reporting to the IRS of certain foreign currency transactions giving rise to losses in excess of a certain minimum amount, such as the receipt or accrual of interest (including the accrual of OID, if any) on or a sale, exchange, retirement, redemption or other taxable disposition of a foreign currency note or foreign currency received in respect of a foreign currency note. U.S. holders should consult their tax advisors to determine the tax return disclosure obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

U.S. holders who are individuals and who own "specified foreign financial assets" with an aggregate value in excess of certain minimum thresholds at any time during the tax year generally are required to file an information report (IRS Form 8938) with respect to such assets with their tax returns. If a U.S. holder does not file a required IRS Form 8938, such holder may be subject to substantial penalties and the statute of limitations on the assessment and collection of all U.S. federal income taxes of such holder for the related tax year may not close before the date which is three years after the date on which such report is filed. The Notes generally will constitute specified foreign financial assets subject to these reporting requirements, unless the Notes are held in an account at certain financial institutions. Under certain circumstances, an entity may be treated as an individual for purposes of these rules.

U.S. holders are urged to consult their tax advisors regarding the application of the foregoing disclosure requirements to their ownership of the Notes, including the significant penalties for non-compliance.

Foreign Account Tax Compliance Act

Pursuant to Sections 1471 through 1474 of the Code (provisions commonly known as "**FATCA**"), a "foreign financial institution" may be required to withhold U.S. tax on certain "foreign passthru payments" to the extent such payments are treated as attributable to certain U.S. source payments. This withholding tax is expected to apply to certain foreign passthru payments made on or after the date that is two years after the publication of final Treasury Regulations defining the term "foreign passthru payments." Obligations issued on or prior to the date that is six months after such regulations are filed generally would be "grandfathered" unless materially modified after such date. Accordingly, if the Issuer is treated as a foreign financial institution, FATCA would apply to payments on the Notes only if there is a significant modification of the Notes for U.S. federal income tax purposes after the expiration of this grandfathering period. Non-U.S. governments have entered into agreements with the United States (and additional non-U.S. governments are expected to enter into such agreements) to implement FATCA in a manner that alters the rules described herein. Holders should consult their own tax advisors on how these rules may apply to their investment in the Notes. In the event any withholding under FATCA is imposed with respect to any payments on the Notes, there will be no additional amounts payable to compensate for the withheld amount.

Certain Other Tax Considerations

Payment by a Guarantor

If a guarantor of the Notes makes any payments in respect of interest on the Notes it is possible that such payments may be subject to withholding tax at applicable rates subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE NOTES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer of the Notes is incorporated under the laws of Italy. The Guarantors of the Notes are incorporated under the laws of Delaware, Illinois, Michigan, Ohio and England and Wales. The documents relating to the Collateral for the Notes will be governed by the laws of England and Wales and Italy and any jurisdiction where the Collateral is located. The Indenture (including the Guarantees) and the Notes will be governed by New York law. The Intercreditor Agreement is governed by the laws of England and Wales. The majority of the directors and executive officers of the Issuer are non-residents of the United States. Because the majority of the assets of the Issuer and its and their directors and executive officers, are located outside the United States, any judgment obtained in the United States against the Issuer or any such other non-U.S. resident person, including judgments with respect to the payment of principal, premium (if any) and interest on the Notes or any judgment of a U.S. court predicated upon civil liabilities under U.S. federal or state securities laws, may not be collectible in the United States. Furthermore, although the Issuer will appoint an agent for service of process in the United States and will submit to the jurisdiction of New York courts, in each case, in connection with any action in relation to the Notes and the Indenture or under U.S. securities laws, it may not be possible for investors to effect service of process on us or on such other persons as mentioned above within the United States in any action, including actions predicated upon the civil liability provisions of U.S. federal securities laws. It may be possible for investors to effect service of process within other jurisdictions (including Italy) upon those persons, the Issuer or any guarantor of the Notes not located in the United States provided that, for example, The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 is complied with.

If a judgment is obtained in a U.S. court against the Issuer or any guarantor of the Notes not located in the United States, investors will need to enforce such judgment in jurisdictions where the relevant company has assets. Even though the enforceability of U.S. court judgments outside the United States is described below for the countries in which the Issuer is located, you should consult with your own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

Italy

The Notes offered hereby are governed by New York law. However, the Issuer's creation and issuance of the Notes (i.e. its corporate resolutions) are governed by Italian law.

Recognition and enforcement in Italy of final, enforceable and conclusive judgments rendered by U.S. courts, including judgments obtained in actions predicated upon the civil liability provisions of the U.S. federal or state securities laws, may not require retrial and will be enforceable in Italy, provided that pursuant to Article 64 of Italian Law No. 218 of May 31, 1995 (*Riforma del sistema italiano di diritto internazionale privato*), among others, the following conditions are met:

- the U.S. court which rendered the final judgment had jurisdiction according to Italian law principles of jurisdiction;
- the relevant summons and complaint were appropriately served on the defendants in accordance with U.S. law and during the proceedings the essential rights of the defendant have not been violated;
- the parties to the proceeding appeared before the court in accordance with U.S. law or, in the event of d the defendant party's failure to appear before the court, the U.S. court declared such default in accordance with U.S. law;
- the judgment is final, binding and not subject to any further appeal (*passata in giudicato*) in accordance with U.S. law;
- there is no conflicting final judgment rendered by an Italian court;
- there is no action pending in Italy among the same parties for decision on the same matter which commenced prior to the action in the United States; and
- the provisions of such judgment would not violate Italian public policy (*ordine pubblico*).

In addition, pursuant to Article 67 of Italian Law No. 218 of May 31, 1995, if a judgment rendered by a U.S. court is not complied with, its recognition is challenged or its compulsory enforcement is necessary, then a proceeding shall be initiated before the competent Court of Appeal in Italy to that end. The competent Court of Appeal does not consider the merits of the case but exclusively ascertains the fulfillment of all the conditions set out above.

In original actions brought before Italian courts, the enforceability of liabilities or remedies based solely on the U.S. federal or state securities law is debatable. If an original action is brought before an Italian court, the Italian court may apply not only Italian rules of civil procedure, but also certain substantive provisions of Italian law that are regarded as mandatory and may refuse to apply the U.S. law provisions or grant some of the remedies sought (*e.g.*, punitive damages) if their application violates Italian public policy and/or any mandatory provisions of Italian law.

CERTAIN INSOLVENCY LAW CONSIDERATIONS AND LIMITATIONS ON THE VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND THE SECURITY INTERESTS

The following is a summary of certain insolvency law considerations in the jurisdictions in which the Issuer, the Guarantors and certain subsidiaries are incorporated or organized, and a summary of certain limitations on the validity and enforceability of the Guarantees and the security interests for the Notes. The description is only a summary and does not purport to be complete or to discuss all of the limitations or considerations that may affect the validity and enforceability of the Notes and the Guarantees and the security interests. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations.

European Union

The Issuer is incorporated under the laws of member states of the European Union (each, a "**Member State**").

Pursuant to Regulation (EU) no. 2015/848 of the European Parliament and of the European Council of May 20, 2015 on insolvency proceedings (which entered into force on June 26, 2017 and applies to insolvency proceedings opened on or after that date) replacing Regulation (EC) 1346/2000 of May 29, 2000, (the "**EU Insolvency Regulation**"), which applies within the European Union, other than Denmark, the courts of the member state of the EU in which a company's "*centre of main interests*" (which according to Article 3(1) of the EU Insolvency Regulation is "*the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third-parties*") is situated have jurisdiction to open main insolvency proceedings (subject to certain exceptions). The determination of where a company has its "centre of main interests" is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

Pursuant to Article 3(1) of the EU Insolvency Regulation the "*centre of main interests*" of a company is presumed to be in the Member State in which it has its registered office in the absence of proof to the contrary. This presumption only applies if the registered office has not been moved to another member state of the European Union within the three-month period prior to the request for the opening of insolvency proceedings. Furthermore, preamble 30 of the EU Insolvency Regulation states that "*it should be possible to rebut this presumption 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 center of management and supervision and of the management of its interests is located in that other Member State*." The courts have taken into consideration a number of factors in determining the "*centre of main interests*" of a company, including in particular where board meetings are held, the location where the company conducts the majority of its business or has its head office and the location where the majority of the company's creditors are established and where they recognize as being the center of the company's operations. A company's "*centre of main interests*" may change from time to time but is determined for the purposes of deciding which courts have competent jurisdiction to open insolvency proceedings at the time of the filing of the insolvency petition unless (as set forth above) the registered office has been moved within the three-month period prior to the filing of the insolvency petition.

If the centre of main interests of a company, at the time an insolvency application is made, is located in an Member State (other than Denmark), only the courts of that Member State have jurisdiction to open main insolvency proceedings in respect of that company under the EU Insolvency Regulation. The types of insolvency proceedings which may be opened as main proceedings in the relevant jurisdiction are listed in Annex A to the EU Insolvency Regulation. Insolvency proceedings commenced in one Member State under the EU Insolvency Regulation are to be recognized in the other Member State (other than Denmark), although secondary insolvency proceedings or territorial insolvency proceedings may be commenced in another Member State (other than Denmark).

The EU Insolvency Regulation applies to insolvency proceedings which are collective insolvency proceedings of the types referred to in Annex A to the EU Insolvency Regulation.

If the "*centre of main interests*" of a company is, at the time an insolvency application is made in one member state of the European Union (other than Denmark), under Article 3(2) of the EU Insolvency Regulation the courts of another member state of the European Union (other than Denmark) have jurisdiction to open (subject to certain exceptions) secondary insolvency proceedings or territorial insolvency proceedings against that company only if such company has an "*establishment*" in the territory of such other member state of the European Union. Secondary proceedings may be any insolvency proceeding listed in Annex A of the 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. An "*establishment*" is defined to mean a place of operations where the company 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. The effects of those secondary insolvency proceedings or territorial insolvency proceedings opened in that other member state of the European Union (other than Denmark) are restricted to the assets of the company situated in such other member state of the European Union.

Pursuant to Article 3(4) of the EU Insolvency Regulation, where main proceedings in the member state of the European Union (other than Denmark) in which the company has its center of main interests have not yet been opened, territorial insolvency proceedings can be opened in another member state of the European Union (other than Denmark) where the company has an establishment only where either (a) insolvency proceedings cannot be opened in the member state of the European Union in which the company's center of main interests is situated under that member state of the European Union law, or (b) the territorial insolvency proceedings are opened at the request of (i) a creditor whose claim arises from or is in connection with the operation of the establishment situated within the territory of the member state of the European Union where the opening of territorial proceedings is requested or (ii) a public authority which, under the law of the member state of the European Union 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 company.

The courts of all member states of the European Union (other than Denmark) must recognize the judgment of the court opening the main proceedings (subject to any public policy exceptions), which will be given the same effect in the other member states of the European Union (other than Denmark) so long as no secondary proceedings or territorial insolvency proceedings have been opened there and subject to certain other exceptions (for instance, rights in rem situated in another member state of the European Union remain subject to the original law governing that right). The insolvency practitioner appointed or confirmed by a court in a member state of the European Union which has jurisdiction to open main proceedings (because the company's center of main interests is there) may exercise the powers conferred on him by the law of that member state of the European Union in another member state of the European Union (other than Denmark) (such as to remove assets of the company from that other member state of the European Union) subject to certain limitations (for instance, the powers are available so long as no insolvency proceedings have been opened in that other member state of the European Union or any preservation measure taken to the contrary further to a request to open insolvency proceedings in that other member state of the European Union where the company has assets).

If the company does not have an establishment in any other member state of the European Union, the court of the other member state of the European Union has jurisdiction to open secondary/territorial proceedings in respect of such company under the European Union Insolvency Regulation. The courts of all the member states of the European Union (other than Denmark) must recognize the judgment of the court commencing main proceedings, which will be given the same effect in the other member states of the European Union so long as no secondary or territorial proceedings have been commenced there. The insolvency practitioner appointed by a court in a member state of the European Union which has jurisdiction to commence main proceedings (because the company's center of main interests is there) may exercise the powers conferred on it by the laws of that member state of the European Union in another member state of the European Union (such as to remove assets of the company from that other member state of the European Union) subject to certain limitations, as long as no insolvency proceedings have been commenced in that other member state of the European Union or no preservation measures have been taken to the contrary further to a request to commence insolvency proceedings in that other member state of the European Union where the company has assets.

In addition, the concept of "group coordination proceedings" has been introduced in the EU Insolvency Regulation with the aim of bolstering communication and efficiency in the insolvency proceedings of several members of a group of companies opened in one or more member states of the European Union (other than Denmark). Under Article 61 of the 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 practitioner appointed in insolvency proceedings opened in relation to a member of the group. Participation in group coordination proceedings and adherence to the coordinating insolvency practitioner's recommendations or plan however is voluntary.

Whereas the EU Insolvency Regulation primarily deals with jurisdictional and procedural matters in connection with insolvency proceedings, Directive (EU) 2019/1023 of the European Parliament and the Council of June 20, 2019, on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (the "**Restructuring Directive**") has been introduced to partially harmonize substantive insolvency law across the Member States. The Restructuring Directive has to be adopted by all Member States by 17 July 2021 (subject to possible extension). The Restructuring Directive provides a number of principles and minimum standards, together with certain discretionary provisions and measures, aimed at creating effective preventive restructuring (or "second chance") frameworks in Member States and making insolvency procedures more time and cost efficient.

The preventive restructuring procedures introduced by the Restructuring Directive contemplate a debtor-in-possession process, whereby debtors remain at least partially in control of their assets and the day-to-day operations of their business while benefitting from a stay on individual enforcement actions. The Restructuring Directive further contemplates a 'restructuring plan' process pursuant to which companies may agree compromise arrangements with their stakeholders, provided the proposal is approved by a majority of no more than 75% of the amount of claims or interests, or (where applicable) of the number, of affected parties in each class. Restructuring plans must allow for cross-class cramdowns, meaning one or more classes of affected parties may be bound by a compromise on the basis of the approval of one or more other classes, provided the plan is confirmed by a judicial or administrative authority. To the extent that a debtor's equity-holders do not participate in a restructuring plan, legislation must prevent them from unreasonably obstructing the adoption of the restructuring plan. New or interim financing granted during a restructuring process must be exempt from anti-avoidance rules (unless additional grounds under domestic law are present) and may be accorded priority over existing debts, and other restructuring related transactions which are reasonable and necessary for the negotiation of a restructuring plan are to be protected in a subsequent insolvency of the debtor.

In the event that any one or more of the Issuer or the Guarantors experience 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 and the security of the Issuer and the Guarantors.

Italy

Certain Italian Insolvency Law Considerations

The insolvency laws of Italy may not be as favorable 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 been replaced by a new crisis and insolvency code. In particular, the Italian government approved on January 12, 2019 the Legislative Decree No. 14 implementing the guidelines contained in Law No. 155 dated October 19, 2017 contending the scheme of a new comprehensive legal framework in order to regulate, *inter alia*, insolvency matters (the "**Legislative Decree**"), which enacts a comprehensive legal framework in order to regulate, *inter alia*, insolvency matters which came into force on July 15 2022 (so-called "Code of Business Crisis and Insolvency", hereinafter, as subsequently amended and supplemented and including Italian Legislative Decree No. 83 of June 17, 2022 implementing the Restructuring Directive, hereinafter the "**Italian Insolvency Code**"). The Legislative Decree was published in the *Gazzetta Ufficiale* on February 14, 2019 no. 38— *Suppl. Ordinario No. 6*. The main innovations introduced by the Italian 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" (*crisi*); (iii) the adoption of the same procedural framework in order to ascertain such state of crisis and to access the different restructuring tools and frameworks (s*trumenti di regolazione della crisi e dell'insolvenza della società*) provided for by the same Italian 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 favor 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 the definition of debtor's "center 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 restructuring tools and frameworks (*strumenti di regolazione della crisi e dell'insolvenza della società*); (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.

Except for minor changes in some provisions of the Italian Civil Code, which already entered into force on March 16, 2019, in response to the COVID-19 pandemic, the entry into force of the Italian Insolvency Code has been initially postponed to September 1, 2021 by the "*Decreto liquidità*" (i.e. Law Decree of April 8, 2020, No. 23, published in the *Gazzetta Ufficiale* on April 8, 2020 and converted in law by the Italian Parliament by the Law of June 5, 2020, No. 40, published in the *Gazzetta Ufficiale* on June 6, 2020), and is now effective starting from July 15, 2022.

Provisions under the Italian Bankruptcy Law (i.e., the Royal Decree No. 267 of March 16, 1942) 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 sanctioning (*omologazione*) 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 July 15, 2022 (i.e. the effective date of the Italian Insolvency Code).

The Italian Insolvency Code has been amended and supplemented by, among others, (i) the Italian Legislative Decree No. 147 of October 26, 2020 (as amended and supplemental by Legislative Decree No. 83 dated June 17, 2022), by Law Decree No. 69 of June 13, 2023 (as converted by Law No. 103 of August 10, 2023), by Legislative Decree No.

224 December 6, 2023, and, lastly, by Legislative Decree No. 136 of 13 September 2024 (so called "*Correttivo-ter Decree*"), providing the corrective interventions to the Italian 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 supplement and amend the Italian Insolvency Code) shall generally apply (unless otherwise provided) to all insolvency/restructuring proceedings (including negotiated crisis composition) pending as of 28 September 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 decree shall apply only to negotiated composition 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 decree shall apply only to arrangement proposals to Tax Authorities/Social Security Authorities (*proposte di transazione fiscale e previdenziale*) filed after 28 September 2024.

Considering the above, the following is a brief description of certain main aspects of insolvency law in Italy as it stands now and in particular of the Italian Insolvency Code (taking into account also the latest amendments introduced by the *Correttivo-ter Decree*).

Italian Insolvency Laws

Please find below a brief description of the main provisions of the Italian Insolvency Code which, upon its entry into force (on July 15, 2022, and as amended from time to time) has superseded the Italian Bankruptcy Law.

The two primary aims of the Italian Insolvency Code are to liquidate the debtor's assets and protect the goodwill of the going concern (if any) for the satisfaction of creditors' claims. The aim of the other Italian insolvency laws in force – i.e., the Legislative Decree No. 270 of 8 July 1999, as amended ("**Decree 270**"), and the Law Decree No. 347 of 23 December, 2003, converted into law, with amendments, by Italian Law No. 39 of 18 February 2004, as amended ("**Decree 347**") – is to maintain employment. These competing aims often have been balanced by the sale of businesses as going concerns and ensuring that employees are transferred along with the businesses being sold.

Under the Italian Insolvency Code, the judicial liquidation (*liquidazione giudiziale*) must be declared by a court, based on the insolvency (*insolvenza*) of a debtor upon a petition filed by the debtor itself, the bodies and authorities who exercise control or supervision thereto, one or more creditors and the public prosecutor. Insolvency, as defined under article 2, letter (b) of the Italian Insolvency Code, is defined as the state of the debtor, manifested by defaults and/or other external elements evidencing that the debtor is no longer able to regularly meet its obligations as they come due. This must be a permanent, and not a temporary status of insolvency, in order for a court to hold that a debtor is insolvent. The Italian Insolvency Code also introduced a specific concept of crisis, which is defined under article 2, letter (a) of the Italian 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 twelve months. Both insolvency and crisis are factual situations upon the occurrence of which different instruments provided for by the Italian Insolvency Code may be activated.

In cases where a debtor is facing financial difficulties or temporary cash shortfall and, in general, a state of crisis/financial distress, it may be possible for it to enter into out-of-court arrangements with its creditors, which may safeguard the existence of the debtor, but which are susceptible of being reviewed by a court in the event of a subsequent insolvency, and possibly challenged as voidable transactions.

The following debt restructuring and insolvency alternatives are available under Italian law for companies in a state of crisis and for insolvent debtors 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.

Restructuring outside of a judicial process (accordi stragiudiziali)

Restructuring generally takes place through a formal judicial process because it is more favorable for the debtor and because informal out-of-court arrangements put in place as a result of an out-of-court restructuring are vulnerable to being reviewed by a court in the event of a subsequent insolvency, and possibly challenged as voidable transactions, and may trigger liabilities in the event of a subsequent judicial liquidation procedure. However, in cases where a company is solvent, but facing financial difficulties, it may be possible to enter into an out-of-court arrangement with its creditors, which may safeguard the existence of the company.

Composizione negoziata per la soluzione della crisi d'impresa pursuant to the Italian Insolvency Code

The negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi d'impresa*) was originally introduced in the Italian legal framework by Law Decree 118/2021 and has been subsequently incorporated into the Italian Insolvency Code. It is an out-of-court proceeding, but the court can be involved in the two following circumstances: (i) when the entrepreneur files a petition pursuant to article 18 of the Italian Insolvency Code requesting the competent court to confirm or modify the protective measures to the entrepreneur's assets (the "**Protective Measures**") provided for pursuant to article 18 and 19 of the Italian Insolvency Code by the day following the publication of the request in the relevant Companies' Register (*Registro delle Imprese*) and the acceptance of the Expert (as defined below), and, if necessary, to enact the measures necessary to complete the negotiations (the "**Interim Measures**"); (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 Italian Insolvency Code; and (iii) when the entrepreneur files a petition for the sanctioning of the settlement agreement with the Italian Tax/social Authorities pursuant to article 23, paragraph 2-*bis* of the Italian Insolvency Code.

The *composizione negoziata per la soluzione della crisi d'impresa* is a proceeding aimed at facilitating the recovery of companies which "despite being in conditions of asset or economic and financial imbalance such as to make it likely that financial distress or insolvency will occur, have the potential to remain in the market, including through the sale of the business or a branch of it".

According to article 12 of the Italian Insolvency Code, *composizione negoziata* can be started by any kind of debtors, including commercial and agricultural entrepreneurs, which are undergoing either a situation of crisis, insolvency or even only an imbalance 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, provided that their restructuring and rebalancing (*risanamento*) seems reasonably achievable. As regards to small enterprises so called "*impresa minore*" (i.e. an enterprise meeting the requirements set forth under article 2, para. 1 (d) of the Italian Insolvency Code (i.e., an enterprise (i) having assets (*attivo patrimoniale*) in an aggregate amount not exceeding €0.3 million for each of the three preceding fiscal years, (ii) having gross revenues (*ricavi lordi*) in an aggregate amount not exceeding €0.2 million for each of the three preceding fiscal years, and (iii) having total indebtedness not exceeding (included debts not yet due) of €0.5 million)), according to article 25-*quater* of the Italian Insolvency Code, *composizione negoziata* can be started as well, but only if the enterprise is facing an imbalance with reference to its assets, business and/or financials, such that it is likely that a crisis or insolvency will follow, provided that its restructuring and rebalancing (*risanamento*) seems reasonably achievable.

Pursuant to article 17, paragraph 3, letter d) of the Italian Insolvency Code, *inter alia*, the entrepreneur or the enterprise filing for a *composizione negoziata* must (i) report about the existence of judicial liquidation or insolvency declaration petitions pending towards itself and (ii) certify that, *inter alia*, it has not filed petitions for any of the restructuring tools (*strumenti di regolazione della crisi o dell'insolvenza*) provided for under the Italian Insolvency Code, including pursuant to articles 44, paragraph 1, letter a), 74 and/or 54, paragraph 3, of the Italian Insolvency Code. A petition to access *composizione negoziata* cannot be filed (and, if filed, shall be rejected) in the event that (a) a petition to access a restructuring tool filed by the same entrepreneur is already pending or has been renounced in the prior 4 months, or (b) another petition for a *composizione negoziata* has been dismissed (*archiviata*) in the prior year (reduceable to 4 months upon certain conditions).

Pursuant to article 25 of the Italian Insolvency Code, the *composizione negoziata* may also apply to group of companies, which may commence one proceeding all together. At the end of the negotiations the relevant companies will be allowed to access to one of the agreements or tools provided forth under article 23 of the Italian Insolvency Code, both separately or as a whole group.

The *composizione negoziata* is commenced, on a voluntary basis only, by filing a petition for the appointment of a third-party and independent expert with the Secretary General of the relevant Chamber of Commerce through a dedicated electronic platform (the "**Expert**" and the "**Platform**", respectively). Pursuant to article 16 of the Italian Insolvency Code, the person who acted as Expert in the context of such proceeding, shall not engage in professional relations with the relevant entrepreneur during the two years following the termination of the *composizione negoziata*, exception made for activities related to, or dependent on, the *composizione negoziata* itself.

The Expert is appointed within five (5) business days upon the filing of the petition and shall accept (or decline) the appointment in the following two (2) business days. 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 Platform. In case of negative outcome, the Expert confidentially notifies it to the commission, which appoints a new Expert. Any Expert cannot be appointed for more than two proceedings of *composizione negoziata* at a time. 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 (*risanamento*), 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, and the access to the *composizione negoziata* does not, by itself, constitute ground for withdrawal of overdraft facilities, nor 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.

If the Expert finds that there are no real chances of recovery (*risanamento*), 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 (*archiviazione*) of the entrepreneur's petition. 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 (pursuant to article 17, paragraph 7 of the Italian Insolvency Code) if (i) the entrepreneur or other parties involved in the negotiations require so and the Expert agrees, or (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 Italian Insolvency Code; or (iii) protective or interim measures are pending or it necessary to implement the authorization ruling issued by the court.

Pursuant to article 17, paragraph 8 of the Italian Insolvency Code, at the end of his/her appointment the Expert issues a final report (the "**Final Report**"), uploads it on the Platform, and notifies it to the entrepreneur and to the court that has granted the Protective Measures (*misure protettive*) and Interim Measures (*misure cautelari*) (if any) which declares the termination of their related effects.

Pursuant to article 18 of the Italian 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 (as described below) vis-à-vis all the creditors or, upon entrepreneur request, only vis-à-vis certain creditors' initiatives or to certain specific creditors or categories of creditors. Furthermore, the entrepreneur may also request the application of Interim Measures necessary to allow the completion of the negotiations.

The Protective Measures consist of the following: from the date of publication of the relevant petition, affected creditors cannot obtain preemption rights (*diritti di prelazione*) unless agreed upon by the entrepreneur and all enforcement and interim actions are stayed. From the same date, prescriptions remain suspended and forfeitures do not occur. However, payment of pre-petition creditors is allowed. The Protective Measures do not apply to employees' claims. Interim Measures, on the other hand, have flexible content depending on the relevant precautionary need.

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 *composizione negoziata*, the ruling of opening the judicial liquidation proceeding (*sentenza di apertura della liquidazione giudiziale*) or the declaration of the insolvency of the entrepreneur cannot be declared by the court, unless the court revokes the Protective Measures.

The creditors whose rights are affected by the Protective Measures (banks and financial intermediaries included)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 terminate or revoke – in all or in part – the credit facilities granted to the entrepreneur, 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. However, the creditors may suspend the fulfilment of the pending contracts from the publication of the petition requesting Protective Measures to the obtainment of such Protective Measures. Banks and financial intermediaries can anyhow revoke or suspend the credit lines pursuant to the applicable prudential supervisory regulation (*disciplina di vigilanza prudenziale*).

If the entrepreneur applies for the Protective Measures (which, as said, are immediately effective), it must concomitantly file (in accordance with the deadlines set forth under the Italian Insolvency Code) 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.

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.

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, pursuant to article 19, paragraph 6 of the Italian Insolvency Code. If the Protective Measures are revoked, the prohibition of the obtainment of preemption rights by preexisting creditors ceases to be effective for the date on which the Protective Measure has been revoked.

During the procedure 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 Italian Insolvency Code, pending the negotiations, the entrepreneur may carry out acts pertaining to ordinary activity, and, 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. Furthermore, if during the course of the negotiations, it appears that the entrepreneur is insolvent but there are real prospects of recovery, the entrepreneur shall manage the enterprise and find the solution for the overcoming of its insolvency status in the best interests of the creditors, subject to his/her liabilities.

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 supervisory 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. If this is the case, the relevant acts do not benefit of certain protections against claw-back actions pursuant to article 24 of the Italian Insolvency Code.

Pursuant to article 22 of the Italian Insolvency Code, the court, 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, may authorize:

(a) the entrepreneur to incur new super senior (*prededucibile*) financings in any form, including requesting the issuance of collateral, or authorizing agreement with the bank and financial intermediary to the reactivation of suspended credit lines;

(b) the entrepreneur to incur new super-senior indebtedness (so-called *prededucibile*) via shareholders' financing;

(c) one or more companies belonging to the same group under article 25 of the Italian Insolvency Code to incur super-senior (*prededucibile*) financings; and

(d) the entrepreneur to transfer its business, or certain business branches, without the effects provided under article 2560, paragraph 2, of the Italian Civil Code, without prejudice to article 2112 of the Italian Civil Code. However, in such case it will be for the court itself to identify the measures it considers appropriate, taking also into account the requests of the parties concerned, in order to protect all the interests involved. The court shall also verify the compliance with the competitiveness principle in choosing the purchaser.

The execution of the above-mentioned authorizations may also be postponed after the ending of the *composizione negoziata* if so provided under the court authorization or the Final Report.

Pursuant to article 23, para. 1, of the Italian Insolvency Code, when a viable solution to overcome the crisis or insolvency of the debtor is identified, upon completion of the *composizione negoziata*, the relevant parties may proceed with one of the following:

(a) execution of an agreement between the entrepreneur and one or more creditors and any interested party, which constitutes cause for application of the reward measures provided under article 25-*bis*, paragraph 1 of the Italian 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;

(b) execution of a standstill agreement (*convenzione di moratoria*) pursuant to article 62 of the Italian Insolvency Code;

(c) execution of an agreement signed by the entrepreneur, by the adhering creditors and by any other adhering interested party, and also by the Expert, with the effects provided under articles 166, paragraph 3, lett. d) and 324 of the Italian Insolvency Code. With the execution of such agreement the Expert acknowledges that the reorganization plan (*piano di risanamento*) seems consistent with the composition of the crisis or insolvency of the entrepreneur.

Pursuant to article 23, para. 2 of the Italian Insolvency Code, the entrepreneur may, alternatively:

(a) arrange an out-of-court reorganization plan (*piano attestato di risanamento*) pursuant to Article 56 of the Italian Insolvency Code;

(b) file a petition requesting the sanctioning of a debt restructuring agreement with creditors *(accordo di ristrutturazione dei debiti*) pursuant to articles 57, 60 and 61 of the Italian Insolvency Code. The percentage referred to under article 61, paragraph 2, letter c) of the Italian 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 from the notification of the same;

(c) file a petition for admission to the *concordato semplificato per la liquidazione del patrimonio* provided for pursuant to article 25-*sexies* of the Italian Insolvency Code;

(d) enter into one of the other restructuring tools or insolvency proceedings provided for under the Italian Insolvency Code or in the extraordinary administration proceedings under so-called *Prodi-bis* law (d.lgs. n. 270/1999) or the *Marzano* law (d.l. n. 347/2003).

The agricultural entrepreneur may access to one of the restructuring tools provided forth under article 25-*quater* of the Italian Insolvency Code.

Moreover, pending the *composizione negoziata* the entrepreneur may submit a proposal for a settlement agreement to Italian Tax Authorities/Social Security Authorities providing for partial payment or rescheduling of the relevant debts and related accessories, subject to certain requirements, terms and conditions being met (including, *inter alia*, court-filing and necessary court approval to execute the settlement), as set forth under article 23, para. 2-*bis* of the Italian Insolvency Code. Such settlement proposal cannot include taxes constituting own resources of the European Union. Certain other tax-relevant provisions (in the context of *composizione negoziata*) are set forth, *inter alia*, under article 25-*bis* of the Italian Insolvency Code.

Furthermore, pursuant to article 24 of the Italian Insolvency Code:

(a) the acts authorized by the court pursuant to article 22 of the Italian Insolvency Code shall maintain their effects in the event of subsequent sanctioned debt restructuring agreement with creditors (*accordo di ristrutturazione dei debiti omologato*), sanctioned composition with creditors (*concordato preventivo omologato*), opening of the judicial liquidation proceeding (*apertura della liquidazione giudiziale*), a sanctioned restructuring plan provided for pursuant to article 64-*bis* of the Italian Insolvency Code, a compulsory administrative liquidation (*liquidazione coatta amministrativa*), extraordinary administration for large insolvent companies (*amministrazione straordinaria*) or a sanctioned simplified composition with creditors (*concordato semplificato per la liquidazione del patrimonio*) provided for pursuant to article 25-*sexies* of the Italian Insolvency Code;

(b) the acts, payments and granting of security interests made after the Expert accepted its appointment, are exempted from claw-back actions pursuant to article 166, paragraph 2, of the Italian Insolvency Code provided that they are consistent with the development and the status of the negotiations and with the perspectives of recovery (*risanamento*) existing at the time the payment/transaction/granting of security interest was made;

(c) acts of extraordinary administration and payment made after the Expert accepted its appointment are subject to claw-back actions pursuant to article 165 and article 166 of the Italian Insolvency Code if the Expert has registered his/her dissent in the Companies' Register pursuant to article 21, paragraph 4 of the Italian Insolvency Code or if the competent Court has denied its authorization pursuant to article 22 of the Italian Insolvency Code; and

(d) payment and transactions made after the Expert accepted its appointment, which were consistent with the development of the negotiations and in the perspective of the recovery (*risanamento*) of the enterprise, or which have been authorized by the Court pursuant to article 22 of the Italian Insolvency Code, benefit of exemptions from the potential application of certain criminal sanctions.

Potential outcomes: Simplified composition with creditors proceeding for the liquidation of assets (concordato semplificato per la liquidazione del patrimonio)

Article 25-*sexies* of the Italian Insolvency Code introduces a simplified court-supervised composition with creditors with liquidation purpose (*concordato semplificato per la liquidazione del patrimonio*).

If, in its Final Report, in the context of a *composizione negoziata*, the Expert states that the negotiations have been conducted according to fairness and good faith and that the options provided under article 23, paragraphs 1 and 2, letters (a) and (b), of the Italian Insolvency Code are not feasible, within 60 days following the notification of the Final Report the entrepreneur may file to the competent court where the entrepreneur has its center of main interests a petition for admission to the *concordato semplificato per la liquidazione del patrimonio*, together with a liquidation plan and the documents listed under article 39 of the Italian Insolvency Code. The petition for *concordato semplificato per la liquidazione del patrimonio* is then published in the Companies' Register within the day following the filing with the court. From the date of such publication, the effects provided under articles 6, 46, 94 and 96 of the Italian Insolvency Code are produced. The proposal may provide for the division of the creditors into different classes and article 84 para. 5 of the Italian Insolvency Code shall apply.

Within the above-mentioned deadline, the debtor may file a petition under article 40 of the Italian Insolvency Code, also reserving to subsequently file the plan and proposal (*anche con riserva di deposito della proposta e del piano*). Protective Measures might be requested also in the context of this proceeding.

Following the filing of such 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, the Final Report of the Expert and an opinion of the Expert with specific reference to the likely outcomes of the liquidation and the security interests offered by the debtor, 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 court sanctioning (*omologazione*). Creditors and any third-party which has any interests are entitled to object to the court sanctioning (*omologazione*) within ten days before the date fixed for the hearing.

The court issues a decree sanctioning (*omologa*) the *concordato semplificato per la liquidazione del patrimonio* when it finds that (i) the proceeding has been carried out in accordance with relevant laws and regulations and the adversarial principle among the parties (*contraddittorio*), (ii) the proposal is compliant with preemption rights (*cause di prelazione*) and the liquidation plan is feasible, and (iii) the proposal does not cause a prejudice to the creditors compared to what they would receive in case of insolvent liquidation of the entrepreneur (*liquidazione giudiziale or liquidazione controllata*, as applicable), and in any case ensures that each creditor receives a certain recovery. With the sanctioning decree, the court also appoints a liquidator.

The parties may file an objection (*reclamo*) to the abovementioned decree within 30 days after having been notified of the same.

Pursuant to article 25-*septies* of the Italian Insolvency Code, the liquidation plan may also include an offer by a pre-identified third-party to purchase the business or one or more branches of the business or specific assets, even before the sanctioning (*omologazione*): in this case, the liquidator or the auxiliary, as applicable, having verified the absence of better solutions on the market, may implement the offer.

Out-of-court reorganization plans (piani attestati di risanamento) pursuant to Article 56 of the Italian Insolvency Code

Out-of-court debt restructuring agreements are based on restructuring plans (*piani attestati di risanamento*) addressed to the creditors and prepared by debtors who are either insolvent or in a state of crisis, in order to restructure their indebtedness and to ensure the recovery of their statement of financial position, economic and financial condition. An independent expert appointed directly by the debtor included in the list of the insolvency practitioners (*gestori della crisi e insolvenza delle imprese*) and enrolled in the Register of Auditors and Accounting Experts (*Registro dei Revisori Contabili*) must verify (*attestare*) the truthfulness of the business data (*veridicità dei dati aziendali*) provided by the company and the economic feasibility (*fattibilità economica*) of the restructuring plan. There is no need to obtain court approval to appoint the independent expert. The independent expert must possess certain specific independence requisites 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.

Out-of-court reorganization plans 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 other supervising authority. Also, out-of-court debt restructuring arrangements are not required to be approved and consented to by a specific majority of all outstanding claims.

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. However, the possibility to adopt such tools to liquidate the debtor is disputed, as it is argued they shall provide for the restructuring of the debtor's indebtedness and the rebalancing its financial condition on a going concern basis. Unlike judicial restructuring tools, out-of-court reorganization plans do not offer the debtor any protection against enforcement proceedings and/or precautionary actions of third-party creditors. The Italian Insolvency Code provides that, 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 (a) are not subject to any claw-back action (*azione revocatoria*), including the claw-back action provided for pursuant to article 2901 of the Italian Civil Code, as provided for pursuant to article 166, paragraph 3, letter d) of the Italian Insolvency Code, and (b) are exempted from the potential application of certain criminal sanctions. Neither ratification by the court nor publication in the Companies' Register are needed (although publication in the

Companies' Register of the plan, the report by the independent expert and the arrangements is possible upon a debtor's request and would allow to certain tax benefits), and, therefore, the risk of bad publicity or disvalue judgments are lower than in case of judicial restructuring tools. Since the out-of-court reorganization plan (or the agreements entered into to implement it) is not subject to any court approval or judicial review, it cannot be excluded that the abovementioned exemption effects will be challenged in the event of subsequent judicial liquidation, if the competent court were to assess that the reorganization plan was not feasible at the time it was certified by the independent expert. Furthermore, exemptions above do not apply in case of willful misconduct and gross negligence of the independent expert or the debtor, when the relevant creditor was aware thereof at the time of the transaction.

The Italian Insolvency Code sets forth specific rules regarding out-of-court reorganization plans and the relevant restructuring arrangements entered into with creditors, which must be followed for the plans and agreements to grant protection against claw-back actions and potential civil and criminal responsibilities. More in detail, out-of-court debt restructuring plans pursuant to article 56 of the Italian Insolvency Code must be supported by adequate documentation representing the financial and commercial situation of the debtor and which also needs to indicate, among others, the causes of the crisis and the new resources which will be made available to the debtor and the industrial plan, with analytic indication of envisaged profits and losses, financial budget and relevant funding sources, with specific regard to those necessary to ensure compliance with labour safety rules and environment protection. Moreover, they must be suitable for the purpose of assuring the restructuring of the indebtedness of the debtor and rebalancing its financial position and, in case of its failure and subsequent challenge (*impugnazione*) before an Italian court, it must not be deemed as being unreasonable.

Certain common rules applicable to judicial restructuring tools

a) unitary proceedings and protective and interim measures

Certain common rules apply to restructuring tools to be commenced by filing a petition with the competent court pursuant to article 40 and ff. of the Italian Insolvency Code. Such restructuring tools (better described below) include mainly debt restructuring agreements (*accordi di ristrutturazione dei debiti*), restructuring plan subject to homologation (*piano di ristrutturazione soggetto a omologazione* or PRO) and composition with creditors (*concordato preventivo*).

With respect to the above restructuring tools (hereinafter "judicial restructuring tools"), and after the filing of the relevant petition - together with the documentation listed in article 39 of the Italian Insolvency Code, or pursuant to article 44 of the Italian Insolvency Code (see below) - the unitary proceedings set forth in article 41 and ff. of the Italian Insolvency Code (*procedimento unitario per l'accesso agli strumenti di regolazione della crisi e dell'insolvenza e alla liquidazione giudiziale*) is applicable. The petition is subject to publication in the Company Register within the following day after the relevant filing and shall be notified also to the Public Prosecutor. The relevant steps of the unitary proceedings may vary depending on the different judicial restructuring tool but they entail, de minimis, the involvement of the court to sanction the restructuring tool sanctioning by way of a specific judgment (*sentenza di omologa*).

Judicial restructuring tools may also feature the application of Protective Measures (*misure protettive*) and Interim Measures (*misure cautelari*), with the content described above, which may be requested with the petition (including pre-petition pursuant to article 44 of the Italian Insolvency Code) or at a later stage, and also during the negotiations preceding the filing of a debt restructuring agreement, subject to certain specific conditions.

Protective Measures must be confirmed by the relevant court. However, the date of publication of the relevant petition in the Companies' Register, there is a general stay under which it is prohibited for the generality of creditors to commence or continue the enforcement and the conservative actions (or, in any event, to take any initiatives prohibited under the relevant Measures), together with other protective effects including suspension of statute of limitation period and forfeitures' effects and a stay of any petition for the opening of judicial liquidation (*liquidazione giudiziale*) or declaration of insolvency.

Other specific effects of Protective Measures may vary depending on the specific judicial restructuring tool selected, according to articles 46, 64, 64-*bis*, 89 e 94-*bis* of the Italian Insolvency Code. Such effects may include neutralization of *ipso facto* clauses in executory contracts and prohibition to discontinue or modify key executory contracts (*contratti essenziali*) with detriment of the entrepreneur.

Upon request of the entrepreneur the competent court may also grant Interim Measures (misure cautelari) aimed at ensuring interim effects consistent with the implementation of the relevant judicial restructuring tool. Protective Measures and Interim Measures are ordinarily granted for a maximum period of four (4) months, which may be extended by the court, upon request of the debtor or the creditors, prior obtainment of the judicial commissioner report (if any) to a maximum period of twelve (12) months, also taking into account any Protective or Interim Measures granted in the context of *composizione negoziata* (see above *Composizione negoziata per la soluzione della crisi d'impresa* pursuant to the Italian Insolvency Code).

b) preliminary petition pursuant to article 44 of the Italian Insolvency Code

The petition to access a judicial restructuring tool may be preceded by the filing of a preliminary and simplified petition pursuant to article 44 of the Italian Insolvency Code. The debtor company may file such petition, reserving the right to submit the underlying plan, the proposal and all relevant documentation within a period assigned by the court (a) between 30 and 60 days from the date of the filing of the preliminary petition, subject to only one possible further extension of up to 60 days, where there are reasonable grounds for such extension (*giustificati motivi*) supported by the drafting of a draft restructuring project. If the court accepts such preliminary petition, it, among other things: (i) appoints a judicial commissioner (*commissario giudiziale*) with the task to report to the court about any conduct of the debtor which is fraudulent or detrimental for the creditors, that may cause the court to reject the petition and (ii) sets forth reporting and information duties of the company during the abovementioned period. As mentioned above, filing the simplified petition, the debtor may request the application of Measures.

According to article 44, paragraph 1-*bis*, 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. In case 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. 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 term/deadline 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 petition, 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.

Within the deadline set by the court the debtor may submit, alternatively, one of the judicial restructuring tools among debt restructuring agreement, PRO or *concordato preventivo*.

Non-compliance with the relevant requirements may result in the preliminary petition's dismissal and, subject to the relevant requirements, commencement of judicial liquidation.

Debt restructuring agreements with creditors (*accordi di ristrutturazione dei debiti*) pursuant to Article 57 of the Italian Insolvency Code and ff.

Debt restructuring agreements with creditors (*accordi di ristrutturazione dei debiti*) provided for pursuant to article 57 and ff. of the Italian Insolvency Code allow the debtor, which must be a commercial entrepreneur and not qualify as a "small enterprise" (*impresa minore*, as defined above), facing a crisis or insolvency situation, to enter into an agreement with creditors holding at least 60% of the outstanding indebtedness, to be sanctioned (*omologato*) by the competent court. An independent expert (as described above) appointed by the debtor must assess the truthfulness of the business and accounting data provided by the company and declare and that the agreement is feasible and, particularly, that it ensures that the indebtedness *vis-à-vis* non-participating creditors can be fully satisfied within the following terms in a 120-day term from: (i) the date of sanctioning (*omologazione*) of the agreement by the court, in the case of debts which are due and payable to the non-participating creditors as of the date of the sanctioning (*omologazione*) of the debt restructuring agreement by the court; and (ii) the date on which the relevant debts fall due, in case of debts which are not yet due and payable to the non-participating creditors as at the date of the sanctioning (*omologazione*) of the debt restructuring agreement by the court. Pursuant to article 57 of the Italian Insolvency Code, only a debtor who is insolvent or facing a state of crisis (as described above) can initiate this process and request the court's sanctioning (*omologazione*) of the debt restructuring agreement entered into with its creditors.

The agreement is published in the Companies' Register and becomes effective as of the day of its publication. Creditors and other interested parties may challenge the agreement within 30 days from the publication of the agreement in the Companies' Register. After having settled with the opposition (if any), the court will sanction (*omologare*) the agreement by issuing a judgement (*sentenza*), which can be appealed within 30 days of its publication pursuant to article 51 of the Italian Insolvency Code.

The Italian Insolvency Code does not expressly provide for any indications concerning the purposes of the debt restructuring agreement. 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 may also contain a proposed 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 Italian Insolvency Code). If the plan provides for the implementation of a merger, demerger or transformation, article 116 of the Italian Insolvency Code shall apply. A single petition for homologation under article 57 et seq. of the Italian 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 e previdenziale*" to Tax Authorities/Social Security Authorities under the Italian Insolvency Code (in accordance with the requirements provided thereunder).

Article 58, paragraph 1 of the Italian Insolvency Code sets the rule applicable when substantial amendments are made to the plan. More precisely, in the event of substantial amendments to the plan before its sanctioning (*omologa*), the report issued by the expert and the consent to the debt restructuring agreement expressed by creditors shall be renewed. The report shall also be renewed in the event of substantial amendment to the agreement. In the event that substantial amendments to the plan are required after the sanctioning (*omologa*), the debtor shall make such amendments that are appropriate to ensure the implementation of the agreements, by requesting to the independent expert the renewal of the report (*attestazione*). In this case, the renewed report, together with the amended restructuring plan, shall be published in the Companies' Register, giving appropriate notice to the creditors by registered letter or by certified email (PEC). The creditors may file an objection (*opposizione*) to the abovementioned amendments within 30 days after having been notified of the same.

General features of debt restructuring agreements

No dispossession of debtor occurs in respect of a debt restructuring agreement, but the court may appoint a judicial commissioner to oversee the proceedings and must do so in case petitions for the opening of judicial liquidation are pending, when it is necessary for the protection of the parties who filed such petitions. It is a court-supervised procedure, which can take from a few months up to more than a year (the duration of the proceedings is generally influenced by challenges). Creditors entering into the debt restructuring agreement 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, who shall be fully re-paid within 120 days from validation (*omologa*) of the debt restructuring agreement (if the claims are already due and payable at such date) or within 120 days from the respective maturity date if such creditors' claims are not yet due as of the validation date of such debt restructuring agreement as per respectively article 57, paragraph 3 letters a) and b), 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 e previdenziale*) pursuant to – and in accordance with – the provisions set forth under article 63 of the Italian Insolvency Code.

By virtue of article 59 of the Italian Insolvency Code, article 1239 of the Italian Civil Code applies to the creditors that have adhered to the debt restructuring agreements so the discharge of the debtor under the agreement entails the release of the guarantors. On the other hand, non-participating 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, without prejudice to their obligations as guarantors (if any) unless the agreement provides otherwise.

After the publication of the petition in the Companies' Register, the creditors and any other interested parties may file an opposition to the sanctioning (*omologazione*) within the following thirty (30) days. In case of opposition, the court will schedule a specific hearing for the party to discuss the case. At such hearing, the court decides upon any opposition and if assesses whether the conditions for the sanctioning (*omologazione*) are met, issues the sanctioning judgment (*sentenza di omologa*), otherwise the petition is rejected and, upon request of the subjects having the relevant standing (i.e., the debtor itself, the creditors, the supervisory bodies of the debtor and the Public Prosecutor (see below Judicial liquidation (*liquidazione giudiziale*) section) may declare the debtor insolvent and declare the opening of the judicial liquidation (*liquidazione giudiziale*) or other applicable insolvency proceedings.

Debt restructuring agreements with special regulations

a) Facilitated debt restructuring agreements (accordi di ristrutturazione agevolati)

Article 60 of the Italian Insolvency Code provides for the so-called facilitated debt restructuring agreements (*accordi di ristrutturazione agevolati*). Such agreements are a particular kind of debt restructuring agreements which may be entered into with creditors representing 30% of the total indebtedness (instead of the 60% generally required) provided that the debtor: (i) has waived the standstill on the payment of non-consenting creditors (usually provided for by law, for a period of 120 days from the court sanctioning (*omologazione*) of the agreement or from the maturity date of the relevant obligations, in "ordinary" restructuring agreements); and (ii) has not previously requested to the court the granting of Protective Measures on the its assets under article 54 of the Italian Insolvency Code.

b) Debt restructuring agreements with extended effects (accordi di ristrutturazione ad efficacia estesa)

Pursuant to the article 61 of the Italian Insolvency Code, debtors are entitled to enter into debt restructuring agreement by obtaining the approval of creditors representing at least 75% of the credits belonging to the same category (with respect to the homogeneity of their status and economic interests) and 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 agreements with extended effects (*accordi di ristrutturazione ad efficacia estesa*) provided pursuant to article 61 of the Italian Insolvency Code can 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 Italian Insolvency Code; (iii) the claims of the consenting creditors belonging to a same category represent at least 75% of all the claims belonging to the same category, being understood that a creditor may hold claims in more than one 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 had the judicial liquidation been opened at the date of the petition; and (v) the debtor has notified the agreement, the application for court sanctioning (*omologazione*) and the documents attached thereto to the creditors to be crammed down. The percentage of 75% is lowered to 60% if the achievement of the agreement is reported to in the Final Report issued by the Expert at the end of the negotiations pertaining to the *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 the new article 61, paragraph 5, of the Italian Insolvency Code, a special provision is set forth for debtors whose financial indebtedness is at least 50% of their total indebtedness: in this situation the debt restructuring agreement 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-participating creditors who are part of the same category. In such instance, the agreement is valid even if it does not contemplate the direct or indirect continuation of the business activity as a going concern. However, in such case the rights of creditors who are not banks or financial intermediaries (or their assignees or transferees) remain valid.

In any event, a debt restructuring agreement with extended effects cannot impose on the non-adhering creditors the performance of new obligations, including the granting of new overdraft facilities, the maintenance of the possibility to utilize the existing facilities or the utilization of new facilities. Continuation of already existing financial leasing contracts is not considered a new obligation.

Standstill agreement (convenzione di moratoria) pursuant to article 62 of the Italian Insolvency Code

Article 62 of the Italian Insolvency Code provides for the possibility for the debtor to enter into a standstill agreement (*convenzione di moratoria*) with creditors representing 75% of the same category, with binding effects also to the non-participating creditors, provided that (A) an independent expert has been appointed and certifies (i) the truthfulness of the business data, (ii) the attitude of the standstill agreement to temporarily regulate the effects of the crisis and (iii) that the non-adhering creditors are not worse-off compared to what they would have received had the judicial liquidation been opened at the date of the standstill and (B) certain further conditions are met (e.g. 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). Non-adhering crammed-down creditors can challenge the standstill agreement in court within 30 days after having been notified of the same.

In any event, the standstill agreement cannot impose on the non-adhering creditors the performance of new obligations, including the granting of new overdraft facilities, the maintenance of the possibility to utilize the existing facilities or the utilization of new facilities. Continuation of already existing financial leasing contracts is not considered a new obligation.

Restructuring plan subject to homologation (piano di ristrutturazione soggetto ad omologazione or PRO)

Articles 64-*bis* and ff. of the Italian Insolvency Code allow the debtor, which must be a commercial entrepreneur and not qualify as small enterprise ("*impresa minore*"), facing crisis or insolvency, to submit to its creditors a restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*, hereinafter also "PRO") on a going concern basis and aimed at distributing among them the relevant plan's proceeds. Creditors must be divided into classes (with homogeneous legal status and economic interests) and there is no requirement to comply with the distribution rules of other insolvency proceedings (*ordine delle cause legittime di prelazione*), but the proposal must be approved by unanimous consent of the classes. In any event, employees' claims must be satisfied entirely, with monetary payment, by thirty (30) days after the homologation.

The plan may also envisage the settlement of Tax Authorities/Social Security Authorities credits pursuant to the terms and conditions set forth under article 64-*bis*, paragraph 1-*bis* of the Italian Insolvency Code.

Application for sanctioning (*omologazione*) of PRO by the court is governed by the unitary proceedings applicable to judicial restructuring tools see above under section Certain common rules applicable to judicial restructuring tools) and certain rules typical of composition with creditors (*concordato preventivo*), set forth under article 64-*bis*, paragraph 9, of the Italian Insolvency Code, are applicable thereto. The court is required to run a preliminary judgement of admissibility in order to assess, *inter alia*, the correctness of the class formation criteria. The entrepreneur maintains the ordinary and extraordinary management of the company in the prevailing interest of the creditors under the supervision of a judicial commissioner appointed by the court.

The debtor is, in any case, allowed to amend the application at any time, formulating the proposal of composition (*concordato preventivo*).

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 Tribunal shall assess – *inter alia* – that the transfer is functional to the business continuity and the best satisfaction for the creditors, as well as compliance with the principle of competitiveness in the selection of the buyer.

The court will sanction the PRO in the event of approval by all classes. 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 favor, provided that creditors holding at least half of the total claims of the same class have voted.

If a dissenting creditor objects to the proposal, the court will approve and homologate the PRO if the proposal grants to such creditor a recovery not lower than that obtainable had the judicial liquidation been opened at the date of the entry-petition.

Against the judgment of the court ruling on the approval (homologation) of the PRO, the parties may file an appeal with the competent court of appeal within the term of 30 days from the notification of the relevant judgement of the court, pursuant to article 51 of the Italian Insolvency Code.

Court supervised composition with creditors (concordato preventivo)

a) general overview

A debtor which must be a commercial entrepreneur and not qualify as a "small enterprise" (*impresa minore*, as defined above) facing crisis or insolvency, has the option to make a composition proposal to its creditors (so called "*concordato preventivo*" or composition with creditors), under court supervision, in order to compose its overall indebtedness and/or reorganize its business, thereby avoiding a declaration of insolvency and the initiation of judicial liquidation.

The relevant application to commence the *concordato preventivo* is governed by the unitary proceedings applicable to judicial restructuring tool (see above under section Certain common rules applicable to judicial restructuring tools).

More in detail, the debtor, which is the only subject having standing to commence the proceedings, shall file the application with the court for a *concordato preventivo* with the competent court (to be identified pursuant to article 27 of the Italian Insolvency Code) together with a specific set of documentation, including, among others, a restructuring plan containing an analytic description of manner and timing of the fulfillment of the proposal and an independent expert report assessing the feasibility of the composition proposal and the truthfulness of the business and accounting data provided by the company. From the date of such publication to the date on which the court sanctions the *concordato preventivo*, preexisting creditors cannot obtain security interests (unless authorized by the court) and mortgages registered within the 90 days preceding the date on which the petition for the *concordato preventivo* is published in the company's register are ineffective against such pre-existing creditors. Upon request of the entrepreneur in the entry – petition or in a subsequent petition, Protective Measures are applicable (see above under section Certain common rules applicable to judicial restructuring tools) and, as a result, from the date of publication of the petition in the companies' register, it may be prohibited for the creditors to commence or continue any enforcement or precautionary actions (or, in any event, to take any initiatives prohibited under the relevant Measures) on the assets of the entrepreneurs or any asset used in the business. As already described above, and also with reference to debt restructuring agreements, at any time pending the proceedings, the debtor may request to be granted Interim Measures or other Measures, which can also be requested pursuant to article 44 of the Italian Insolvency Code, together with a pre-petition for the access to one of the restructuring tools provided for by the Italian Insolvency Code.

The composition proposal filed in connection with the petition may provide for the satisfaction of the creditors through a restructuring plan (i) on a going concern basis (*concordato con continuità aziendale*), (ii) with liquidation of the assets, including through piecemeal liquidation (*concordato liquidatorio*), (iii) with transfer of the assets to a third party (*concordato con assuntore*) or in any other manner, 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). In any event, the recovery granted to the creditors, under the relevant restructuring plan, shall not be less than that obtainable in the judicial liquidation (*liquidazione giudiziale*).

Class formation is applicable and is mandatory in the cases provided for under the article 85 of the Italian Insolvency Code.

In particular, classes shall be formed in relation to creditors for tax or mandatory social security contributions when not repaid in full, creditors secured by third-party guarantors, creditors satisfied (wholly or partially) with non-monetary compensation, creditors submitting competing *concordato* proposals and relevant related parties. In *concordato* on a going concern basis (see below), a specific class shall be formed also for creditors with supply receivables which, in the previous financial year, have not exceeded at least two of the following requirements: (i) assets of up to five million Euro; (ii) net sales and service revenues of up to ten million Euro; and (iii) an average number of employees equal to fifty.

In case of class formation, each class shall be composed by creditors having homogeneous legal positions and economic interests and differentiated treatments among different classes are allowed. Subject to certain exceptions, the division in classes shall not affect the distribution rules according to the mandatory ranking of priorities set forth in the Italian Civil Code and in the Italian Insolvency Code (*ordine delle cause legittime di prelazione*).

The composition proposal may also contain a proposed settlement for the partial or deferred payment of certain taxes and social or insurance mandatory contributions managed by public creditors, in compliance with the requirements set forth under article 88 of the Italian Insolvency Code, which also provides for a specific cram-down mechanism in case the relevant public creditor does not adhere (or vote against) the plan.

The plan may also provide for the implementation of corporate extraordinary transactions such as mergers, demergers and transformations, subject to the requirements and regulations set forth in article 116 of the Italian Insolvency Code.

The restructuring plan may include a deferral of payments (or moratorium) due to secured creditors, unless when the plan envisages the disposal of the relevant collateral. With respect to employees' claims secured by lien under article 2751-*bis*, n. 1 of the Italian Civil Code, the deferral or moratorium cannot exceed 6 months from the homologation. The deferral or moratorium of payments may allow secured creditors to exercise voting rights under article 109 of the Italian Insolvency Code (see below).

b) key features of the proposal of concordato preventivo (on a going concern basis or with liquidation purpose) and competitive proposals

When the restructuring plan is with liquidation purpose (*concordato liquidatorio*) certain specific thresholds of minimum recovery / contributions of new funds apply. Namely, it must be ensured that (i) external resources are contributed to the plan which increase the assets available at the time of the filing by at least 10% and (ii) the unsecured creditors (including by effect of demotion) are paid in a percentage not lower than 20% of their total claims. The proceeds of the plan shall be distributed mainly according to the mandatory ranking of priorities (absolute priority rule), pursuant to article 2740 and 2741 of the Italian Civil Code, exception made for external resources whose distribution may derogate to the above, to the extent that the 20% threshold of minimum recovery for unsecured creditors is complied with. Resources contributed are considered as "external", *inter alia*, when provided for any reason by the debtor's shareholders without obligation of repayment or subordination, and provided for the sole benefit of the creditors. In any event, pursuant to article 84, para. 5, of the Italian Insolvency Code, it is not mandatory to offer full recovery to secured creditors, provided that they receive, at least, the amounts they would have received in case of liquidation of the relevant collateral, net of expenses.

The restructuring plan is on a going concern basis (*concordato con continuità aziendale*), when it envisages either (i) the continuation of the business by the debtor as going concern (*continuità diretta*) or (ii) the transfer of the business as a going concern to one or more third party (*continuità indiretta*). According to Article 84, paragraph 3 of the Italian Insolvency Code, the plan is considered with business continuity also if it includes disposal of assets, provided that the recovery of the creditors depends, at least in part, from the proceeds created by the going concern, regardless they are prevalent to the proceeds of disposals. When the restructuring plan is with business continuity, it must fully describe the costs and revenues that are expected as a consequence of the continuation of the business as a going concern, as well as the financial resources and support which will be necessary. Furthermore, in *concordato* with business continuity class formation is always mandatory

Furthermore, the distribution of the proceeds under the plan is subject to specific rules; namely (i) up to the so called "liquidation value" - i.e., such value that would be available for creditors in the scenario of judicial liquidation (*liquidazione giudiziale*), including any upside deriving from the disposal of the business as a going concern and from lawsuits which can be brought in such scenario, net of relevant costs, pursuant to article 87 of the Italian Insolvency Code – any distributions to creditors shall comply with the absolute priority rule according to articles 2740 and 2741 of the Italian Insolvency Code, while (ii) any value exceeding the liquidation value may be distributed according to relative priority rule, along which it is sufficient that creditors with equal ranking receive equal treatment and a better treatment than any junior creditors; however (iii) employees' claims, pursuant to article 2751-*bis*, n. 1 of the Italian Civile Code, shall be satisfied in compliance with absolute priority rule both out of the liquidation value and the exceeding value and (iv) external resources, as described above, may be freely distributed. In any event, each creditor shall receive a specific economic benefit (*utilità specificamente individuata*) including by way of continuation of contractual relationships with the debtor or its successors.

In case of business continuity, the independent expert's report must also certify that the plan is aimed at avoiding or overcoming the insolvency of the debtor, ensuring the viability of the business and that no creditor is worsen of by the plan compared with the judicial liquidation scenario.

After the filing of the debtor proposal and until 30 days prior to creditors voting on debtor's plan, creditors holding at least 5% of the total indebtedness of the debtor (excluding intercompany receivables) may submit a competing concordato proposal (*proposta concorrente*), provided that: (a) the competing proponent is not a related party of the debtor and (b) the debtor's proposal offers a recovery lower than 30% of the total amount of unsecured creditors (20% applies if *concordato preventivo* has been preceded by *composizione negoziata*) as certified by the independent expert.

c) procedural aspects

c.1) opening of the procedure and debtor in possession

If the court determines that the composition proposal is admissible, it appoints a judge (*giudice delegato*) to supervise the procedure, appoints one or more judicial officers (*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 officers and judge (who will authorize all transactions that exceed the ordinary course of business).

More in detail, from the filing of the petition and to the date on which the court sanctions the *concordato preventivo* (*omologa*), the debtor is entitled to operate within the ordinary course of its business, while extraordinary transactions require the prior approval of the court. The entrepreneur may be also authorized by the court to pay pre-filing claims relating to the purchase of goods or services, if an independent expert certifies that they are essential for business continuity and to ensure the best satisfaction of creditors.

Any act, payment or security executed or created after the filing of the *concordato preventivo* application and in accordance with its rules and procedures is exempt from claw-back action. The debtor is also exempt from certain bankruptcy crimes provided under articles 322, third paragraph ("*preferential bankruptcy*"), and 323 ("*simple bankruptcy*") of the Italian 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 Italian Insolvency Code upon judicial authorization. Claims arising from acts lawfully carried out by the debtor according to the above mentioned rule have super senior priority (*prededucibilità*) in the event of a subsequent judicial liquidation (see "*Statutory priorities*" below).

For details regarding super senior financing, please refer to the paragraph relating to debt restructuring agreements.

c.2) executory contracts

As a general rule, the access to composition with creditors does not trigger any automatic discontinuation of the executory contracts, notwithstanding they include any *ipso facto* clause, but specific requirements are applicable for continuation of contracts with public administration, pursuant to article 95 of the Italian Insolvency Code. The debtor may be also authorized by the court to suspend or terminate specific executory contracts which are not consistent with the restructuring plan pursuant to the specific conditions set forth under article 97 of the Italian Insolvency Code. If Protective Measures have been granted, the affected creditors may not discontinue the key executory contracts on the grounds of pre-petition breaches pursuant to article 94-*bis* of the Italian Insolvency Code.

c.3.) transfer of assets and competing offers

As a general rule, pending the composition with creditors, any transfer or rent of the business, of business units and of specific assets, provided that has been previously authorized by the court as transaction exceeding the ordinary course of business, shall be implemented through competitive procedures, on the basis of specific appraisals and with the support of adequate advertising. Furthermore, when the restructuring plan includes an offer by a pre-identified offeror (so called "pre-packed offer") for the purchase or rent of the business, a business unit or specific assets, the relevant transfer or rent cannot be implemented prior than the following steps are complied with: (i) the offer shall be adequately advertised in order to collect competing offers; (ii) if one or more letters of interest is received, the Court shall start a competitive procedure for the submission of irrevocable offers; in case more favorable offers are submitted, an auction shall be run to select the winner. If the winner differs from the original pre-identified offeror, the latter is freed from any obligation towards the company and indemnified of the costs sustained (up to a maximum cap of 3% of the offered price); (iii) if no competitive offers are submitted in the procedure, the original offeror remains bound to its initial offer.

c.4) approval procedure

The *concordato preventivo* is voted on within the period of time scheduled by the court.

Voting procedures are different depending on the type of composition with creditors.

When the restructuring plan is with liquidation purpose (*concordato liquidatorio*) the plan must be approved with the favorable vote of the creditors representing the majority of the receivables admitted to vote.

In case one creditor holds more than the majority of receivables admitted to voting, it is also necessary to reach majority of creditors by headcount (*maggioranza per teste*).

In the event that the plan provides for the division of creditors into classes, the majority of the receivables admitted to vote, included in each class, shall be reached also in the majority of the classes.

The *concordato preventivo* is approved only if the required majorities of creditors expressly voted in favor of the proposal. Creditors who did not exercise their voting right will be deemed not to approve the *concordato preventivo* proposal.

In relation to voting by the holders of the Notes in the *concordato proceedings*, the interactions between (i) the provisions set forth under the Indenture 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 are largely untested in the Italian courts (recent case law has however affirmed the right of noteholders whose vote may be tainted by conflict of interest as could be the case of disenfranchised noteholders to be computed for the purposes of relevant *quora* and be admitted to vote, albeit in a specific class).

Secured creditors satisfied in full under the proposal of *concordato preventivo* are not entitled to vote, unless and to the extent that they waive their security interests, in which case they can vote only in respect of the part of their debt affected by the proposal. If the proposal provides for the partial satisfaction of secured creditors, the latter are considered unsecured for the demoted part of their claims.

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 and not included in the relevant quorum. The creditor submitting a competing proposal, its subsidiaries, the company which controls such creditor and the other companies subject to the same control of such creditor, are admitted to vote only if included in a separate class.

If an objection to sanctioning (*omologazione*) of the *concordato preventivo* is filed (a) by 20% of the creditors admitted to vote or, (b) in case there are different classes of creditors, by a creditor belonging to a non-adhering class, on the grounds that the proposal is not economically beneficial, the court may nevertheless sanction the *concordato preventivo* if it deems that the relevant objecting creditors will be satisfied to a greater extent as a result of the *concordato preventivo* they would have been in case a judicial liquidation had been commenced as at the date of the filing of the *concordato* petition.

Pursuant to article 109, paragraph 5, of the Italian Insolvency Code, when the composition with creditors is on a going-concern basis (*concordato con continuità*), certain specific rules apply. Indeed, the relevant proposal must be approved by all classes of creditors. In each class, the proposal is approved if the majority of the claims allowed to vote is reached or, failing that, if two-thirds of the claims of the voting creditors have voted favorably, provided that creditors holding at least half of the total claims of the class have voted.

Secured creditors are not admitted to vote if they receive full monetary satisfaction of their claims within 180 days from the approval of the composition with creditors, provided that the relevant in – rem security interests which secure their claims (pledge or mortgage) remain in place during the implementation of the plan and until the disposal of the relevant assets underlying such collaterals, for the purpose of repaying the relevant secured claims. As regards employees' claims secured by lien under article 2751-*bis*, n. 1 of the Italian Civil Code the applicable term for the purposes above is reduced from 180 days to 30 days. If the conditions above are not complied with the relevant creditors vote and, for the demoted part of their claims, are included in a separate class.

Pursuant to article 112 of the Italian Insolvency Code, the composition with creditors on a going concern basis (*concordato con continuità*) can be sanctioned (*omologato*), notwithstanding the dissent of certain classes, upon request of the debtor (or, in case of a competing *concordato* proposal, with the consent of the debtor which does not exceed any of the thresholds set forth in article 85, paragraph 3 of the Italian Insolvency Code) if the following conditions are jointly met (so called cross-class cram-down): (i) the liquidation value (as defined under article 87, paragraph 1, letter c) of the Italian Insolvency Code) 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 a treatment at least equal to that of the classes of the same ranking and more favorable than that of the classes of lower ranking (relative priority rule); (iii) no creditor receives more than the amount of its 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 no. 1 (one) class of creditors meeting both the following requirements: (a) creditors included in such class(es) are offered an amount which is lower than the amount of their claims, and (b) such creditors would be satisfied in whole or in part if the "absolute priority rule" was applied also to the value exceeding the liquidation value.

In the composition with creditors on a going concern basis (*concordato con continuità*), if an objection to sanctioning (*omologa*) is filed by any dissenting creditor on the grounds that the proposal is not economically beneficial, the court may nevertheless sanction the *concordato preventivo* if, according to the proposal and the plan, the relevant objecting creditor results to be satisfied to an extent not lesser than the liquidation value (as defined under article 87, paragraph 1, letter c) of the Italian Insolvency Code). In case of objection the court orders the estimate of the going concern of the debtor only if the objection is presented on the grounds (a) of the lack of economic expediency of the plan or (b) of the violation of the cross-class cram-down rules.

If a *concordato* competing proposal (*proposta concorrente*) has been filed by one or more creditors, they will be subject to the vote by creditors as well. The winning proposal is the one obtaining 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-submits to vote the proposal which obtained the highest majority. Without prejudice to the above, according to article 109, para. 5-*bis* of the Italian 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 on a going concern basis (*continuità aziendale*) is presented for homologation. In case more proposals on a going concern basis (*continuità aziendale*) have been approved by creditors, the proposal which has obtained the highest majority of unsecured creditors admitted to vote is presented for sanctioning (*omologazione*).

If the composition with creditors is approved, terms and conditions of payments and performance are amended according to the *concordato* proposal's provisions and the debtor may return to its usual operations. A sanctioned concordato preventivo is compulsory for all pre-petition creditors (i.e., creditors with receivables have arisen prior to the publication of the entry-petition in the Companies' Register. However, creditors' rights against co-debtors and guarantors of the debtor are not affected.

Pursuant to Article 111 of the Italian Insolvency Code, if the creditors do not approve the *concordato preventivo* with the required majorities and without prejudice to cross-class cram-down mechanism, if requested or consented by the debtor, as applicable, the deputy judge (*giudice delegato*) shall inform the court which, subject to the occurrence of the relevant conditions, declares the opening of judicial liquidation.

c.5) Implementation of the plan

If the composition with creditors provides for the liquidation of the debtor's assets, the court (i) appoints one or more liquidators and a credit committee including 3 to 5 creditors, in order to assist in the liquidation and (ii) set forth the relevant liquidation rules.

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 (*azienda*) and the relevant buyer has not yet been identified.

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.

Exclusively in case of composition with creditors with going concern, it is possible to amend (after the homologation) the content of the plan if so necessary to implement the proposal to creditors, subject to compliance with the requirements and conditions set forth under article 118-*bis* of the Italian Insolvency Code and as well as subject to specific court-ruling/proceeding provided thereunder.

c.6) Termination and annulment

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 willfully 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.

Pursuant to article 118-*bis* of the Italian Insolvency Code, the plan underlying a sanctioned composition with creditors on a going concern basis (*concordato preventivo in continuità*) may be amended (after the sanctioning) if so necessary to implement the proposal to creditors, subject to compliance with the requirements and conditions set forth thereby, and as well as subject to specific Court-ruling/proceeding provided thereunder.

Available financing forms under the Italian Insolvency Code

The enactment of the Italian Insolvency Code did not change the main features of the previous legal framework set out in the Italian Bankruptcy Law. The aim at preserving the value of the company as a going concern and maximizing creditor's repayment are the main goals both of the previous legal framework and the Italian Insolvency Code.

However, the new provisions under the Italian Insolvency Code remove some uncertainties and clarifies some debated issues.

In addition, the provisions under the Italian Bankruptcy Law focused mainly on the perspective of creditors already having claims against the company to avoid that the expectations of recovery of such claims were reduced due to the potential considerable increase in super senior (*prededucibili*) claims and, to this extent, granted a preeminent role to the independent expert together with the court authorization procedures. Unlike the former legal framework, the new provisions of the Italian Insolvency Code focus more on preserving the business value of the distressed company as a going concern by strengthening the key role of the financing of the debtor in the context of the relevant proceedings.

The provision of article 99 of the Italian Insolvency Code applies to both debt restructuring agreement and to the court-supervised compositions with creditors (*concordato preventivo*) and to (ii) restructuring plans subject to homologation pursuant to the reference included in article 64-*bis* para. 9 of the Italian Insolvency Code (to the extent compatible (*in quanto compatibili*)).

Please find below a brief summary of the main features of the provisions concerning different available financings under the Italian Insolvency Code. The provisions under article 99, 101 and 102 of the Italian Insolvency Code apply to *concordato preventivo* as well as to (i) debt-restructuring agreements (*accordi di ristrutturazione dei debiti*) pursuant to the reference in article 57, paragraph 4-*bis*, of the Italian Insolvency Code and to (ii) restructuring plans subject to homologation pursuant to the reference included in article 64-*bis* para. 9 of the Italian Insolvency Code (to the extent compatible (*in quanto compatibili*)).

Interim financing - Article 99 Paragraph 1 to 4 of the Italian Insolvency Code

Pursuant to article 99, paragraphs 1 and 2, of the Italian Insolvency Code, in the context of restructuring transactions on a going concern basis, also in cases in which business continuity is maintained exclusively in a view of liquidation, the court, pending the sanctioning (*omologazione*) of the debt restructuring agreement pursuant to article 57 and ff. of the Italian Insolvency Code or a petition (in relation to the court-supervised composition with creditors procedure) or a petition for a restructuring plan subject to homologation (given the reference included in article 64-*bis* para. 9 of the Italian Insolvency Code) may authorize the debtor, if so expressly requested to incur in new super senior indebtedness and to secure such indebtedness, subject to the court's authorization with in rem security (*garanzie reali*), or by assigning claims, provided that: (i) the petition specifies (A) the purpose of the financing; (B) that the debtor is unable to otherwise obtain the required funds; and (C) that the absence of such financing will entail an imminent and irreparable prejudice to the going concern or to the proceedings, and (ii) the expert appointed by the debtor, having verified the overall financial needs of the company until the sanctioning (*omologazione*), declares that the new financing are functional to the continuity of the business activities until the sanctioning (*omologa*) 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 proceeding (*liquidazione giudiziale*), the aforementioned financings do not enjoy the super senior priority status (*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 judicial receiver proves that who made available such financings to the debtor, had knowledge of such circumstances at the date of the disbursement.

Bridge Financings - Article 99 Paragraph 5 of the Italian Insolvency Code

Pursuant to article 99, paragraph 5, of the Italian Insolvency Code, financings (together with the related claims) granted, in any form, in view of (i.e., before) presentation of a petition for the sanctioning (*omologazione*) of a debt restructuring agreement a restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*) or a court-supervised composition with creditors (*concordato preventivo*) (*finanza ponte*), may be granted such priority status provided that (i) they meet the requirements of article 99, paragraphs 1 and 2 (described above), and (ii) it is envisaged by the relevant plan or agreement and that such priority status is expressly provided for by the court at the time of approval of the plan or sanctioning (*omologazione*) of the debt restructuring agreement (*accordi di ristrutturazione dei debiti*), the approval of the *concordato preventivo,* or the sanctioning of the restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*). The indebtedness under such financing option 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 Italian Insolvency Code

In restructuring transactions on a going concern basis, pursuant to article 101 of the Italian Insolvency Code, any financing granted to the debtor pursuant to a debt restructuring agreement or a restructuring plan subject to homologation (or a court-supervised pre-judicial liquidation composition with creditors) sanctioned by the competent court and expressly provided for in the relevant plan, enjoy super senior priority status (prededucibilità) in case of subsequent judicial liquidation, save for the below (such status also applies to financing granted by shareholders, but only up to 80% of such financing, unless the lender has become a shareholder of the debtor as implementation of the debt restructuring agreement or of the supervised pre-bankruptcy composition with creditors, as in such case the priority status is afforded to 100% of the financing) according with the provisions set forth in article 221 of Italian Insolvency Code. In the event of the subsequent admission of the debtor to the judicial liquidation proceeding (*liquidazione giudiziale*), the aforementioned financings do not enjoy the super senior priority status (*prededucibilità*) in case the composition plan or the debt restructuring agreement, 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 judicial 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 Italian Insolvency Code

Pursuant to article 102, paragraph 1 of the Italian Insolvency Code super senior ranking status also applies to any financings made available by shareholders in any form (including any guarantee facility or granting counter-indemnities) up to 80% of their amount.

Paragraph 2 of article 102 of the Italian Insolvency Code clarifies that, to the extent the financing is made available by an entity becoming a shareholder in the context of and by way of implementation of a composition with creditors, debt restructuring agreement or the restructuring plan subject to homologation, all the claims deriving from such financings benefit of super senior ranking status and the 80% threshold limitation set out in Paragraph 1 does not apply.

Super senior ranking - Article 99 Paragraph 6 and Article 101 Paragraph 2 of the Italian Insolvency Code

Super senior ranking (*prededucibilità*) of the claims is the most relevant feature of bridge financings, interim financings and implementation financings as described in the paragraphs above.

Pursuant to article 6, para. 1, of the Italian Insolvency Code, the claims deriving from such financings are expressly qualified as super senior by law and by article 6, para. 2, of the Italian Insolvency Code which clarifies that their super senior ranking natures continues in the context of opening of the *concursus* (*concorso*) among creditors and remains even when subsequent proceedings are opened and follow (including in a judicial liquidation or any so-called minor proceedings).

As already explained above, super senior ranking nature of such financings will be excluded in case of acts of fraud (which may be relevant also in the context of debt restructuring agreements).

Such limit to super senior ranking is regulated differently for interim financings and bridge financings on the one side and for the implementation financings on the other side.

More specifically, for interim financings or bridge financings false data or omission of relevant information are relevant when found by the court in the request for the incurrence of the financings or the report of the independent expert, whilst for implementation financings such elements are relevant when on included in plan underlying the composition with creditors or the debt restructuring agreement.

With reference to interim financings and bridge financings, article 99 paragraph 6 of the Italian Insolvency Code provides that, in case of the opening of a judicial liquidation, such financings (although authorized by the court thereunder) do not benefit from super senior ranking when it is proved (jointly) that:

(a) the request or the independent expert report contains false data or omits relevant information, or when the debtor has committed acts to defraud creditors in order to obtain the authorization; and

(b) the receiver proves that the entities who provided the financing, at the date of issuance, knew the aforementioned circumstances.

With reference to implementation financings, the relevant provisions are set out in article 101 paragraph 2 of the Italian Insolvency Code providing that such financings do not benefit from the super senior ranking, in case of the opening of a judicial liquidation (alternatively):

(a) when, based on an assessment to be made at the time of filing of the petition for the opening of the proceeding, the underlying plan turns out to be based on false data or on the omission of relevant information; or

(b) when the debtor has carried out acts of fraud towards its creditors and the receiver proves that the lenders providing the financings were aware of such circumstances at the time of the establishment of the financings.

Court-supervised composition for small debtors

The Italian Insolvency Code provides for a simplified court-supervised composition in case the debtor does not meet the dimensional requirements to access other restructuring tools.

Procedural steps and effects do essentially mimic those of the *concordato preventivo*, but it entails the involvement of the board for crisis settlement (*organismo di composizione della crisi*), which assists the debtor in preparing the paperwork and filing the petition, and performs the activities and duties which, in a *concordato preventivo* are prerogatives of the judicial commissioner.

Judicial liquidation (liquidazione giudiziale)

The judicial liquidation (*liquidazione giudiziale*) is a court-supervised procedure for the liquidation of an insolvent debtor's assets and for the distribution of the related proceeds. It results in the company's liquidation. Insolvency, as defined under article 2 of the Italian Insolvency Code, also evidenced by defaults and/or external elements, occurs when a debtor is no longer able to regularly meet its obligations as they come due.

The judicial liquidation is declared by the competent court and is applicable only to commercial debtors (*imprenditori commerciali*) if any of the following thresholds are met: the debtor (i) has had assets (*attivo patrimoniale*) in an aggregate amount exceeding €0.3 million for each of the three preceding fiscal years; (ii) has had gross revenues (*ricavi lordi*) in an aggregate amount exceeding €0.2 million for each of the three preceding fiscal years; and (iii) has total indebtedness (including debts not yet due) in excess of €0.5 million. Pursuant to article 37 of the Italian Insolvency Code, the request to commence the judicial liquidation of the debtor's assets can be filed by (i) the debtor itself, (ii) the administrative bodies and authorities that have control and supervisory functions over the debtor, (iii) by one or more of the debtor's creditors and (iv) in certain cases, by the public prosecutor.

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 deputy judge (*giudice delegato*). After hearing the judicial receiver and the creditors' committee, the deputy judge decides whether to authorize the sale, and sets forth the timing in its decision;
- under certain circumstances secured creditors may execute against the secured property as soon as their claims are admitted as preferred claims. Secured claims are paid out of the proceeds of liquidation of the secured assets, together with the applicable interest and subject to any relevant expenses. In case the sale price is not high enough to determine a full satisfaction of their credits, any outstanding balance will be considered unsecured and rank *pari passu* with all of the debtor's other unsecured debt. Secured creditors may sell the secured asset only with the court authorization. After hearing the judicial receiver (*curatore*) and the creditors' committee, the court decides whether to authorize the sale, and sets forth the relevant timing in his or her decision;
- the payments of all debts and liabilities of the debtor and all the acts, transactions, payments made or received by the insolvent debtor are immediately suspended and formalities with third parties that have been carried out after the declaration of insolvency are not effective as regards the creditors of the debtor (article 145 of Italian 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 143 of the Italian Insolvency Code). The judicial receiver is vested with such powers upon the authorization of the deputy judge. However, all pending proceedings in which the debtor is involved are automatically stayed from the date the adjudication is issued 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);
- certain payments made, security interests given or transactions entered into by the debtor in a certain period before the debtor's submission to a judicial liquidation procedure (varying from six months to two years) can be set aside and clawed back if certain conditions are met (provided for pursuant to articles 163, 164, 165 and 166 of the Italian Insolvency Code);
- any act (including payments, pledges, and issuance of guarantees) made by the debtor after (and in certain cases even before for a limited period of time) the commencement of the proceedings, other than those made through the receiver, become ineffective against creditors; and
- the execution of certain contracts and/or transactions pending as of the date of the insolvency declaration is 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 Italian 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 judicial receiver (*curatore*) 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 judicial 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 Italian Insolvency Code.

Judicial liquidation proceedings are carried out and supervised by a court-appointed judicial receiver, a deputy judge (*giudice delegato*) and a creditors' committee (*comitato dei creditori*), which can, *inter alia*, propose amendments to the liquidation program proposed by the receiver. 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 (*reclamo*) to the decree closing the judicial liquidation proceeding within 10 days after having been notified of the same.

Composition with creditors in judicial liquidation (concordato nella liquidazione giudiziale).

Pursuant to article 240 of the Italian 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. 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 Italian Bankruptcy Law and (ii) should be kept distinct from the *concordato preventivo*, which is an independent insolvency proceeding. This particular composition with creditor agreement arrangement 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 also regaining free disposal of his assets, the latter is 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 the *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 *concordato nella liquidazione giudiziale* becomes final (*definitivo*), the court declares the judicial liquidation to be closed and terminated, initiating the enactment phase of the *concordato nella liquidazione giudiziale*. In the context of a *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 fulfillment of the terms and the conditions of the arrangement obligations arising from or in connection with the aforementioned *concordato nella liquidazione giudiziale.*

Pursuant to article 240, paragraph 2 of the Italian Insolvency Code, the proposal may provide for:

(a) the division of creditors into classes, according to homogeneous legal position and economic interests.

(b) Under the relevant provision, such division is not mandatory but discretionary, provided two criteria for the class identification: (a) legal position (i.e., the nature of the claim (e.g. unsecured or preferential)) and (b) the homogeneous economic interests. In this respect, the Italian Insolvency Code requires for the criteria and rationale for the division into classes to be expressly stated in order to avoid the distorted use of class formation, put in place for the sole purpose of obtaining the approval of the abovementioned proposal;

(c) differential treatment between creditors belonging to different classes, indicating the reasons of such differences;

(d) the restructuring of the financial indebtedness of the debtor as well as the satisfaction of claims in any form possible, by way of example:

    (1) by assignment of assets;

    (2) by assumption (*accollo*);

    (3) 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 convertible into shares or other financial instruments and debt securities.

It should be noted that a special feature of the *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-lesser 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 liquidation value attributable to the assets or rights over which the cause of pre-emption exists.

The *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). However, in the event of dissent by more than one creditor's class, a cram-down may occur (i.e., in case the court decides to sanction (*omologare*) 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-lesser 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:

(i) for all existing creditors prior to the opening of the judicial liquidation proceeding; and

(ii) 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 Italian Insolvency Code, may be challenged and appealed within 30 days from its notification, the debtor returns "*in bonis*" and enjoys the renewed availability of its assets.

Statutory priorities. The statutory priority assigned to creditors under the Italian 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 super senior ("*prededucibili*") claims (i.e., claims originated in the insolvency proceeding, such as costs related to the procedure) as better identified in article 6 of the Italian Insolvency Code; (ii) for payment of claims which are privileged (*privilegiati*), such as claims of secured creditors, or for payments of claims secured by mortgages ("*creditori ipotecari*") and/or pledges ("*creditori pignoratizi*"); and (iii) for the payment of unsecured ("*chirografari*") 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 for employee wages and professional fees and other privileged claims (i.e., having a specific title of preference in payment provided for by law), including claims of the Tax Authorities/Social Security Authorities. 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 Italian Insolvency Code, in addition to claims expressly qualified as "*prededucibili*" under Italian law, among others, the following claims are "*prededucibili*":

(i) claims relating to expenses and fees for services rendered in the exercise of its functions by the business crisis settlement body;

(ii) professional claims arising from or in connection with the filing for the sanctioning (*omologazione*) 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 sanctioned (*omologati*);

(iii) professional claims arising from or in connection with the filing of for a 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 Italian Insolvency Code; and

(iv) claims legally arisen in connection with insolvency proceedings, or after the filing of a petition for the access to a restructuring tools frameworks (*strumenti 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 successful implementation of a restructuring tools.

Avoidance powers in insolvency. A fundamental principle of the Italian Insolvency Code 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 favorable to the receiver in judicial liquidation compared to the rules applicable in other jurisdictions.

In insolvency proceedings, depending on the circumstances, the Italian 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 Italian 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 Italian 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 the opening of such insolvency proceeding. Any asset subject to a transaction which is ineffective pursuant to article 163 of the Italian 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 deputy judge as a violation of law, and (ii) under article 164 of the Italian 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 liquidation proceeding or in the prior two-year period; and (B) payments made by the debtor with respect to any intercompany loan or reimbursements of shareholder loan, as referred to in the section "*—Certain Additional Considerations in Relation to guarantees and security interests*" within one year prior to a judicial liquidation declaration (or after the filing of the application followed by the opening of the judicial liquidation proceeding), 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 Italian 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;

(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;

(iii) pledges and 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 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.

Furthermore, payments of debts that are immediately due and payable and any onerous transactions and/or granting of priority rights/security interests for debts simultaneously created (event those of third-parties) may be clawed back (*revocati*) and declared ineffective, if the judicial receiver proves that the other party knew of the debtor's state of insolvency and if made by the debtor after the filing of the petition followed by the opening of the judicial liquidation or during the prior six months.

The following transactions are exempt from claw-back actions:

(i) payments for goods or services made in the ordinary course of business according to market practice;

(ii) a remittance on a bank account, provided that it does not materially and permanently reduce the entity's debt towards the bank;

(iii) the sale, including an agreement for sale registered pursuant to article 2645-*bis* of the Italian Civil Code, in force as the date of this Offering Memorandum, 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 insolvency declaration, the activity is actually exercised therein or the investments for the commencement of such activity have been carried out therein;

(iv) transactions entered into, payments made or guarantees granted with respect to the debtor's goods, provided that they concern the implementation of a *piano attestato di risanamento* (see "*Out-of-court reorganization plans*" *(piani attestati di risanamento)* pursuant to Articles 56 or 284 of the Italian Insolvency Code above). The exemption – which also operates for ordinary claw-back – does not apply in case of willful misconduct (*dolo*) or gross negligence (*colpa grave*) by the 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. Such exemption operates also with respect to the ordinary claw-back action provided for by the Italian Civil Code;

(v) a transaction entered into, payment made or guarantee or security interests granted in the context of a court supervised composition with creditors (*concordato preventivo*), of a simplified composition with creditors proceeding (concordato semplificato per la liquidazione del patrimonio), of a restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*) provided for pursuant to Article 64-*bis* of the Italian Insolvency Code or of sanctioned debt restructuring agreements (*accordi di ristrutturazione dei debiti omologati*) and/or transactions entered into, payments made and security interests legitimately granted by the debtor after the filing of the application for a composition with creditors or a debt-restructuring agreements (see above). Such exemption operates also with respect to the ordinary claw-back action provided for by the Italian Civil Code;

(vi) remuneration payments to the entity's employees and consultants concerning work carried out by them; and

(vii) 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 ("*strumenti di regolazione della crisi e dell'insolvenza della società*") or to other insolvency procedures provided for pursuant to the Italian Insolvency Code.

Pursuant to article 170 of the Italian 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 insolvency proceedings (including pursuant to article 44 of the Italian Insolvency Code), according to article 170, paragraph 2 of the Italian 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). The burden of proof is entirely with the receiver.

The Italian Insolvency Code provides special regimes on preferences and avoidances of intra-group transactions. Under article 290 of the Italian Insolvency Code the hardening periods for intra-group claw-back actions (i.e., referring to acts and transactions entered into by companies belonging to the same group) is extended (a) in the hypothesis of article 166, paragraph 1, of the Italian Insolvency Code (respectively up to two years for transactions sub lett. (a) and (b) and up to one year for transaction sub lett. (c) and (d) of the same article) and (b) to five years from the filing for judicial liquidation declaration in case of transactions having the effect to transfer resources in favour of another entity of the group to the detriment of the creditors.

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 put in place by the debtor 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, enforcement action can also be brought 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.

Adequate organizational, administrative and accounting corporate structures. One of the main novelties included in the Italian 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 Italian 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 Italian 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 Italian 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:

(i) 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;

(ii) 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 Italian Insolvency Code; and

(iii) 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 Italian Insolvency Code provides an exact indication of the warning signs, identified, inter alia, as follows:

(i) the existence of payroll debts overdue for at least 30 days equal to more than half of the total monthly payroll amount;

(ii) 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;

(iii) 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

(iv) the existence of one or more exposures to certain public institutions listed under article 25-novies of the Italian Insolvency Code.

Extraordinary administration for large insolvent companies (amministrazione straordinaria delle grandi imprese in stato di insolvenza)

Decree 270 introduced a specific extraordinary administration proceeding for large industrial and commercial enterprises, otherwise known as the "*Prodi-bis*" procedure. As a general rule (and save for certain specific and limited exceptions), to be eligible, companies must be insolvent although able to demonstrate serious recovery prospects, have employed at least 200 employees in the previous year preceding the commencement of the procedure, and have debts equal to at least two-thirds of the value of its assets as shown in its financial statements and two-thirds of its income deriving from sales and services during its last financial year. The procedure may be commenced by petition of the creditors, the debtor, a court or the public prosecutor. The same rules set forth for judicial liquidation 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 Business and of the Made in Italy (former Ministry of Economic Development (the "**Ministry**")). The court has 30 days to decide whether to admit the company to the procedure or place it into judicial liquidation.

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.

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 Ministry but is not subject to any vote by creditors.

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.

Industrial restructuring of large insolvent companies (ristrutturazione industriale di grandi imprese in stato di insolvenza)

Introduced in 2003 pursuant to Law Decree No. 347 of December 23, 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, 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 commences and at least €300 million of debt (including those from outstanding guarantees). Under Decree 347, as a general rule (and save for certain specific provisions applicable, as the case may be, to companies operating in the field of essential public services or operating at least one industrial plant of national strategic interest and/or having among their direct or indirect shareholders a public entity) 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 liquidation proceedings.

A restructuring plan proposed in the context of proceedings subject to Decree 347 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. Decree 347 provides that a composition plan is approved by creditors according to the same majority voting rules as those which apply in the context of proceedings for composition with creditors. If the restructuring plan is not approved by the Minister of Economic Development (now Minister of Business and of the Made in Italy), the extraordinary commissioner(s) may propose a plan for the disposal of the assets. If the asset disposal program is not approved, the company is to be placed into liquidation.

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 Italian Law No. 28/2024) amended article 2, para. 2 of the 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 date 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 the *composizione negoziata per la soluzione della crisi di impresa* nor pursue any restructuring proceedings provided for by the Italian 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 *composizione negoziata per la soluzione della crisi di impresa* is filed, the application is dismissed.

Compulsory administrative liquidation (liquidazione coatta amministrativa)

A compulsory administrative liquidation (*liquidazione coatta amministrativa*), provided for pursuant to article 293 and ff. of the Italian 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 liquidation 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, which are competent for the filing of an application for a declaration of insolvency with the subsequent opening of the compulsory administrative liquidation proceeding). The liquidator's actions are monitored by a steering committee (*comitato di sorveglianza*). The powers assigned to the deputy 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 liquidation 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 liquidation.

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 Italian 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 Italian 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 Italian 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 Italian 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 sanctioning of the arrangement are set out pursuant to article 120-*quater* of the Italian 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, which 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 restructuring plan and applying the projections for subsequent years.

Article 120-*quinquies* of the Italian 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 Italian 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.

Hardening period/clawback and fraudulent transfer

In a judicial liquidation proceeding, the Italian Insolvency Code provides for a claw-back period of up to two years (six-months in certain circumstances). In addition, in certain cases, the judicial receiver can request that certain transactions of the debtor are declared ineffective within the Italian Civil Code ordinary claw-back period of five years (*revocatoria ordinaria*).

Under Italian law, in the event that the relevant guarantor and/or security provider enters into insolvency proceedings, the security interests created under the documents entered into to secure the Collateral and any future security interests or guarantees could be subject to potential challenges by an insolvency administrator or by other creditors of such guarantor and/or security provider under the rules of avoidance or claw-back (*revocatoria*) provided for pursuant to the Italian Insolvency Code and the relevant law on the non-insolvency avoidance or claw-back of transactions by the debtor made during a certain legally specified suspect period. The avoidance may relate to (i) transactions made by the debtor within the suspect period of one year prior to the opening of the judicial liquidation proceeding or occurred after the filing for the opening of the judicial liquidation, at below market value (i.e., to the extent the asset or obligation given or undertaken exceeds by one quarter the value of the consideration received by the debtor), or involving unusual means of payment (e.g., payment in kind) or new security granted with respect to pre-existing debts not yet due at the time the security is entered into after the creation of the secured obligations, unless the non-insolvent creditor proves that it had no knowledge of the debtor's insolvency at the time the transaction was entered into, (ii) security granted during the suspect period of one year prior to the opening of the judicial liquidation proceeding or occurred after the filing for the opening of the judicial liquidation with respect to pre-existing debts due and payable, unless the non-insolvent creditor proves that it had no knowledge of the debtor's insolvency at the time the transaction was entered into, and (iii) payments of due and payable obligations, transactions at arm's length or security taken simultaneously to the creation of the secured obligations during the suspect period of one year prior to the opening of the judicial liquidation proceeding or occurred after the filing for the opening of the judicial liquidation, receiver proves that the creditor was aware of the insolvency of the debtor. In case judicial liquidation is commenced after the filing of a petition to be admitted to any insolvency proceedings, according to article 170, paragraph 2 of the Italian Insolvency Code, the suspect period is calculated backward from the date in which such petition is filed. The transactions potentially subject to avoidance also include those contemplated by a Guarantor's Notes Guarantee or the granting of security interests under the Security Documents by a guarantor and/or security provider.

If they are challenged successfully, the rights granted under the guarantees or in connection with security interests under the relevant Security Documents may become unenforceable and any amounts received must be refunded to the insolvent estate. To the extent that the grant of any security interest or guarantee is voided, holders of the Notes could lose the benefit of the security interest or guarantee and may not be able to recover any amounts under the related Security Documents and/or the Notes Guarantees.

It should be noted that: (i) under article 163 of the Italian Insolvency Code, subject to certain limited exceptions, all transactions carried out by the debtor for no consideration are ineffective *vis-a-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 the opening of such insolvency proceeding. Any asset subject to a transaction which is ineffective pursuant to article 163 of the Italian 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 deputy judge as a violation of law, and (ii) under article 164 of the Italian 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 judicial liquidation proceedings insolvency declaration or in the prior two-year period; and B) payments made by the debtor with respect to any intercompany loan or reimbursements of shareholder loan, as referred to in the section "*—Certain Additional Considerations in Relation to guarantees and security interests*" within one year prior to a judicial liquidation declaration (or after the filing of the application followed by the opening of the winding-up proceeding), are ineffective *vis-à-vis* creditors.

In addition, 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 European Union.

Certain Limitations on Enforcement

The enforcement of security interests by creditors in Italy can be complex and time consuming, especially in a liquidation scenario, given that Italian courts maintain a significant role in the enforcement process in comparison to other jurisdictions with which the holders of the Notes may be familiar. The two primary goals of the Italian law are first, to maintain employment, and second, to liquidate the debtor's assets for the satisfaction of creditors. These competing goals often have been balanced by the sale of businesses as going concerns and by ensuring that employees are transferred along with the businesses being sold.

Under Italian law, in the event that an entity becomes subject to insolvency proceedings, guarantees and security interests given by it or by way of a trust or parallel debt obligation could be subject to potential challenges by the appointed bankruptcy or judicial liquidation receiver or by other creditors under the rules of ineffectiveness or avoidance or clawback of (i) Italian bankruptcy law (i.e. Royal Decree No. 267 of March 16th 1942, as amended and supplemented from time to time, the "**Italian Bankruptcy Law**") and/or (ii) Italian Insolvency Code and the relevant law on the non-insolvency avoidance or clawback of transactions made by the debtor during a certain legally specified period (the "suspect period"). For a more detailed explanation of the terms, conditions and consequences of clawback actions in an insolvency scenario, see "*—Certain Italian Insolvency Laws Considerations—Bankruptcy Proceedings (Fallimento)", "—Certain Italian Insolvency Laws Considerations—Judicial Liquidation (liquidazione giudiziale)*" and "*Hardening Period/Clawback and Fraudulent Transfer*" below. If challenged successfully, the guarantee or the security interest may become unenforceable and any amounts received must be refunded to the insolvent estate. To the extent that the grant of any security interest or guarantee is voided, holders of the Notes could lose the benefit of the security interest or guarantee and may not be able to recover any amounts under the related security documents.

Furthermore, in the event that the limitations on the guarantee issued by an Italian guarantor apply and/or there are payment obligations under any Notes other than in respect of principal or interest, the noteholders could have a reduced claim against the relevant guarantor.

According to Italian law, the enforcement of any claims, obligations, security interest and rights in general may be subject to, among others, the following aspects:

- the enforcement of obligations may be limited by the insolvency proceedings listed below relating to or affecting the rights of creditors;
- an Italian court will not necessarily grant any specific enforcement or precautionary measures, the availability of which is subject to the discretion of the Italian Court;
- with respect to contracts providing for mutual obligations (*contratti a prestazioni corrispettive*), each party can refuse to perform its obligation if the other party does not perform or does not offer to perform its own

obligation thereunder, in accordance with and subject to the provisions of Article 1460 of the Italian Civil Code;

- claims arising under Italian law governed documents may become barred under the provision of Italian law concerning prescriptions and limitations by the lapse of time (*prescrizioni e decadenze*) or may be or become subject to a claim of set-off (*compensazione*) or to counterclaim;

- pursuant to Article 1241 and ff. of the Italian Civil Code concerning set-off of reciprocal obligations (*compensazione*), persons who have reciprocal debt obligations may set-off such obligations for the correspondent amount when both such debt obligations have as an object a pecuniary obligation or fungible assets of the same kind and are equally liquid and payable;

- where any party to any agreement or instrument is vested with discretion or may determine a matter in its opinion, Italian law may require that such discretion is exercised reasonably or that such opinion is based on reasonable grounds;

- the enforceability in Italy of obligations or contractual provisions governed by a foreign law may be limited by the application of Italian overriding mandatory provisions (*norme di applicazione necessaria*) and by the fact that the relevant provisions of foreign laws may be deemed contrary to Italian public policy principles and there is no case law setting out specific criteria for the application of such legal concepts under Italian law;

- there is some possibility that an Italian court could hold that a judgment on a particular agreement or instrument, whether given in an Italian court or elsewhere, would supersede such agreement or instrument to all intents and purposes, so that any obligation thereunder which by its terms would survive such judgment might not be held to do so;

- enforcement of obligations may be invalidated by reason of fraud or abuse of the law (*abuso del diritto*);

- the enforceability of an obligation pursuant to the terms set forth in any agreement or instrument may be subject to the interpretation of an Italian court which may carry out such interpretation pursuant to the provisions of Articles 1362 and following of the Italian Civil Code;

- any question as to whether or not any provision of any agreement or instrument which is illegal, invalid, not binding, unenforceable or void may be severed from the other provisions thereof in order to save those other provisions would be determined by an Italian court on the basis of the interpretation of intention of the parties, taking also into account the conduct of the parties following the execution of such agreement or instrument (Article 1419 of the Italian Civil Code);

- an Italian company, either directly or indirectly, cannot grant loans or provide security interest for the purchase or subscription of its own shares unless the strict requirements provided for the Italian Civil Code are satisfied;

- an Italian company must have a specific corporate interest in guaranteeing or securing financial obligations of its parent company or any other companies, whether related or unrelated, such interest being determined by the relevant company on a case-by-case basis;

- in case of bankruptcy (filed or pending before July 15, 2022) or a judicial liquidation proceeding, a receiver is appointed by the court to administer the proceeding under the supervision of the court and creditors' committee and creditors cannot start or continue individual foreclosure actions (including the enforcement of security interests) against the debtor (automatic stay). Furthermore, the sale of the relevant pledged assets is carried out by such receiver unless the pledgee is expressly authorized by the court or, in case of judicial liquidation, to have the pledged assets assigned at a fair market value returning any excess to the judicial liquidation estate; the preemption rights (*prelazione*) granted by a pledge extend to interest accrued in the year in which the date of the relevant seizure/attachment or adjudication in bankruptcy/judicial liquidation proceedings falls (or, in the absence of seizure/attachment, at the date of the notification of the payment demand (*precetto*)) and extend, moreover, to interest accrued and to accrue thereafter, but only to the extent of legal interest and until the date of the forced sale occurred in the context of the relevant foreclosure proceeding or bankruptcy/judicial liquidation proceedings;

- in order to oppose an assignment to any third party, it will be necessary to notify such assignment to the relevant debtor or make such debtor to accept it by an instrument bearing an undisputable date (*data certa*); the priority of such assignment will be determined accordingly. One way of ensuring that a document has an indisputable date is that of ensuring that the execution of the relevant document by one of the parties to it is witnessed by a notary who states the date of witnessing on the document;

- there could be circumstances in which Italian law would not give effect to provisions concerning advance waivers or forfeitures;

- the effectiveness of terms exculpating a party from liability or duties otherwise owed is prevented by Italian law in the event of gross negligence (*colpa grave*), willful misconduct (*dolo*) or the violation of mandatory provisions;

- penalties and liquidated damages (*penali*) may be equitably reduced by a court;

- any obligation of an Italian company and/or any obligation secured or guaranteed by an Italian company, which is in violation of certain Italian mandatory or public policy rules (including, among others, any obligation to pay: (i) any portion of applicable remuneration (including interest, default interest, fees, charges, expenses and other costs and any other form of compensation related to the Notes) exceeding the thresholds of the interest rate permitted under the Italian Usury Law; and (ii) any portion of interest deriving from any compounding of interest which does not comply with Italian law, including Article 1283 of the Italian Civil Code, according to which, accrued and unpaid interest can be capitalized only after legal proceedings to recover the debt were started or in the event the interest were unpaid and capitalized for not less than six months based on an agreement executed after the relevant maturity date and Article 120 of the Italian Legislative Decree no. 385/1993 (i.e. the Italian Banking Act)) may not be enforceable;

- if a party to an agreement is aware of the invalidity of that agreement and does not inform the other parties to that agreement of such invalidity, it is liable for the damages suffered by such other parties as a consequence of having relied upon the validity of the agreement;

- Italian courts do not necessarily give full effect to an indemnity for the costs of enforcement or litigation;

- a security interest does not prevent creditors of the relevant debtor other than the secured creditors from continuing enforcement or enforcement proceedings on the assets secured by the relevant security interest; and

- in case of bankruptcy (to the extent applicable after July 15, 2022) or judicial liquidation of the grantor of the pledge over quotas or shares, the assets secured by the pledge could be freely sold to any third party in the context of the relevant bankruptcy proceeding or in case of a judicial liquidation the pledged assets can also be assigned to secured creditors at a fair market value and, as a consequence, the proceeds would be set aside for the prior satisfaction of the pledgee but the pledge would be terminated and, therefore, the latter would lose entitlement to the voting rights on the pledged quotas/shares.

In addition, under Italian law, in certain circumstances also in the ordinary course of business, an action can be brought by any creditor of a given debtor within five years from the date in which the latter enters into a guarantee, security, agreement and any other act by which it disposes of any of its assets, in order to seek a claw- back action (*azione revocatoria ordinaria*) pursuant to Articles 2901 and following of the Italian Civil Code (which results in a declaration of ineffectiveness as to the acting creditor) of the said guarantee, security, agreement and other act that is purported to be prejudicial to the acting creditor's right of credit. An Italian court could revoke the said guarantee, security, agreement and other act only if it, in addition to the ascertainment of the prejudice, was to make the two following findings:

- that the debtor was aware of the prejudice which the act would cause to the rights of the acting creditor, or, if such act was done prior to the existence of the claim or credit, that the act was fraudulently designed for the purpose of prejudicing the satisfaction of the claim or credit; and

- that, in the case of non-gratuitous acts, the third party involved was aware of said prejudice and, if the act was done prior to the existence of the claim or credit, that the said third party participated in the fraudulent design.

Limitations on Validity and Enforceability of Guarantees and Security Interests Under Italian Law

Under Italian law, the entry into a transaction (including the creation of a security interest or the granting of a guarantee) by a company incorporated under Italian law must be permitted by the applicable laws and by its by-laws (*statuto sociale*) and is subject to compliance with the rules on corporate benefit, corporate authorization and certain other Italian mandatory provisions. If a security interest or a guarantee is being provided in the context of an acquisition, group reorganization, refinancing or restructuring, financial assistance issues may also be triggered.

Corporate Benefit

An Italian company entering into a transaction (including granting a guarantee or a security interest) must receive a real and adequate benefit in exchange for the guarantee or the security interest being provided by such company. The concept of real and adequate benefit is not defined in the applicable legislation, is assessed and determined by a factual analysis on a case by case basis and its existence is a business decision of the directors and the statutory auditors, if any. As a general rule, corporate benefit is to be assessed at the level of the relevant company on a stand-alone basis, although upon certain circumstances and subject to specific rules the interest of the group to which such company belongs may also be taken into consideration. While corporate benefit for downstream security or guarantee (i.e., security or guarantee granted to secure financial obligations of direct or indirect subsidiaries of the relevant grantor) is usually self-evident, the validity and effectiveness of up-stream or cross stream security or guarantee (i.e., security or guarantee granted to secure financial obligations of the direct or indirect parent or sister companies of the relevant grantor) granted by an entity incorporated under the laws of Italy (the "**Subsidiary Guarantor**") depend on the existence of a real and adequate benefit in exchange for the granted security interest or guarantee and may be challenged unless it can be proved that the grantor may derive real and adequate benefits or advantages from the granting of such guarantee or security. In particular, in case of an up-stream and cross-stream guarantee or security for the financial obligations of group companies, examples may include financial consideration in the form of access to cash flows through intercompany loans from other members of the group (without duplication), while transactions featuring debt financings of distributions to shareholders are largely untested in Italian courts, and, therefore, limited guidance is provided as to whether and to what extent such transactions could be challenged for lack of corporate benefit and conflict of interest. The general rule is that the risk assumed by an Italian grantor of security or guarantee must not be disproportionate to the direct or indirect economic benefit to it.

As a general rule, absence of a real and adequate benefit could render the transaction (including granting a security interest or a guarantee entered into) by an Italian company *ultra vires* and potentially affected by a conflict of interest and the related corporate resolutions adopted by the shareholders and directors may be the subject matter of challenges and annulment. Civil liabilities may be imposed on the directors of an Italian grantor if a court holds that it did not act in the best interest of the grantor and that the acts carried out do not fall within the corporate purpose of the company or were against mandatory provisions of Italian law. The lack of corporate benefit could also result in the imposition of civil liabilities on those companies or persons ultimately exercising control over an Italian grantor or having knowingly received an advantage or profit from such improper control. Moreover, the transaction (including the security interest or guarantee granted by an Italian company) could be declared null and void if the lack of corporate benefit was known or presumed to be known by the third party and such third party acted intentionally against the interest of the Italian company. The above principles on corporate benefit apply equally to upstream, cross-stream and downstream guarantees, or security interests granted by Italian companies. In addition, the granting of a security or a guarantee by an Italian company cannot include any liability which would result in unlawful financial assistance within the meaning of Article 2358 or 2474, as the case may be, of the Italian Civil Code pursuant to which, subject to specific exceptions, it is unlawful for a company to give financial assistance (whether by means of loans, security, guarantees or otherwise) to support the acquisition or subscription by a third party of its own shares or quotas or those of any entity that (directly or indirectly) controls the Italian company. Financial assistance for refinancing indebtedness originally incurred for the purchase or subscription of its own shares or quotas or those of its direct or indirect parent company would also be a violation of financial assistance provisions. Any loan, guarantee or security given or granted in breach of these provisions is null and void. In addition, directors may be personally liable for failure to act in the best interests of the company.

In addition, pursuant to Article 1938 of the Italian Civil Code, if a guarantee granted by an Italian guarantor is issued 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 Indenture). In addition, as mentioned above, the guarantees granted by an Italian guarantor must be supported by corporate benefit; in other words, the maximum guaranteed amount must be indicated in the guarantee and shall not exceed the financial capabilities of the relevant Italian guarantor. It has been held, that such determination must be proportionate to the relevant guarantor's assets. If such determination is deemed disproportional to the assets of the Subsidiary Guarantor, there is the risk that the guarantee could be declared void, even if it is uncertain, however, whether courts are entitled to debate and to rule over such determinations.

In any event, pursuant to Article 1938 of the Italian Civil Code, the maximum amount that an Italian Guarantor and/or a Subsidiary Guarantor may be required to pay in respect of its obligations as a guarantor under its Guarantee will not exceed 120% of the aggregate amount of the Notes and the Revolving Credit Facility.

It is understood that the maximum amount that the Guarantor may be required to pay in respect of its obligations as Guarantor under the Indenture will ratably concur and not cumulate with the corresponding amounts due by such Subsidiary Guarantor to any guaranteed creditor pursuant to the Revolving Credit Facility Agreement and/or the Intercreditor Agreement, and *vice versa*. The proceeds of the enforcement of said guarantees will be distributed amongst the guaranteed creditors (including, without, limitation, the holders of the Notes) in accordance with the provisions of the Intercreditor Agreement.

In order to comply with corporate law requirements on, *inter alia*, corporate benefit and financial assistance, the maximum amount that the Guarantor or Subsidiary Guarantor may be required to pay in respect of its obligations as guarantor under the Indenture, the Revolving Credit Facility Agreement and the Intercreditor Agreement will be subject to limitations.

Accordingly, the holders of the Notes will be able to recover limited amounts under the relevant Guarantee and security. In particular, the amount recoverable from an Italian guarantor under a Guarantee will not exceed the aggregate amount of any intercompany loan advanced to it by any obligor and outstanding at the time of the enforcement of such Guarantee. No Italian guarantor shall moreover be liable for any amount in excess of the amount that such Italian guarantor is entitled to set-off against its claims of recourse or subrogation (*regresso* or *surrogazione*) arising as a result of the enforcement of the relevant Guarantee.

The proceeds of the enforcement of said guarantees will be distributed amongst the guaranteed creditors (including, without, limitation, the holders of the Notes) in accordance with the provisions of the Intercreditor Agreement.

Upon certain conditions, the granting of guarantees may be considered as a restricted financial activity within the meaning of Article 106 of the Italian Banking Act, whose exercise is exclusively demanded to banks and authorized financial intermediaries. Non-compliance with the provisions of the Italian Banking Act may, among others, entail the relevant guarantees being considered null and void. In this respect, Italian Legislative Decree No. 53 of April 2, 2015, implementing Article 106, paragraph 3, of the Italian Banking Act, states that the issuance of guarantees or security by a company for the obligations of another company which is part of the same group does not qualify as a restricted financial activity, whereby “group” includes controlling and controlled companies within the meaning of Article 2359 of the Italian Civil Code as well as companies, which are under the control of the same entity. As a result of the above described rules, subject to the Guarantor and the guaranteed entity being part of the same group of companies, the provision of the guarantees would not amount to a restricted financial activity.

Trust

The Collateral will be created (or, as applicable, confirmed and/or confirmed and extended) and perfected in favor of the Security Agent acting in its capacity as representative (*rappresentante*) of the holders of the Notes pursuant to Article 2414-bis, paragraph 3, of the Italian Civil Code. Under such provision (introduced by Italian Law No. 164 of November 11, 2014), the security interests and guarantees assisting bond issuances can be validly created in favor of the holders of the notes or in favor of a representative (*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. However, there is no guidance or available case law on the exercise of the rights and enforcement of such security interest and guarantees by a *rappresentante* pursuant to Article 2414-*bis*, paragraph 3, of the Italian Civil Code also in the name and on behalf the holders of the Notes, which are neither directly parties to the Collateral nor are specifically identified therein or in the relevant share certificates and corporate documents or public registries.

In addition, as the holders of the Notes are not direct parties to the Indenture, there is the risk that the appointment of the Security Agent in its capacity as representative (*rappresentante*) of the holders of the Notes pursuant to Article 2414-bis, paragraph 3, of the Italian Civil Code is not upheld by an Italian court and that therefore an Italian court may determine that the holders of the Notes at the time of enforcement are not secured by the security under the Security Documents and/or that the *rappresentante* cannot exercise the rights and enforce the Collateral also in the name and on behalf of the holders of the Notes. In addition, the provisions and the subject matter of Article 2414-bis, paragraph 3, of the Italian Civil Code are new and, as such, untested by Italian Courts and, therefore, even if the appointment of the *rappresentante* is upheld by an Italian Court, it cannot be excluded that an Italian Court may take a different view and interpretation and determine that, where the Collateral is only granted in favor of the *rappresentante*, the holders of the Notes at the time of enforcement are not secured by the Collateral and/or cannot enforce that Collateral.

Furthermore, to date, the Italian courts have not considered whether a common representative (*rappresentante comune*) of the holders of the Notes pursuant to Articles 2417 and 2418 of the Italian Civil Code may be validly appointed by means of a contractual arrangement (such as the Indenture) and the validity and enforceability of such appointment may not be upheld by a court.

Moreover, it is uncertain and untested in the Italian courts whether, under Italian law, a security interest can be created and perfected (i) in favor of creditors (such as the holders of the Notes) which are neither directly parties to the relevant security documents or are not specifically identified therein or in the relevant share certificates and corporate documents or public registries and (ii) in favor of a “trustee,” since there is no established concept of “trust” or “trustee” under Italian law and the precise nature, effect and enforceability of the duties, rights and powers of a “trustee” as trustee under security interests granted over Italian assets is uncertain under Italian law.

Certain Considerations in Relation to Security Interests

Italian corporate law (Articles 2497-*quinquies* and 2467 of the Italian Civil Code) provides for rules to protect creditors against "undercapitalized companies" and provides for remedies in respect thereof. In this respect, in case of a loan to a company made by (i) a person that, directly or indirectly, directs the company or exercises management and coordination powers over that borrowing company or (ii) any entity subject to the management and coordination powers of the same person or (iii) a quotaholder in the case of a company incorporated in Italy as a *società a responsabilità limitata*, will be subordinated to all other creditors of that borrower and rank senior only to the equity in that borrower, if the loan is made when, taking into account the kind of business of the borrower, there was an excessive imbalance of the borrower's indebtedness compared to its net assets or the borrower was already in a financial situation requiring an injection of equity and not a loan ("**undercapitalization**"). Pursuant to Article 164 of the Italian Insolvency Code (as defined below), any payment made by the borrower with respect to any such loan within one year prior to a judicial liquidation declaration are ineffective by operation of law. The new provision replaced Article 2467, paragraph 1, of the Italian Civil Code, according to which such payments would be required to be returned to the borrower. For a more detailed explanation of the terms, conditions and consequences of claw back actions in an insolvency scenario, see "*Certain Italian Insolvency Laws Considerations—Judicial Liquidation (liquidazione giudiziale)*" and "*Hardening Period/Clawback and Fraudulent Transfer*" below. In addition to that, Article 292, paragraph 1, of the Italian Insolvency Code sets forth that claims of entities exercising management and coordination powers *vis-à-vis* the entities subject to such powers, deriving from loans granted after the filing of petitions resulting in the opening of judicial liquidation or in the year before, are subordinated and payment made by the borrower with respect to any such loan within one year prior to the judicial liquidation declaration are ineffective by operation of law.

The above rules apply to shareholders' loans "made in any form" and scholars generally conclude that such provisions should be interpreted broadly and apply to any form of financial support provided to a company by its shareholders, either directly or indirectly.

As of the date of this Offering Memorandum, there are several court precedents interpreting the provisions summarized above. Some of such precedents have held that article 2467 of the Italian Civil Code also applies to companies incorporated as *società per azioni*, hence potentially to the borrowers under the intercompany loans that are a *società per azioni*.

Therefore, upon the occurrence of the requirements provided for by the relevant provisions, Italian courts may apply such provisions relating to Article 2467 of the Italian Civil Code to the Issuer's relationship with Italian subsidiaries under the relevant intercompany loans. Accordingly, an Italian court may conclude that the obligations of any Italian subsidiary under any intercompany loan are subordinated to all its obligations towards other creditors. Should any of the obligations of any subsidiary under any intercompany loan or note be deemed subordinated to the obligations owed to other creditors by operation of law and senior only to the equity, the Issuer may not be able to recover any amounts under any intercompany loan or note granted to the Italian subsidiaries, which could have a material adverse effect on the Issuer's ability to meet its payment obligations under the Notes.

Moreover, in circumstances where any obligations of an Italian subsidiary under any intercompany loans or notes are subordinated by operation of law, the ability of the holders of the Notes to recover under any Collateral created over such intercompany loans or notes or any guarantees and/or security interests granted by such Italian subsidiaries may be impaired or restricted.

England and Wales

HoldCo is a company incorporated under the laws of England and Wales and has granted certain Collateral. Italmatch GB is incorporated under the laws of England and Wales and is a Guarantor of the Notes and has granted certain English law Collateral (Italmatch GB, together with HoldCo, the "**English Obligors**").

Applicable Legal Framework and Jurisdiction of the English Courts

While the UK was a Member State, insolvency processes opened in the UK were subject to both EU and applicable UK domestic legislation. Following the UK's departure from the EU on 31 January 2020 and the expiry of the subsequent transition period (the "**Transition Period**") on 31 December 2020, in accordance with the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) EU law as directly applicable in the UK at the end of the Transition Period (subject to certain exceptions) was transposed into UK domestic law subject to significant amendments. The Insolvency (Amendment) (EU Exit) Regulations 2019 (SI 2019/146) (as amended) effected key amendments to both EU insolvency laws previously directly applicable in the UK, including the Recast Insolvency Regulation, and domestic insolvency laws, including the Insolvency Act 1986 (the "**Insolvency Act**"), the Insolvency (England and Wales) Rules 2016 (SI 2016/1024) (the "**Insolvency Rules**") and the Cross-Border Insolvency Regulations 2006 (SI 2006/1030) (the "**Cross-Border Insolvency Regulations**").

Unless insolvency proceedings or certain related proceedings were opened prior to the expiry of the Transition Period, in which case the unmodified Recast Insolvency Regulation and related EU insolvency legislation govern the proceedings, insolvency proceedings with respect to the English Obligors would likely proceed under, and be governed by, English insolvency laws in force at the time of commencement of the relevant proceedings. However, to the extent that an English Obligor has its "centre of main interests" ("**COMI**") in a Member State (other than Denmark), insolvency proceedings could, pursuant to the Recast Insolvency Regulation and subject to certain exceptions, be opened in the relevant Member State and be subject to the laws of that Member State (see "*European Union*" above). In addition, certain foreign courts may have jurisdiction to oversee insolvency proceedings of an English Obligor which has its COMI or an "establishment" (being a place of operations where it carries out a non-transitory economic activity with human means and assets or services) in such foreign jurisdiction or has a "sufficient connection" with that jurisdiction.

Although the scope of the English courts' jurisdiction varies for the different insolvency proceedings available in England and Wales, English courts generally have jurisdiction to open insolvency proceedings in respect of any company which has its COMI in the UK or which has its COMI in a Member State (other than Denmark) and an "establishment" in the UK or which is incorporated in an EEA Member State. While this allows English courts to assume jurisdiction over certain foreign companies in respect of certain insolvency proceedings, the efficacy of such proceedings will significantly depend on the likelihood and extent of subsequent recognition of such proceedings in relevant other jurisdictions (see "*Cross-border recognition of English insolvency and restructuring proceedings*" below).

English insolvency law is different to the laws of the United States and other jurisdictions with which investors may be familiar and, in the event that an English Obligor experiences financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings. The obligations under the Notes are guaranteed by the Guarantees and secured by security interests over the Collateral, including the pledge over the shares of the Issuer held by HoldCo and an assignment over receivables as well as a charge over certain bank accounts. English insolvency laws and other limitations could limit the enforceability of a Guarantee against an English Obligor and those security interests over the Collateral.

Formal insolvency proceedings under the laws of England and Wales may be initiated in a number of ways, including by the company or a creditor making an application for administration in court, the company or the holder of a "qualifying floating charge" in respect of the company's property (discussed below) making an application for administration out of court, or by a creditor filing a petition to wind up the company or the company resolving to do so (in the case of a liquidation).

The following is a brief description of certain aspects of English insolvency law relating to such limitations. The application of these laws could adversely affect investors, their ability to enforce their rights under the Collateral securing the Notes and the Guarantees and therefore may limit the amounts that investors may receive in an English law insolvency of an English Obligor.

Fixed Versus Floating Charges

The Notes and the Guarantees benefit from fixed charge security over certain Collateral owned by certain of the English Obligors.

There are a number of ways in which fixed charge security has advantages over floating charge security.

Until floating charge security crystallises, a company is entitled to deal with assets that are subject to floating charge security in the ordinary course of business (subject to any restrictions imposed by the Notes), meaning that such assets can be effectively disposed of by the charging company so as to give a third party good title to the assets free of the floating charge.

On an insolvency of a charging company: (a) a fixed charge, even if created after the date of a floating charge, may have priority as against a floating charge over the same charged assets (provided that the floating charge has not crystallised at the time the fixed charge was granted and there were no restrictions on the creation of such security which the fixed charge holder was aware of); (b) general costs and expenses (including the remuneration of insolvency office holders and the costs of continuing to operate the business of the charging company while in administration) properly incurred in an insolvency process are generally payable out of the assets of the charging company (including the assets (including cash) that are the subject of the floating charge) and insolvency officeholders appointed to a charging company can convert floating charge assets to cash and use such cash to meet such general costs and expenses in priority to the claims of the floating charge holder to the extent that the value of the charging company's unsecured assets is not sufficient to cover such costs and expenses in full; (c) an administrator may dispose of or take action relating to property subject to a floating charge without the prior consent of the charge holder or court, although the floating charge holder retains the same priority in respect of the proceeds from the disposal of the assets subject to the floating charge; (d) where the floating charge is not created or otherwise arising under a "financial collateral arrangement" (generally, a charge over cash or financial instruments such as shares, bonds or tradeable capital market debt instruments and credit claims) under the

Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended) (the "**Financial Collateral Regulations**"), assets subject to floating charge security are subject to the claims of certain preferential creditors and the ring-fencing of the Prescribed Part for unsecured creditors (see "*—Priority on Insolvency*" below); and (e) there are particular insolvency "clawback" risks in relation to floating charge security.

There is a possibility under English law that a court could find that fixed security interests expressed to be created by a security document governed by English law properly take effect as floating charges as the description given to them as fixed charges is not determinative. Whether the purported fixed security interests will be upheld as fixed security interests rather than recharacterized as floating security interests will depend, among other things, on whether the secured party has the requisite degree of control over the charging company's ability to deal with the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the security holder in practice. Where the charging company is free to deal with the assets that are the subject of a purported fixed charge in its discretion and without the consent of the chargee, the court would be likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

Administration

English insolvency statutes empower English courts to make an administration order in respect of any company within their general jurisdiction (see "*Applicable legal framework and jurisdiction of the English courts*" above), any company incorporated in England and Wales, Scotland or an EEA State, any company (irrespective of its country of incorporation) with its COMI in the UK or an EU member state (other than Denmark) or in the United Kingdom, or upon request from courts in other parts of the UK or certain other countries and territories. In each case and subject to specific conditions, an administration order can be made if the court is satisfied that (a) the relevant company is or is likely to become "unable to pay its debts" and (b) the administration order is reasonably likely to achieve the purpose of administration.

A company is unable to pay its debts if it is insolvent on a "cash flow" basis (unable to pay its debts as they fall due) or if it is insolvent on a "balance sheet" basis (the value of the company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities), as per Section 123 of the Insolvency Act. Such insolvency is presumed if, among other matters, the company fails either to satisfy a creditor's statutory demand for a debt exceeding £750 within 21 days of service or to satisfy in full or in part a judgment debt (or similar court order).

The purpose of an administration is comprised of three parts that must be looked at successively: (1) rescuing the company as a going concern or, if that is not reasonably practicable, (2) achieving a better result for the company's creditors as a whole than would be likely upon immediate liquidation or, if neither of those objectives is reasonably practicable, and the interests of the creditors as a whole are not unnecessarily harmed thereby, (3) realising some or all of the company's property to make a distribution to one or more secured or preferential creditors. The order of priority which applies to any distribution to creditors is set out below (see "*Priority on insolvency*" below).

Without limitation and subject to specific conditions, a company, the directors of such company or the holder of a qualifying floating charge in respect of the company's property (see "*Qualifying floating charge*" below as to what constitutes a qualifying floating charge in respect of the company's property) where the floating charge has become enforceable, may also appoint an administrator via an out of court process, and different procedures apply according to the identity of the appointor.

An administrator is given wide powers to conduct the business of the company to which he or she is appointed and, subject to certain requirements under the Insolvency Act, dispose of the property of a company in administration (including property subject to a floating charge). While an administrator is in office in respect of an English Obligor, the powers of the board of directors of that English Obligor (save those that do not interfere with the exercise of the administrator's powers, and those permitted by the administrator) are suspended. A set proportion of the proceeds of the realisation of any property subject to a floating charge will need to be set aside for satisfaction of the claims of preferential creditors and the ring-fencing of the Prescribed Part (see "*—Prescribed Part*" below). An administrator may also, with prior approval by the court, deal with assets subject to a fixed charge, provided that disposing of the property is likely to promote the purpose of the administration and the administrator applies the net proceeds from the disposal towards discharging the obligations of the company to the fixed charge holder.

In addition, certain rights of creditors, including secured creditors, are curtailed in an administration pursuant to the statutory moratorium imposed under the Insolvency Act. For example, upon the appointment of an administrator, no step may be taken to enforce security or a guarantee over the company's property except with the consent of the administrator or leave of the court (although a demand for payment could be made under a guarantee granted by the company). The same requirements for consent or permission apply to the institution or continuation of legal process (including legal proceedings, execution, distress and diligence) against the company or property of the company. In either case, a court will consider a range of discretionary factors in determining any application for leave in light of the hierarchy of statutory objectives of administration described above.

Accordingly, if any of the English Obligors were to enter into administration, the Guarantees and the Collateral granted by that English Obligor, as applicable, could not be enforced while that English Obligor was in administration without the leave of the court or consent of the administrator. There can be no assurance that the Security Agent would obtain such leave of the court or consent of the administrator.

However, certain creditors of a company in administration may, in certain defined circumstances, be able to realise their security over certain of that company's property notwithstanding the statutory moratorium. This is by virtue of the disapplication of the moratorium in relation to any security interest created or otherwise arising under a "financial collateral arrangement" (generally, this can include a charge over cash or financial instruments, such as shares, bonds or tradeable capital market debt instruments and credit claims) under the Financial Collateral Regulations. If an English Obligor were to enter administration, it is possible that, to the extent such security is not a financial collateral arrangement, the security granted by that English Obligor would not be able to be enforced while that English Obligor is in administration without leave of the court or consent of the administrators.

Unless extended, administration terminates automatically after a year. An administration may be extended by court order or may also be extended with the consent of the creditors up to a maximum period of one further year, provided that the court has not previously extended the administration and that creditors have not previously consented to any prior extension.

The relevant company may exit administration if the administrator is satisfied that one or more of the statutory objectives have been achieved (upon application to and by order of the court if the administration is pursuant to an administration order) and may resume normal business upon exiting administration. However, the administrator also has the power, should they conclude that there is no reasonable prospect of rescuing the company, to either place the company into liquidation or use their powers under, and in accordance with, the Insolvency Act to distribute the company's assets and thereby achieve substantially the same result as a liquidation.

Qualifying floating charge

If a company grants security constituting a "qualifying floating charge" in respect of such company's property to a party for the purposes of English insolvency law, that party will be able to appoint an administrator out of court (see "*Administration*" above) or (in limited circumstances) an administrative receiver (see "*Administrative Receivership*" below). The holder of a qualifying floating charge is also entitled to advance notice of an intention of a company or its directors to appoint an administrator, allowing the charge holder to either appoint its own administrator (or, where applicable, administrative receiver) in place of the proposed administrator, conduct negotiations with the proposed appointors over the identity or terms of appointment of the proposed administrator or (in an extreme case) prevent the company going into administration.

In order to constitute a qualifying floating charge, the floating charge must be created by an instrument which: (a) states that the relevant statutory provision applies to it; (b) purports to empower the holder to appoint an administrator of the company; or (c) purports to empower the holder to appoint an administrative receiver within the meaning given by Section 29(2) of the Insolvency Act. A party will be the holder of a qualifying floating charge if such floating charge security, together (if necessary) with other forms of security granted to that party, relates to the whole or substantially the whole of the property of the relevant company, and at least one such security interest is a qualifying floating charge. Please note that it is a matter of fact whether the extent of the security granted relates to 'the whole or substantially the whole' of the property of a company and there is no statutory guidance as to what percentage of a company's assets should be charged to satisfy this test.

Administrative receivership

Administrative receivership as a creditor remedy has been largely abolished and is only available in very limited circumstances. The ability to appoint an administrative receiver only applies to holders of a qualifying floating charge where either the security document granting such charge pre-dates 15 September 2003 or where it falls within one of the exceptions under the Insolvency Act (as amended by the Enterprise Act 2002). The most relevant exception to the prohibition on the appointment of an administrative receiver is the exception relating to "capital market arrangements" (as defined in the Insolvency Act), which may apply if the issue of the Notes creates a debt of at least £50.0 million for the relevant English company during the life of the arrangement and the arrangement involves the issue of a "capital market investment" (which is defined in the Insolvency Act, and includes rated, listed or traded debt instruments, and debt instruments designed to be rated, listed or traded).

If an administrative receiver has been appointed, an administrator can only be appointed by the court (and not by the company, its directors or the holder of a qualifying floating charge using the out of court procedure) and then only if the person who appointed the administrative receiver consents or the court considers that the security pursuant to which the administrative receiver was appointed is capable of challenge as a transaction at an undervalue, a preference or an invalid floating charge (see "*Transactions at an undervalue*", "*Preference*" and "*Voidable floating charge*" below, respectively). If an administrator is appointed, any administrative receiver will vacate office.

Fixed Charge Receivership

A fixed charge receiver (as opposed to an administrative receiver, who is appointed under certain floating charges (see "*—Administrative Receivership*" above) may be appointed over some or all of the assets secured by a fixed charge in accordance with the terms of a security document creating a fixed charge or (in limited circumstances) pursuant to statute under the Law of Property Act 1925, although it is standard market practice to augment the powers of any receiver appointed through the relevant security document.

If appointed under the terms of a security agreement, grounds for appointment under the terms of the charge (such as a default) must exist and the charging company must have failed to satisfy the demand made for an appointment to take place.

A receivership is not a process pursuant to English insolvency laws as such and a fixed charge receivership can be run in parallel to a liquidation or an administration. However, an administrator may require a fixed charge receiver to vacate office unless that fixed charge receiver was appointed under a charge created or otherwise arising under a "financial collateral arrangement," as per Regulation 8(4) of the Financial Collateral Regulations (see "*—Administration*" above).

The primary duty of a fixed charge receiver is to realise the assets over which (s)he is appointed, meaning (s)he owes an over-riding duty of care to the appointer, although certain limited duties are also owed to the chargor. This contrasts with the duty of an administrator, who performs his/her duties in the interests of a company's creditors as a whole. In other words, receivership is a proprietary remedy whereas administration is a collective procedure. In realising the charged assets, the receiver will need to take reasonable care to obtain the best price obtainable in the circumstances. In doing so, the fixed charge receiver will be entitled to a statutory indemnity in respect of any liabilities from the realisations made of the assets of the company (and may also have the benefit of a contractual indemnity from the appointer).

To the extent the receiver has been appointed under a crystallised floating charge, amounts will be deducted from the proceeds of the realisation of the charged assets to pay the Prescribed Part and any preferential creditors (see "*—Prescribed Part*" below).

Liquidation/winding-up

Liquidation is a company dissolution procedure under which the assets of a company are realised and distributed by the liquidator to creditors in the statutory order of priority prescribed by the Insolvency Act (see "*Priority on insolvency*" below). There are two forms of winding-up: (a) compulsory liquidation, by order of the court; and (b) voluntary liquidation, by resolution of the company's members, and which is in turn divided into members' voluntary liquidation ("**MVL**") and creditors' voluntary liquidation ("**CVL**"). The difference between the two voluntary proceedings is the solvency of the company in question; in a MVL, the directors of the company swear a statutory declaration as to the company's solvency over the following 12 months whereas the primary ground for the CVL of an insolvent company is that it is unable to pay its debts (as defined in Section 123 of the Insolvency Act – see "*Administration*" above). A CVL (other than as an exit from administration) is initiated by a resolution of the members, not the creditors, but once in place the process is subject to some degree of control by the creditors.

Whereas compulsory liquidation and CVL proceedings are available to foreign companies with sufficient nexus to the United Kingdom in addition to companies within the English courts' general jurisdiction (see "*—Applicable Legal Framework and Jurisdiction of the English Courts*" above), MVL proceedings are only available to companies registered in England, Wales or Scotland.

The effect of a compulsory winding-up differs in a number of respects from that of a voluntary winding-up. In a compulsory winding-up, under Section 127 of the Insolvency Act, any disposition of the relevant company's property made after the commencement of the winding up is, unless sanctioned by the court, void. However, this will not apply to any property or security interest subject to a disposition or created or otherwise arising under a "financial collateral arrangement" under the Financial Collateral Regulations and will not prevent a close-out netting provision taking effect in accordance with its terms. Subject to certain exceptions, when an order is made for the winding-up of a company by the court, it is deemed to have commenced from the time of the presentation of the winding up petition. Once a winding up order is made by the court, a stay of all proceedings against the company will be imposed. No action or proceeding may be continued or commenced against the company without permission of the court and subject to such terms as the court may impose although there is no stay on enforcement of security.

In the context of a voluntary winding-up however, there is no equivalent to the retrospective effect of a winding-up order; the winding-up commences on the passing of the members' resolution to wind up. As a result, there is no equivalent of Section 127 of the Insolvency Act. There is also no automatic stay in the case of a voluntary winding-up – it is for the liquidator, or any creditor or contributory of the company, to apply for a stay to prevent the continuation of legal proceedings and enforcement of security. This is important because, in the absence of a stay being obtained, it means secured creditors for example can go ahead and enforce their security.

A liquidator has, among other things, the power to bring or defend legal proceedings on behalf of the company, to carry on the business of the company as far as it is necessary for its beneficial winding up, to sell the company's property and execute documents in the name of the company and to challenge antecedent transactions (see "*Avoidance of Transactions*" below).

Company Voluntary Arrangements

A company voluntary arrangement ("**CVA**") is a procedure intended to allow companies to avoid potentially terminal insolvency proceedings and to address their financial difficulties by obtaining a binding agreement or compromise with their unsecured creditors. Though it does not result in the insolvency of a company, a CVA is implemented under the supervision of an insolvency practitioner who will act as the nominee before the CVA proposals are approved, and as the supervisor afterwards. CVAs may also be used as a tool alongside a formal insolvency procedure such as administration in order to implement a compromise between the debtor company and its creditors. Unlike an administration proceeding, a CVA does not automatically trigger a moratorium of claims or proceedings.

English courts are empowered to oversee company voluntary arrangements in respect of companies within their general jurisdiction (see "*Applicable legal framework and jurisdiction of the English courts*" above) and companies (i) incorporated in England and Wales or Scotland, (ii) incorporated in a member state of the EEA or (iii) not incorporated in a member state of the EEA but with their COMI in a Member State (other than Denmark) or in the UK.

The CVA can be proposed by the relevant company's directors (if the relevant company is not in administration or liquidation) or, if the relevant company is in administration or liquidation, by the administrator or the liquidator (as applicable) and entails a compromise, or other arrangement, between the company and its creditors, typically a rescheduling or reducing of the company's debts. Provided that the proposal is approved by the requisite majority of creditors by way of a decision procedure, it will bind all unsecured creditors who were entitled to vote on the proposal. A company voluntary arrangement cannot affect the right of a secured creditor to enforce its security, except with its consent.

If the proposals under the CVA are approved by the requisite majority of creditors (i.e. 75% or more in value of creditors who respond in the decision procedure) and provided that those voting against the proposal do not include more than 50% in value of creditors who are unconnected with the company whose claims are admitted for voting, a CVA will bind all unsecured creditors of a company who were entitled to vote on the proposal or who would have been entitled to vote if they had notice of the decision procedure. A wholly-secured creditor is excluded from CVA voting, but if the debt owed to a creditor is partly secured that creditor is permitted to vote in respect of the unsecured part of its debt. A secured creditor who proves in the company voluntary arrangement for the whole of its debt may be deemed to have given up its security. Shareholders of the company will also be asked to vote on the CVA but whether or not they vote in favor, the CVA will be implemented if the requisite majority of creditors approve the proposal. A simple majority of the company's members must also have voted on the proposal. However, if the company's creditors approve the proposal, the CVA will be implemented notwithstanding a vote against by the members.

Priority on insolvency

One of the primary functions of winding-up (and, where the company cannot be rescued as a going concern, one of the possible functions of administration) under English law is to realise the assets of the company in question and distribute the proceeds from those assets to the company's creditors.

In accordance with the Insolvency Act and the Insolvency Rules, creditors are placed into different classes, with the proceeds from the realisation of the insolvent company's property applied in descending order of priority, as set out below. With the exception of the Prescribed Part (as defined below), distributions generally cannot be made to a class of creditors until the claims of the creditors in a prior ranking class have been paid in full. Unless creditors have agreed otherwise with the company, distributions are made on a *pari passu* basis, that is, the assets are distributed in proportion to the debts due to each creditor within a class.

Contractual setting-off arrangements entered into after a company enters liquidation or administration are only respected to the extent they fall within the definition of "mutual dealing" as applied by the mandatory insolvency set-off regime. This regime sees an account being taken of what is due from each party to the other in respect of their mutual dealings, and only the resulting net balance is either provable by the creditor in the administration or liquidation of the company (if amounts remain due to the creditor) or, conversely, is payable by the creditor to the company (if amounts remain due to the company).

The general priority on insolvency is as follows (in descending order of priority):

- **First ranking:** holders of fixed charge security (but only to the extent the value of the secured assets covers that indebtedness) and parties with a proprietary interest in assets in the possession (but not under the full legal and beneficial ownership) of the debtor (but only with respect to the assets in which they have a proprietary interest);

- **Second ranking**: where winding-up procedures are begun, or a debtor company enters into administration, within 12 weeks following the end of any Part A1 stand-alone moratorium (see "*Moratoriums*" below), moratorium debts and priority pre-moratorium debts (however, as the moratorium is not available to companies which are party to "capital market arrangements" where the debt incurred or expected to be incurred is at least £10 million (at any time during the life of the capital market arrangement) and the arrangement involves the issue of a capital market investment, details of such debts are omitted), as well as, if applicable, any prescribed fees or expenses of the official receiver acting in any capacity in relation to the company (which will take priority over the moratorium debts and priority pre-moratorium debts);

- **Third ranking:** expenses of the insolvent estate (there are statutory provisions setting out the order of priority in which expenses are paid);

- **Fourth ranking:** ordinary and secondary preferential creditors.

  Ordinary preferential debts include (but are not limited to) debts owed by the insolvent company in relation to: (a) contributions to occupational and state pension schemes; (b) wages and salaries of employees for work done in the four months before the insolvency date, up to a maximum of £800 per person; (c) holiday pay due to any employee whose contract has been terminated, whether the termination takes place before or after the date of insolvency; and (d) bank and building society deposits eligible for compensation under the Financial Services Compensation Scheme ("**FSCS**") up to the statutory limit. As between one another, ordinary preferential debts rank equally.

  Secondary preferential debts include (a) bank and building deposits eligible for compensation under the FSCS to the extent that claims exceed the statutory limit, and (b) claims by HM Revenue and Customs for certain taxes including VAT, PAYE income tax, employee NI contributions, student loan repayments and Construction Industry Scheme deductions (but excluding corporation tax and employers' NI contributions) which are held by the company on behalf of employees and customers, and in each case rank for payment after the discharge of the ordinary preferential debts. As between one another, secondary preferential debts rank equally;

- **Fifth ranking:** holders of floating charge security, according to the priority of their security. This would include any security interest that was stated to be a fixed charge in the document that created it but which, on proper interpretation by the court, was rendered a floating charge. However, before distributing asset realisations to the holders of any floating charges, the Prescribed Part (as defined below) must, subject to certain exceptions, be set aside for distribution to unsecured creditors;

- **Sixth ranking:**

  - firstly, provable debts of unsecured creditors and any secured creditor to the extent of any unsecured shortfall, in each case including accrued and unpaid interest on those debts up to the date of commencement of the relevant insolvency proceedings. In the case of any unsecured shortfall for secured creditors, the insolvency officeholder can only use realisations from unsecured assets and is not permitted to make a distribution from the Prescribed Part to such secured creditors unless the Prescribed Part is sufficient to first pay out all unsecured creditors or the secured creditor elects to surrender its security;

  - secondly, interest on the company's debts (at the higher of the applicable contractual rate and the official rate determined in accordance with the Judgments Act 1838 (currently 8% per annum)) in respect of any period after the commencement of liquidation, or after the commencement of any administration which had been converted into a distributing administration. However, in the case of interest accruing on amounts due under the Notes or the Guarantees, such interest due to the holders of the Notes may, if there are sufficient realisations from the secured assets, be discharged out of such security recoveries; and

  - thirdly, non-provable liabilities, being liabilities that do not fall within any of the categories above and therefore are only recovered in the (unusual) event that all categories above are fully repaid; and

- **Seventh ranking:** shareholders. If, after the repayment of all unsecured creditors in full, any remaining funds exist, these will be distributed to the shareholders of the insolvent company.

Subject to the above order of priority, subordinated creditors are ranked according to the terms of the subordination language in the relevant documentation (and provided that such terms do not contravene the Insolvency Act or English common law).

Prescribed Part

An insolvency officeholder of a company (*e.g.*, administrator, administrative receiver or liquidator) will generally be required to ring-fence a certain percentage of the proceeds of enforcement of floating charge security for the benefit of unsecured creditors (after making full provision for preferential creditors and expenses out of floating charge realisations and subject to the exception for financial collateral arrangements) (the "**Prescribed Part**"). Under current law, this ring-fence applies to (a) 50% of the first £10,000 of the company's net property and (b) 20% of the remainder of the company's net property over £10,000, subject to an aggregate cap of £800,000 (except where the company's net property is available to be distributed to the holder of a first-ranking floating charge created before 6 April 2020, in which case the maximum aggregate cap is £600,000). The Prescribed Part must be made available to unsecured creditors unless the cost of doing so would be disproportionate to the resulting benefit to creditors. The Prescribed Part will not be available for any shortfall claims of secured creditors unless the Prescribed Part is sufficient to first pay out all unsecured creditors.

The requirement for an administrator, liquidator or receiver (including administrative receiver) to set aside a Prescribed Part will not apply to any charge created or otherwise arising under a financial collateral arrangement under the Financial Collateral Regulations.

Avoidance of transactions

There are circumstances under English insolvency law in which the granting by an English company of security and/or guarantees, or the entry by a company into a transaction can be challenged. In most cases, this will only arise if the company is placed into administration or liquidation within a specified period after the relevant act. Therefore, if during the specified period an administrator or liquidator is appointed to an English company, the administrator or liquidator may challenge the validity of the security or guarantee given by such company or certain transactions entered into by that company.

Each English Obligor cannot be certain that, in the event that the onset of its insolvency (as described below) is within any of the requisite time periods, the grant of a security interest and/or guarantee in respect of the Notes would not be challenged or that a court would uphold the transaction as valid.

Onset of insolvency

The date of the onset of insolvency, for the purposes of transactions at an undervalue, preferences and invalid floating charges (as discussed below), depends on the insolvency procedure in question.

In an administration, the onset of insolvency is the date on which: (a) the court application for an administration order is issued; (b) the notice of intention to appoint an administrator is filed at court; or (c) otherwise, the date on which the appointment of an administrator takes effect.

In a compulsory liquidation the onset of insolvency is the date the winding-up petition is presented to court, whereas in a voluntary liquidation it is the date the company passes the relevant winding-up resolution. Where liquidation follows administration, the onset of insolvency will be the same as for the initial administration.

Connected persons

If the given transaction at an undervalue, preference, or invalid floating charge has been entered into by the company with a "connected person", then particular specified time periods and presumptions will apply to any challenge by an administrator or liquidator (as set out below).

A "connected person" of a company granting a security interest or guarantee for the purposes of transactions at an undervalue, preferences or invalid floating charges is a party who is: (a) a director of the company; (b) a shadow director; (c) an associate of such director or shadow director; or (d) an associate of the relevant company.

The term "associate" is very widely defined; key "associates" are defined below (as set out in Section 435 of the Insolvency Act).

A party is associated with an individual if they are: (a) a relative of the individual; (b) the individual's husband, wife or civil partner; (c) a relative of the individual's husband, wife or civil partner; (d) the husband, wife or civil partner of a relative of the individual; or (e) the husband, wife or civil partner of a relative of the individual's husband, wife or civil partner.

A person is an associate of any person with whom he is in partnership and of the husband, wife or civil partner or relative of any individual with whom he is in partnership.

A party is associated with a company if they are employed by that company (and in this case directors of a company are treated as employees of that company). A person is also an associate of any person whom he employs. A company is an associate of another person if that person has control of it or if that person and persons who are his associates together have control of it.

A company is associated with another company if the same person has control of both companies, or a person has control of one and persons who are his associates, or he and persons who are his associates, have control of the other, or if a group of two or more persons has control of each company, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an associate.

A person is to be taken as having control of a company if the directors of the company or of another company which has control of it (or any of them) are accustomed to act in accordance with his directions or instructions, or he is entitled to exercise, or control the exercise of, one third or more of the voting power at any general meeting of the company or of another company which has control of it. Where two or more persons together satisfy either of these conditions, they are to be taken as having control of the company.

The potential grounds for challenge available under the English law that may apply to any security interest or guarantee granted by an English company include, without limitation, the following described below.

Transactions at an undervalue

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside the creation of a security interest or a guarantee (or grant other relief) where the creation of such security interest or guarantee constituted a transaction at an undervalue. It will only be a transaction at an undervalue if at the time of the transaction or in consequence of the transaction, the company is unable to pay its debts or becomes unable to pay its debts (as defined in Section 123 of the Insolvency Act). The transaction can be challenged if the onset of the company's insolvency is within a period of two years from the date the company grants the security interest or the guarantee.

A transaction may be set aside as a transaction at an undervalue if the company made a gift to a person, if the company received no consideration or if the company received consideration of significantly less value, in money or money's worth, than the consideration given by such company in return.

However, a court shall not make an order if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit it.

If the court determines that the transaction was a transaction at an undervalue, the court shall make such order as it thinks fit to restore the company to the position it would have been in had it not entered into the transaction (which could include reducing payments due under the guarantees or setting aside security interests or guarantees).

In any proceedings, it is for the administrator or liquidator to demonstrate that the company was unable to pay its debts unless a beneficiary of the transaction was a connected person (see "*Connected persons*" above), in which case there is a presumption of insolvency and the connected person must demonstrate that the company was not unable to pay its debts at the time of the transaction or became unable to do so as a consequence of the transaction.

An order by the court for a transaction at an undervalue may affect the property of, or impose any obligation on, any person whether or not they are the person with whom the company entered into the transaction, but such an order will not prejudice any interest in property which was acquired from a person other than the company in good faith and for value, or prejudice any interest deriving from such an interest, and will not require a person who received a benefit from the transaction in good faith and for value to pay a sum to the liquidator or administrator of the company, except where that person was a party to the transaction.

Preferences

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside payments, the creation of a security interest or a guarantee (or grant other relief) where such payment, creation of security interest or guarantee constituted a preference. It will only be a preference if at the time of the transaction or in consequence of the transaction the company is unable to pay its debts or becomes unable to pay its debts (as defined in Section 123 of the Insolvency Act).

A transaction can be challenged if the company enters into insolvency within a period of six months (if the beneficiary of the security or the guarantee is not a connected person) or two years (if the beneficiary is a connected person, except where such beneficiary is a connected person by reason only of being the company's employee) from the date the company grants the security interest or the guarantee.

A transaction may constitute a preference if it has the effect of putting a creditor of the company (or a surety or guarantor for any of the company's debts or liabilities) in a better position (in the event of the company going into insolvent liquidation) than such creditor, guarantor or surety would otherwise have been in had that transaction not been entered into. However, a court shall not make an order unless the company which entered into the transaction was influenced by a desire to produce a preferential position in relation to that person when taking their decision.

In any proceedings, it is for the administrator or liquidator to demonstrate that the company was unable to pay its debts at the relevant time and that there was such desire to prefer the relevant creditor, unless the beneficiary of the transaction was a connected person (except where such beneficiary is a connected person by reason only of being the company's employee), in which case it is presumed that the company was influenced by a desire to prefer and the connected person must demonstrate in such proceedings that there was, in fact, no such desire on the part of the company to prefer them.

If the court determines that the transaction was a preference, the court shall make such order as it sees fit to restore the company to the position it would have been in had it not entered into the transaction, which may include reducing payments due under the Notes, or setting aside security interests or guarantees. An order by the court for a preference may affect the property of, or impose any obligation on, any person whether or not they are the person to whom the preference was given, but such an order will not prejudice any interest in property which was acquired from a person other than the company in good faith and for value, or prejudice any interest deriving from such an interest, and will not require a person who received a benefit from the preference in good faith and for value to pay a sum to the liquidator or administrator of the company, except where the payment is to be in respect of a preference given to that person at a time when they were a creditor of the company.

Transactions defrauding creditors

Under English insolvency law, where a transaction was at an undervalue and the court is satisfied that it was made for the substantial purpose of putting assets beyond the reach of a person who is making, or may make, a claim against a company, or of otherwise prejudicing the interests of a person in relation to the claim which that person is making or may make, the transaction may be set aside by the court as a transaction defrauding creditors. This provision may be used by the relevant company's liquidator or administrator or (with the leave of the court if the company is in administration or liquidation), any person who claims to be a "victim" of the transaction and, subject to certain conditions, the UK Financial Conduct Authority, the UK Prudential Regulation Authority and the UK Pensions Regulator. There is no statutory time limit under English insolvency legislation within which the challenge must be made (subject to the normal statutory limitation periods) and the relevant company does not need to be insolvent at the time of, or as a result of, the transaction.

If the court determines that the transaction was a transaction defrauding creditors, the court may make such order as it thinks fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of the victims of the transaction, which may include reducing payments due under the Notes or setting aside security interests or guarantees. The relevant court order may affect the property of, or impose any obligation on, any person, whether or not they are the person with whom the transaction was entered into. However, such an order will not prejudice any interest in property which was acquired from a person other than the debtor company in good faith, for value and without notice of the relevant circumstances, and will not require a person who received a benefit from such transaction in good faith, for value and without notice of the relevant circumstances to pay any sum to the liquidator or the administrator of the company unless such person was a party to the transaction.

Extortionate Credit Transactions

An administrator or a liquidator can apply to court to set aside an extortionate credit transaction. The court can review extortionate credit transactions entered into by a company up to three years before the day on which the company entered into administration or went into liquidation. A transaction is extortionate if, having regard to the risk accepted by the person providing the credit, the terms of it are (or were) such as to require grossly exorbitant payments to be made (whether unconditionally or in certain contingencies) in respect of the provision of the credit or it otherwise grossly contravened ordinary principles of fair dealing. It is presumed, unless otherwise proved by the person extending the credit, that a transaction with respect to which an administrator or liquidator makes an application to set aside an extortionate credit transaction is extortionate. The court can make an order to set aside, either in whole or in part, any obligation created by the transaction (which could include obligations of sureties). It may also vary the terms of the transaction or the terms of any security for the purposes of the transaction. The court may require any party to the transaction to repay to the liquidator or administrator sums already paid under the transaction and it may order the surrender of any security held for the purpose of the transaction. It should be noted that there are no provisions for the protection of third parties who acquire interests in the extortionate credit transaction (e.g. assignees of the benefit of the transaction from the person who provided credit under it).

Voidable floating charges

Under English insolvency law, floating charges created by a company within a period of one year prior to the onset of the company's insolvency (or two years in the case of a floating charge in favour of a connected person) at a time when the company was unable to pay its debts or became unable to do so as a consequence of the transaction will be invalid, except to the extent of the value of: (a) the money paid to; (b) the goods or services supplied to; or (c) any discharge or reduction of any debt of, the relevant company at the same time as or after the creation of the floating charge (plus certain interest) (the "**Consideration**"). The requirement for a company to be unable to pay its debts at the time of granting the floating charge or to become insolvent as a consequence of doing so does not apply where the floating charge is granted to a connected person.

An administrator or liquidator (as applicable) does not need to apply to court for an order declaring that a floating charge is invalid by operation of law. Any floating charge created during the relevant time period is automatically invalid, except to the extent of the value of the Consideration.

However, if the floating charge is created or otherwise arising under a "security financial collateral arrangement" under the Financial Collateral Regulations, the floating charge will not be subject to challenge as described in "*Administration*" above.

If a floating charge is held to be wholly invalid, then it will not be possible for the holder of that charge to appoint an administrator out-of-court or through the less onerous in-court route for qualifying floating charge holders or (if the holder would otherwise have been entitled to appoint an administrative receiver but for the floating charge being held invalid) to appoint an administrative receiver.

Recharacterization of Fixed Charges

As referred to above (see "*—Fixed Versus Floating Charges*" above), note the risk of a fixed charge being recharacterized as a floating charge. If purported fixed security that is subsequently recharacterized has been granted within the suspect period referred to above (see "*—Voidable Floating Charges*"), this could render the charge invalid except to the value of the Consideration.

If a fixed security interest is recharacterized as a floating charge, this will, among other things, adversely impact the returns of the holder of the charge in an administration, liquidation or administrative receivership (see "*—Priority on insolvency*" above) and prevent the holder relying on that charge to appoint a receiver.

Disclaimer

Under English insolvency law, a liquidator has the power to disclaim onerous property, which is any unprofitable contract or other property of the company that cannot be sold, readily sold or may give rise to a liability to pay money or perform any other onerous act, by serving the prescribed notice on the relevant party. A contract may be unprofitable if it gives rise to prospective liabilities and imposes continuing financial obligations on a company that may be detrimental to creditors. A contract will not be unprofitable merely because it is financially disadvantageous or because the company could have made, or could make, a better bargain. However, this power to disclaim onerous property does not apply to an executed contract insofar as it has been performed, nor can it, except so far as is necessary for the purpose of releasing the company from any liability, affect the rights or liabilities of any other person. Any person suffering loss or damage in consequence of the operation of the disclaimer is deemed to be a creditor of the company and may prove for the loss or damage in the winding-up.

Limitation on enforcement

Constitutional Documents, Corporate Benefit and Financial Assistance

The grant of a Guarantee or Collateral by any of the English Obligors in respect of the obligations of another group company must satisfy certain legal requirements. Among other requirements, such a transaction must be allowed by the respective company's memorandum and articles of association. To the extent that these documents do not allow such an action, there is a risk that granting a guarantee or security can be found to be void and the respective creditor's rights unenforceable. Some comfort may be obtained for third parties if they are dealing with an English Obligor in good faith; however, the relevant legislation is not without difficulties in its interpretation.

Further, corporate benefit must be established for each English Obligor in question with respect to its entry into the proposed transaction. Section 172 of the Companies Act 2006 provides that a director must act in a way that he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. If the directors authorise the company's entry into a transaction where there is no or insufficient commercial benefit, they may be found to be abusing their powers as directors and such a transaction may be vulnerable to being set aside by a court. Section 172(3) of the Companies Act 2006 additionally provides that, in certain circumstances, the directors need to consider or act in the interests of the creditors of the company. While the statutory provisions do not prescribe when this shift arises, the UK Supreme Court has held that it takes place when the company in question is either insolvent or is bordering on insolvency, or an insolvent liquidation or administration is probable.

Security and/or guarantees granted by an English Obligor may also be subject to potential limitations to the extent they would result in unlawful financial assistance contrary to English company law.

Security Registration

Under English company law, subject to limited exceptions, a certified copy of any security document pursuant to which a charging company incorporated in England and Wales grants security (including security governed by law other than English law) (together with prescribed particulars of the relevant security) may be delivered to the Registrar of Companies for registration within 21 days after the date of creation of the relevant security interest (the "**Registration Period**"). Whilst the Companies Act 2006 does not impose an obligation as such on English companies to register security, security will be deemed to be void against a liquidator, administrator and any creditor of the applicable charging company if not registered within the Registration Period. When security becomes so void, the debt which was intended to be secured by such security is deemed to become immediately payable. In limited circumstances, it may be possible to apply to the English courts for an order to rectify a failure to register and allow the relevant charge to be registered after the Registration Period has expired.

The Financial Collateral Regulations exempt certain charges over financial collateral from registration with the Registrar of Companies. Security created by overseas companies over assets in England and Wales similarly does not need to be registered with the Registrar of Companies, although registration with applicable asset registries may still be required depending on the nature of the collateral assets.

Moratoriums

As outlined above, certain of the insolvency processes available in England and Wales provide for the automatic or optional moratorium imposing a period of time during which third parties including creditors are unable to institute or continue legal action against the company, enforce certain rights and/or call upon security or guarantees.

Besides the moratorium available to companies undergoing administration (see "—*Administration*" above) or liquidation (see "—*Liquidation/Winding-up*" above), a standalone moratorium procedure is also available under Part A1 of the Insolvency Act to any company incorporated in England and Wales or Scotland, and certain overseas companies, provided in case that (a) in the view of the directors, the company is, or is likely to become, unable to pay its debts, and (b) in the view of the monitor, it is likely that the moratorium will result in the company being rescued as a going concern. However, companies are ineligible for the standalone moratorium if (among other exclusions) the company is party to an agreement which is or forms part of a "capital market arrangement" (including the grant of security or a guarantee) under which a party has incurred, or when the agreement was entered into was expected to incur, a debt of at least £10 million (at any time during the life of the capital market arrangement), where the arrangement involves the issue of a capital market investment. This includes, among other things, secured and unsecured debt that is rated, listed, traded (or designed to be rated, listed or traded), or bonds or commercial paper issued to certain professional, high net worth or sophisticated investors.

Restriction on the operation and exercise of ipso facto provisions

Recent changes to the Insolvency Act introduced a restriction on the operation and exercise of ipso facto clauses in order to preserve the continuity of the provision of goods and services to companies undergoing insolvency procedures. In general terms, ipso facto clauses are provisions in supply of goods or services contracts which allow suppliers to terminate the contract or supply or take any other action, or provide for the automatic termination of the contract or supply or the occurrence of any other event, upon the counterparty entering an insolvency procedure. Under the new approach, to the extent that the trigger event is the counterparty's entry into a 'relevant insolvency procedure' (i.e. an administration, administrative receivership, company voluntary arrangement, liquidation and/or a restructuring plan), such clauses will be deemed void and suppliers will be unable to terminate the relevant contracts unless the company or the relevant office-holder consents to the termination or the court grants permission on the basis that it is satisfied that the continuation of the contract would cause the supplier hardship.

The restrictions do not apply to a range of contracts involving financial services or entities involved in the provision of financial services, including contracts for the provision of lending, financial leasing or guarantees, contracts for the purchase, sale or loan of securities or commodities and agreements which are, or form part of, arrangements involving the issue of a capital market investment (as defined in the Insolvency Act).

The Corporate Insolvency and Governance Act 2020 further confers on the UK government extensive powers to make a range of further amendment to corporate insolvency and governance legislation under delegated regulations. For example, regulations may be made to amend or modify the conditions that must be met before an insolvency procedure applies to certain entities, or the way in which the procedure applies, or to change or disapply a person's corporate duties and liabilities.

Security over shares

English law security over the shares in the capital of an English company commonly takes the form of an equitable charge rather than a legal charge. An equitable charge arises where a chargor creates an encumbrance over the property in favour of the chargee but the chargor retains legal title to the shares. Remedies in relation to equitable charges may be subject to equitable considerations or may otherwise be at the discretion of the court.

The validity of share security and the ability of secured parties to enforce security interests over shares may additionally be affected by a failure of the charging company or related parties or (in certain circumstances) the secured parties to comply within the relevant timeframes with the disclosure and notification obligations under English company statutes in respect of persons with significant control and relevant legal entities.

Security over Bank Accounts

With respect to any English law charges over cash deposits (each an "**Account Charge**") granted by a company over any of its bank accounts, the banks with which some of those accounts are held (each an "**Account Bank**") may have reserved their right at any time (whether prior to or upon a crystallization event under the Account Charge) to exercise the rights of netting or set-off to which they are entitled under their cash pooling or other arrangements with the chargor. As a result, and if the security granted over those accounts is merely a floating (rather than fixed) charge, the collateral constituted by those bank accounts will typically be subject to the relevant Account Bank's netting and set-off rights with respect to the bank accounts charged under the relevant Account Charge. Once the floating charge has crystallized and converted into a fixed charge (as typically would occur on enforcement or the occurrence of certain insolvency events with respect to the chargor) the collateral will no longer be subject to the relevant Account Bank's netting and set-off rights, since the Account Bank will only be entitled to exercise its netting and set-off rights while the bank accounts are subject only to floating security, except where account banks have expressly reserved set-off rights.

Foreign currency

Under English insolvency law, where creditors are asked to submit formal proofs of claim for their debts, the office-holder will convert all foreign currency denominated proofs of debt into pound sterling at a single rate for each currency determined by the office-holder by reference to the exchange rates prevailing on the relevant date. This provision overrides any agreement between the parties. If a creditor considers the rate to be unreasonable, they may apply to the court.

Accordingly, in the event that an English Obligor goes into liquidation or administration, holders of the Notes may be subject to exchange rate risk between the date on which such English Obligor goes into liquidation or administration and receipt of any amounts to which such holders of the Notes may become entitled. Any losses resulting from currency fluctuations are not recoverable from the insolvent estate.

Scheme of arrangement

Although it is not an insolvency proceeding, pursuant to Part 26 of the Companies Act 2006, the English courts have jurisdiction to sanction a scheme of arrangement ("**Scheme**") that effects a compromise of a company's liabilities between a company and its creditors (or any class of its creditors). An English Obligor may be able to propose a Scheme in respect of its financial liabilities. In addition, a foreign guarantor which is liable to be wound up under the Insolvency Act and has a "sufficient connection" to England and Wales could also propose a Scheme in certain circumstances. In practice, a foreign company is likely to satisfy the first limb of this test and the second limb has been found to be satisfied where, amongst other things, the company's COMI is in England, the company's finance documents are English law-governed, or the company's finance documents have been amended in accordance with their terms to be governed by English law. Ultimately, each case will be considered on its particular facts and circumstances so previous cases will not necessarily determine whether or not any of the grounds of the second limb are satisfied in the present case.

Before the court considers the sanction of a Scheme at a hearing where the fairness and reasonableness of the scheme will be considered, affected creditors will vote on the proposed compromise or arrangement in respect of their claims in a single class or in a number of classes, depending on the rights of such creditors that will be affected by the proposed Scheme and any new rights that such creditors are given under the Scheme. Classes must be comprised of those persons whose rights are not so dissimilar as to make it impossible for them to consult together with a view to their common interest.

Such compromise can be proposed by the company or its creditors (although a creditor-led scheme would nonetheless require the consent of the company or its insolvency officeholder). If a majority in number representing 75% or more by value of those creditors present and voting at the meeting(s) of each class of creditors vote in favour of the proposed Scheme, irrespective of the terms and approval thresholds contained in the finance documents, then that Scheme will (subject to the sanction of the court) be binding on all affected creditors, including those affected creditors who did not participate in the vote and those who voted against the Scheme. The Scheme then needs to be sanctioned by the court at a sanction hearing where the court will review the fairness of the Scheme and consider whether it is reasonable. The court has the discretion as to whether to sanction the Scheme as approved, make an order conditional upon modifications being made or refuse to sanction the Scheme. In exercising its discretion to sanction a Scheme of a foreign company, the court will need to be satisfied that the Scheme would have substantial effect in the jurisdictions in which the company has its main assets or operations, in the jurisdictions of any other obligors of the debt and under the governing law the affected debt documents (if not English law). This is typically achieved by providing expert evidence that the Scheme (or its effect) is likely to be recognised in such jurisdictions. Once sanctioned, the Scheme binds all affected stakeholders whose rights will be as set out in the Scheme, which shall be effective (in accordance with its terms) upon delivery of the court's order sanctioning the Scheme to the Registrar of Companies.

Unlike an administration proceeding, the commencement of a Scheme does not automatically trigger a moratorium of claims or proceedings.

Restructuring plan

Like a scheme of arrangement, a restructuring plan (a "**Restructuring Plan**") is a procedure under the Companies Act 2006, namely Part 26A thereof, which allows the English courts to effect a compromise of a company's liabilities between a company and its creditors (or any class of its creditors), but with the added possibility of a 'cross-class cram-down'. While generally available to the same domestic and foreign companies as Schemes, a company seeking to enter into a Restructuring Plan process must show that (a) it has encountered, or is likely to encounter, financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern, and (b) a compromise or arrangement has been proposed between the company and its creditors (or any class of them) whose purpose it is to eliminate, reduce or prevent, or mitigate the effect of, any of those financial difficulties.

A Restructuring Plan may be proposed by the debtor company, any creditor of the company or any liquidator or administrator appointed to the company. The consent of the company (or its insolvency officeholder) is required if the plan is proposed by a creditor or shareholder. As with a Scheme, affected creditors will vote on the proposed compromise or arrangement in respect of their claims in a single class or in a number of classes depending on the rights of such creditors which will be affected by the proposed Restructuring Plan and any new rights that such creditors are given under the Restructuring Plan.

A Restructuring Plan will be deemed to be approved if at least 75% in value of the creditors present and voting at the meeting of at least one class of creditors vote in favour of the proposed compromise. There is no requirement for the approving creditors to constitute a majority in number of those creditors present and voting, and there is crucially no requirement for each and every voting class to approve of the plan, provided that the court is satisfied that (a) none of the members of a dissenting class would be any worse off if the Restructuring Plan were to be sanctioned than they would be in the event of the 'relevant alternative' and (b) the Restructuring Plan was approved by at least one class of creditors who would receive a payment or have a genuine economic interest in the company in the event of the 'relevant alternative'. The 'relevant alternative' for the purposes of this assessment is whatever the court considers would be most likely to occur in relation to the company if the Restructuring Plan were not sanctioned. By virtue of these mechanics, the Restructuring Plan process provides for the possibility of a 'cross-class cram-down', meaning the courts may sanction a Restructuring Plan even if one or more classes of affected creditors do not vote in favour of the Restructuring Plan, effectively allowing the vote of one class of stakeholders to bind other classes.

Following approval of the Restructuring Plan at the creditor meeting(s), the Restructuring Plan needs to be sanctioned by the court at a sanction hearing where the court will review whether the applicable statutory conditions have been met and may also consider whether the restructuring plan provides for a fair distribution between creditors (and where relevant between creditors and members) of the benefits preserved or generated by the plan. The court has discretion as to whether to sanction the Restructuring Plan as approved, make an order conditional upon modifications being made or refuse to sanction the Restructuring Plan. Once sanctioned, the Restructuring Plan binds all affected stakeholders whose rights will be as set out in the Restructuring Plan, which shall be effective (in accordance with its terms) upon delivery of the court's order sanctioning the Restructuring Plan to the Registrar of Companies or, where the company is an overseas company, publication of the court's order in the Gazette.

As with Schemes, the commencement of a Restructuring Plan process does not automatically trigger a moratorium of claims or proceedings.

Cross-border recognition of English insolvency and restructuring proceedings

General position

The recognition of English insolvency and restructuring proceedings in other jurisdictions is governed by applicable treaties in respect of the mutual recognition (or otherwise) of courts' jurisdiction, proceedings and judgments and general principles of private international law such as comity and conflicts of laws rules applicable in the relevant jurisdictions.

One of the key insolvency-related treaties is the UNCITRAL Model Law on Cross-Border Insolvency (the "**Model Law**"), which has been adopted in a number of jurisdictions, including the United States and the UK, where it was implemented by the Cross-Border Insolvency Regulations (and the Cross-Border Insolvency Regulations (Northern Ireland) 2006 (SI 2007/115) with respect to Northern Ireland). The Model Law provides for recognition of certain UK insolvency proceedings in other signatory states as either foreign main proceedings (if the COMI of the relevant debtor is determined to be in the UK) or foreign non-main proceedings (if the COMI is determined to be in another jurisdiction but the debtor has an establishment in the UK) upon application by the relevant insolvency officeholder. The nature and scope of the recognition will depend on the way that the Model Law has been implemented into the domestic law of the foreign jurisdiction in question. Conversely, the Cross-Border Insolvency Regulations provide for recognition in the UK of foreign insolvency proceedings as either main proceedings (if the proceedings are taking place in the jurisdiction where the debtor has its COMI) or non-main proceedings (if the proceedings are taking place in a jurisdiction in which the debtor has only an establishment).

The recognition of English courts' jurisdiction and orders in respect of schemes of arrangement, which are restructuring rather than insolvency proceedings, will be subject to treaties regarding matters relating to the jurisdiction of courts in civil proceedings and the enforcement of civil judgments such as the Hague Convention on Choice of Court Agreements 2005 (the "**Hague Convention 2005**") where applicable and the Hague Convention of 2 July 2019 on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters (the "**Hague Convention 2019**"), which came into force on 1 July 2025 with respect to the United Kingdom and applies to judgments in proceedings commenced after that date. In addition, recognition may still be available under principles of private international law and (in the case of Member States other than Denmark) Regulation (EC) No 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations ("**Rome I**").

The recognition of English courts' jurisdiction and orders in respect of Restructuring Plans is a developing area of law. It remains to be seen whether Restructuring Plans will fall within the scope of treaties regarding matters relating to the jurisdiction of courts in civil proceedings and the enforcement of civil judgments such as the Hague Conventions, or whether they will be treated more akin to insolvency and restructuring proceedings and fall within related exceptions to such treaties (the one case to date in which this point has been considered adopted the latter position with respect to the Lugano Convention, to which the United Kingdom has not acceded following its withdrawal from the European Union).

Recognition in the EU

Following the UK's departure from the EU and the expiry of the Transition Period, UK proceedings no longer benefit from automatic and guaranteed recognition in Member States. As the trade and cooperation terms agreed between the EU and the UK do not include a replacement regime for the current automatic recognition of UK insolvency procedures across the EU (and vice versa) or otherwise address insolvency matters, cross-border insolvencies involving the UK and one or more Member States are subject to a degree of uncertainty and increased complexity.

Unless or until a mutual recognition agreement is reached and becomes effective, it is likely to be more problematic for UK restructuring and insolvency proceedings to be recognised in Member States and for UK office holders to effectively deal with assets located in Member States. The general position outlined above will apply and recognition will depend on the private international law rules adopted in the relevant Member State. It may be necessary to open parallel proceedings, increasing the element of risk as well as costs. In particular in cases where the appointment of a UK office holder is made in reliance on a UK domestic approach rather than COMI rules, it is much less certain that such appointment will be recognised in other Member States. To the extent relevant proceedings are deemed to fall within the remit of contract law, Rome I may offer an alternative basis for recognition in Member States other than Denmark.

As a consequence, the recognition of English insolvency and restructuring proceedings across the Member States may be different from what investors may have experienced in the past when the UK was a Member State. It is not possible to predict with certainty if and to what extent proceedings will be recognised and whether investors may be adversely affected as a result.

United States

Italmatch USA Corporation is incorporated in the State of Illinois, Detrex Corporation is incorporated in the State of Michigan, The Elco Corporation is incorporated in the State of Ohio and Water Science Technologies, LLC is incorporated in the State of Delaware. The Guarantors will grant security interests in their material bank accounts as security for the guarantees.

Perfection of Security Interests

The bank accounts in which the Guarantors grant security interests will not be made subject to account control agreements or otherwise subject to the possession or control of the Security Agent for the Notes. As a result, under relevant U.S. state law, the security interests will be unperfected. An unperfected security interest is a valid obligation of the grantor, but will be subordinate to any perfected security interest. Furthermore, because the bank accounts will not be subject to control agreements, the depositary bank will be under no obligation to comply, and likely will not comply, with any instructions of the Security Agent or any holder of the Notes with respect to the bank accounts or the funds held in them. In addition, in a subsequent U.S. bankruptcy proceeding of a Guarantor, the unperfected security interest will be rendered effectively unenforceable by operation of U.S. bankruptcy law. In that event, the guarantee claims, if allowed, would be unsecured claims against the Guarantor. It is not possible to predict whether unsecured claims in any such bankruptcy would receive any recovery.

Fraudulent Transfer

The guarantees and the security interests may be subject to review under U.S. federal and state fraudulent transfer and conveyance statutes if a bankruptcy, liquidation or reorganization case or a lawsuit, including under circumstances in which bankruptcy is not involved, were commenced at some future date by a Guarantor or on behalf unpaid creditors of a Guarantor. While the relevant laws may vary from state to state, under such laws the payment of consideration in certain transactions could be considered a fraudulent conveyance if (1) the consideration was paid with the intent of hindering, delaying or defrauding creditors or (2) a Guarantor received less than reasonably equivalent value or fair consideration in return a guarantee or a security interest and, in the case of (2) only, one of the following is also true: (x) the Guarantor was insolvent or rendered insolvent by reason of issuing the guarantee; (y) payment of the consideration left the Guarantor with unreasonably small amount of capital to carry on our or its business; the Guarantor intended to, or believed that it would, incur debts beyond its ability to pay as they mature.

If a court were to find that the issuance of a guarantee or grant of security interest was a fraudulent conveyance, the court could void the guarantee or the related security agreements, subordinate the payment obligations under such guarantee or security agreement to existing and future indebtedness of the Guarantor or require the holders of the Notes to repay any amounts received with respect to the guarantee. In the event of a finding that a fraudulent conveyance occurred, there may be no payment made in respect of the affected Guarantee(s).

The measures of insolvency for purposes of fraudulent conveyance laws vary depending upon the laws of the jurisdiction that is being applied. Generally, an entity would be considered insolvent if, at the time it incurred indebtedness (x) the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets; (y) the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts and liabilities, including contingent liabilities, as they become absolute and mature; or (z) it could not pay its debts as they become due.

It is not possible to be certain as to the standards a court would use to determine whether or not the Guarantors were solvent at the relevant time, or regardless of the standard that a court uses, that the issuance of the guarantees would not be subordinated to any Guarantor's other debt.

If the guarantees were legally challenged, any guarantee could be subject to the finding of a court that, since the guarantee was incurred for the benefit of the Issuer, and only indirectly for the benefit of the Guarantor, the obligations of the applicable Guarantor were incurred for less than fair consideration. A court could thus void the obligations under the guarantees and related security agreements, subordinate them to the applicable Guarantor's other debt or take other action detrimental to the holders of the Notes.

Reduction of Guarantees

The guarantees will be limited to the maximum amount that the Guarantors are permitted to guarantee under applicable law. As a result, a Guarantor's liability under its guarantee could be reduced to zero, depending on the amount of other obligations of such Guarantor. Furthermore, under the circumstances discussed more fully above, a court under applicable fraudulent conveyance and transfer statutes could void the obligations under a guarantee or subordinate it to all other obligations of the Guarantor.

As a result, a Guarantor's liability under its guarantee could be materially reduced or eliminated depending upon the amounts of its other obligations and upon applicable laws. In particular, in certain jurisdictions, a guarantee issued by a company that is not in the company's corporate interests, the burden of which exceeds the benefit to the company or which is entered into within a certain period prior to insolvency or bankruptcy, may not be valid and enforceable. It is possible that a Guarantor, a creditor of a Guarantor or the insolvency administrator in the case of an insolvency of a

Guarantor may contest the validity and enforceability of the guarantee and that the applicable court may determine the guarantee should be limited or voided. In the event that any guarantees are deemed invalid or unenforceable, in whole or in part, or to the extent that agreed limitations on the guarantee obligation apply, the Notes would be effectively subordinated to all liabilities of the applicable Guarantor, including trade payables of such Guarantor.

Effect of U.S. Insolvency Proceedings on Rights in Collateral

Any right to repossess and dispose of the collateral securing the guarantees is likely to be significantly impaired by U.S. federal bankruptcy law if bankruptcy proceedings are commenced by or against a Guarantor prior to or possibly even after the Security Agent has repossessed and disposed of the collateral. Under the U.S. bankruptcy code, a secured creditor, such as the Security Agent for the Notes, is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from a debtor, without bankruptcy court approval. Moreover, U.S. bankruptcy law permits the debtor to continue to retain and to use collateral, and the proceeds, products, rents or profits of the collateral, even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given "adequate protection." The meaning of the term "adequate protection" may vary according to circumstances, but it is intended in general to protect the value of the secured creditor's interest in the collateral and may include cash payments or the granting of additional security, if and at such time as the court in its discretion determines, for any diminution in the value of the collateral as a result of the stay of repossession or disposition or any use of the collateral by the debtor during the pendency of the bankruptcy case. In view of the broad discretionary powers of a bankruptcy court, it is impossible to predict whether or when the Security Agent would repossess or dispose of the collateral, or whether or to what extent holders of the Notes would be compensated for any loss of value of the collateral through the requirements of "adequate protection." Furthermore, in the event the bankruptcy court determines that the value of the collateral is not sufficient to repay all amounts claimed on the Notes, the holders of the Notes would have "undersecured claims" as to the difference. U.S. federal bankruptcy laws do not permit the payment or accrual of interest, costs and attorneys' fees for "undersecured claims" during the debtor's bankruptcy case.

Future Pledges of Collateral

Any future pledge of collateral in favor of the Security Agent for the benefit of the holders of the Notes, including pursuant to security documents delivered after the date of the guarantees, might be avoidable by the pledging Guarantor (as debtor-in-possession) or by its trustee in bankruptcy if certain events or circumstances exist or occur, including, among others, if the pledging Guarantor is insolvent at the time of the pledge, the pledge permits the holders of the Notes to receive a greater recovery than if the pledge had not been given and a bankruptcy proceeding is commenced in respect of the pledging Guarantor within 90 days following the pledge (or, in certain circumstances, a longer period).

PLAN OF DISTRIBUTION

*The Issuer has agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed to purchase from the Issuer, the entire principal amount of the Notes. The sale of the Notes will be made pursuant to a purchase agreement among the Issuer and the Initial Purchasers to be dated the date of the final Offering Memorandum (the "**Purchase Agreement**").*

The obligations of the Initial Purchasers under the Purchase Agreement, including their agreement to purchase the Notes from the Issuer, are several and not joint. The Purchase Agreement provides that the Initial Purchasers will purchase all of the Notes if they purchase any of them. The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by counsel. The Purchase Agreement also provides that, if an Initial Purchaser defaults, the purchase commitments of the non-defaulting Initial Purchasers may be increased or, in some cases, the Offering may be terminated.

The Initial Purchasers initially propose to offer the Notes for resale at the issue price that appears on the cover of this Offering Memorandum. After the initial Offering, the Initial Purchasers may change the price at which the Notes are offered and any other selling terms at any time without notice. The Initial Purchasers may offer and sell the Notes through certain of their affiliates, including in respect of sales into the United States. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

The Issuer has agreed to pay the Initial Purchasers certain customary fees for their services in connection with this Offering and to reimburse them for certain out-of-pocket expenses.

Funds and/or other investment vehicles advised by affiliates of any of the principal shareholders or any other of our shareholders, certain members of the Group's management, may place a purchase order for and be allocated Notes at a purchase price per Note equal to the relevant issue price set forth on the cover page of this Offering Memorandum. Our Group CEO and EMEA CEO Sergio Iorio and our Group General Manager (Corporate) and APAC CEO ad interim Maurizio Turci are expected to place a purchase order for, and be allocated Notes at a purchase price per Note equal to the issue price set forth on the cover page of this Offering Memorandum, thereby rolling, in all or in part, their respective holdings in the Existing Notes. Any Existing Notes held by Mr. Iorio and Mr. Turci will be redeemed at the applicable redemption prices indicated elsewhere in this Offering Memorandum.

The Purchase Agreement provides that the Issuer and the Guarantors will indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. The Issuer and the Guarantors have agreed not to offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, any debt securities of, or guaranteed by, the Issuer or the Guarantors and having a tenor of more than one year during the period from the date of the Purchase Agreement through and including the date falling 45 days after the closing of the Offering without the prior written consent of the Initial Purchasers.

The Notes and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except to qualified institutional buyers in reliance on Rule 144A and outside the United States in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S and Rule 144A. Resales of the Notes are restricted as described under "*Important Information About This Offering Memorandum*" and "*Notice to Investors.*"

The Initial Purchasers expect to make offers and sales both inside and outside the United States through their selling agents. Any offers and sales in the United States will be conducted by broker-dealers registered with the U.S. Securities and Exchange Commission.

Each Initial Purchaser has represented, warranted and agreed that it (i) has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and (ii) has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

In the Purchase Agreement, each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available to and will not offer, sell or otherwise make available any securities to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation and, in Italy, Article 100 of the Italian Financial Act, and implementing regulations by CONSOB, including Regulation 20307, Article 34-*ter*, first paragraph, letter (b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the "**Issuer Regulation**") and any other applicable laws and regulations. Consequently, no key information document required by the PRIIPs Regulation for offering or selling any in scope securities or otherwise making them available to retail investors in the EEA has been or will be prepared. Offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Solely for the purposes of each manufacturer's approval process, the target market assessment in respect of the securities described in the Offering Memorandum has led to the conclusion that: (i) the target market for such securities is ECPs and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of such securities to ECPs and professional clients are appropriate. Any person subsequently offering, selling or recommending such securities (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 such securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

In the Purchase Agreement, each Initial Purchaser has represented and agreed that the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling any in scope securities or otherwise making them available to retail investors in the UK has been or will be prepared. 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.

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

No action has been taken in any jurisdiction, including the United States, Italy, the United Kingdom, Canada, Singapore and Switzerland by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering of the Notes, the distribution of this Offering Memorandum and resale of the Notes. See "*Notice to Investors*."

The Issuer has also agreed that it will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(a)(2) of the Securities Act or the safe harbors of Rule 144A and Regulation S to cease to be applicable to the offer and sale of the Notes.

The Notes are a new issue of securities for which there currently is no market. The Issuer has applied for the listing of the Notes on the Official List of the Luxembourg Stock Exchange and to have the Notes admitted to trading on the Euro MTF Market thereof upon their issuance. However, the Issuer cannot assure you that such listing will be maintained.

The Initial Purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. The Initial Purchasers are not obligated, however, to make a market in the Notes, and any market-making activity may be discontinued at any time at the sole discretion of the Initial Purchasers without notice. In addition, any such market making activity will be subject to the limits imposed by the Securities Act and the U.S. Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop, or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors. See "*Risk*

Factors—Risks Related to the Notes, the Guarantees and the Collateral—There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited."

We expect that delivery of the Notes will be made against payment on the Notes on or about the date specified on the cover page of this Offering Memorandum, which will be five Business Days (as such term is used for purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as "**T+5**"). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in one Business Day unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this Offering Memorandum or the next three succeeding Business Days will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

The Initial Purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the Exchange Act. Over-allotment involves sales in excess of the offering size, which creates a short position for the relevant Initial Purchaser. Stabilizing transactions permit the Initial Purchasers to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Initial Purchasers to reclaim a selling concession from a broker or dealer when the Notes originally sold by that broker or dealer are purchased in a stabilizing or covering transaction to cover short positions.

In connection with the Offering, the Stabilization Manager, or a person acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. The Stabilization Manager may also over-allot the offering, creating a syndicate short position, and may bid for and purchase Notes in the open market to cover the syndicate short position. In addition, the Stabilization Manager may bid for and purchase Notes in market-making transactions as permitted by applicable laws and regulations and impose penalty bids. These activities may stabilize or maintain the respective market price of the Notes above market levels that may otherwise prevail. The Stabilization Manager is not required to engage in these activities, and may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. See "*Risk Factors—Risks Related to the Notes, the Guarantees and the Collateral—There may not be an active trading market for the Notes, in which case your ability to sell the Notes will be limited*."

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions may begin on or after the date on which adequate public disclosure of the terms of the Offering of the Notes is made and, if commenced, may be discontinued at any time at the sole discretion of the Stabilization Manager. If these activities are commenced, they must end no later than the earlier of 30 days after the date of issuance of the Notes and 60 days after the date of the allotment of the Notes. These transactions may be effected in the over-the-counter market or otherwise.

The Initial Purchasers and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, investment banking, financial advising, investment management, principal investment, hedging, financing, lending and brokerage activities. The Initial Purchasers and/or their respective affiliates from time to time have provided in the past, may be providing currently and/or may in the future provide services to the Issuer, the Sponsor, Dussur and their respective affiliates in the ordinary course of business in respect of investment banking, financial advisory (including without limitation financial advisory services on mergers and acquisitions and other transactions), investment management, commercial banking, principal investment, hedging, financing, lending and brokerage activities, for which they have received or may receive customary fees and commissions. The Initial Purchasers or their respective affiliates have received, and expect to receive, customary fees and commissions for the Transactions.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates 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, the Guarantors or their respective affiliates. The Initial Purchasers and their affiliates may also receive allocations of the Notes. The Initial Purchasers and their respective affiliates may also, in the future, act as hedge counterparties to the Issuer consistent with their customary risk management policies. Typically, such Initial Purchasers and their affiliates 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 securities, including, potentially, the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Initial Purchasers and their affiliates 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. They have received, and expect to receive, customary fees and commissions for these transactions. In addition, certain of the Initial Purchasers or their affiliates are mandated lead arrangers, bookrunners, lenders, agents or subparticipants under the Revolving Credit Facility, and such entities may act as counterparties in the hedging arrangements in connection with the Revolving Credit Facility and/or the Notes offered hereby, and have or will receive customary fees for their services in such capacities. Certain proceeds from the Offering are expected to be used to redeem and cancel or otherwise repay all outstanding amounts due under the Existing Notes, for which certain of the Initial Purchasers or their affiliates acted as mandated lead arrangers, underwriters, and bookrunners. In connection with their services in such capacity, they have received or will receive customary fees and commissions.

NOTICE TO INVESTORS

The following restrictions will apply to the Notes. You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes and/or the Guarantees offered hereby.

The Notes and the Guarantees (together, the "**Securities**") have not been and will not be registered under the Securities Act, or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any other applicable jurisdiction. Accordingly, the Securities are being offered and sold only to (i) qualified institutional buyers (as defined in Rule 144A, "**QIBs**") in reliance on Rule 144A and (ii) outside the United States in an offshore transaction (as defined in Regulation S) in reliance on Regulation S.

We have not registered and will not register the Securities under the Securities Act and, therefore, the Securities may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, we are offering and selling the Notes to the Initial Purchasers for re-offer and resale only:

- in the United States to QIBs in compliance with Rule 144A; and
- outside the United States in an offshore transaction in accordance with Regulation S.

We use the terms "offshore transaction" and "United States" with the meanings given to them in Regulation S under the Securities Act.

Each purchaser of the Securities (other than each of the Initial Purchasers) will be deemed to have acknowledged, represented, warranted and agreed with the Issuer, the Guarantors and the Initial Purchasers as follows (terms used in this paragraph that are defined in Rule 144A and Regulation S are used herein as defined therein):

(1) It understands and acknowledges that (i) the Securities have not been registered under the Securities Act or the securities laws of any other applicable jurisdiction and that the Securities are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A and (ii) unless so registered, the Securities may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws or pursuant to an exemption therefrom, or in any transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraphs (4) and (5) below.

(2) It is neither the Issuer's "affiliate" (as defined in Rule 144), nor acting on its behalf and that is either:

(a) a QIB and is aware that any sale of these Securities to it will be made in reliance on Rule 144A, and such acquisition will be for its own account or for the account of another QIB, or

(b) it is purchasing the Securities in an offshore transaction in accordance with Regulation S.

(3) It acknowledges that none of the Issuer, the Group, the Initial Purchasers, or any person representing any of the foregoing, has made any representation to it with respect to us or the offer or sale of any of the Securities, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to it and upon which it is relying in making its investment decision with respect to the Securities. It has had access to such financial and other information concerning us and the Securities as it has deemed necessary in connection with its decision to purchase any of the Securities, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers. It acknowledges that neither the Initial Purchasers nor any person representing the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this Offering Memorandum.

(4) It is purchasing the Securities for its own account, or for one or more investor accounts and for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any other applicable securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Securities pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act, or in any transaction not subject to the Securities Act.

(5) It understands and agrees on its own behalf and on behalf of any investor account for which it is purchasing the Securities, and each subsequent holder of the Securities by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Securities prior to the date (the "**Resale Restriction Termination Date**") which is, in the case of Securities offered to QIBs, one year after the latest of the original issue date of such Securities,

the original issue date of the issuance of any additional securities and the last date on which the issuer or any affiliate of the issuer was the owner of such Securities (or any predecessor of such security) only (a) to the Issuer, (b) pursuant to a registration statement which has been declared effective under the Securities Act, (c) for so long as the Securities are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A, (d) pursuant to offers and sales that occur outside the United States in offshore transactions in compliance with Regulation S or (e) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer (I) pursuant to clause (e) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of such security is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

(6) Each purchaser acknowledges that each Note will include a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

Each purchaser understands that each Rule 144A Note will also bear a legend substantially to the following effect:

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, (1) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) ("QIB"), (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER THIS SECURITY OR A BENEFICIAL INTEREST IN THIS SECURITY, PRIOR TO THE RESALE RESTRICTION TERMINATION DATE, WHICH IS ONE YEAR AFTER THE LATEST OF THE ORIGINAL ISSUE DATE HEREOF, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL SECURITIES AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) ONLY (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A QIB THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS, AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO IT AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE REVERSE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE; AND (3) AGREES THAT IT WILL TRANSFER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

If the Notes are issued with original issue discount for U.S. federal income tax purposes, then each Note will bear a legend substantially to the following effect:

THE FOLLOWING INFORMATION IS SUPPLIED SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES. THIS SECURITY WAS ISSUED WITH "ORIGINAL ISSUE DISCOUNT" ("OID") WITHIN THE MEANING OF SECTION 1273 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE

"CODE"), AND THIS LEGEND IS REQUIRED BY SECTION 1275(C) OF THE CODE. UPON WRITTEN REQUEST, HOLDERS OF THIS NOTE MAY OBTAIN INFORMATION REGARDING THE AMOUNT OF ANY OID, THE ISSUE PRICE, THE ISSUE DATE AND THE YIELD TO MATURITY RELATING TO THE SECURITY BY CONTACTING THE ISSUER AT VIA E. VISMARA, 114, 20044, ARESE (MI), ITALY.

If you purchase securities, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Securities as well as to holders of these Securities.

(7) it understands that the issuance of Additional Notes under the Indenture may have the effect of extending the Resale Restriction Termination Date.

(8) it agrees that it will, and each subsequent holder is required to, give to each person to whom it transfers the Securities notice of any restrictions on the transfer of such Securities, if then applicable.

(9) It acknowledges that the Registrar will not be required to accept for registration or transfer any Securities acquired by it except upon presentation of evidence satisfactory to us and the Registrar that the restrictions set forth therein have been complied with.

(10) It acknowledges that we, the Initial Purchasers and others will rely upon the truth and accuracy of its acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Securities are no longer accurate, it shall promptly notify the Issuer and the Initial Purchasers. If it is acquiring any Securities as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations, warranties and agreements on behalf of each such investor account.

(11) It understands that no action has been taken in any jurisdiction (including the United States) by us or the Initial Purchasers that would result in a public offering of the Securities or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Securities in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Securities will be subject to the selling restrictions set forth under "*Notice to U.S. Investors*" and "*Plan of Distribution*."

(12) It represents and covenants that its investment in the Securities is not pursuant to a tax avoidance plan and it either:

(A) is a U.S. person for U.S. federal income tax purposes;

(B)(i) does not own actually or constructively 10% or more of the combined voting power of all classes of the stock of the Issuer entitled to vote, (ii) is not a "controlled foreign corporation" (within the meaning of the U.S. Internal Revenue Code) actually or constructively related to the Issuer through stock ownership, and (iii) is not a bank whose receipt of interest on the Securities is interest received pursuant to a loan agreement entered into in the ordinary course of its trade or business;

(C) is entitled to a full exemption from U.S. withholding tax on interest paid on the Securities pursuant to an applicable income tax treaty between the United States and the jurisdiction in which it is resident; or

(D) has a trade or business (or, if a treaty applies, a permanent establishment) in the United States and is entitled to a full exemption from U.S. withholding tax on interest paid on the Securities because such interest is effectively connected with such trade or business (or attributable to such permanent establishment, as the case may be).

(13) It represents it will, if requested by the Issuer, provide a U.S. Internal Revenue Service Form W-8BEN, W-8BEN-E, W-8ECI or W-9 or other applicable form, establishing a complete exemption from U.S. federal withholding tax and U.S. federal backup withholding tax with respect to any U.S. source interest payment, and agrees to bear any U.S. withholding tax resulting tax resulting from the failure to provide such forms.

(14) It agrees to indemnify and hold us, the Trustee, the Transfer Agent, the Calculation Agent, the Registrar, the Paying Agent, the Security Agent, the Initial Purchasers and their respective affiliates harmless from and against any cost, damage or loss incurred by any of them as a result of any of the foregoing acknowledgements, representations, warranties and agreements being or becoming false.

(15) It acknowledges that any purported acquisition or transfer of the Securities or beneficial interest therein to an acquirer or transferee that does not comply with the requirements of the above provisions shall be null and void *ab initio*.

Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this Offering Memorandum and resale of the Securities. See "*Important Information About This Offering Memorandum,*" "*Notice to U.S. Investors,*" "*Notice to Certain Other Investors*" and "*Plan of Distribution*."

LEGAL MATTERS

Certain legal matters in connection with this Offering will be passed upon for us by Latham & Watkins (London) LLP, as to matters of United States federal, New York state, English and Italian law, and by Pirola Pennuto Zei & Associati, as to matters of Italian tax law. Certain legal matters in connection with this Offering will be passed upon for the Initial Purchasers by Milbank LLP, as to matters of United States federal, New York state and English law, and by PedersoliGattai, as to matters of Italian law (including Italian tax law).

INDEPENDENT AUDITORS

The consolidated financial statements of Italmatch Chemicals S.p.A. and its subsidiaries as of December 31, 2022, 2023 and 2024, and for each of the years in the three-year period ended December 31, 2024 included in this Offering Memorandum, have been audited by KPMG S.p.A., independent auditors, as stated in their report included herein which includes an emphasis of matter paragraph stating that such consolidated financial statements have been prepared for inclusion in this Offering Memorandum.

With respect to the unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2025, included herein, the independent auditors have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate report, included herein, which includes (a) an emphasis of matter paragraph stating that the unaudited condensed interim consolidated financial statements have been prepared for inclusion in this Offering Memorandum and (b) an emphasis of matter paragraph stating that the unaudited condensed interim consolidated statements of profit and loss and other comprehensive income, the condensed interim consolidated statement of changes in equity and the condensed interim consolidated statement of cash flows for the nine-month period ended September 30, 2024 have not been subject to an audit or review, states that the independent auditors did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

WHERE YOU CAN FIND OTHER INFORMATION

Each purchaser of the Notes from the Initial Purchasers will be furnished with a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to the Offering Memorandum acknowledges that:

(1) such person has been afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;

(2) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and

(3) except as provided pursuant to clause (1) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

While any of the Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, we will, during any period in which we are neither subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act, nor exempt from the reporting requirements under Rule 12g3 2(b) of the U.S. Exchange Act, make available to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act. Any such request should be directed to the Issuer at Via Magazzini del Cotone 17 modulo 4, 16128, Genova, Italy.

Pursuant to the Indenture governing the Notes and so long as the Notes are outstanding, we will furnish periodic information to holders of the Notes. See “*Description of the Notes—Certain Covenants—Reports*.”

LISTING AND GENERAL INFORMATION

Admission to Trading and Listing

Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, in accordance with the rules and regulations of the Luxembourg Stock Exchange.

Luxembourg listing information

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules and regulations of the Luxembourg Stock Exchange so require, copies of the following documents may be inspected in physical/electronic form and obtained free of charge at the specified office of the Issuer during normal business hours on any weekday:

- the organizational documents of the Issuer and the Guarantors;
- this Offering Memorandum;
- the Security Documents;
- the financial statements included in this Offering Memorandum;
- the Indenture (which includes the form of the Notes and the Guarantees); and
- the Intercreditor Agreement.

The Issuer has appointed U.S. Bank Europe DAC as Registrar, Transfer Agent, Calculation Agent and Paying Agent and BNP PARIBAS, Italian Branch as Security Agent. The Issuer reserves the right to vary such appointments in accordance with the terms of the Indenture and, if so required by the internal rules and regulations of the Luxembourg Stock Exchange, will publish a notice of such change of appointment on the official website of the Luxembourg Stock Exchange (*www.luxse.com*) or by any other means permitted by the rules and regulations of the Luxembourg Stock Exchange.

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the Issuer's best knowledge, except as otherwise noted, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of this Offering Memorandum. This Offering Memorandum may only be used for the purposes for which it has been published. The Issuer's Legal Entity Identifier (LEI) Code is 815600E7294ACCE76074.

Clearing Information

The Fixed Rate Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream. The common codes and international securities identification numbers (the "**ISIN Number**") for the Fixed Rate Notes are set forth below:

	Common Code	ISIN Number
144A Notes	328279827	XS3282798274
Regulation S Notes	328279738	XS3282797383

The Floating Rate Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream. The common codes and international securities identification numbers (the "**ISIN Number**") for the Floating Rate Notes are set forth below:

	Common Code	ISIN Number
144A Notes	328279975	XS3282799751
Regulation S Notes	328279916	XS3282799165

The Issuer

The Issuer, Italmatch Chemicals S.p.A., was incorporated as a private joint stock company (*società per azioni*) organized under the laws of Italy on June 14, 2001, has its registered office at Via E. Vismara 114, 20044 Arese (MI), Italy, and headquartered in Via Magazzini del Cotone 17 – Modulo 4, 16128 Genova, Italy and is registered under number 13471010150 with the Companies Register of Register of Milano Monza-Brianza Lodi (*Registro delle Imprese di Milano Monza-Brianza Lodi*). The Issuer has an authorized share capital of €10,420,470.00 divided into 10,420,470 fully paid shares with a par value of €1.00 each. The Issuer is a wholly-owned direct subsidiary of HoldCo, which is indirectly controlled by the Sponsor.

Resolutions, Authorizations and Approvals

The Issuer has obtained or will obtain before the Issue Date, all necessary consents, approvals and authorizations (if any) in the jurisdiction of its incorporation in connection with the issuance of and performance of its obligations under the Notes. The creation and issuance of the Notes will be authorized by resolutions of the Issuer's Board of Directors dated prior to the Issue Date. The Guarantors have obtained, or will obtain before the Issue Date, all necessary consents, approvals and authorizations (if any) in the jurisdiction of their respective incorporation in connection with the performance of their respective obligations under the Guarantees.

The Guarantors

Italmatch USA Corporation, or Italmatch USA, was incorporated as a corporation organized under the laws of Illinois, USA on May 4, 2007, has its registered office at c/o Illinois Corporation Service Company, 801 Adlai Stevenson Drive, Springfield, IL, Illinois, USA 62703, and is registered under number 6552-4333 with the Illinois Secretary of State. Italmatch USA is a wholly owned direct subsidiary of the Issuer.

Detrex Corporation was incorporated as a corporation organized under the laws of Michigan, USA on May 27, 1925, has its registered office at c/o CSC-Lawyers Incorporating Service, 2900 West Road, Suite 500, East Lansing, Michigan, USA 48823, and is registered under number 8000049004 with the Michigan Secretary of State. Detrex Corporation is a wholly owned direct subsidiary of Italmatch USA.

The Elco Corporation was incorporated as a corporation organized under the laws of Ohio, USA on May 28, 1929, has its registered office at c/o Corporation Service Company, 3366 Riverside Drive, Suite 103, Upper Arlington, Ohio, USA 43221, and is registered under number 136861 with the Ohio Secretary of State. The Elco Corporation is a wholly owned direct subsidiary of Detrex Corporation.

Water Science Technologies, LLC, or WST, was incorporated as a limited liability company organized under the laws of Delaware, USA on November 19, 2012, has its registered office at c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, DE, 19808, and is registered under number 5244546 with the Delaware Secretary of State. WST is a wholly owned direct subsidiary of Italmatch USA.

Italmatch Chemicals GB Limited, or Italmatch GB, was incorporated as a private company incorporated under the laws of England and Wales on April 27, 2018, has its registered office at Ashburton Road West, Trafford Park, Manchester, United Kingdom, M17 1SX, and is registered under number 11332314 with the Registrar of Companies for England and Wales. Italmatch GB is a wholly owned direct subsidiary of the Issuer.

Material Adverse Change in the Issuer's Financial Position

Except as disclosed elsewhere in this Offering Memorandum, there has been no significant change in our prospects, consolidated financial or trading position since September 30, 2025.

Litigation

We have not been involved in any litigation, administrative proceeding or arbitration relating to claims or amounts which are material in the context of the issuance of the Notes except as otherwise disclosed in this Offering Memorandum, and, so far as we are aware, no such litigation, administrative proceeding or arbitration is pending or threatened.

GLOSSARY OF SELECTED TERMS

Term	Definition
AMPS	2-Acrylamido-2-methylpropane sulfonic acid.
ATMP	Aminotri (methylenephosphonic acid). It is a phosphonic acid with chelating and antiscalant properties.
BCDMH	Bromochlorodimethylhydantoin.
BHMT-PMP	Bis (hexamethylene) triamine acid. It is a phosphonic acid with chelating and antiscalant properties.
DAP	Diammonium phosphate. It is a phosphorus fertilizer, made from two common constituents in the fertilizer industry.
DTPA	Diethylenetriaminepentaacetic acid. It is an aminopolycarboxylic acid with chelating and antiscalant properties.
DTPMP	Diethylenetriaminopenta methylenephosphonic acid. It is a phosphonic acid with chelating and antiscalant properties.
EDDS	Ethylenediaminedisuccinic acid. It is a biodegradable chelating agent.
EDTA	Ethylenediaminetetraacetic acid. It is an aminopolycarboxylic acid with chelating properties.
GLDA	Glutamic acid diacetic acid. It is a biodegradable aminocarboxylates with chelating properties.
HCL	Hydrochloric acid. It is a strong inorganic acid that is used in many industrial processes
HEDP	Hydroxyethylidene diphosphonic acid. It is a phosphonic acid with chelating properties used in detergents, water treatment, cosmetics and pharmaceutical treatment.
HEDTA	Hydroxyethylethylenediaminetriacetic acid. It is an aminopolycarboxylic acid with chelating and antiscalant properties.
HPLC	High-performance liquid chromatography. It is a technique in analytical chemistry used to separate, identify, and quantify each component in a mixture.
IDS	Iminodisuccinic acid. It is a biodegradable aminocarboxylates with chelating properties.
MAP	Monoammonium phosphate. It is a widely used source of phosphorus and nitrogen, made of two constituents common in the fertilizer industry.
MGDA	Methylglycinediacetic acid. It is a biodegradable chelating agent.
MWF	Metalworking Fluids are neat oils or water-based fluids used during the machining and shaping of metals to provide lubrication and cooling
NTA	Nitrilotriacetic acid. It is an aminopolycarboxylic acid with chelating and antiscalant properties.
PCA	Phophino Carboxylic Acid
PCl3	Phosphorus trichloride. It is an important industrial chemical, being used for the manufacture of organophosphorus compounds for a wide variety of applications.
PCl5	Phosphorus pentachloride. It is a phosphorus chloride used as chlorinating reagent.
PIBSA	Apolyisobutylene succinic anhydrides. It serves as a chemical intermediate which helps in dispersion of hydrocarbon products. It is used as an additive for bio-fuels, emulsion explosives, lubricants, oil drilling, water treatment & coatings.
PMA	Polymaleic Acid
POCA	Phophono Carboxylic Acid
POCl3	Phosphoryl chloride. It is a phosphorus chlorides used in the manufacture of phosphate esters.
P2S5	Phosphorus pentasulfide.

SPCA	Sulphonated Poly Carboxylic Acid
THPS	Tetrakis Hydroxymethyl Phosphonium Sulfate
ZDDP	Zinc dialkyldithiophosphates. It is a family of compounds used as anti-wear additives in lubricants including greases, hydraulic oils, and motor oils.

INDEX TO FINANCIAL STATEMENTS

Condensed interim consolidated financial statements as at and for the nine months ended 30 September 2025

KPMG

KPMG S.p.A.
Revisione e organizzazione contabile
Piazza Raffaele Ferrari n.4 int.1
16121 GENOVA GE
Telefono +39 010 564992
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

Report on review of condensed interim consolidated financial statements

To the sole shareholder of
Italmatch Chemicals S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Italmatch Chemicals S.p.A. (the "Company") and its subsidiaries (the "Group"), comprising the condensed interim consolidated balance sheet as at 30 September 2025, the condensed interim consolidated statements of profit and loss and other comprehensive income, the condensed interim consolidated statements of changes in equity and the condensed interim consolidated statements of cash flow for the nine-month period then ended and notes thereto ("the Condensed Interim Consolidated Financial Statements"). The company's directors are responsible for the preparation of these Condensed Interim Consolidated Financial Statements in accordance with the IFRS Accounting Standard applicable to interim financial reporting (IAS 34) issued by the International Accounting Standards Board and endorsed by the European Union. Our responsibility is to express a conclusion on these Condensed Interim Consolidated Financial Statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Condensed Interim Consolidated Financial Statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Consolidated Financial Statements of the Group as at 30 September 2025 and for the nine-month period then ended is not prepared, in all material respects, in accordance with IFRS Accounting Standard applicable to interim financial reporting (IAS 34) issued by the International Accounting Standards Board and endorsed by the European Union.

Emphasis of matter – Comparative information

The condensed interim consolidated statements of profit and loss and other comprehensive income, the condensed interim consolidated statements of changes in equity and the condensed interim consolidated statements of cash flow for the nine-month period ended 30 September 2024 have not been audited or reviewed.

Emphasis of matter – Basis of preparation

We draw attention to the Note 1 of the condensed interim consolidated financial statements in the paragraph "General information". These condensed interim consolidated financial statements are prepared solely for their inclusion in the Offering Memorandum for the issue of senior secured floating rate notes by Italmatch Chemicals S.p.A..

Genoa, 16 January 2026

KPMG S.p.A.

Andrea Carlucci
Director of Audit

Condensed interim consolidated financial statements as at and for the nine months ended 30 September 2025

- Condensed interim consolidated statements of profit and loss and other comprehensive income
- Condensed interim consolidated balance sheets
- Condensed interim consolidated statements of changes in equity
- Condensed interim consolidated statements of cash flow
- Notes to the condensed interim consolidated financial statements as at 30 September 2025[1]

[1] The notes on the accompanying pages are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statements of profit and loss and other comprehensive income

	Notes	01.01.2025 30.09.2025 €'000s	01.01.2024 30.09.2024 €'000s
Revenue	**4-5**	**491,488**	**529,836**
Other income		11,839	4,472
Raw materials, consumables and production utilities	6	(277,617)	(303,998)
Third-party production and maintenance		(31,138)	(28,767)
Employee benefits expense		(56,230)	(56,143)
Transportation costs		(15,527)	(17,427)
Other operating expenses	7	(25,414)	(23,203)
Depreciation and amortisation	12-13-14	(43,964)	(43,471)
Impairment losses on goodwill		-	-
Operating profit		**53,437**	**61,299**
Impairment losses on financial assets		-	-
Finance income	8	7,451	11,121
Finance costs	9	(98,066)	(63,374)
Profit/(Loss) before tax		**(37,178)**	**9,046**
Income Tax expense	10	(8,726)	(11,223)
Profit/(Loss) after tax		**(45,904)**	**(2,177)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges - effective portion of the fair value change		-	(4,851)
Related tax		-	1,423
Total Cash flow hedges - effective portion of the fair value change		**-**	**(3,428)**
Total Foreign operations - foreign currency translation differences		(11.012)	**(3,066)**
Other comprehensive income (expense) net of the tax effect		(11.012)	**(6,494)**
Comprehensive income/(expenses) for the period		(56.916)	**(8,671)**

Loss of the period attributable to:		
Owners of the company	(46,758)	(4,000)
Non-controlling interest	854	1,823
Profit/(Loss) after tax	**(45,904)**	**(2,177)**

Total Comprehensive income/(expenses) attributable to:		
Owners of the company	(55.696)	(13,390)
Non-controlling interest	(1.220)	4,719
Comprehensive income/(expenses) for the period	**(56.916)**	**(8,671)**

The notes on the accompanying pages are an integral part of these condensed interim consolidated financial statements

Condensed interim consolidated balance sheets

	Notes	30.09.2025 €'000s	31.12.2024 €'000s
Non-current assets			
Goodwill	11	494,420	505,893
Other intangible assets	12	133,870	161,150
Property, plant and equipment	13	194,736	202,907
Right of use assets	14	7,718	6,470
Investments in financial assets		90	90
Deferred tax assets		8,057	8,903
Other receivables		2,729	3,012
Total non-current assets		**841,620**	**888,425**
Current assets			
Inventory	15	134,727	151,874
Trade receivables	16	63,584	70,325
Other receivables	16	20,466	23,799
Trade and other receivables ICO	16	850	102
Current tax assets		3,895	2,752
Derivative financial instruments		-	-
Cash and cash equivalents	17	121,773	112,060
Total current assets		**345,295**	**360,912**
Total assets		**1,186,915**	**1,249,337**
Current liabilities			
Trade payables	20	72,485	82,618
Other payables	20	33,507	36,613
Current tax liability		7,226	8,427
Short term borrowings	18	8,555	5,911
Lease liability	19	3,087	2,621
Total current liabilities		**124,860**	**136,190**
Non-current liabilities			
Borrowings	18	667,074	661,535
Borrowings ICO		25	29
Employee benefit obligations	22	3,142	3,233
Deferred tax liabilities		19,501	20,207
Lease liability	19	4,427	3,875
Provisions	21	5,058	5,467
Other payable NC		13,592	12,333
Total non-current liabilities		**712,819**	**706,679**
Total liabilities		**837,679**	**842,869**
Equity			
Share capital	23	10,420	10,420
Share premium	23	444,640	444,640
Other reserves*	23	15,817	12,184
Retained earnings	23	(83,779)	(62,945)
Profit /(loss) for the year	23	(46,758)	(7,982)

Total equity attributable to equity holders of the parent	**340,340**	**396,317**
Retained earnings	8,042	7,981
Profit /(loss) for the year	854	2,170
Total equity attributable to non-controlling interest	**8,896**	**10,151**
Total equity	**349,236**	**406,468**
Total equity and liabilities	**1,186,915**	**1,249,337**

*Other reserves include Hedging Reserve

The notes on the accompanying pages are an integral part of these condensed interim consolidated financial statements

Condensed interim consolidated statements of changes in equity

	Share capital €000's	Share premium €000's	Hedging Reserve €000's	Other reserves €000's	Retained earnings* €000's	Non-controlling €000's	Total equity €000's
Balance at 1 January 2024	10.420	472.530	3.428	38.572	(116.222)	3.803	412.531
Capital increase	-	-	-	-	-	1.794	1.794
Acquisitions of subsidiaries with NCI	-	-	-	-	-	1.163	1.163
Reclassifications	-	(26.290)	-	(26.414)	52.704	-	-
Profit (Loss) for the year	-	-	-	-	(4.000)	1.823	(2.177)
Other comprehensive income:							
Exchange differences	-	-	-	-	(3.005)	(61)	(3.066)
Cash flow hedges - effective of the fair value change	-	-	(3.428)	-	-	-	(3.428)
Total other comprehensive income	-	-	(3.428)	-	(3.005)	(61)	(6.494)
Total comprehensive income	-	-	(3.428)	-	(7.005)	1.762	(8.671)
Total transactions with owners	0	(26.290)	0	(26.414)	52.704	2.957	2.957
Balance at 30 September 2024	10.420	446.240	0	12.158	(70.523)	8.522	406.817
Balance at 31 December 2024	10.420	444.640	0	12.184	(70.926)	10.151	406.469
Reserve L207/2024	-	-	-	3.633	(3.633)	-	-
Acquisition of NCI	-	-	-	-	(283)	(35)	(318)
Profit (Loss) for the year	-	-	-	-	(46.758)	854	(45.904)
Other comprehensive income:							
Exchange differences	-	-	-	-	(8.938)	(2.074)	(11.012)
Cash flow hedges - effective of the fair value change	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	(8.938)	(2.074)	(11.012)
Total comprehensive income	-	-	-	-	(55.696)	(1.220)	(56.916)
Total transactions with owners	0	0	0	3.633	(3.916)	(35)	(318)
Balance at 30 September 2025	10.420	444.640	0	15.817	(130.538)	8.896	349.235

*Retained earnings include profit/(loss) after tax

The notes on the accompanying pages are an integral part of these condensed interim consolidated financial statements

Condensed interim consolidated statements of cash flow

	Notes	01.01.2025 30.09.2025 €000's	01.01.2024 30.09.2024 €000's
A) Cash flows from operating activities			
Profit/(loss) after tax		**(45,904)**	**(2,177)**
Income taxes	10	8,726	11,223
Finance Costs/(finance income)	9	90,615	52,253
Non-monetary adjustments with no effect on net working capital			
Amortisation and depreciation	12-13-14	43,964	43,471
Write-downs for impairment losses		-	-
Cash flows before changes in net working capital		**97,401**	**104,770**
Changes in net working capital			
Decrease/(Increase) in trade receivables	16	2,227	(10,869)
(Decrease)/increase in trade payables	20	(7,091)	7,545
Decrease/(increase) in inventory		9,150	(7,579)
Change in receviables/payables to controlling companies		(752)	(503)
(Decrease)/increase in tax assets and tax liabilities, current and deferred		-	(1,011)
(Decrease)/increase in provision and employee benefit	23-24	(323)	(769)
Other changes in working capital		(3.475)	703
Cash flows after changes in net working capital		97.138	**92,287**
Other adjustments			
Interest (paid)		(46.510)	(40,404)
(Taxes paid)		(10.930)	(7,790)
Cash flows from operating activities (A)		39.698	**44,093**
B) Cash flows used in investing activities			
Investments in property,plant and equipment	13	(21,540)	(18,792)
Investments in other intangible assets	12	(3,184)	(2,996)
(Acquisition of subsidiary, net of cash acquired)		-	(3,891)
Cash flows used in investing activities (B)		**(24,725)**	**(25,679)**
C) Cash flows from financing activities			
Third-party funds			
Lease liabilities	19	(4,803)	(3,468)
Decrease in short term borrowings	18	2,644	(4,158)
Acquisition of NCI	27	(318)	0
Capital increases		0	1.794
Cash flows (used in) financing activities (C)		(2.477)	**(5,832)**
Increase (decrease) in cash and cash equivalents (A+B+C)		**12,497**	**12,582**
Opening cash and cash equivalents	17	112,060	116,903
Exchange difference on cash		*(2,784)*	*(216)*
Closing cash and cash equivalents	17	121,773	129,269

The notes on the accompanying pages are an integral part of these condensed interim consolidated financial statements

Notes to the condensed interim consolidated financial statements at 30 september 2025

1. General information

Italmatch is a diversified global chemical group, focused on the production and marketing of a wide range of special chemical products (so-called speciality chemicals). The Group's products are used as additives, or intermediates for additives, to improve the performance of certain end products such as water or oil solutions for industrial processes, industrial lubricants and electrical equipment.

Italmatch Chemicals S.p.A. is a company limited by shares incorporated and registered in Italy, Via E.Vismara 114, 20020 Arese (MI) (the administrative office is located at Via Magazzini del Cotone 17 - Modulo 4, Genova 16128, Italy). Pursuant to Article 2427-22 quinquies of the Italian Civil Code, it is noted that Italmatch Chemicals S.p.A. (the “Parent Company”) is directly controlled by Fire (BC) Holdco Limited and indirectly by Fire (BC) Midco Limited both with registered office in the United Kingdom and controlled by Fire (BC) S.à.r.l. with registered office in Luxembourg, which prepares the consolidated financial statements of the larger group of companies to which the Company belongs as a subsidiary.

These condensed interim consolidated financial statements as at and for the nine months ended 30 September 2025, which comprise the interim financial statements of Italmatch Chemicals S.p.A. and its subsidiaries (″Italmatch″ Chemicals Group or the ″Group″), have been prepared in accordance with IFRS Accounting Standard applicable to interim financial reporting (IAS 34) issued by the International Accounting Standards Board and endorsed by the European Union and should be read in conjunction with the Group’s Consolidated Financial Statements as at and for the years ended 31 December 2024, 2023 and 2022 (‘last annual financial statements’) and have been prepared solely for inclusion in the Offering Memorandum for the issue of ″Senior Secured Notes″ by Italmatch Chemicals S.p.A..

The financial statements used for consolidation purposes are prepared by the board of directors of Italmatch Chemicals S.p.A.

On 13 January 2026, the Board of Directors authorised the publication of these Consolidated Financial Statements.

2. Adoption of new and revised Standards

a. New and amended IFRS Accounting Standards that are effective for the current period

During the nine months, the Group has applied the below amendments to IFRS Accounting Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these Condensed Interim Consolidated Financial Statements:

- **Amendments to IAS 21: Lack of Exchangeability**

b. New and revised IFRS Accounting Standards in issue but not yet effective

IFRS and IFRIC accounting standards, amendments and interpretations published but not yet adopted in advance by the Company

Below are the new standards or amendments to the standards, applicable, if approved by the European Union, for annual periods beginning on or after 1 January 2025 and for which earlier application is allowed. At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards.

Standards that have been issued but are not yet effective:

Entry into force	Description	Date of issue	Homologated
1 January 2026	Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"	30 May 2024	Yes
	Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	18 December 2024	No
	Volume 11 of the Project "Annual improvements to IFRS Accounting Standards" on improving the clarity and internal consistency of the adopted accounting standards	18 July 2024	No
1 January 2027	IFRS 18 "Presentation and Disclosure in Financial Statements"	9 April 2024	No
	IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	9 May 2024	No

Any impacts of the aforesaid standards are currently being assessed.

3. Material accounting policies

a. Basis of accounting

These condensed consolidated interim financial statements are presented in Euros rounded to the nearest thousand. Foreign operations are included in accordance with the policies set out below in the present Note. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards.

The condensed consolidated interim financial statement has been prepared on the historical cost basis except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these condensed consolidated interim financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

b. Change in accounting policy

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2024, 2023 and 2022 except for the new accounting policies describe above. The policy for recognising and measuring income taxes in the interim period is consistent with IAS 34.

The principal accounting policies adopted are set out below.

c. Going concern

Going concern basis is a general principle underlying the preparation of the interim financial statements, which therefore requires verifying - in a context of volatility and prospective macroeconomic uncertainty - the resilience, the economic and financial sustainability of the Group to continuously operate in the foreseeable future.

As at 30 September 2025, the available liquidity position is adequate, equalling to Euro 229 million, of which Euro 122 million as cash and cash equivalents, which gives the Group financial flexibility.

At the date of approval of the financial statements, considering all the above information and based on the information currently available, the directors have a reasonable expectations that the Group has adequate resources to continue operations in the near future for a period of not less than 12 months from the end of the financial year. Therefore, the going concern principle is confirmed as the accounting basis for the preparation of the financial statements.

d. Use of judgements and estimates

In applying the Group's accounting policies, which are described in note 3, the Directors are required to make judgements (other than those involving estimations) that have an impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

Below are the critical judgments, in addition to those related to estimates (which are presented separately below), that the directors made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Provision for expected credit losses of trade receivables
As explained at letter "s" of the present note, the Group uses a provision matrix to calculate ECLs for trade receivables and contract assets.

Assumptions and estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Recoverability of deferred tax assets
Deferred tax assets are recognized to the extent that it is probable that sufficient taxable profit will be available against which the benefits of temporary differences that are expected to reverse in the foreseeable future can be utilized.

The Group reviews the carrying amount of deferred tax assets at each reporting date and, if necessary, reduces it to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets are measured at the tax rates that are expected to apply in the period when the asset is realised based on tax laws and tax rates that have been enacted or substantively enacted by the reporting date.

The valuation of deferred tax assets reflects the tax consequences that would result from the manner in which the Group expects to recover the carrying amount of its assets at the end of the reporting period.

Measurement of expected credit losses of trade receivables
The Group uses a provisioning matrix to calculate ECLs for trade receivables and contract assets. The impairment percentages are determined based on days past due and by grouping receivables from customers that are characterised by similar causes of impairment (geographic area, product type, customer type, rating, presence of guarantees or other insurance).

The provisioning matrix is initially based on the Group's observed historical default rates. The Group will calibrate the matrix to correlate historical credit loss experience with forecast information. For example, if macroeconomic conditions are expected to worsen, which may lead to more defaults, the impairment rates based on historical data are adjusted. At each reporting date, the impairment percentages are updated and estimates of prospective economic conditions are analysed.

The assessment of the correlation between observed historical default rates, expected economic conditions and ECLs is a meaningful estimate. The amount of ECLs is sensitive to changes in circumstances and expected economic conditions. The Group's historical credit loss experience and forecasts of future economic conditions may also not be representative of actual customer default in the future.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties related to the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When it is expected that some or all of the economic benefits required to settle a provision will be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Fair value measurements and valuation processes
Accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.
When third party information, such as broker quotes or pricing services, is used to determine fair value, the Group evaluates and documents evidence obtained from third parties to support the conclusion that such valuations meet the requirements of Standards, including the level of the fair value hierarchy in which the valuations should be classified.

In measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques, as illustrated below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3: input data relating to the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is placed in the same level of the hierarchy as the lowest level input that is significant to the entire valuation.

The Group recognises transfers between levels of the fair value hierarchy at the end of the financial year in which the transfer took place. Please refer to Note 27 for more details on fair value assumptions.

e. Basis of consolidation

The interim consolidated financial statements incorporate the interim financial statements of the Company and entities controlled by the Company (its subsidiaries) made up for the same period. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in interests in subsidiaries that do not result in a loss of control are recognised in equity. The value of the Group's equity and the equity attributable to non-controlling interests are adjusted to reflect changes in interests in subsidiaries. Any difference between the change in equity attributable to minority shareholders and the fair value of the consideration paid or received is recognised directly in equity and allocated to the shareholders of the Company.

If the Group loses control of a subsidiary, it must derecognise the related assets (including goodwill), liabilities, minority interests and other components of equity, while any profit or loss is recognised in the income statement. Any investment retained must be recognised at fair value. The fair value of any investment retained in the former subsidiary at the date control is lost is deemed to be the fair value at initial recognition in accordance with IFRS 9, where applicable, or the cost of initial recognition of an investment in an associate or joint venture.

A full list of the Group's subsidiaries is shown in Note 24.

f. Business combinations

Acquisitions of businesses are accounted for using the 'acquisition method'. The cost of an acquisition is determined as the sum of the consideration transferred, measured at fair value at the acquisition date, and the amount of the non-controlling interest in the acquiree. For each business combination, the Group determines whether to measure the non-controlling interest in the acquiree at fair value or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets. Acquisition costs are expensed in the period.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

Goodwill is initially recognised at cost represented by the excess of the aggregate of the consideration paid and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the aggregate of the consideration paid, the Group reassesses whether it has correctly identified all assets acquired and all liabilities assumed and revises the procedures used to determine the amounts to be recognised at the acquisition date. If the reassessment still results in the fair value of the net assets acquired exceeding the consideration paid, the difference (gain) is recognised in profit or loss.

Any contingent consideration to be recognised is recognised by the acquirer at fair value at the acquisition date. Contingent consideration classified as an asset is not remeasured and its subsequent payment is recognised in equity. The change in fair value of contingent consideration classified as an asset or liability as a financial instrument that is within the scope of IFRS 9 Financial Instruments shall be recognised in the profit or loss in accordance with IFRS 9. Contingent consideration that is not within the scope of IFRS 9 is measured at fair value at the reporting date and changes in fair value are recognised in profit or loss.

Changes in the fair value of contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments to goodwill. Measurement period adjustments are adjustments that result from additional information obtained during the 'measurement period' (which may not exceed one year from the acquisition date) about the facts and circumstances existing at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised from that date.

g. Goodwill

Goodwill is initially recognised and measured as set out in the note “f. Business combinations” above.

Goodwill is not amortised, but its recoverability is tested at least annually. In order to test for impairment, goodwill arising from a business combination is allocated, from the date it is acquired, to each cash-generating unit ('CGU') of the Group that is expected to benefit from the synergies of the combination. The cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication of potential impairment of the unit. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the unit, and only then to the other assets of the CGU, in proportion to their carrying amount. A recognised impairment loss related to goodwill cannot be reversed in subsequent years.

If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the disposed asset is included in the carrying amount of the asset when determining the gain or loss on disposal.

h. Revenue recognition

The Group generates revenue from the sale of chemical products. Revenue from contracts with customers is recognised when control of goods and services is transferred to the customer in an amount that reflects the consideration the Group expects to receive in exchange for those goods or services and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. This may occur, depending on the relationship with the individual customer, when the product has been transferred to a freight carrier, when the customer has received the product or, for consignment stock held at the customer's premises, when utilisation reports for the period in question have been compiled.

The payment terms offered by the Group to customers are within a certain number of days from receipt of the invoice and standard contracts do not include a significant financial component. The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. Accordingly, the Group does not adjust any transaction prices for the time value of money.

The Group applies this core principle using a five-step model:

1) Identification of the customer contract (step 1).

The Group applies IFRS 15 to contracts with customers within the scope of the standard when the contract creates enforceable rights and obligations and meets all of the following criteria:

- the parties have approved the contract and have undertaken to fulfil their respective obligations;
- rights to goods or services and payment terms are identifiable;

- the contract has commercial substance;
- the Group is likely to receive the consideration to which it expects to be entitled.

In order to assess these criteria, the Group considers all facts and circumstances, including the following:

- a contract is an agreement between two or more parties that creates enforceable rights and obligations;
- the enforceability of rights and obligations in the contract is governed by law;
- the contract may be written, oral, or implicitly derived from the Group's customary business practices;
- practices and procedures for concluding contracts with customers vary from one jurisdiction to another, from one sector to another
  and from one entity to another. They may also vary within the Group itself (e.g. depending on the category of customers or the nature of the goods or services promised);
- the Group takes these practices and procedures into account in determining whether and when the arrangement with the customer creates enforceable rights and obligations. If these criteria are not met, any payments received from customers should be recognised as advances;

2) identification of obligations to do (step 2).

The Group identifies all the goods or services promised in the contract as separate obligations to do if they are by their nature capable of being distinguished and if they are distinct within the scope of the contract. As an exception, the Group accounts as a single obligation to do a series of separate goods or services that are substantially the same and have the same manner of transfer to the customer over time. In assessing the existence and nature of the obligations to do, the Group considers all elements of the contract referred to in step 1.
For each separate good or service, the Group determines whether it acts as "principal" or "agent", depending on whether it controls the promised good or service before control is transferred to the customer. Indicators of control include (a) having primary responsibility for providing the goods or services to the customer, (b) assuming the inventory risk and (c) having discretion in setting prices for the goods or services. When the Group acts as an agent, revenue is recognised on a net basis, corresponding to the fees or commissions to which it expects to be entitled;

3) determination of the transaction price (step 3).

The transaction price represents the amount of consideration to which the Group expects to be entitled in exchange for the transfer of the promised goods or services to the customer, excluding amounts collected on behalf of third parties (e.g. certain sales taxes and value added tax). The Group determines the transaction price at the inception of the contract (using the legally applicable contractual terms and without regard to whether the contract is cancelled, renewed or amended) and adjusts it in each financial year to reflect any changes in circumstances.
In determining the transaction price, the Group considers whether the transaction price includes:
variable consideration. The amount of estimated variable consideration included in the transaction price is limited to the amount for which it is highly probable that, when the uncertainty associated with the variable consideration is subsequently resolved, there will be no significant downward adjustment to the amount of cumulative revenue recognised;
non-cash consideration received from a customer, measured at fair value;
a consideration payable to the customer that represents a reduction in the price of the transaction, unless it is a payment for separate goods or services received from that customer;
a significant financing component may exist if the time of payment does not correspond to the time of transfer of the goods or services to the customer. The Group does not take into account the effects of a significant financing component if at the inception of the contract it expects that the time interval between when it will transfer the promised goods or services to the customer and when the customer will make the related payment will not exceed one year;

4) allocation of the transaction price (step 4).

At the inception of the contract, the Group allocates the transaction price among the various identified obligations to do, to reflect the amount of consideration to which it expects to be entitled in exchange for the transfer of the promised goods or services. When the contract includes an option to purchase additional goods or services that represents a significant right (a significant right exists if the customer is only able to obtain the option by entering into the contract and the option provides the customer with the ability to obtain the additional goods or services at a lower price than their stand-alone selling prices), the Group allocates the transaction price to that obligation to do (i.e., the option) and defers the related revenue when the transfer of those future goods or services takes place or the option expires.

The Group generally allocates the transaction price on the basis of the stand-alone selling price of each good or service promised in the contract (i.e., the price at which the Group would sell that good or service separately to the customer);

5) revenue recognition (step 5).

The Group recognises revenue when (or as and when) each obligation to do is fulfilled by the transfer of the promised good or service to the customer, or when the customer acquires control (i.e., the ability to decide on the use of the goods or services and to derive substantially all of the remaining benefits or to prevent others from doing likewise).

As a first step, the Group determines whether one of the criteria for fulfilling the obligation over time is met:
- the client simultaneously receives and utilises the benefits of the service as it performs it;
- the Group's performance creates or improves an activity that the client controls as the activity is created or improved; or
- the Group's performance does not create an asset with an alternative use for the Group and the Group has the enforceable right to payment for the completed performance up to the relevant date.

If the obligation to do is not fulfilled in the course of time, the Group determines the point in time when the customer acquires control of the good or service, also considering the following indicators:
- a present obligation to pay;
- material possession;
- property rights;
- risks and benefits of ownership; and
- acceptance of the activity.

If the Group performs an obligation to do so by transferring goods or services to the customer before the customer pays the consideration or before payment is due, the Group recognises an asset arising from contracts with customers in respect of the right to obtain the consideration in exchange for the goods or services transferred to the customer. If the customer pays the consideration before the transfer of the goods or services to the customer occurs, the Group recognises a liability arising from contracts with customers at the time payment is made (or payment is due); this liability will be recognised as revenue when the Group performs its obligation under the contract.

i. Leases

The Group as lessee

The Group assesses when entering into a contract whether it is, or contains, a lease. The Group adopts a single recognition and measurement model for all leases. The Group recognises a right-of-use asset and a corresponding lease liability in respect of all leases in which it is a lessee.

The lease liability is initially measured at the present value of the lease payments not yet paid at that date, discounted using the rate implicit in the lease. If this rate cannot be easily determined, the Group uses the incremental borrowing rate.

Lease payments included in the valuation of the lease liability include:

- Fixed lease payments (including fixed payments in substance), net of any lease incentives payable;
- Variable fees depending on an index or rate;
- The amounts expected to be paid by way of residual value guarantees;
- The exercise price of the call options, if the lessee is reasonably certain to exercise them;
- Penalty payments for lease termination if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate item in the consolidated balance sheet.

The lease liability is subsequently measured by increasing its carrying amount to reflect interest (using the effective interest method) and reducing its carrying amount to reflect payments made.

The Group recalculates the lease liability (and makes a corresponding adjustment to the related right-of-use asset) each time:

- The lease term is changed or there is a significant event or change in circumstances that results in a change in the measurement of the exercise of a purchase option, in which case the lease liability is recalculated by discounting the revised lease payments using a revised discount rate.
- Lease payments change due to changes in an index or rate or in the estimated amounts expected to be payable as security for the residual value, in which cases the lease liability is recalculated by discounting the revised lease payments using an unchanged discount rate (unless the change in lease payments is due to a change in the variable interest rate, in which case a revised discount rate is used).
- A lease is amended and the amendment to the lease is not accounted for as a new separate lease, in which case the lease liability is recalculated over the term of the amended lease by discounting the payments using a revised discount rate at the effective date of the amendment.

The Group made no such adjustments during the periods presented.

Lease assets include the initial measurement of the corresponding lease liability, lease payments made on or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for the costs of decommissioning and removing a leased asset, restoring the site where it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, a provision is measured and recognised in accordance with IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related asset, unless such costs are incurred in the production of inventories.

Right-of-use assets are depreciated from the lease inception date over the shorter of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Right-of-use assets are presented as a separate item in the consolidated balance sheet.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any impairment loss identified as described in the section on 'Property, plant and equipment'.

Variable rents that are not index- or rate-dependent are not included in the valuation of lease liabilities and right-of-use assets. The related payments are recognised as an expense in the financial year in which they are incurred and are included in "other operating expenses" in the income statement.

As a practical expedient, IFRS 16 permits a lessee not to separate the non-lease components of an agreement, but to treat them as part of a single agreement. The group has used this practical expedient.

j. Foreign currencies

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

k. Financial expenses

Financial expenses directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily require a substantial period of time to be ready for their intended use or sale, are included in the cost of those assets until they are substantially ready for their intended use or sale.

To the extent that variable rate loans are used to fund an asset that qualifies for capitalisation of borrowing costs and are hedged as part of an effective cash flow hedge of interest rate risk, then the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the asset that qualifies for capitalisation of financial expenses has an impact on profit or loss. To the extent that fixed rate loans are used to fund an asset that qualifies for capitalisation and are hedged as part of an effective cash fair value hedge of interest rate risk, capitalised financial expenses reflect the hedged interest rate.

Income derived from the temporary investment of specific loans, pending their use in connection with assets that qualify for capitalisation of borrowing costs, is deducted from the amount of financial expenses eligible for capitalisation.

All other financial expenses are recognised in the income statement in the year in which they are incurred.

l. Grants for research and development

Contributions for research and development are recognised when it is certain that the contribution will be received, which coincides with its formal approval by the granting body or with the group's declaration that there is reasonable certainty that it will be received and that all the conditions attached to it have been met.

Grants related to cost components are recognised as revenue but are systematically allocated between periods to match the costs they are intended to offset. Government grants whose primary function is to support the Group in the acquisition, construction or other means of obtaining non-current assets (including property, plant and equipment) are recognised as deferred income in the balance sheet and transferred to the income statement on a systematic and rational basis, in a manner related to the useful life of the assets against which they are granted.

Government grants that are receivables as compensation for expenses or losses already incurred by the Group or for the purpose of providing immediate financial support to the Group, without future related costs, are recognised in the income statement in the year in which they become receivable.

m. Post-employment benefits

The group has several employee benefit schemes within the regions in which it operates. Generally, payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the balance sheets with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier.

Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurements.

The Group recognises service costs within profit or loss as cost of sales and administrative expenses.

Net interest expense or income is recognised within finance costs.

The retirement benefit obligation recognised in the consolidated balance sheets represents the deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

n. Taxation

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

o. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Depreciation rates:	
Industrial buildings	3.0%-7.0%
Light constructions	10.0%
Generic plant	7.0%-12.5%
Marginally corrosive plant	15.5%
Highly corrosive plant	22.5%-33.0%
Laboratory equipment	10.0%-40.0%
Internal means of transport	20.0%
Office furniture and equipment	10.0%-12.0%
Electronic equipment	18.0%-33.0%

Land is not depreciated. If the carrying amount of a building also includes the underlying land, it is separated, including based on estimates, for depreciation purposes.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The carrying amount of an item of property, plant and equipment is derecognised when it is disposed of (i.e. when the acquirer obtains control) or when no future economic benefit is expected from its use or disposal.

p. Intangible assets

Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which are shown below. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-developed intangible assets

Expenses related to research activities are recognised as expenses in the year in which they are incurred.

An internally generated intangible asset arising from development (or the development phase of an internal project) is recognised if it can be attributed to a newly developed product or process that has demonstrable technological and economic feasibility for the Group.

The amount initially recognised for internally generated intangible assets is the sum of expenditure incurred by the Group from the date the intangible asset first meets the recognition criteria of IAS 38.If the requirements for the recognition of internally generated intangible assets are not met, development costs are recognised in profit or loss in the period in which they are incurred.

After initial recognition, internally generated intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses, similar to separately acquired intangible assets. Development costs are amortised over their estimated useful economic life of between two and five years.

Intangible assets acquired in a business combination
Intangible assets acquired through business combinations are recognised at fair value at the acquisition date. The Group has recognised intangible assets in connection with customer relationships arising from its business combination transactions.

After initial recognition, they are measured at cost less accumulated amortisation and accumulated impairment losses, similar to separately acquired intangible assets.

Derecognition of intangible assets
An intangible asset is derecognised on disposal (i.e., on the date the acquirer obtains control) or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from the disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.
Patents and trademarks are measured initially at acquisition cost and are amortised on a straight-line basis over their estimated useful life.
Amortisation rate of intangible assets

Amortisation rates	
Concessions, licenses and intellectual property rights	6%-20%
Trademark	2%-10%
Customer relationship	9%-11%
Other	6%-20%

q. Impairment of non-financial assets with a finite useful life (property, plant and equipment and intangible assets, excluding goodwill).

At each reporting date, the Group assesses whether there are any indicators of impairment of its non-financial assets. If so, the Group estimates the recoverable amount to determine the extent of the impairment loss (if any). If the asset does not generate cash flows independent of other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to individual cash-generating units, or otherwise are allocated to the smallest group of cash-generating units for which a reasonable and consistent basis of allocation can be identified.
The recoverable amount is the higher of the fair value of the asset or cash-generating unit, less costs to sell, and its value in use. In determining value in use, the Group discounts estimated future cash flows to present value using a discount rate, which reflects market assessments of the present value of money and the risks specific to the asset.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.
The value of an asset that was previously written down may only be reinstated if there have been changes in the assumptions on which the calculation of the determined recoverable amount was based, after the recognition of the last impairment loss. The reversal may not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years. Such reversal is recognised in profit or loss.

r. Inventories

Inventory consists of raw materials, consumables and supplies, semi-finished products and finished products.

Inventories are initially recognised at purchase or production cost and subsequently at the lower of cost and estimated net realisable value.

Purchase cost is the consideration paid at the time of purchase, including related ancillary costs. The purchase cost of materials includes their price, transport costs, customs duties and other directly attributable charges. Returns, trade discounts, rebates and bonuses are deducted from costs.

Cost of production includes direct materials and, where applicable, direct labour and overhead costs incurred in bringing the inventories to their present location and condition, including the reasonably attributable portion of indirect costs incurred during production until the asset is available for use. Cost is determined considering normal production capacity. Production costs do not include general and administrative costs, distribution costs and research and development costs.

The Group has adopted the weighted average cost model.

The estimated net realisable value is the estimated normal selling price in the normal course of business, less estimated completion costs and estimated costs to realise the sale. Obsolescence and turnover are also taken into account in the calculation of the estimated realisable value based on market trends.

Raw materials and supplies used in the manufacture of finished goods are not impaired if the realisable value of such finished goods is expected to be equal to or exceed their cost of production. In addition, if the price of raw materials and supplies decreases and the cost of finished goods exceeds their realisable value, the raw materials and supplies are written down to their net realisable value, which is their best estimate of their market price.

s. Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheets when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets and financial liabilities

Financial assets mainly comprise trade receivables, derivative financial instruments, cash and cash equivalents.

Financial liabilities consist mainly of debt securities, derivative financial instruments, trade payables and other liabilities.

Classification and measurement

The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial assets and the business model the Group uses to manage them. The Group assesses whether the cash flows of a financial asset represent only principal and interest payments consistent with a financing arrangement. When the contractual terms introduce exposure to risks or volatility that are inconsistent with a basic financing arrangement, the related financial assets are classified and measured at fair value through profit or loss.

Financial asset cash flow business model	Initial measurement(1)	Measurement category(2)
Solely to collect the contractual cash flows (Held to Collect)	Fair value, including transaction costs	Amortised cost
Collect both the contractual cash flows and generate cash flows arising from the sale of assets (Held to Collect and Sell)	Fair value, including transaction costs	Fair value through other comprehensive income ('FVOCI')
Generate cash flows primarily from the sale of assets (Held to Sell)	Fair value	Fair value with change recognised through profit or loss ('FVTPL')

(1) A trade receivable without a significant financing component, as defined by IFRS 15, is initially measured at the transaction price.

(2) Upon initial recognition, the Group may irrevocably designate a financial asset, which would otherwise qualify for measurement at amortised cost or FVOCI, as FVTPL if doing so eliminates or significantly reduces an 'accounting mismatch' that would otherwise arise.

Factors considered by the Group in determining the business model of a group of financial assets include:

- past experiences on how the flows from these activities were collected;
- the frequency, volume and timing of sales of financial assets in previous years, the reasons for such sales and expectations of future sales activity; and

- how the performance of financial activities is evaluated and how it is communicated to key management personnel.

Financial assets are not reclassified after their initial recognition unless the Group changes its business model, in which case all affected financial assets are reclassified as of the first day of the reporting period following the change in business model.

Cash and cash equivalents include sight deposits and cash on hand. Cash and cash equivalents are subject to an insignificant risk of changes in value and are measured at amortised cost.

Impairment of financial assets

The Group's credit risk is related to trade receivables arising from the sale of products, for which the Group is most exposed to the direct risk of counterparty default. These risks are mitigated by the fact that the risk exposure is spread across many counterparties.

IFRS 9 impairment requirements are based on an Expected Credit Losses (ECL) model. ECLs are based on the difference between the contractual cash flows due under the contract and all cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate. The calculation of ECLs is based on the default risk of the counterparty, which is determined by considering the information available at the end of each reporting period regarding the solvency of the counterparty, the fair value of any collateral and the Group's historical experience. The Group considers a financial asset to be in a state of default when: (i) the borrower is unlikely to pay its obligations in full and without compensating guarantees or collateral (if any); or (ii) the financial asset is more than 90 days past due.

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected losses. Therefore, the Group does not monitor changes in credit risk, but recognises the expected loss in full at each reporting date.

For the purpose of impairment testing, individually significant receivables and trade receivables whose recoverability is at risk are assessed individually, while all other receivables are grouped into homogeneous risk categories based on characteristics such as the type of instrument, sector or geographical location of the counterparty.

The simplified approach for the determination of ECLs is performed in two steps:

- All trade receivables whose recoverability is at risk are individually assessed for impairment;
- A general impairment provision is recognised for all other trade receivables (including those not past due), based on historical loss rates.

Derivative financial instruments

Derivative financial instruments are used for economic hedging purposes to reduce currency and interest rate risks. In accordance with IFRS 9, derivative financial instruments are recognised on a settlement date basis and, upon initial recognition, are measured at fair value less directly attributable transaction costs. After initial recognition, all derivative financial instruments are measured at fair value. In addition, derivative financial instruments qualify for hedge accounting when (i) there is a formal and documented designation of the hedging relationship and the Group's risk management objective and strategy related to the implementation of the hedge and (ii) the hedge is expected to be effective.

When derivative financial instruments meet the requirements for hedge accounting, the following accounting treatments are applied:

- Fair value hedges - when a derivative financial instrument is designated as a hedge of exposure to changes in the fair value of a recognised asset or liability attributable to particular risks that could affect the consolidated income statement, the change in fair value of the hedging derivatives is recognised in the income statement. The change in fair value of the hedged item attributable to the hedged risk is recognised as part of the carrying amount of the hedged item and is also recognised in profit or loss.

- Cash flow hedges - where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognised asset or liability or a highly probable forecasted transaction and could affect consolidated profit or loss, the portion of the gain or loss on the hedged instrument relating to the effective portion of the hedge is recognised in other comprehensive income in the 'cash flow hedge' reserve. If the hedged transaction subsequently results in the recognition of a non-financial component, the amount accumulated in equity is removed from the separate component of equity and included in the cost or other carrying amount of the hedged asset or liability. For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss. The profit or loss associated with a hedge or portion of a hedge that has become ineffective is recognised immediately in the consolidated income statement.

If cash flow hedge accounting is discontinued, the amount accumulated in OCI must remain there if the hedged future cash flows are expected to occur. Otherwise, the amount must be immediately reclassified to profit/(loss) for the year as a reclassification adjustment. After the suspension, once the hedged cash flows occur, any accumulated amount remaining in OCI must be accounted for depending on the nature of the underlying transaction as described above.

Hedge effectiveness is determined at the inception of the hedging relationship and through periodic prospective effectiveness assessments to ensure that hedging relationships meet effectiveness requirements (including the existence of an economic relationship between the hedged item and the hedging instrument). The Group enters into hedging relationships where the critical terms of the hedging instrument closely or exactly match the terms of the hedged item, and therefore a qualitative assessment of effectiveness is performed.

If hedge accounting cannot be applied, gains or losses arising from the fair value measurement of derivative financial instruments are recognised immediately in the consolidated income statement.

Write-off of financial assets

The Group derecognises financial assets when the contractual rights to the cash flows from the asset are extinguished or if it transfers substantially all the risks and rewards of ownership of the financial asset. When financial assets are derecognised, the difference between the carrying amount of the asset and the consideration received or receivable for its transfer is recognised in the consolidated income statement.

The Group transfers certain financial, commercial and tax receivables, mainly through factoring transactions. Factoring transactions may be with or without recourse. Some transfers do not meet the requirements of IFRS 9 for derecognition of assets, as the risks and rewards of ownership of the financial asset are not substantially transferred; consequently, the Group continues to recognise these receivables within the consolidated financial statements and recognises a financial liability for the consideration received. These types of receivables are classified as held-to-collect, as the business model is consistent with the Group's continued recognition of receivables.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Supplier financing arrangements and factoring of receivables

An entity may enter into arrangements under which a 'factor' (typically, a financial institution) pays a supplier on its behalf, with the entity (i.e. the purchaser) then reimbursing the factor. Such arrangements may be referred to as, for example, 'supplier financing', 'reverse factoring' or 'structured payable arrangements'. When such arrangements are material, clear disclosure should be provided of the following:

- the approach to the presentation of significant supplier financing arrangements and, in accordance with IAS 1:122, the judgements made in applying that policy;
- how supplier financing transactions have been reflected in the statements of cash flow;
- the carrying amount of the liabilities in question and the line item(s) in which they are presented; and
- when supplier financing arrangements have been used as a tool to manage liquidity risk, the disclosures required by IFRS 7:39(c).

When an entity enters into arrangements for factoring of receivables where they are not fully derecognised, it is important that the policy adopted for the treatment of cash flows arising is clearly explained and that any non-cash financing transactions are disclosed in accordance with IAS 7:43. In particular, an explanation of whether the cash flows received on the receivables are treated as operating inflows with associated financing outflows that are deemed to repay the financing liability that was recognised when the receivables were transferred. Balances that will give rise to financing cash flows should also be included in the disclosure of changes in such balances required by IAS:7.44A-44E.

Financial liabilities and equity

i. Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

t. Share Capital

i. Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a decrease in equity.

Income taxes on the transaction costs of an equity transaction are recognised in accordance with IAS 12.

ii. Preference shares

Redeemable preference shares are classified as financial liabilities, as dividend payments are non-discretionary, and the shares are redeemable at the discretion of the holders. The related non-discretionary dividends are recognised in profit/(loss) for the year on an accrual basis.

Preference shares are classified as equity when they are not redeemable, or when they are redeemable but only at the Company's option, and any dividends are discretionary. Discretionary dividends on preference shares are recognised as distributions in equity when they are approved by the Shareholders' meeting.

iii. Repurchase and re-issue of ordinary shares (treasury shares)

In the event of the repurchase of shares recognised in equity, the consideration paid, including costs directly attributable to the transaction, is recognised as a reduction of equity. Shares repurchased in this manner are classified as treasury shares and recognised in the reserve for treasury shares. The consideration received from the subsequent sale or re-issue of treasury shares is recognised as an increase in shareholders' equity. Any positive or negative difference arising from the transaction is recognised in the share premium reserve.

u. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties inherent in the obligation. If the effect of the time value of money is material, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to the liability. When the liability is discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Group believes that a provision for liabilities and charges will be partly or fully reimbursed, for example in the case of risks covered by insurance policies, the indemnity is recognised separately as an asset if it is practically certain and its value can be reliably estimated.

Restoration provisions

Provisions for the costs to restore leased plant assets to their original condition, as required by the terms and conditions of the lease, are recognised when the obligation is incurred, either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease, at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 and the amount recognised initially less cumulative amount of income recognised in accordance with the principles of IFRS 15.

4. Revenue

The Group earns revenue from the sale of specialty chemicals products. Production revenues decreased from Euro 529,836 thousands to Euro 491,488 thousands for the nine months ended September 2025 and were fully generated by the Italmatch Chemicals Group.

Detailed below, turnover from sales and services is analysed by geographical segment referring entirely to the Italmatch Chemicals Group.

	01.01.2025 30.09.2025 €'000s	01.01.2024 30.09.2024 €'000s
Italy	46,883	51,684
Rest of Europe(*)	145,776	161,840
U.S.A.	136,064	147,425
Rest of North America	13,794	13,058
Asia Pacific	86,965	87,841
Middle East & Africa	31,667	34,201
Latin America	30,339	33,787
Total	**491,488**	**529,836**

*Excluding Italy

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market and major products and services. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 5)

Disaggregation of revenue from contracts with customers	01.01.2025 - 30.09.2025				01.01.2024 - 30.09.2024			
€'000	AWS - Advanced Water Solutions	FPP - Functional and Performance Products	LIS - Lubricants and Industrial Solutions	Total	AWS - Advanced Water Solutions	FPP - Functional and Performance Products	LIS - Lubricants and Industrial Solutions	Total
Primary geographical markets								
Italy	12,005	5,563	29,315	46,883	14,840	5,016	31,828	51,684
Rest of Europe	57,410	33,726	54,640	145,776	63,455	40,289	58,096	161,840
U.S.A.	57,148	31,837	47,079	136,064	64,582	37,670	45,173	147,425
Rest of North America	6,426	3,755	3,613	13,794	5,675	3,366	4,017	13,058
Asia Pacific	21,007	1,316	64,642	86,965	24,561	1,126	62,154	87,841
Middle East & Africa	26,927	1,265	3,475	31,667	31,022	1,082	2,097	34,201
Latin America	23,407	420	6,512	30,339	25,351	918	7,518	33,787
Total	**204,330**	**77,882**	**209,276**	**491,488**	**229,486**	**89,467**	**210,883**	**529,836**
Major products/service line								
Water Solution polymers and phosphonates products	171,358	31,692	-	203,050	192,701	35,807	-	228,508
Chlorides	-	14,612	17,093	31,705	-	20,610	17,910	38,520

Lube oil performance additives	-	-	168,447	168,447	-	-	169,139	169,139
Flame retardants	-	-	23,736	23,736	-	-	23,833	23,833
Fatty Acid Derivatives	15,499	31,578	-	47,077	18,925	32,927	-	51,852
Other*	17,473	-	-	17,473	17,861	123	-	17,984
Total	**204,330**	**77,882**	**209,276**	**491,488**	**229,487**	**89,467**	**210,882**	**529,836**

**The line "Other" includes revenues and rebates non directly allocated to a specific segment*

The caption "other" does not include amounts exceeding 10%.

Please refer to the Note below for further information.

5. Operating segments

The Group has the following three reportable operating segments, as detailed below, which correspond to the end markets of its products ("End-markets"). These segments provide different products and services and are managed separately as they relate to end-markets with very different logics.

The three End Markets are:

1. Advanced Water Solutions (AWS)
2. Lubricants and Industrial Solutions (LIS)
3. Functional and Performance Products (FPP).

AWS represents the Group's main end-market and includes a wide and diversified range of products, solutions and formulations (e.g., antiscalant, polymers and biocides) with numerous and varied end applications (e.g., industrial water treatment, cleaning, desalination, mining for mineral separation, precious metals and geothermal energy).

The second largest division is LIS (Lubricants and Industrial Solutions). This division provides additives for lubricants (engine oil) used in transportation, industrial lubricants (including for wind turbines) and flame retardants.

Finally, the third end-market is FPP (Functional and Performance Products). It mainly includes the Oleochemicals business, chlorides and chemistry for the "unconventional" energy sub-fund.

The activities of each of the Group's reportable segments are summarised below:

End Market	Operating segments
AWS	A global leader in water additives including phosphonates, water-soluble polymers and biocides, covering a wide range of applications (e.g. cleaning, detergents and industrial water and desalination) and ready-to-use solutions.
LIS	Engine lubricant additives (e.g. ZDDP, a key anti-wear additive). Broad portfolio of additives for industrial lubricants, focusing on extreme pressure and light sulphur content, greases and metalworking fluids. Leader in polymer esters (synthetic functional base oils) for high-performance premium oils. Flame Retardants ('FRs') for electronics and electrical compounds in nylon, particularly based on red phosphorous in Europe. PVC additives.
FPP	Specialty chemical intermediates for agriculture, water treatment and EV batteries, oleochemical products and unconventional energy (Fracking).

The tables below set forth revenue by end market, respectively, for the nine months ended September 30, 2025 and 2024.

	01.01.2025 30.09.2025	01.01.2024 30.09.2024

	€'000s	€'000s
AWS	204,330	229,487
FPP	77,882	89,467
LIS	209,276	210,882
Total	**491,488**	**529,836**

Revenue decreased by Euro (38,348) thousands to Euro 491,488 thousands for the nine months ended September 30, 2025 from Euro 529,836 thousands for the nine months ended September 30, 2024. The reduction is mainly due to volume decrease (although comparing with strong 2024 September YTD results).

Here below a brief overview of our end market:

- **Advanced Water Solutions or AWS**: Sales revenues decrease by 11% compared to the nine months ended September 30,2024, mainly due to a softer trading in 9M YTD 2025 driven by broader market headwinds, as well as temporary impact of seasonality on Alcolina. YoY comparison less relevant due to customer re-stocking in H1 2024.
- **Lubricants and Industrial Solutions:** Sales revenues decrease by 13% compared to the nine months ended September 30,2024. Despite this decrease LIS continues strong performance due to solid demand across end-markets, particularly in the transportation segments.
- **Functional and Performance Products** Sales revenues decrease by 1% compared to the nine months ended September 30,2024. Even though sales had remained approximately stable this slight variation is mainly driven by O&G demand slow-down in US as well as a temporary production pause at Zuera.

Group management uses additional key performance indicators and other non-financial operating data, derived from management estimates, to monitor Group performance, such as contribution margin by end market and/or by specialty. These measures are not directly reconcilable to the Group's financial statements or accounting records and for such reason they are not disclosed in this segment reporting information.

6. Raw materials, consumables and production utilities

	01.01.2025 30.09.2025 €'000s	01.01.2024 30.09.2024 €'000s
Raw materials	257,930	280,198
Production utilities	15,965	16,800
Consumables and others	3,722	7,000
Total	**277,617**	**303,998**

Purchases costs decrease by Euro 26,381 thousands to Euro 277,617 thousands for the nine months ended September 30, 2025, with respect to previous year mainly due to lower raw materials expenses due to the decrease of volumes sold. Additionally, there has also been a slight decrease in raw material unit price.

7. Other operating expenses

	01.01.2025 30.09.2025 €'000s	01.01.2024 30.09.2024 €'000s
Legal and professional fees	7,435	6,468
Insurance costs	3,263	3,438
Travel expense	2,836	2,330
Utilities and postal expenses	603	661
Intermediary commissions	2,144	1,575
Advertising and representation costs	1,014	729
Rent and lease	724	806

Plant &Infrastructure	2,068	1,394
Security, ESG and IT costs	1,530	2,101
Other tax and duties	1,434	1,328
Sundry expenses	2,363	2,373
Total other operating expenses	**25,414**	**23,203**

The caption other operating expenses amounted to Euro 25,414 and Euro 23,203 thousands for the nine months ended 30 September 2025 and 2024, respectively.

8. Finance income

	01.01.2025 30.09.2025 €'000s	01.01.2024 30.09.2024 €'000s
Other financial income	1,269	7,285
Exchange rate gains	6,182	3,836
Total Finance Income	**7,451**	**11,121**

Financial income for the nine months ended 30 September 2025 amounts to Euro 7,451 thousands. Exchange rate gains of Euro 6,182 thousands (Euro 3,836 thousands for nine months ended 30 September 2024) include Euro 5,573 thousands of realised foreign exchange gains, which include Euro 4,565 thousands mainly on commercial transactions in foreign currencies, primarily denominated in USD. Unrealized foreign exchange gains for the nine months ended 30 September 2025 amounted to Euro 609 thousands (Euro 575 thousands for nine months ended 30 September 2024)

9. Finance costs

	01.01.2025 30.09.2025 €'000s	01.01.2024 30.09.2024 €'000s
Interest and other financial charges	(52,011)	(52,725)
Exchange rate losses	(41,983)	(6,575)
Other finance costs	(3,444)	(3,590)
Interest on IFRS16	(628)	(483)
Total Finance Costs	**(98,066)**	**(63,374)**

Finance costs for the nine months ended 30 September 2025 amount to Euro 98,066 thousands (Euro 63,374 thousands for nine months ended 30 September 2024).

The increase in respect of the same period of year 2024, equal to Euro 34,692 thousands is mainly related to exchange rate losses.
In particular, the difference is due to the unrealized exchange losses, which were equal to Euro 2,553 thousands for the nine months ended 30 September 2024, and which amount to Euro 32,658 thousands for the nine months ended 30 September 2025, the increase is mainly due to unrealized exchange rate effects.

Interest and other finance charges include interest on Bond and Super Senior Revolving Credit Facility for Euro 46,212 thousands (Euro 50,741 thousands for the nine months ended 30 September 2024) in addition to Euro 5,799 thousands corresponding to the accrual of ancillary expenses to the aforementioned loans accounted with the amortized cost method (Euro 1,984 thousands for three months ended 30 September 2024).

10. Taxation

	01.01.2025 30.09.2025 €'000s	01.01.2024 30.09.2024 €'000s
Corporation income tax	(8,726)	(11,223)

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Corporation Income tax expense is recognized at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

11. Goodwill

Goodwill	€'000s
Carrying amount at 31 December 2024	**505,893**
Exchange differences	(11,473)
Impairment losses for the year	-
Carrying amount at 30 September 2025	**494,420**

The change of the period is mainly related to the period-end foreign exchange rate adjustment.

Impairment test – 30 september 2025

To perform the impairment test, the group identified its cash-generating units ("CGUs") to which allocate Groups's assets. Unallocated assets were tested at a higher level (second level impairment). Consistently, unallocatable cash flows (i.e. central overhead costs and central administrative costs) were not included in the determination of the recoverable amount of the CGUs but were included in the second-level impairment test.

IAS 36 specifies that at the end of each reporting period, an entity is required to assess whether there is any indication that an asset may be impaired. If there is an indication that an asset may be impaired, then the asset's recoverable amount must be estimated.

In assessing whether the aforementioned indication exists, the entity must consider the presence of any "indicators of impairment", as required by paragraph 12 of IAS 36.

To this end, the Group took into consideration that IAS 36 defines the internal and external sources of information, such as:

- External sources
  - Significant reduction in the value of assets;
  - Negative changes in technology, markets, economy or laws;
  - Increase in discount rates;
  - Carrying amount higher than market capitalisation.
- Internal sources
  - Physical obsolescence;
  - Negative internal changes;
  - Forecast worse than the budget.

For said analysis, reference was made to the results of the third quarter-year with respect to the forecasts in the approved plans and to the business performance forecasts for the remainder of the year.

In relation to the Group's assets, no indicators of impairment emerged as such to require the performance of an impairment test at 30 September 2025 on the value of goodwill allocated to the individual Cash-generating units identified and, therefore, the amounts already verified for the Consolidated financial statements at and for the year ended 31 December 2024 are confirmed.

12. Other intangible assets

€'000s	Customer relations	Internally developed intangible assets	Industrial Patents	Concessions, licenses, trademarks and similar rights	Assets under development and advances	Other	Total
Carrying amount at 31 December 2024	**81,432**	**7,153**	**25,606**	**35,455**	**5,213**	**6,291**	**161,150**
Exchange differences	(6,609)	(326)	(698)	(1,133)	1,008	(2,553)	(10,311)
Reclassifications	-	687	-	-	(1,514)	827	-
Additions	-	89	-	-	3,087	8	3,184
Amortisation	(9,463)	(1,919)	(2,427)	(2,126)	-	(4,218)	(20,153)
Carrying amount at 30 September 2025	**65,360**	**5,684**	**22,481**	**32,196**	**7,794**	**355**	**133,870**

The amortisation periods for each class of intangible assets are disclosed on footnote 3, letter p.

The variation is mainly due to foreign rate exchange differences related to the "Customer relations" category.

Other capitalisations mainly refer to IT investments aimed at global data quality and to support functional developments in ESG matters, including tools such as Ariba/IBP used to support organisational management and development.

13. Property, Plant and Equipment

€'000s	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other property, plant and equipment	Assets under development and advances	Total
Carrying amount at 31 December 2024	**55,513**	**108,856**	**680**	**8,030**	**29,828**	**202,907**
Additions	575	2,174	57	175	18,559	21,540
Reclassifications	360	12,661	328	(4,420)	(8,929)	-
Exchange differences	(3,261)	(4,868)	(51)	(106)	(1,384)	(9,670)
Depreciation	(2,532)	(16,656)	(208)	(645)	-	(20,041)
Carrying amount at 30 September 2025	**50,655**	**102.167**	**806**	**3,034**	**38,074**	**194,736**

The depreciation periods for each class of property, plant and equipment disclosed on footnote 3, letter o.

In more detail, the Group's investments in property, plant, and equipment at 30 September 2025 amount to Euro 21,540 thousands (Euro 28,809 thousands as at 31 December 2024).

14. Right of use assets

Right of use assets	€'000s
Carrying amount at 31 December 2024	**6,470**
Additions	5,193
Disposal	-
Exchange differences	(175)
Depreciation	(3,770)
Carrying amount at 30 September 2025	**7,718**

The maturity analysis of lease liabilities is presented in note 19.

Amounts recognised in profit and loss	01.01.2025 30.09.2025 €'000s	01.01.2024 30.09.2024 €'000s
Depreciation expense on right-of-use assets	(3,770)	(3,630)
Interest expense on lease liabilities	(628)	(483)

The total cash outflow for leases amounts to Euro 3,550 thousands (Euro 3,499 thousands for the nine months ended 30 September 2024).

15. Inventories

As at 30 September 2025, inventories amounted to Euro 134,727 thousands (Euro 151,874 thousands as at 31 December 2024). In the period under analysis the caption decreases by Euro 17,146 thousands (-11%) .

	30.09.2025 €'000s	31.12.2024 €'000s
Raw materials, consumables and supplies	46,463	51,819
Finished goods	91,402	105,159
Sub-total inventory, gross	**137,865**	**156,978**
Obsolescence provision	*(3,138)*	*(5,104)*
Total inventory, net	**134,727**	**151,874**

As at 30 September 2025, allowance on inventories amounts to Euro 3,138 thousands. The table below shows its movements.

Movements of Allowance on Inventories	€'000s
Balance at 31 December 2024	**5,104**
Accruals	-
Utilisation	(1,966)
Balance at 30 September 2025	**3,138**

16. Trade and other receivables

	30.09.2025 €'000s	31.12.2024 €'000s
Trade receivables	63,584	70,325
Trade and other receivables ICO (Receivables from parent companies)	850	102

Total trade receivables and 'Trade and other receivables ICO	**64,434**	**70,427**

In the period the average credit period on sales of goods is 35 days. No interest is charged on outstanding trade receivables.

The Group measures the allowance for doubtful trade receivables in an amount equal to the estimated ECLs. Expected credit losses on trade receivables are estimated using an allowance matrix, based on historical experience of customer default and an analysis of the debtor's current financial position, adjusted to take into account customer-specific factors; the general economic conditions of the industry in which the customers operate; and an assessment of both current and expected conditions at the reporting date.

The Group recognised a 100% write-down on all receivables past due by more than 120 days, as historical experience has indicated that such receivables are generally not recoverable.

The Group has not changed the impairment rates for trade receivables at the previous year's level based on its assessment of the impact of current economic conditions and expected trends at the reporting date. No changes were made to the estimation techniques during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the customer is in serious financial difficulty and there is no realistic prospect of recovery, e.g. when the customer has been placed in liquidation or has entered bankruptcy proceedings; or when the trade receivables are more than two years past due, whichever comes first.

The table below details the risk profile of trade receivables based on the Group's provisioning matrix. Since the Group's historical experience does not show significantly different loss patterns for different customer segments, provisioning based on past due status is not further distinguished between the Group's different customer segments.

	30.09.2025			31.12.2024		
	Current - less than 90 days past due	90 days or more past due	Total	Current - less than 90 days past due	90 days or more past due	Total
Gross amount	64,543	769	65,312	70,773	1,202	71,975
ECL allowance	(1,003)	(725)	(1,728)	(925)	(725)	(1,650)
Carrying amount	63,540	44	63,584	69,848	477	70,325

The receivables past due over 90 days at 30 September 2025 amounted to Euro 769 thousands while the Group wrote down receivables for Euro 725 thousands. The write-down made is sufficient on the amount of receivables as at 31 December 2024. The Group constantly monitors the receivables situation.

Movement of allowance of impairment of Trade Receivables of the year are shown below:

Movement of allowance of impairment of Trade receivable	€'000s
Balance at 31 December 2024	**1,650**
Accruals	637
Utilisation	(559)
Balance at 30 September 2025	**1,728**

The table below provides a detailed breakdown of other receivables:

	30.09.2025 €'000s	31.12.2024 €'000s
Tax receivable (VAT)	6,180	8,282

Short-term deposits	1,860	1,651
Receivables from factors	855	1,624
Receivables from insurance for claims	3,950	1,584
Payments on account	732	1,144
Other prepayments	1,326	2,118
Prepayments to suppliers	381	917
Insurance premiums	617	985
Service provider deposit	812	854
Other receivables	3,753	4,640
Total Other receivables	**20,466**	**23,799**

17. Cash and cash equivalent

	30.09.2025 €'000s	31.12.2024 €'000s
Bank and postal deposit	121,765	112,055
Cash on hand	8	5
Total Cash and cash equivalents	**121,773**	**112,060**

Cash and cash equivalent as of 30 September 2025 amounted to Euro 121,773 thousands (Euro 112,060 thousands as at 31 December 2024).

18. Borrowings

	30.09.2025 €'000s	31.12.2024 €'000s
Unsecured borrowing		
Bank loans	7,285	4,823
Loans from third parties	1,270	1,088
Total unsecured borrowings	**8,555**	**5,911**
Secured borrowing at amortised cost		
Secured non-convertible bonds	666,859	661,322
Bank loans	215	213
Total borrowings	**667,074**	**661,535**
Non-current	**667,074**	**661,535**
Current	**8,555**	**5,911**

Bonds

Tranches	Currency	Coupon %	Maturity	30.09.2025	31.12.2024
Secured non-convertible bonds - Fixed	€'000s	Euribor + 5.5 %	30 Sep 2028	297,206	296,526
Secured non-convertible bonds - Floating	€'000s	Euribor + 5.5 %	30 Sep 2028	369,653	364,796

On 6 February 2023 (settlement date), Italmatch Chemicals S.p.A. successfully issued Senior Secured Fixed Rate Notes in the amount of Euro 300,000 thousand and Senior Secured Floating Rate Notes in the amount of Euro 390,000 thousand, expiring in 2028. Bonds, with a total principal value of Euro 690,000 thousand, are listed on the Luxembourg Stock Exchange and traded on the Euro MTF segment of the Luxembourg Stock Exchange.

The coupon of the 5-year Senior Secured Fixed Rate Notes is equal to 10% (at par issue), while the coupon of the 5-year Senior Secured Floating Rate Notes is equal to 3-month Euribor + 5.50%.

Bonds are secured by a pledge on the shares of the parent company, on certain bank accounts of the parent company and on receivables arising from intra-group loan agreements, as well as a pledge on the shares and certain bank accounts of certain subsidiaries.

Bonds were recognised at amortised cost, net of all direct transaction costs, and amounted to Euro 23,142 thousands at year-end. Fair value, calculated based on prices at the end of September 2025, amounted to Euro 710,276 thousands.

Medium-/long-term bank loans and borrowings

On 22 October 2018, the Parent Company Fire (BC) entered into a new medium/long-term loan agreement, which provided for a bullet line of Euro 70,000 thousand on which floating interest accrues at the Euribor plus a spread of 3.5%, spread on a quarterly basis and maturing on 4 April 2024. In addition, On 13 February 2020, an extension of Euro 30,000 thousand was granted to the bullet line for the acquisition of BWA by the Italmatch Group, bringing the total amount of the bullet line to Euro 100,000 thousand. This amount was further increased in May 2020 to Euro 107,000 thousand.

The loan is secured by a pledge on the shares of the Company, on certain current accounts of the parent company and on receivables from intra-group loan agreements, as well as on the shares and current accounts of certain subsidiaries.

At the beginning of 2023, the Amendment & Extension of the Euro 107,000 thousand Super Senior Revolving Credit Facility (known as SsRCF) was also completed, with joining to the pool of leading banks. The maturity date of the Committed Facility was October 2027.

As at 30 September 2025, the SsRCF line was fully available (Euro 107,000 thousand, at nominal value).

Bank loans

“Payables to others” amounted to Euro 1,270 thousands as at 30 September 2025 and Euro 1,088 thousands as at 31 December 2024. The amounts as at 31 December 2024 and 30 September 2025 correspond to the amount of the recourse factoring.

19. Lease liabilities

	30.09.2025 €'000s	31.12.2024 €'000s
Maturity analysis:		
Within 1 year	2,303	2,621
Within 1 to 5 years	5,109	3,759
Over 5 years	102	116
	7,514	6,496
Analysed as:		
Non-current	5,211	3,875
Current	2,303	2,621
	7,514	6,496

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

20. Trade and other payables

	30.09.2025 €'000s	31.12.2024 €'000s
Tax payables (VAT)	11,352	11,935
Other payables including defered income	2,789	4,411
Payables to employees	11,040	12,141
Liabilities for claims	3,383	2,553
Payables relating to M&A transaction	1,088	2,819
Accrued expenses	3,111	1,843
Seocial security charges payables	387	717
Payments on account	357	194
Total Other payables	**33,507**	**36,613**
Trade payables	**72,485**	**82,618**
Trade payables to parent companies	**-**	**-**
Total trade and other payables	**105,992**	**119,231**

Trade payables and accruals and deferrals mainly comprise outstanding amounts for trade purchases and current costs. The average credit period used for trade purchases is 60 days.

The carrying amount of trade payables approximates the fair value.

It is reported that during the financial year, the Group signed agreements with leading financial institutions to extend certain payment terms, as summarised in the table below, in order to optimise the management of working capital for some commercial supplies. These contracts involved trade payables amounting to approximately Euro 3,960 thousands as at 30 september 2025.

(thousands of Euro)	30/09/2025
Carrying amount of loan agreements for supplies included in the item Trade payables	3,960
- for which the suppliers have received payment at the reference date	3,960
Payment terms (days)	
Trade payables that fall under the agreements	81
Comparable trade payables	53

It is noted that the accounting values of the liabilities mentioned above do not include impacts from non-monetary changes.

21. Provisions for liabilities and charges

	Other provisions €'000s	Provisions for risk €'000s	Total €'000s
As at 31 December 2024	**5,323**	**144**	**5,467**
Accrual	461	-	461
Utilisation of provision	(549)	(144)	(693)
Release of provisions	-	-	-
Currency translation differences	(176)	-	(176)
At 30 September 2025	**5,058**	**-**	**5,058**
Due within 1 year	**-**	**-**	**-**
Due after 1 year	**5,058**	**-**	**5,058**

The provision for environmental costs of Elco Corp. (Euro 1,022 thousand and Euro 1,145 thousand as at 30 September 2025 and 31 December 2024, respectively) is included in the consolidated financial statements of Italmatch USA Corporation. It reflects the costs expected to be incurred to clean, monitor and regularly maintain the various properties that the subsidiary currently owns. The amount accrued at year-end is the best estimate of the total costs incurred by the group. Based on current conditions and current available information, management believes that this amount is sufficient to meet the requirements for the clean-up of contaminated sites. Other provisions include the accumulated provision for restoration costs pursuant to IFRS 16 amounting to Euro 1,743 thousand (Euro 1,284 thousand in FY24), the accumulated provision for disposal costs amounting to Euro 717 thousand (Euro 717 thousand in FY24).

22. Employee benefit obligations

Employee benefits include the estimated liability for Employee termination benefit (TFR) to be pay to employees upon termination of employment.

	€'000s
Value as at 31.12.2024	**3,233**
Addition	214
IAS 19	-
Other movements	(305)
Value as at 30.09.2025	**3,142**

The group has the following employee breakdown:

	30.09.2025 at year - end	avarage	31.12.2024 at year - end	avarage
Top managers	6	6	6	6
Managers	187	177	170	163
White collars	364	352	349	348
Blue collars	533	568	568	545
Total	**1,090**	**1,103**	**1,093**	**1,062**

Defined contribution plans

The Group operates defined contribution retirement benefit plans for employees of different subsidiaries. Usually, subsidiaries are required to pay a specified percentage of their personnel costs periodically. The Group's only obligation in respect of pension plans is to pay the specified contributions.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities, debt instruments and real estate. Due to the long-term nature of the plan liabilities, the trustees of the pension fund consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability but this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

23. Share capital and reserves

Share capital

The Ordinary shares are fully paid and there were not new shares issued during the period of three months ended 30 September 2025. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

	%	Number of shares	Nominal value	30.09.2025
			€	€'000s
Ordinary share capital	100%	10,420,470	1	10,420
Share premium				444,640
Total share capital				**455,060**

Other reserves are detailed below:

	30.09.2025	31.12.2024
	€'000s	€'000s
Legal Reserve	2,084	2,084
Reserve for Future Share Capital Increase	10,030	10,030
IAS 19	70	70
Reserve L207/2024	3,633	-
Total Other Reserves	**15,817**	**12,184**

24. Subsidiaries

Information about the composition of the Group at the end of the reporting period is as follows:

Company Name	Share Capital	% held		Consolidated %
Registered office	€'000	direct	indirect	
1) Italmatch International Trading (Shanghai) Co. Ltd.	43,617	100%	0%	100%
Room 16, 4 / F, Building 3, No.39, Jiatai Road, Free Trade Pilot Zone, Shanghai, China				
2) Italmatch Spain S.l.	500	99%	0%	100%
Comte d'Urgell 240, 4th D, 08036 Barcelona - Spain				
3) Italmatch Polska	1,874	100%	0%	100%
Narutowicza 15, PL-41503 Chorzow				
4) Italmatch UK Ltd.	0	100%	0%	100%
One Glass Wharf, BS2 0ZX, Bristol, Great Britain				
5) Italmatch USA Corp.	9	100%	0%	100%
900 Circle 75 Parkway, Suite 650 - Atlanta GA 30339 - USA				
6) Italmatch Singapore	483	100%	0%	100%

101 THOMSON ROAD #9-01 UNITED SQUARE, SINGAPORE 307591				
7) Italmatch Belgium Sprl	8	99%	1%	100%
Boulevard Auguste Reyers 80 - 1030 Schaerbeek - Belgium				
8) Italmatch Deutschland GmbH	825	100%	0%	100%
Brüningstraße 50, 65926 Frankfurt am Main				
9) GRS Chemical Technologies S.r.l.	600	100%	0%	100%
Area Industriale Consorzio ASI - Qualiano (NA)				
10) Italmatch Do Brasil Partecipacao Ltda	89	100%	0%	100%
Av. Mario Lopes Leao - 1350 Sao Paulo - Brazil				
11) Italmatch Investment Jiangsu Co. Ltd	44,534	100%	0%	100%
58 Guanqu Middle Road, Changzhou - China				
12) Nantong Italmatch Chemicals Co.	6,435	100%	0%	100%
58 Binhe Road, Rugaogang Economic Development Zone, Nantong City, Jiangsu Province, China				
13) Italmatch Chemicals India Plc	1,922	100%	0%	100%
Shed-19 Plot No. 81, IDA Cherlapally, Medchal Malkajgiri Hyderabad – 500051, Telangana, India				
14) Italmatch Chemicals GB Ltd	4,070	100%	0%	100%
Ashburton Road West, Trafford Park, Manchester M17 -GB				
15) Italmatch Middle East Limited	475	100%	0%	100%
Riyadh 11576, P.O Box 11512, Kingdom of Saudi Arabia				
16) Italmatch Quimica do Brasil Ltda	859	0%	100%	100%
Av.Prof. Alceu Maynard Araujo 153, 04726-160 San Paulo				
17) Compass Chemicals International Holding LLC	16,166	0%	100%	100%
5544 Oakdale Rd SE - Smyrna, GA 30082				
18) Fangchenggang Yueyang Chemicals Co., Ltd.	42,818	0%	100%	100%
No.11, Qingcaoping Road, Gangkou District, Fangchenggang City, Guangxi, China 538001				
19) Detrex Corporation	21,412	0%	100%	100%
1000 Belt Line St, Cleveland, Ohio -44109				
20) Elco Corporation	245	0%	100%	100%
1000 Belt Line St, Cleveland, Ohio -44109				
21) Union Derivan SA	4,648	0%	100%	100%
Comte d'Urgell 240, 4th D, 08036 Barcelona - Spain				
22) Italmatch Japan Ltd	17	0%	100%	100%
Burex Kojimachi 2F, 3-5-2 Kojimachi, Chiyoda-ku Tokyo, 102-0083 Japan				
23) Italmatch SC LLC	2,644	0%	100%	100%
5544 Oakdale Rd SE - Smyrna, GA 30082				
24) Changzhou Italmatch Chemical Co ltd	38,061	0%	100%	100%
Weicun Industrial Park of Chunjiang Village, China				
25) Changzhou Italmatch Trading Co ltd	240	0%	100%	100%
58 Guanqu Middle Road, Changzhou - China				
26) BWA Water Additives US LCC	0	0%	100%	100%
5544 Oakdale Rd SE - Smyrna, GA 30082				
27) BWA Water Additives UK Limited	688	0%	100%	100%
Ashburton Road West, Trafford Park, Manchester, United Kingdom, M17 1SX				
28) BWA Water Additives FZE	231	0%	100%	100%
National Industries Park -Jebal Ali, Dubai, United Arab Emirates				
29) Water Science Technologies, LLC	43,712	0%	100%	100%
1701 Vanderbilt Road Birmingham, AL - 35234 - USA				
30) Saudi Phosphorus Industrial Company LLC	227	0%	51%	100%
3909 Prince Mamdooh Bin Abdulaziz, Sulaymaniyah, Riyadh 12242-7574, Saudi Arabia.				
31) Italmatch DW	2,918	0%	100%	100%
5544Oakdale Rd. SE - Smyrna - GA 30082				

32) Aubin Ltd *13 Queens Road Aberdeen AB15 1YL*	8	0%	100%	100%
33) Aubin Energy DMCC *Unit No: OneJLT-05-114 One JLT Plot No: DMCC-EZ1-1AB Jumeirah Lakes Towers Dubai United Arab Emirates*	23	0%	100%	100%
34) Aubin INC *Three Sugar Creek, Ste.100 Houston TX 77478*	0	0%	100%	100%
35) Italmatch Biolab Industrial Co Cooperation Council road, Al Khozama District, Al Aziziyah - Alkhobar, 34718 – 8331, Saudi Arabia	114	0%	60%	100%
36) Alcolina Quimica e Derivados S.A. Rua Paletrans, nº 400 - Distrito Industrial - Cravinhos (SP)	24,883	0%	90%*	100%

***The percentage legally held as at 30th Sep 2025 is 70%**

25. Associated companies

The Italmatch Group does not own any associated companies.

26. Business combination

During the period ended on 30 September 2025, the Group did not carry out any transactions qualifying as business combinations.

On 4 March 2024, Italmatch completed the acquisition of a majority stake in Alcolina- Quimica & Derivados (“Alcolina”), a leading Brazilian chemical company in water treatment for bioethanol, sugar production and other industrial applications, including paints and the paper industry. The transaction is part of Italmatch's growth strategy in Latin America and strengthens the Group's product portfolio for water treatment, with complementary applications and end markets. Commercial synergies are expected, also due to the promotion of sales of the new SugarMaxx® technology (for which the Italmatch Group has signed a collaboration and licence agreement for the use of chemical solutions in the cane sugar colour stabilisation process). Following the acquisition of Alcolina, the current CEO and shareholder of Alcolina confirmed his commitment to the group's growth project.

The acquisition price estimated and discounted at the acquisition date was Euro 24,783 thousand for 90% of the share capital of the target companies; Euro 9,653 thousand were paid in 2024 and the remaining Euro 14,697 thousand will be paid to the seller between 2025 and 2031. As at 30 September 2024, the Group incurred acquisition costs of Euro 169 thousand relating to external legal costs and due diligence.

Valuation of the assets and liabilities of the business combination at the acquisition date

The accounting for the acquisition has been finalised; the fair values of the acquired assets have been determined based on the best estimate available at the acquisition date and are shown in the table below:

€'000	Acquisition situation	Adjustment of acquisition situation	Assets acquired and liabilities assumed
			100%
Non-current assets			
Other intangible assets	62	8,798	8,860
Property, plant and equipment	4,744	7,681	12,425
Right of use of assets	697		697
Other receivables	246		246

Total non-current assets	**5,749**	**16,479**	**22,228**
Current assets			
Inventories	3,131		3,131
Trade receivables	5,413		5,413
Other receivables	601		601
Tax assets	349		349
Cash and cash equivalents	2,753		2,753
Total current assets	**12,248**		**12,248**
Total assets	**17,997**	**16,479**	**34,476**
Current liabilities			
Trade payables	(2,824)		(2,824)
Other payables	(358)		(358)
Tax liabilities	(141)		(141)
Lease liabilities	(367)		(367)
Total current liabilities	**(3,690)**		**(3,690)**
Non-current liabilities			
Deferred tax liabilities		(5,603)	(5,603)
Other non-current provisions		(210)	(210)
Financial liabilities	(1,957)		(1,957)
Lease liabilities	(263)		(263)
Total non-current liabilities	**(2,220)**	**(5,813)**	**(8,033)**
Total liabilities	**(5,910)**	**(5,813)**	**(11,723)**
Equity	**(12,087)**	**(10,666)**	**(22,753)**
Total equity and liabilities	**(17,997)**	**(16,479)**	**(34,476)**

The acquisition situation column shows the opening balance values determined on the basis of the accounting situation on the date of first consolidation (31 March 2024) of the target company expressed according to international accounting standards:

- other intangible assets: software recognised at purchase cost including additional charges, costs directly attributable to the asset;
- property, plant and equipment: buildings, land, machinery recognised at purchase cost including additional charges, costs directly attributable to the asset and adjusted by the corresponding accumulated depreciation;
- rights of use of leased assets: recognition of the right of use according to the provisions of international accounting standard IFRS 16;
- other receivables: recognition of restricted receivables;
- inventories: recognition of warehouse products adjusted by the corresponding provisions;
- trade receivables: recognition of receivables from third parties;
- other receivables (current): recognition of other non-trade receivables from third parties;
- tax assets: recognition of tax assets;
- cash and cash equivalents: liquidity on hand;

- trade payables: payables to suppliers related to the company's business;
- other payables: recognition of various types of payables due to others, including amounts due to personnel;
- tax liabilities: recognition of tax liabilities;
- financial liabilities: medium/long-term portion of payables to banks and recognition of accrued interest;
- short-term and long-term portions of lease liabilities: recognition of the present value of payments due for the right of use on land.

The following fair values were included in the column adjustment to the acquisition situation:

- goodwill emerging from the allocation;
- other intangible assets: added value attributed at the time of recording the acquisition; this added value was recorded under the item ‘Trademark’, ‘Customer relations’; ‘Non-competition clause’ taking into account a time horizon of activity equal to a period of 4,9 years for ‘Customer relations’, equal to 6,8 years for the ‘Trademark’ and 5 years for the ‘Non-competition clause’.
- property, plant and equipment: added value attributed at the time of recognition of the acquisition; this added value was recorded under 'Buildings', 'Improvements' and 'Land';
- other non-current financial assets: recognition of 'special indemnities' determined at the time of acquisition;
- deferred tax liabilities referring to the above allocation; other non-current provisions: recognition of charges for potential liabilities recognised at the time of acquisition.

Determination of goodwill

The difference between the total consideration of the acquisition and the net value of the assets and liabilities acquired was recognised on a residual basis as goodwill as illustrated in the following table:

€'000	
Acquisition consideration	24,783
Fair value of the assets acquired	(22,753)
Fair value of the assets acquired (90%)	(20,477)
Goodwill	4,306

Contribution of Alcolina in 2024

In the period between the date of first consolidation (31 March 2024) and the reference date of these Consolidated Financial Statements, Alcolina contributed to the Group's results with revenue of Euro 18,644 thousand and profit net of taxes of Euro 3,631 thousand. If the acquisition had taken place on 1 January 2024, the acquired company would have contributed to the Group's results with revenue of Euro 24,467 thousand and profit net of taxes of Euro 2,793 thousand.

In determining these amounts, the management assumed that the fair value adjustments, determined definitively, would have been the same if the acquisition had taken place on 1 January 2024.

27. Acquisition of non-controlling interest

In March 2025, the Group acquired an additional 0,42% interest in Italmatch Spain S.l., increasing its ownership from 99,16% to 99,58%. The carryng amount of Italmatch Spain S.l.’s net assets in the Group’s consolidated financial statements on the date of acquisition was €8.286 thousand.

The following table summarises the effect of changes in the Company’s ownership interest in Italmatch Spain S.l..

€'000	
Carryng amount of NCI acquired (€8.286 x 0,42%)	35
Consideration paid to NCI	(318)
A decrease in equity attributable to owners of the Company	**(283)**

28. Fair value measurements

Assets and liabilities that are measured at fair value on a recurring basis

The fair value of derivative financial assets and liabilities is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment, as described below:

- the fair value of derivatives on foreign currency is determined by using valuation techniques common in the financial markets and taking market parameters at the balance sheet date (in particular, exchange rates, interest rates and volatility rates);
- the fair value of interest rate swaps and forward rate agreements is determined by taking the prevailing interest rates at the balance sheet date and using the discounted expected cash flow method.

Starting from the 2024 financial year, the Group will no longer enter into new derivative instruments. The previous ones were regularly terminated in the 2023 financial year. For this reason, the values as at 30 September 2025 and the comparative figure are zero.

Assets and liabilities not measured at fair value on recurring basis

The carrying value of current receivables and payables is a reasonable approximation of fair value as the present value of future cash flows does not differ significantly from the carrying amount.

The carrying value of cash and cash equivalents usually approximates fair value due to the short maturity.

The following table provides the carrying amount and fair value of financial assets and liabilities not measured at fair value on a recurring basis:

	30.09.2025		31.12.2024	
	Carrying amount	*fair value*	Carrying amount	*fair value*
Trade and other receivables	84,900	84,900	94,124	94,124
Notes	666,859	710,276	661,322	713,680
Loans	8,770	8,770	6,124	6,124
Lease liabilities	7,514	7,514	6,496	6,496
Trade and other payables	105,992	105,992	119,231	119,231

Notes that are traded in active markets for which close or last trade pricing is available are classified within Level 1 of the fair value hierarchy. Notes for which such prices are not available are valued at the last available price or based on quotes received from independent pricing services or from dealers who trade in such securities and are categorized as Level 2. The fair value of Lease liabilities classified within Level 3 of the fair value hierarchy has been estimated using discounted cash flow models that require significant adjustments using unobservable inputs. The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate. The Group applies a single discount rate to a portfolio of leases with similar characteristics. The estimated fair value would increase (decrease) if the expected cash flows were higher (lower) or the risk-adjusted discount rate were lower (higher).

29. Financial instruments

The Group is exposed to the following financial risks associated with its operations:

• - Credit risk, which highlights the possibility of default of a counterparty or the possible deterioration of the assigned creditworthiness;

• - Market risk, arising from exposure to fluctuations in interest rates, exchange rates, and changes in the prices of products sold and commodity purchases (commodity price volatility risk);

• - Liquidity risk, which expresses the risk that available financial resources will be insufficient to meet payment commitments.

These risks could have a significant impact on the Company's financial position and results and, for this reason, the Group systematically identifies and monitors these risks in order to identify potential negative effects in advance and to take the necessary actions to mitigate them, mainly through operational and financial activities and, if necessary, through the use of derivative financial instruments according to established risk management policies.

The following section provides qualitative and quantitative disclosures on the effect these risks may have on the Group. The quantitative data provided below has no predictive value, and in particular the sensitivity analysis on financial market risks does not reflect the complexity of the market or the reaction that may result from any changes that are expected to take place.

Credit risk

The maximum credit risk to which the Group is potentially exposed as at 30 September 2025 is represented by the book values of financial assets in these financial statements. The Group's exposure to credit risk is mainly due to the individual characteristics of each counterparty. For further information regarding the credit risk exposure and ECLs of trade and other receivables as at 31 December 2024, please refer to Note 16. Exposure to credit risk, inherent in the probability that a given counterparty fails to meet its contractual obligations, is managed through appropriate analysis and evaluation. Concentration risk, both by customer and by sector, is also monitored on an ongoing basis without ever having presented alert situations. As at 30 December 2025 and 31 December2024, the maximum exposure to credit risk on trade receivables, broken down by geographic region, is as follows:

	30.09.2025	31.12.2024
Country	€'000s	€'000s
US	15,443	18,776
IT	3,848	5,381
ES	2,773	4,574
CN	4,438	4,095
SG	3,349	3,941
JP	2,911	3,452
CY	1,031	2,884
DE	1,670	2,432
IN	2,123	2,250
FR	2,479	2,214
SA	1,422	1,837
QA	1,984	1,775
GB	1,686	1,742
MX	1,853	1,701
BR	1,096	1,674
AE	1,281	1,328
CA	2,628	993
BE	677	973
CH	1,301	853
PL	1,133	731
NL	1,376	606
NO	284	576
BY	475	518
ZA	339	510
TR	323	509
PT	98	319

AU	138	276
TH	772	232
DK	170	224
EG	75	200
MY	369	177
CL	195	175
TW	278	164
Others	3,566	2,233
Total	**63,584**	**70,324**

The caption "other" does not include amounts exceeding 10%.

Credit risk arises from the loss the Group may incur as a result of the inability of a contractual counterparty to fulfil its obligations, in particular to meet its payment obligations. The Group manages credit risk with the aim of optimising the risk profile in the pursuit of commercial and business objectives by means of structured processes and by adopting the necessary procedures for monitoring receivables as they fall due, implementing the necessary credit recovery procedures.

The Group assigns each counterparty a specific level of credit that cannot be exceeded or, alternatively, upon presentation of suitable collateral (e.g. cash against documents, letter of credit, stand-by).

The Group's credit policy is based on subjecting customers requesting deferred payment terms to creditworthiness verification procedures with the support of international databases, as well as on the observation of delinquency of newly acquired customers. In addition, the balance is constantly monitored during the financial year to ensure timely intervention and to reduce the risk of losses.

The amount of the risk is equal to the allowance for doubtful debts allocated in the respective balance sheets, which is considered adequate in relation to the credit risk (also depending on the type of receivables). In particular, the following are considered:

o sales in 'at risk' countries are made exclusively by advance payment or credit letter;

o In the other countries sales are primarily made to large multinational companies, with which strategic partnership agreements for the development of new products are also in place.

Cash and cash equivalents

As at 30 September 2025, the Group held cash and cash equivalents in the amount of Euro 121,773 thousands (Euro 112,060 thousands as at 31 December 2024). Cash and cash equivalents are held with banking counterparties and financial institutions, which are rated B- to AA+, based on Moody's or S&P ratings.

The impairment of cash and cash equivalents was assessed on the basis of expected losses at 12 months and reflects the short maturities of the exposures. The Group considers its cash and cash equivalents to have a low credit risk based on the external ratings of the counterparties.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to obtain the resources necessary to carry out its operations and related investments to meet its obligations. The conditions of the macroeconomic environment as well as the uncertainties that characterise the financial markets require particular attention to liquidity risk management.

The Group manages liquidity risk by constantly monitoring cash flows and maintaining an adequate level of resources and availability (i.e., liquidity). The Group believes that the Group's total available liquidity, in addition to the cash flows that will be generated by its operating and financial activities, as well as its ability to access the banking and financial markets, will allow the Company to meet the needs of its investment activities and working capital, as well as meet its debt repayment obligations at natural maturities and ensure an adequate level of operational and strategic flexibility.

The Senior Secured Net Debt was successfully refinanced in the first quarter of 2023 and the maturity date of the senior secured debt is currently February 2028. The maturity date of the Super Senior Revolving Credit Facility (SsRCF) is currently October 2027.

The bonds in place contain certain covenants known as Incurrence, that according to which default can only occur if - as financial and equity conditions deteriorate - the Group takes actions that cause certain conditions to be breached in violation of the aforementioned financial covenants. In addition, the company and some of its subsidiaries must comply with additional covenants, both positive and negative, subject to certain exceptions and so-called 'grace periods'.

The parent company and some of its subsidiaries are therefore only subject to the incurrence test if they intend to incur further debt (in addition to that which the parent company and its subsidiaries may incur under other provisions of the Indenture of Bonds), in which case certain 'ratios' on a contractual basis must be satisfied for the incurrence of such debt.

The SsRCF agreement also requires that it is monitored - with reference to the last day of each financial quarter - whether the sum of drawings (albeit with certain exclusions), net of cash and cash equivalents as well as temporary cash investments held by the Group, exceeds 35% of the total SsRCF; if so, the super senior RCF drawn leverage ratio must not exceed 1.50x. Whenever this test is not passed, a "freeze" on further use of the available residual RCF line is triggered and, if breached, will not in itself trigger a default or event of default under the SsRCF. If necessary, the company also has certain rights of so-called equity cure in such cases. As at 30 September, the aforementioned SsRCF was fully available and not used.

All of these tests and certain other provisions of the Indenture and the SsRCF contract are designed to ensure that the company and certain of its subsidiaries do not incur additional debt unless certain parameters are met.

The remaining contractual maturities of the financial liabilities at the reporting date are shown below:

€'000s	Within one year	Within 5 years	More than 5 years	Total
31 December 2024				
Unsecured borrowing	-	213	-	**213**
Secure non-convertible bonds	-	661,322	-	**661,322**
Bank loans	5,911	-	-	**5,911**
Total	**5,911**	**661,535**	**-**	**667,446**
Interests Rate Swap	-	-	**-**	**-**
MTM derivaties on exchange rates - positive	-	-	-	**-**
MTM derivaties on exchange rates - negative	-	-	-	**-**
Total	**-**	**-**	**-**	**-**
30 September 2025				
Unsecured borrowing	-	215	-	**215**
Secure non-convertible bonds	-	666,859	-	**666,859**
Bank loans	8,555	-	-	**8,555**
Total	**8,555**	**667,074**	**-**	**675,629**
Interests Rate Swap	-	-	**-**	**-**
MTM derivaties on exchange rates - positive	-	-	-	**-**
MTM derivaties on exchange rates - negative	-	-	-	**-**
Total	**-**	**-**	**-**	**-**

For the information about lines of credit please refer to Note 18.

Financial market risks

Due to the nature of its business, the Group is exposed to several market risks, including foreign currency exchange risk, interest rate risk and commodity price risk. The Company's exposure to foreign currency exchange risk arises both in relation to the geographical distribution of the Company's industrial activities with respect to the markets in which it sells its products, and in relation to the use of external borrowings denominated in foreign currencies.

The Group's exposure to interest rate risk arises from the need to finance industrial and financial operating activities and the need to deploy surplus funds. Changes in market interest rates can have the effect of increasing or decreasing the Group's net income, indirectly affecting the costs and returns of financing and investment transactions.

The Group's exposure to commodity price risk arises from the risk of price changes, which could have a significant effect on the Group's results, indirectly affecting product costs and margins. These risks could have a significant impact on the Group's financial position and results and are therefore systematically detected and monitored, in order to identify potential negative effects in advance and take the necessary actions to mitigate them, mainly through operating and financing activities and, if necessary, through the use of derivative financial instruments according to its risk management policies.

Quantitative information on foreign currency exchange rate risk

The Group is exposed to risk from changes in foreign currency exchange rates, which may affect its earnings and equity. In particular:

- If a company of the Group incurs costs in a currency different from that of its revenue, any change in exchange rates may affect the operating results of that company.
- The main exchange rates to which the Group is exposed are:
    - EUR/USD, relating to USD sales and purchases made, and to intercompany loans granted in foreign currency.
    - EUR/GBP, relating to sales and purchases in GBP.

At 30 September 2025, Italmatch Group held receivables and payables in currencies other than the Group currency. The table shows the most significant Group values:

€'000	30.09.2024									
	CNY	EUR	GBP	JPY	QAR	PLN	SAR	SGD	AUD	USD
Trade receivable	-	5,404	404	-	42	13	114	39	-	14,706
Trade payable	(1)	(11)	(816)	(2,298)	-	(-)	-	-	(1)	(3,572)
Net statement of financial position exposure	**(1)**	**5,394**	**(412)**	**(2,298)**	**42**	**13**	**114**	**39**	**(1)**	**11,134**
9 months sales - actual	-	19,022	2,425	-	-	-	-	78	-	29,227
9 months purchases - actual	-	(71)	(3,594)	-	-	-	-	-	-	(37,262)
Net actual transaction exposure 9 months actual	**-**	**18,951**	**(1,169)**	**-**	**-**	**-**	**-**	**78**	**-**	**(8,034)**
NET EXPOSURE	**(1)**	**24,345**	**(1,581)**	**(2,298)**	**42**	**13**	**114**	**118**	**(1)**	**3,099**

€'000	30.09.2025									
	CNY	EUR	GBP	JPY	QAR	PLN	SAR	SGD	AUD	USD
Trade receivable	-	3,477	463	-	-	5	-	39	-	13,424
Trade payable	(3)	(367)	(1,179)	(4,623)	-	-	-	-	-	(1,307)
Net statement of financial position exposure	**(3)**	**3,110**	**(716)**	**(4,623)**	**-**	**5**	**-**	**39**	**-**	**12,117**
9 months sales - actual	-	18,650	2,103	-	-	-	-	118	-	49,655
9 months purchases - actual	-	(134)	(2,905)	-	-	-	-	-	-	(29,751)
Net actual transaction exposure 9 months actual	**-**	**18,516**	**(803)**	**-**	**-**	**-**	**-**	**118**	**-**	**19,904**
NET EXPOSURE	**(3)**	**21,626**	**(1,519)**	**(4,623)**	**-**	**5**	**-**	**157**	**-**	**32,021**

As at 30 September 20225 the Group has no binding contracts.

The following table shows the significant exchange rates applied by the Group:

Currency	Average exchange rate Jan-Sept 24	30/09/2024	Average exchange rate Jan-Sept 25	30/09/2025
PLN	4,31	4,27	4,24	4,27
CNY	7,82	7,82	8,07	8,35
BRL	5,70	6,07	6,32	6,25
USD	1,09	1,12	1,12	1,17
JPY	164,29	159,63	165,63	174,38
GBP	0,85	0,83	0,85	0,87
INR	90,68	93,38	96,81	104,04
SAR	4,08	4,20	4,20	4,40
SGD	1,45	1,43	1,46	1,51
AED	3,99	4,11	4,11	4,31

Certain of the Group's companies are located in countries which are outside of the Eurozone, in particular the U.S., China and UK. As the Group's reporting currency is the Euro, the income statements of those entities that have a reporting currency other than the Euro are translated into Euro using the average exchange rate for the period. In addition, the assets and liabilities of these consolidated companies are translated into Euro at the period-end foreign exchange rate. The effects of these changes in foreign exchange rates are recognized directly in the Cumulative translation adjustments reserve included in Other comprehensive income. Changes in exchange rates may lead to effects on the translated balances of revenues, costs and assets and liabilities reported in Euro, even when corresponding items are unchanged in the respective local currency of these companies.

There have been no substantial changes during the period of the nine months ended 30 September 2025 in the nature or structure of exposure to foreign currency exchange rate risk or in the Group's hedging policies.

The Group reports realized gains/losses directly to the Income Statement as it does not have any hedge accounting instruments.

A sensitivity analysis was carried out on the main foreign currency items outstanding as at 30 September 2025 for which there were no items in the Profit and Loss at the time the financial statements were prepared. This analysis assumes that all other variables, in particular interest rates, are unchanged and does not consider the effects of planned sales and purchases.

-	exchange rate Profit or loss		Equity (result net of tax)	
€'000s	Strenghthening	Weakening	Strenghthening	Weakening
30 September 2024				
GBP(5% movement)	(41)	41	30	(30)
JPY(5% movement)	(1)	1	-	(-)
SAR(5% movement)	1	(1)	(1)	1
SGD(5% movement)	1	(1)	(1)	1
USD(5% movement)	455	(455)	(326)	326

-	exchange rate Profit or loss		Equity (result net of tax)	
€'000s	Strenghthening	Weakening	Strenghthening	Weakening
30 September 2025				
GBP(5% movement)	(39)	39	28	(28)
JPY(5% movement)	(1)	1	1	(1)
SAR(5% movement)	-	-	-	-

SGD(5% movement)	1	(1)	(1)	1
USD(5% movement)	492	(492)	(353)	353

Quantitative information on interest rate risk

The companies of the Group make use of external loans. In addition, Group companies sell receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of the various forms of financing, including the sale of receivables, or the return on investments and the employment of funds, thus negatively impacting the net financial expenses incurred by the Group.

If interest rates had changed by 100 bps at the end of the year, the net equity and loss for the year would have changed by the amounts shown in the table below. The analysis was performed assuming that the other variables, in particular exchange rates, remain constant.

	Loss for the year	
Impact in €'000s	**100 bps increase**	**100 bps decrease**
30 September 2025		
Floating rate financial instruments	(2,917)	2,917
Sensitivity of chas flows (net)	**(2,917)**	**2,917**

30. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

31. Capital management

The Group's equity amounts to Euro 349,236 thousands.

32. Remuneration of the Independent Auditors and of the Board of Statutory Auditors

Pursuant to. 2427.1.16 of Civil Code, board of Directors, Financial statement auditors and Board of statutory auditors fees are detailed below.

	30.09.2025
	€'000s
Board of Statutory auditors	103
Auditors	501

In September 2025 and September 2024, the remuneration of key managers represents 3.8% and 3.5% respectively of the total employee expenses. The total employee expenses were Euro 56,230 thousand in September 2025, Euro 56,143 thousand in September 2024. Remuneration of key managers consists of short-term employee benefits. At present, there are no long-term benefits based on shares of the Parent Company and its subsidiaries, or other post-employment benefits, that are attributable to the Company or can otherwise be estimated/considered material.

33. Commitments, guarantees and contingent liabilities

At 30 September 2025, the Group gave sureties to third parties to guarantee services and the procurement of goods.These sureties totalled Euro 1,119 thousands.

34. Reconciliation of movements of liabilities to cash flows arising from financing activities

Here below the table of Reconciliation of movements of liabilities to cash flows arising from financing activities at 30 September 2025:

	Payables				Equity			Derivatives (assets)/ liabilities	
€'000s	Short tem borrowings	Lease liabilities	Borrowing	Borrowings ICO	Other reserves	Retained earnings*	NCI	Fair value of IRSs and Fair value of foreign currency commercial transactions – assets	Derivative financial instruments – liabilities
Balance as at 1 January 2025	5,911	6,496	661,535	29	12,184	(70,927)	10,151	-	-
Changes from cash flows financing activities									
Payment of lease liabilities	-	(4,565)	-	-	-	-	-	-	-
Factor	182	-	-	-	-	-	-	-	-
Increase/(Decrease) in Revolving Credit Facility	2,665	-	-	-	-	-	-	-	-
Total changes from cash flows from financing activities	2,847	(4,565)	-	-	-	-	-	-	-
Effect of changes in foreign exchange rates	(203)	(237)	-	(4)	-	(8.938)	(2.109)	-	-
Changes in fair value	-	-	-	-	-	-	-	-	-
Other changes									
Liability-related									
New leases	-	5,193	-	-	-	-	-	-	-
Capitalised borrowing costs	-	-	5,536	-	-	-	-	-	-
Interest expense	300	628	46,212	-	-	-	-	-	-
Interest paid	(300)	-	(46,209)	-	-	-	-	-	-
Total other liability-related changes	-	5,821	5,539	-	3,633	(3.633)	-	-	-
Total other equity-related changes	-	-	-	-	-	(47.041)	854	-	-
Balance as at 30 September 2025	8,555	7,514	667,074	25	15,817	(130.539)	8,896	-	-

*Retained earnings include profit/(loss) after tax

35. Non controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI:

Euro	NCI Saudi Phosphorus	NCI Italmatch Spain S.l.	Italmatch Biolab Industrial Co	Alcolina	Other	Total
NCI percentage	***49%***	***0,42%***	***40%***	***10%***		
Non-current assets	6,909	13,799	34	16,105		
Current assets	696	19,164	15,098	15,187		
Non-current liabilities	(25)	(405)	(323)	(1,952)		
Current liabilities	(606)	(8,736)	(8,703)	(4,299)		
Net assets	***6,973***	***23,821***	***6,105***	***25,040***		
Net assets attribuitable to NCI	*3,421*	*100*	*1,948*	*2,419*	*153*	*8,042*
Profit allocated to NCI	*(4)*	*280*	*494*	*85*		*854*

36. Ultimate controlling party

Italmatch Chemicals Group is controlled by Fire (BC) Holdco Limited which is the beneficial owner of Italmatch Chemicals Group.

37. Subsequent events

In FY2025 we have experienced some incidents on some manufacturing sites.

In detail fires occurred in July 2025 in the storage area of our Zuera manufacturing site and in September 2025 in the building housing one of the four production lines at our Qualiano facility. While these incidents were swiftly managed without reported injuries or environmental damage, the fire at both Zuera and Qualiano facilities resulted in a temporary production pause.

As the dated of this report insurance cover has been successfully kicked in. No material impact on business performance deriving from these events is foreseen on year end results.

The project to construct a cogeneration plant in Arese (Milan, Italy), following initial delays in the authorisation process, received approval from the relevant authorities in November 2024 to proceed with the start of the works. The project aims to achieve operational efficiency and reduce the facility's energy costs, supporting future energy recovery initiatives. While execution was underway, the technical contracting partners re-evaluated the project's timeline, also to implement further adjustments, as required during the local authorization process (successfully completed). The external technical supplier engaged by Italmatch Chemicals S.p.A. (also through a dedicated leasing "in construendo" contract with a leasing provider) to build certain installation/equipment at Arese plant started a litigation process in September 2024, being currently fully settled at the date of this report with no significant impact. Italmatch Chemicals S.p.A. has actively and constructively secured the progress of the project and its timeline, involving new technical counterparties to start the project's construction in the coming months: the notice related to the starting of the activities has been communicated to the Municipality within the deadline."

Italmatch Chemicals S.p.A.

Consolidated Financial Statements as at and for the years ended 31 December 2024, 2023 and 2022

KPMG

KPMG S.p.A.
Revisione e organizzazione contabile
Piazza Raffaele Ferrari n.4 int.1
16121 GENOVA GE
Telefono +39 010 564992
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

Independent auditors' report

To the board of directors of
Italmatch Chemicals S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Italmatch Chemicals S.p.A. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 31 December 2024, 2023 and 2022, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the years then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, 2023 and 2022 and of its financial performance and cash flows for the years then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed 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 "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of the Company in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter – Basis of preparation

We draw attention to the Note 1 of the consolidated financial statements in the paragraph "Basis of presentation and consolidation". These consolidated financial statements are prepared solely for their inclusion in the offering memorandum for the issue of senior secured floating rate notes by Italmatch Chemicals S.p.A..

Responsibilities of the Italmatch Chemicals S.p.A.'s directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and, within the terms established by the Italian 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 group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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;

- obtain 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 group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- conclude on the appropriateness of the 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 group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level 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.

Genoa, 16 January 2026

KPMG S.p.A.

Andrea Carlucci
Director of Audit

Consolidated Financial Statements as at and for the year ended 31 December 2024, 2023 and 2022

Consolidated Statements of Profit and Loss and Other Comprehensive Income
Consolidated Balance Sheets
Consolidated Statements of Changes in Equity
Consolidated Statements of Cash Flows
Notes to the Consolidated Financial Statements[2]

[2] The notes on the accompanying pages are an integral part of these consolidated financial statements.

Consolidated Statements of Profit and Loss and Other Comprehensive Income

	Note	01.01.2024 31.12.2024 €'000s	01.01.2023 31.12.2023 €'000s	01.01.2022 31.12.2022 €'000s
Revenue	4-5	686,197	671,195	861,885
Other income		7,486	17,152	5,458
Raw materials, consumables and production utilities	6	(393,153)	(428,791)	(549,338)
Third-party production and maintenance		(39,990)	(33,141)	(37,314)
Employee benefits expense		(75,914)	(73,525)	(74,347)
Transportation costs		(26,845)	(22,660)	(47,933)
Other operating expenses	7	(34,011)	(32,946)	(28,934)
Depreciation and amortisation	12-13-14	(61,253)	(56,081)	(56,829)
Impairment losses on goodwill	11	-	(34,077)	-
Operating profit		**62,517**	**7,126**	**72,648**
Impairment losses on financial assets		(141)	(764)	(1,598)
Finance income	8	32,464	18,812	34,265
Finance costs	9	(82,655)	(101,636)	(67,416)
Profit/(Loss) before tax		**12,185**	**(76,462)**	**37,899**
Income Tax expense	10	(17,997)	(6,125)	(9,889)
Profit/(Loss) after tax		**(5,812)**	**(82,587)**	**28,010**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial change in employee benefit liabilities		35	55	-
Income taxes: actuarial change in employee benefit liabilities		(9)	(15)	-
Items that are or may be reclassified subsequently to profit or loss		**26**	**40**	**-**
Cash flow hedges - effective portion of the fair value change		(4,851)	(4,964)	10,744
Related tax		1,423	1,456	(3,152)
Total Cash flow hedges - effective portion of the fair value change		**(3,428)**	**(3,508)**	**7,592**
Total Foreign operations - foreign currency translation differences		(50)	(7,481)	3,040
Other comprehensive income (expense) net of the tax effect		**(3,452)**	**(10,949)**	**10,632**
Comprehensive income (expense) for the year		**(9,264)**	**(93,536)**	**38,642**
Profit/(Loss) of the period attributable to:				
Owners of the company		(7,982)	(84,207)	27,531

Non-controlling interest	2,170	1,620	479
Profit/(Loss) after tax	**(5,812)**	**(82,587)**	**28,010**
Total Comprehensive income attributable to:			
Owners of the company	(15,613)	(96,119)	38,319
Non-controlling interest	6,349	2,583	323
Comprehensive income for the year	**(9,264)**	**(93,536)**	**38,642**

The notes on the accompanying pages are an integral part of these consolidated financial statements.

Consolidated Balance Sheets

	Note	31.12.2024 €'000s	31.12.2023 €'000s	31.12.2022 €'000s
Non-current assets				
Goodwill	11	505,893	495,675	533,825
Other intangible assets	12	161,150	172,720	197,448
Property, plant and equipment	13	202,907	187,474	192,975
Right of use assets	14	6,470	5,912	5,652
Investments in financial assets		90	90	90
Deferred tax assets	22	8,903	8,700	12,990
Other receivables		3,012	3,318	3,767
Total non-current assets		**888,425**	**873,889**	**946,747**
Current assets				
Inventory	15	151,874	129,418	215,193
Trade receivables	16	70,325	59,870	79,348
Other receivables	16	23,799	24,813	28,793
Trade and other receivables ICO	16	102	173	77
Current tax assets		2,752	10,034	11,687
Derivative financial instruments	19	-	4,851	10,933
Cash and cash equivalents	17	112,060	116,903	26,873
Total current assets		**360,912**	**346,062**	**372,904**
Total assets		**1,249,337**	**1,219,951**	**1,319,651**
Current liabilities				
Trade payables	21	82,618	70,391	99,383
Other payables	21	36,613	31,493	31,705
Trade and other payables ICO	21	-	-	294
Current tax liability		8,427	5,087	12,207
Short term borrowings	18	5,911	8,411	21,238
Lease liability	20	2,621	2,942	2,282
Total current liabilities		**136,190**	**118,324**	**167,109**
Non-current liabilities				
Borrowings	18	661,535	658,943	709,951
Borrowings ICO		29	27	220

Employee benefit obligations	24	3,233	3,128	3,838
Deferred tax liabilities	22	20,207	18,068	23,215
Lease liability	20	3,875	2,958	3,237
Provisions	23	5,467	5,972	7,029
Other non-current payables		12,333	-	-
Total non-current liabilities		**706,679**	**689,096**	**747,490**
Total liabilities		**842,869**	**807,420**	**914,599**
Equity				
Share capital	25	10,420	10,420	9,421
Share premium	25	444,640	472,530	373,535
Other reserves[3]	25	12,184	42,000	45,464
Retained earnings		(62,945)	(32,015)	(52,119)
Profit /(loss) for the year		(7,982)	(84,207)	27,531
Total equity attributable to equity holders of the parent		**396,317**	**408,728**	**403,832**
Retained earnings		7,981	2,183	741
Profit /(loss) for the year		2,170	1,620	479
Total equity attributable to non-controlling interest		**10,151**	**3,803**	**1,220**
Total Equity		**406,468**	**412,531**	**405,052**
Total equity and liabilities		**1,249,337**	**1,219,951**	**1,319,651**

The notes on the accompanying pages are an integral part of these consolidated financial statements.

[3] Other reserves include Hedging Reserve

Consolidated Statements of Changes in Equity

	Share capital €000's	Share premium €000's	Hedging Reserve €000's	Other reserves €000's
Balance at 1 January 2022	**9,421**	**373,535**	**(656)**	**36,949**
Transfer	-	-	-	1,579
Profit/(Loss) after tax	-	-	-	-
Other comprensive income				
Exchange differences	-	-	-	-
Cash flow hedges - effective portion of the fair value change	-	-	7,592	-
Total other comprehensive income	**-**	**-**	**7,592**	**-**
Total comprehensive income	**-**	**-**	**7,592**	**-**
Total transactions with owners	**-**	**-**	**-**	**1,579**
Balance at 31 December 2022	**9,421**	**373,535**	**6,936**	**38,528**
Capital increase	999	98,995	-	-
Profit/(Loss) after tax	-	-	-	-
Other comprensive income				
Exchange differences	-	-	-	-
IAS 19	-	-	-	40
Cash flow hedges - effective portion of the fair value change	-	-	(3,508)	-
Total other comprehensive income	**-**	**-**	**(3,508)**	**40**
Total comprehensive income	**-**	**-**	**(3,508)**	**40**
Total transactions with owners	**999**	**98,995**	**-**	**-**
Balance at 31 December 2023	**10,420**	**472,530**	**3,428**	**38,572**
Profit/(loss) after tax	-	-	-	-
Exchange rate differences				

[4]Retained earnings include profit/(loss) after tax

Acquisitions of subsidiary with NCI	-	-	-	-
Capital increase				
Distribution of dividends	-	-	-	-
Reclassifications	-	(26,290)	-	(26,414)
Distribution of share premium reserve	-	(1,600)	-	-
Other comprehensive income				
Exchange differences	-	-	-	-
IAS 19	-	-	-	26
Cash flow hedge - effective portion of change in fair value	-	-	(3,428)	-
Total other comprehensive income	**-**	**-**	**(3,428)**	**26**
Total comprehensive income	**-**	**-**	**(3,428)**	**26**
Total transactions with owners	**-**	**(27,890)**	**-**	**(26,414)**
Balance as at 31 December 2024	**10,420**	**444,640**	**-**	**12,184**

The notes on the accompanying pages are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

	Note	31.12.2024 €000's	31.12.2023 €000's	31.12.2022 €000's
A) Cash flows from operating activities				
Profit/(Loss) After Tax		**(5,812)**	**(82,587)**	**28,010**
Income taxes	10	17,997	6,125	9,889
Finance Costs/(finance income)	8-9	50,191	82,824	33,151
Non-monetary adjustments with no effect on net working capital				
Amortisation and depreciation	12-13-14	61,253	56,081	56,829
Write-downs for impairment losses		141	34,841	1,598
Cash flows before changes in net working capital		**123,770**	**97,284**	**129,477**
Changes in net working capital				
Decrease/(Increase) in trade receivables	16	(3,499)	17,972	129
(Decrease)/increase in trade payables	21	8,051	(27,347)	(4,838)
Decrease/(increase) in inventory	15	(16,548)	82,122	(70,291)
Change in receivables/payables to controlling companies		73	(583)	235
(Decrease)/increase in tax assets and tax liabilities, current and deferred	22	(6,413)	(720)	(2,664)
(Decrease)/increase in provision and employee benefit	23-24	(635)	(701)	2,435
Other changes in working capital		9,105	9,189	(12,788)
Cash flows after changes in net working capital		**113,904**	**177,216**	**41,695**
Other adjustments				
Interest (paid)		(67,797)	(65,400)	(37,249)
(Taxes paid)		(3,472)	(10,289)	(4,369)
Cash flows from operating activities (A)		**42,635**	**101,527**	**77**
B) Cash flows used in investing activities				
Investments in property,plant and equipment	13	(28,810)	(24,762)	(24,563)
Investments in other intangible assets	12	(3,510)	(5,327)	(4,882)
Acquisition of subsidiary, net of cash acquired	28	(6,854)	-	(2,094)
Cash flows used in investing activities (B)		**(39,174)**	**(30,089)**	**(31,539)**
C) Cash flows from financing activities				
Third-party funds				
Increase/(Decrease) in short term borrowings	18	(4,457)	(12,827)	(1,566)
Lease liabilities	20	(5,185)	(5,232)	(5,722)
Bond issue	18	-	652,797	-
Repayment of Bond	18	-	(650,000)	-
Decrease in Revolving Credit Facility	18	-	(66,500)	-
Increase in Revolving Credit Facility	18	-	-	29,000
Dividends paid to third parties		(1,733)	-	-
Capital increases	25	1,934	101,011	-
Cash flows from (used in) financing activities (C)		**(9,441)**	**19,249**	**21,712**
Increase (decrease) in cash and cash equivalents (A+B+C)		**(5,980)**	**90,687**	**(9,750)**

Opening cash and cash equivalents	116,903	26,873	36,331
Exchange difference on cash	*1,137*	*(657)*	*292*
Closing cash and cash equivalents	112,060	116,903	26,873

The notes on the accompanying pages are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements as at three years ended 31 December 2024, 2023 and 2022

1. General Information

Italmatch is a diversified global chemical group, focused on the production and marketing of a wide range of special chemical products (so-called speciality chemicals). The Group's products are used as additives, or intermediates for additives, to improve the performance of certain end products such as water or oil solutions for industrial processes, industrial lubricants and electrical equipment.

Italmatch Chemicals S.p.A. is a company limited by shares incorporated and registered in Italy, Via E.Vismara 114, 20020 Arese (MI) (the administrative office is located at Via Magazzini del Cotone 17 - Modulo 4, Genova 16128, Italy). Pursuant to Article 2427-22 quinquies of the Italian Civil Code, it is noted that Italmatch Chemicals S.p.A. (the “Parent Company”) is directly controlled by Fire (BC) Holdco Limited and indirectly by Fire (BC) Midco Limited both with registered office in the United Kingdom and controlled by Fire (BC) S.à.r.l. with registered office in Luxembourg, which prepares the consolidated financial statements of the larger group of companies to which the Company belongs as a subsidiary.The 2024, 2023 and 2022 consolidated financial statements are prepared on a going concern basis in accordance with International Financial Reporting Standards (hereinafter referred to as 'IFRS Accounting Standards' or 'International Financial Reporting Standards') issued by the International Accounting Standards Board and endorsed by the European Union.

The audited financial statements for the years ended December 31, 2022, 2023 and 2024 (“Audited Financial Statements”) were prepared for the purpose of the proposed offering of senior secured notes (the “Notes”) of Italmatch Chemicals S.p.A. (the “Company” or the “Issuer”) which will involve the preparation of a prospectus for the offering of Notes of the Company (the “Offering Memorandum”) and are distinct from the statutory consolidated financial statements for the years ended December 31, 2022, 2023 and 2024 that the Issuer has previously filed before the relevant companies register.

On 13 January 2026, the Board of Directors authorised the publication of these Consolidated Financial Statements.
The financial statements used for consolidation purposes are prepared by the board of directors of Italmatch Chemicals S.p.A..

2. Adoption of new and revised standards

IFRS accounting standards, amendments and interpretations applied

As of 1 January 2024, the following standards, interpretations, and amendments to existing standards became applicable, in relation to which there are no significant effects on these Consolidated Financial Statements:

- Amendments to IFRS 16 'Leases' - Lease Liability in a Sale and Leaseback;
- Amendments to IAS 1 'Presentation of financial statements' on the classification of non-current assets and liabilities with covenants;
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' on supplier finance arrangements.

IFRS and IFRIC accounting standards, amendments and interpretations published but not yet adopted in advance by the Company

Below are the new standards or amendments to standards, applicable, if endorsed by the European Union, for financial years beginning after 1 January 2024, whose early application is permitted. However, the Group has decided not to adopt them early for the preparation of these Consolidated Financial Statements.

Entry into force	Description	Date of issue	Homologated
1 January 2025	Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' on Lack of Exchangeability	15 August 2023	Yes

1 January 2026	Amendments to IFRS 9 and IFRS 7 'Classification and measurement of financial investments'	30 May 2024	No
	Volume 11 of the 'Annual improvements to IFRS Accounting Standards' Project on improving the clarity and internal consistency of the accounting standards adopted	18 July 2024	No
1 January 2027	IFRS 18 'Presentation and disclosure on financial statements'	9 April 2024	No
	IFRS 19 'Subsidiaries without public accountability: disclosures'	9 May 2024	No

The assessment of the possible impacts of the above-mentioned Principles is ongoing. At the date of preparation of these Consolidated Financial Statements, no significant impacts emerged.

3. Material Accounting Policies

a. Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) adopted by the European Union and presented in Euros rounded to the nearest thousand. Foreign operations are included in accordance with the policies set out below in the present Note.

The financial statements have been prepared using the historical cost basis except for the revaluation of certain financial instruments, that are measured at revalued amounts or fair value at the end of each financial year. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. In estimating the fair value of an asset or a liability, the Group considers the characteristics of the asset or liability taken into account by market participants in determining its price at the measurement date. Fair value for measurement and/or disclosure purposes used in these consolidated financial statements is determined on this basis, except for leases that are within the scope of IFRS 16, and measurements that have some similarities to fair value but do not correspond to it, such as net realisable value in IAS 2 or value in use in IAS 36.

The main accounting policies adopted by the Group are outlined below.

b. Going concern

Going concern basis is a general principle underlying the preparation of the financial statements, which therefore requires verifying - in a context of high volatility and uncertainty, including prospective macroeconomic uncertainty and in relation to financial market trends and events - the resilience, the economic and financial sustainability of the Group to continuously operate in the foreseeable future.

The Group's financial structure, in terms of net debt, is primarily composed of bond loans, particularly Senior Secured Net Debt, which was refinanced in the first quarter of 2023 with a maturity date in 2028. Specifically, on 6 February 2023, the Group issued Senior Secured Floating Rate in the amount of Euro 390,000 thousand and Fixed Rate Notes in the amount of Euro 300,000 thousand with the aim of refinancing the outstanding bonds amounting to Euro 650,000 thousand maturing in September 2024.

The issued bond loans contain certain incurrence covenants, under which a default is triggered not only if the company's financial condition deteriorates, but also if actions are taken that cause such a default. Examples of these actions include incurring further debt beyond certain thresholds, making investments, or executing mergers, etc., in violation of the aforementioned financial agreements. The company and some of its subsidiaries must comply with additional covenants, both positive and negative, subject to certain exceptions and grace periods, including covenants relating to (i) licensing, (ii) compliance with laws, (iii) provision of guarantees and security and further assurance, (iv) compliance with sanctions, anti-money laundering and anti-corruption laws, and (v) centre of main interests.

The incurrence test is carried out only if and when the intention is to incur additional debt — beyond the debt that the company and its subsidiaries are already permitted to incur under other provisions of the Indenture. In such cases, certain ratios must be met on a contractual basis for the incurrence of such additional debt, namely:

1. “Interest coverage ratio” (so-called FCCR - Fixed Charge Coverage Ratio), defined as a Contractually-defined EBITDA to financial interests, must be at least equal to 2.0x; and
2. to the extent the debt is senior secured, the “Consolidated Senior Secured Net Leverage Ratio”, defined as the ratio of net senior secured debt (i.e. secured debt on the bonds net of cash and cash equivalents) to contractually-defined EBITDA, must not be greater than a certain threshold defined in the documentation related to the bond outstanding on the date.

The company has also entered into a *Revolving Credit Facility (RCF)*, with a maturity date in October 2027. The RCF bears interests at a rate per annum equal to, for loans denominated in euro, EURIBOR, or for loans denominated in U.S. dollar, Term SOFR, plus an applicable margin. The level of the Senior Secured Net Leverage Ratio impacts the margin applicable to the RCF; the highest margin applicable being equal to 3.5% should the Senior Secured Net Leverage Ratio exceeds 5.5x.

In terms of financial covenants under the RCF agreement, if on the last day of each financial quarter, all RCF drawn amounts (excluding, among other things, utilizations by way of letters of credit, bank guarantees or ancillary facilities), net of cash, cash equivalents and temporary cash investments held by the Group, exceeded 35% of the total commitments under RCF, the drawn super senior RCF leverage ratio should not exceed 1.50x (so called “Drawn Super Senior Leverage Ratio”). The Drawn Super Senior Leverage Ratio is calculated as the ratio of the aggregate principal amount of all outstanding drawn loans under the RCF, less the aggregate amount of cash, cash equivalents and temporary cash investments held by the Group to the contractually-defined EBITDA for the twelve-month period preceding the quarterly testing date. Whenever this test is not passed, a 'draw stop' to new drawings under the available RCF residual line is triggered and, if breached, will not trigger a default or event of default under the RCF. If necessary, the company also has certain rights of so-called equity cure in such cases.

It should be noted that as at 31 December 2024 the RCF line is fully unused, which is therefore fully available up to date.

All of the aforementioned tests and some other contractual provisions related to the bond loans and the RCF have been defined to ensure that the company and certain of its subsidiaries do not incur additional debt — beyond what is already contractually permitted (so-called Permitted Debt), unless certain parameters are met. As at 31 December 2024, the available liquidity position is significant, equal to Euro 219 million (as of 31 December 2023, it was approximately Euro 224 million), of which Euro 112 million as cash and cash equivalents (in 2023, it was Euro 117 million), which gives the Group a considerable financial flexibility.

The actions taken in recent years have been positively recognised by the rating agencies, which have recently confirmed the ratings. In the case of Moody's, the Outlook was upgraded from “Stable” to “Positive”.

At the date of approval of the financial statements, considering all the above information and based on the information currently available, the directors have a reasonable expectations that the Group has adequate resources to continue operations in the near future for a period of not less than 12 months from the end of the financial year. Therefore, the going concern principle is confirmed as the accounting basis for the preparation of the financial statements.

c. Use of judgements and estimates

In applying the Group's accounting policies, which are described in Note 3, the directors are required to make judgements (other than those involving estimates) that have a significant impact on the recognised amounts and to make estimates and assumptions about the book values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

Below are the critical judgments, in addition to those related to estimates (which are presented separately below), that the directors made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Provision for expected losses on trade receivables

As explained in point 'r' of this note, the Group uses a provisioning matrix to calculate ECLs for trade receivables and contract assets.

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic are expected to deteriorate, which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future.

Assumptions and uncertainties in estimates

The following are the main assumptions concerning the future and other major sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the book values of assets and liabilities within the next financial year.

Recoverability of deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that there will be sufficient taxable income against which the benefits of temporary differences can be utilised, and these assets are expected to reverse in the foreseeable future.

The Group reviews the book value of deferred tax assets at each reporting date and, if necessary, reduces it to the extent that it is no longer probable that sufficient taxable profit will be available to allow for full or partial recovery of the asset.

Deferred tax assets are calculated at the tax rates that are expected to apply in the year the asset is realised, based on the tax laws and rates enacted or substantively enacted at the reporting date.

The valuation of deferred tax assets reflects the tax consequences that would result from the manner in which the Group expects to recover the book value of its assets at year-end.

Measurement of expected losses on trade receivables

The Group uses a provisioning matrix to calculate ECLs for trade receivables and contract assets. The impairment percentages are determined based on days past due and by grouping receivables from customers that are characterised by similar causes of impairment (geographic area, product type, customer type, rating, presence of guarantees or other insurance).

The provisioning matrix is initially based on the Group's observed historical default rates. The Group will calibrate the matrix to correlate historical credit loss experience with forecast information. For example, if macroeconomic conditions are expected to worsen, which may lead to more defaults, the impairment rates based on historical data are adjusted. At each reporting date, the impairment percentages are updated and estimates of prospective economic conditions are analysed

The assessment of the correlation between observed historical default rates, expected economic conditions and ECLs is a meaningful estimate. The amount of ECLs is sensitive to changes in circumstances and expected economic conditions. The Group's historical credit loss experience and forecasts of future economic conditions may also not be representative of actual customer default in the future.

Provisions/Funds

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties related to the obligation. When a provision is measured using the estimated cash flows to settle the present obligation, its book value is the present value of those cash flows (when the effect of the time value of money is material).

When it is expected that some or all of the economic benefits required to settle a provision will be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that repayment will be received, and the amount of the receivable can be measured reliably.

Impairment test

The impairment test requires that assumptions be made to determine the recoverable amounts of the goodwill allocated to CGUs. These assumptions are the input for the determination of:

- Cash flows projections;
- Terminal value;
- Discount rate.

Fair Value Measurement

Accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.
When third party information, such as broker quotes or pricing services, is used to determine fair value, the Group evaluates and documents evidence obtained from third parties to support the conclusion that such valuations meet the requirements of Standards, including the level of the fair value hierarchy in which the valuations should be classified.

In measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques, as illustrated below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3: input data relating to the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is placed in the same level of the hierarchy as the lowest level input that is significant to the entire valuation.

The Group recognises transfers between levels of the fair value hierarchy at the end of the financial year in which the transfer took place. Please refer to Note 29 for more details on fair value assumptions.

d. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and the entities controlled by the Company, prepared as at 31st December of each year. Control is achieved when the Company:

- has power over the entity being invested in;
- is exposed to, or has rights to, variable returns from its relationship with the entity being invested in;
- has the ability to exert its power over the invested entity to affect the amount of its returns.

The Group reconsiders whether it has control over an investee if facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control.

When the Company holds less than a majority of the voting power of an investee entity, the Company considers that it has control over that entity if the voting power is sufficient to give it the practical ability to unilaterally direct the significant activities of that investee. The Company considers all relevant facts and circumstances in determining whether it controls the investee entity, including:

- the size of the Company's shareholding in the voting rights in relation to the size and dispersion of the shareholdings of the other holders of voting rights;
- potential voting rights held by the Company, other voting holders or other parties;
- rights under other contractual agreements;
- any additional facts and circumstances indicating that the Company has, or does not have, the current ability to direct the relevant activities at the time when decisions are to be made.

Consolidation of an entity begins when the Company obtains control of that investment object and ceases when the Company loses control of the entity. In particular, the assets, liabilities, revenue and expenses of the subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.

Minority interests are initially measured in proportion to the relative share of the acquiree's identifiable net assets at the acquisition date.

Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting principles used with the Group's accounting principles.

All assets and liabilities, equity, revenue, expenses, and intra-group cash flows related to transactions between group entities are eliminated completely upon consolidation.

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in interests in subsidiaries that do not result in a loss of control are recognised in equity. The value of the Group's equity and the equity attributable to non-controlling interests are adjusted to reflect changes in interests in subsidiaries. Any difference between the change in equity attributable to minority shareholders and the fair value of the consideration paid or received is recognised directly in equity and allocated to the shareholders of the Company.

If the Group loses control of a subsidiary, it must derecognise the related assets (including goodwill), liabilities, minority interests and other components of equity, while any profit or loss is recognised in the consolidated statements of profit and loss and other comprehensive income. Any investment retained must be recognised at fair value. The fair value of any investment retained in the former subsidiary at the date control is lost is deemed to be the fair value at initial recognition in accordance with IFRS 9, where applicable, or the cost of initial recognition of an investment in an associate or joint venture.

A complete list of the Group's subsidiaries can be found in Note 26.

e. Business combination

Acquisitions of businesses are accounted for using the 'acquisition method'. The cost of an acquisition is determined as the sum of the consideration transferred, measured at fair value at the acquisition date, and the amount of the non-controlling interest in the acquiree. For each business combination, the Group determines whether to measure the non-controlling interest in the acquiree at fair value or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets. Acquisition costs are expensed in the period.

At the acquisition date, the identifiable assets acquired, and liabilities assumed are recognised at fair value at the acquisition date, with the exception of:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefits, which are recognised and measured in accordance with IAS 12 and IAS 19, respectively;

- Liabilities or equity instruments related to the acquiree's share-based payment arrangements or Group share-based payment arrangements entered to replace the acquiree's share-based payment arrangements, which are measured in accordance with IFRS 2 at the acquisition date; and
- Assets (or disposal groups) classified as held for sale in accordance with IFRS 5 are measured in accordance with this standard.

Goodwill is initially recognised at cost represented by the excess of the aggregate of the consideration paid and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the aggregate of the consideration paid, the Group reassesses whether it has correctly identified all assets acquired and all liabilities assumed and revises the procedures used to determine the amounts to be recognised at the acquisition date. If the reassessment still results in the fair value of the net assets acquired exceeding the consideration paid, the difference (gain) is recognised in profit or loss.

Any contingent consideration to be recognised is recognised by the acquirer at fair value at the acquisition date. Contingent consideration classified as an asset is not remeasured and its subsequent payment is recognised in equity. The change in fair value of contingent consideration classified as an asset or liability as a financial instrument that is within the scope of IFRS 9 Financial Instruments shall be recognised in the profit or loss in accordance with IFRS 9. Contingent consideration that is not within the scope of IFRS 9 is measured at fair value at the reporting date and changes in fair value are recognised in profit or loss.

Changes in the fair value of contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments to goodwill. Measurement period adjustments are adjustments that result from additional information obtained during the 'measurement period' (which may not exceed one year from the acquisition date) about the facts and circumstances existing at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised from that date.

f. Goodwill

Goodwill is initially recognised and measured as indicated in Note "e. Business Combination" above.

Goodwill is not amortised, but its recoverability is tested at least annually. In order to test for impairment, goodwill arising from a business combination is allocated, from the date it is acquired, to each cash-generating unit ('CGU') of the Group that is expected to benefit from the synergies of the combination. The cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication of potential impairment of the unit. If the recoverable amount of the cash-generating unit is less than its book value, the impairment loss is allocated first to reduce the book value of goodwill allocated to the unit, and only then to the other assets of the CGU, in proportion to their book value. A recognised impairment loss related to goodwill cannot be reversed in subsequent years.

If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the disposed asset is included in the book value of the asset when determining the gain or loss on disposal.

g. Revenue Recognition

The Group generates revenue from the sale of chemical products. Revenue from contracts with customers is recognised when control of goods and services is transferred to the customer in an amount that reflects the consideration the Group expects to receive in exchange for those goods or services and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. Depending on the relationship with the individual customer, this may occur when the product has been transferred to a carrier or when the product has been collected directly by the customer.

The payment terms offered by the Group to customers are within a certain number of days from receipt of the invoice and standard contracts do not include a significant financial component. The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. Accordingly, the Group does not adjust any transaction prices for the time value of money.
The Group applies this core principle using a five-step model:

1) Identification of the customer contract (step 1).

The Group applies IFRS 15 to contracts with customers within the scope of the standard when the contract creates enforceable rights and obligations and meets all of the following criteria:

- the parties have approved the contract and have undertaken to fulfil their respective obligations;
- rights to goods or services and payment terms are identifiable;
- the contract has commercial substance;
- the Group is likely to receive the consideration to which it expects to be entitled.

In order to assess these criteria, the Group considers all facts and circumstances, including the following:

- a contract is an agreement between two or more parties that creates enforceable rights and obligations;
- the enforceability of rights and obligations in the contract is governed by law;
- the contract may be written, oral, or implicitly derived from the Group's customary business practices;
- practices and procedures for concluding contracts with customers vary from one jurisdiction to another, from one sector to another
  and from one entity to another. They may also vary within the Group itself (e.g. depending on the category of customers or the nature of the goods or services promised);
- the Group takes these practices and procedures into account in determining whether and when the arrangement with the customer creates enforceable rights and obligations. If these criteria are not met, any payments received from customers should be recognised as advances;

2) identification of obligations to do (step 2).

The Group identifies all the goods or services promised in the contract as separate obligations to do if they are by their nature capable of being distinguished and if they are distinct within the scope of the contract. As an exception, the Group accounts as a single obligation to do a series of separate goods or services that are substantially the same and have the same manner of transfer to the customer over time. In assessing the existence and nature of the obligations to do, the Group considers all elements of the contract referred to in step 1.

For each separate good or service, the Group determines whether it acts as "principal" or "agent", depending on whether it controls the promised good or service before control is transferred to the customer. Indicators of control include (a) having primary responsibility for providing the goods or services to the customer, (b) assuming the inventory risk and (c) having discretion in setting prices for the goods or services. When the Group acts as an agent, revenue is recognised on a net basis, corresponding to the fees or commissions to which it expects to be entitled;

3) determination of the transaction price (step 3).

The transaction price represents the amount of consideration to which the Group expects to be entitled in exchange for the transfer of the promised goods or services to the customer, excluding amounts collected on behalf of third parties (e.g. certain sales taxes and value added tax). The Group determines the transaction price at the inception of the contract (using the legally applicable contractual terms and without regard to whether the contract is cancelled, renewed or amended) and adjusts it in each financial year to reflect any changes in circumstances.
In determining the transaction price, the Group considers whether the transaction price includes:
variable consideration. The amount of estimated variable consideration included in the transaction price is limited to the amount for which it is highly probable that, when the uncertainty associated with the variable consideration is subsequently resolved, there will be no significant downward adjustment to the amount of cumulative revenue recognised;
non-cash consideration received from a customer, measured at fair value;
a consideration payable to the customer that represents a reduction in the price of the transaction, unless it is a payment for separate goods or services received from that customer;

a significant financing component may exist if the time of payment does not correspond to the time of transfer of the goods or services to the customer. The Group does not take into account the effects of a significant financing component if at the inception of the contract it expects that the time interval between when it will transfer the promised goods or services to the customer and when the customer will make the related payment will not exceed one year;

4) allocation of the transaction price to the performance obligations (step 4).

At the inception of the contract, the Group allocates the transaction price among the various identified obligations to do, to reflect the amount of consideration to which it expects to be entitled in exchange for the transfer of the promised goods or services. When the contract includes an option to purchase additional goods or services that represents a significant right (a significant right exists if the customer is only able to obtain the option by entering into the contract and the option provides the customer with the ability to obtain the additional goods or services at a lower price than their stand-alone selling prices), the Group allocates the transaction price to that obligation to do (i.e., the option) and defers the related revenue when the transfer of those future goods or services takes place or the option expires.

The Group generally allocates the transaction price on the basis of the stand-alone selling price of each good or service promised in the contract (i.e., the price at which the Group would sell that good or service separately to the customer);

5) revenue recognition (step 5).

The Group recognises revenue when (or as and when) each obligation to do is fulfilled by the transfer of the promised good or service to the customer, or when the customer acquires control (i.e., the ability to decide on the use of the goods or services and to derive substantially all of the remaining benefits or to prevent others from doing likewise).

As a first step, the Group determines whether one of the criteria for fulfilling the obligation over time is met:
- the client simultaneously receives and utilises the benefits of the service as it performs it;
- the Group's performance creates or improves an activity that the client controls as the activity is created or improved; or
- the Group's performance does not create an asset with an alternative use for the Group and the Group has the enforceable right to payment for the completed performance up to the relevant date.

If the obligation to do is not fulfilled in the course of time, the Group determines the point in time when the customer acquires control of the good or service, also considering the following indicators:
- a present obligation to pay;
- material possession;
- property rights;
- risks and benefits of ownership; and
- acceptance of the activity.

If the Group performs an obligation to do so by transferring goods or services to the customer before the customer pays the consideration or before payment is due, the Group recognises an asset arising from contracts with customers in respect of the right to obtain the consideration in exchange for the goods or services transferred to the customer. If the customer pays the consideration before the transfer of the goods or services to the customer occurs, the Group recognises a liability arising from contracts with customers at the time payment is made (or payment is due); this liability will be recognised as revenue when the Group performs its obligation under the contract.

h. Leases

The Group as lessee

The Group assesses when entering into a contract whether it is, or contains, a lease. The Group adopts a single recognition and measurement model for all leases. The Group recognises a right-of-use asset and a corresponding lease liability in respect of all leases in which it is a lessee.

The lease liability is initially measured at the present value of the lease payments not yet paid at that date, discounted using the rate implicit in the lease. If this rate cannot be easily determined, the Group uses the incremental borrowing rate.

Lease payments included in the valuation of the lease liability include:
- Fixed lease payments (including fixed payments in substance), net of any lease incentives payable;
- Variable fees depending on an index or rate;
- The amounts expected to be paid by way of residual value guarantees;
- The exercise price of the call options, if the lessee is reasonably certain to exercise them;
- Penalty payments for lease termination if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate item in the consolidated balance sheet.

The lease liability is subsequently measured by increasing its book value to reflect interest (using the effective interest method) and reducing its book value to reflect payments made.

The Group recalculates the lease liability (and makes a corresponding adjustment to the related right-of-use asset) each time:

- The lease term is changed or there is a significant event or change in circumstances that results in a change in the measurement of the exercise of a purchase option, in which case the lease liability is recalculated by discounting the revised lease payments using a revised discount rate.
- Lease payments change due to changes in an index or rate or in the estimated amounts expected to be payable as security for the residual value, in which cases the lease liability is recalculated by discounting the revised lease payments using an unchanged discount rate (unless the change in lease payments is due to a change in the variable interest rate, in which case a revised discount rate is used).
- A lease is amended and the amendment to the lease is not accounted for as a new separate lease, in which case the lease liability is recalculated over the term of the amended lease by discounting the payments using a revised discount rate at the effective date of the amendment.

The Group made no such adjustments during the periods presented.

Lease assets include the initial measurement of the corresponding lease liability, lease payments made on or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.
Whenever the Group incurs an obligation for the costs of decommissioning and removing a leased asset, restoring the site where it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, a provision is measured and recognised in accordance with IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related asset, unless such costs are incurred in the production of inventories.

Right-of-use assets are depreciated from the lease inception date over the shorter of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Right-of-use assets are presented as a separate item in the consolidated balance sheet.
The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any impairment loss identified as described in the section on 'Property, plant and equipment'.

Variable rents that are not index- or rate-dependent are not included in the valuation of lease liabilities and right-of-use assets. The related payments are recognised as an expense in the financial year in which they are incurred and are included in "other operating expenses" in the consolidated statements of profit and loss and other comprehensive income.

As a practical expedient, IFRS 16 permits a lessee not to separate the non-lease components of an agreement, but to treat them as part of a single agreement. The group has used this practical expedient.

i. Foreign currencies

In preparing the financial statements of Group entities, transactions in currencies other than the functional currency of the entity (foreign currencies) are recognised at the exchange rates prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the rates in effect on that date. Non-monetary items reported at fair value denominated in foreign currencies are translated at the rates in effect on the date the fair value was determined. Non-monetary items measured in terms of historical cost in a foreign currency are not translated back. Exchange differences are recognised as a gain or loss in the period in which they arise.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at the exchange rates in effect on the reporting date. Income and expense items are translated at average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case the exchange rates at the date of the transactions are used. Any exchange rate differences are recognised in other comprehensive income and recognised in a translation reserve in equity (allocated to non-controlling interests, if applicable).

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income and recognised in the translation reserve in equity.

j. Financial expenses

Financial expenses (borrowing costs) directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily require a substantial period of time to be ready for their intended use or sale, are included in the cost of those assets until they are substantially ready for their intended use or sale.

To the extent that variable rate loans are used to fund an asset that qualifies for capitalisation of borrowing costs and are hedged as part of an effective cash flow hedge of interest rate risk, then the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the asset that qualifies for capitalisation of financial expenses has an impact on profit or loss. To the extent that fixed rate loans are used to fund an asset that qualifies for capitalisation and are hedged as part of an effective cash fair value hedge of interest rate risk, capitalised financial expenses reflect the hedged interest rate.

Income derived from the temporary investment of specific loans, pending their use in connection with assets that qualify for capitalisation of borrowing costs, is deducted from the amount of financial expenses eligible for capitalisation.

All other financial expenses (borrowing costs) are recognised in the consolidated statements of profit and loss and other comprehensive income in the year in which they are incurred.

k. Grants for research and development

Contributions for research and development are recognised when it is certain that the contribution will be received, which coincides with its formal approval by the granting body or with the group's declaration that there is reasonable certainty that it will be received and that all the conditions attached to it have been met.

Grants related to cost components are recognised as revenue but are systematically allocated between periods to match the costs they are intended to offset. Government grants whose primary function is to support the Group in the acquisition, construction or other means of obtaining non-current assets (including property, plant and equipment) are recognised as deferred income in the balance sheet and transferred to the consolidated statements of profit and loss and other comprehensive income on a systematic and rational basis, in a manner related to the useful life of the assets against which they are granted.

Government grants that are receivables as compensation for expenses or losses already incurred by the Group or for the purpose of providing immediate financial support to the Group, without future related costs, are recognised in the consolidated statements of profit and loss and other comprehensive income in the year in which they become receivable.

l. Post-employment benefits

The group has various employee benefit schemes within the regions in which it operates. In general, payments to defined contribution pension plans are recognised as an expense when employees have rendered services that entitle them to contributions. Payments made to state-managed pension plans are accounted for as payments to defined contribution plans when the Group's obligations under the plans are equivalent to those under a defined contribution plan.

For defined benefit pension plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations performed at the end of each annual reporting period. Revaluations, which include actuarial gains and losses, changes in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position by debiting or crediting retained earnings through other comprehensive income in the period in which they arise. Revaluations are not reclassified to profit or loss in subsequent years. Service cost components are recognised in profit or loss when plan changes occur, or when the Group recognises restructuring costs or termination benefits, whichever is earlier.

Gains or losses on the settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net liability or asset. Defined benefit costs are divided into three categories:

- service costs, which comprise current service costs, past service costs, and gains and losses in the event of plan changes;
- net interest or income; and
- revaluation.

The Group recognises service costs in the consolidated statements of profit and loss and other comprehensive income.

Interest expenses or net income is recognised under financial costs.

The pension benefit obligation recognised in the consolidated financial statements represents the deficit or surplus of the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of all economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

m. Taxation

The tax burden represents the sum of currently payable taxes and deferred taxes.

Current tax

Current taxes are based on taxable income for the year. Taxable income differs from net income as reported in the consolidated statements of profit and loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. The Group's liability for current taxes is calculated using tax rates enacted or substantively enacted at the end of the reporting period.

A provision is recognised in connection with uncertainties in income tax treatments if, based on the expectations of the resolution of the uncertainty, it is probable that there will be a future charge. Provisions are commensurate with the best estimate of the amount expected to be paid. The valuation is based on the judgement of the Group's in-house tax professionals, supported by previous experience in such activities and, in some cases, based on specialised independent tax advice.

Deferred tax

Deferred taxes are taxes that are expected to be payable or deductible based on differences between the book values of assets and liabilities recognised in the financial statements and the corresponding tax bases used in calculating taxable income, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (in respect of transactions other than business combinations) of assets and liabilities in transactions that affect neither taxable profit nor profit for the period. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising from investments in subsidiaries and associated companies, and for investments in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are recognised only to the extent that it is probable that there will be sufficient taxable profits to utilise those benefits and it is expected that they will reverse in the foreseeable future.

The book value of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow for their full or partial recovery.

Deferred taxes are calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised, based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The valuation of deferred tax liabilities and assets reflects the tax consequences that would result from the way the Group expects, at the end of the reporting period, to recover or settle the book value of its assets and liabilities.

The Group offsets deferred tax assets and deferred tax liabilities if there is a legal right to offset current tax assets and current tax liabilities and the deferred tax assets and liabilities relate to income taxes owed to the same taxation authority by the same or different tax payers who intend to settle the current tax assets and liabilities on a net basis or realise the asset and settle the liability simultaneously, with respect to each future period in which the deferred tax assets and liabilities are expected to be settled or recovered.

Current and deferred taxes for the year

Current and deferred taxes are recognised in the consolidated statements of profit and loss and other comprehensive income, except for those relating to items recognised outside the consolidated statements of profit and loss and other comprehensive income, which are also recognised outside the consolidated statements of profit and loss and other comprehensive income and, therefore, in equity or in the comprehensive consolidated statements of profit and loss and other comprehensive income, consistently with the item to which they relate. When current or deferred taxes arise from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

n. Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, based on the following rates:

Depreciation rates:	
Industrial Buildings	3.0%-7.0%
Lightweight construction	10.0%
Generic installations	7.0%-12.5%
Poorly corrosive installations	15.5%
Highly corrosive installations	22.5%-33.0%
Laboratory equipment	10.0%-40.0%
Internal means of transport	20.0%
Office furniture and equipment	10.0%-12.0%

Electronic equipment	18.0%-33.0%

Land is not depreciated. If the book value (carrying amount) of a building also includes the underlying land, it is separated, even on the basis of estimates, for depreciation purposes.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed at each financial year-end and, where appropriate, adjusted prospectively.

Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise an option to purchase, the related right-of-use asset is depreciated over the useful life of the asset underlying the lease.

The book value (carrying amount) of an item of property, plant and equipment is derecognised when it is disposed of (i.e. when the acquirer obtains control) or when no future economic benefit is expected from its use or disposal.

o. Intangible assets

Assets acquired separately

Separately acquired intangible assets are initially recognised at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. The useful life of intangible assets is assessed as finite or indefinite. Intangible assets with finite useful lives that are acquired separately are subsequently recognised at historical cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful life. The amortisation period and amortisation method for an intangible asset with a finite useful life is reconsidered at least at each financial year-end, with the effect of any changes in estimates recognised on a prospective basis. Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually.

Internally-developed intangible assets

Expenses related to research activities are recognised as expenses in the year in which they are incurred.

An internally generated intangible asset arising from development (or the development phase of an internal project) is recognised if it can be attributed to a newly developed product or process that has demonstrable technological and economic feasibility for the Group.

The amount initially recognised for internally generated intangible assets is the sum of expenditure incurred by the Group from the date the intangible asset first meets the recognition criteria of IAS 38. If the requirements for the recognition of internally generated intangible assets are not met, development costs are recognised in profit or loss in the period in which they are incurred.

After initial recognition, internally generated intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses, similar to separately acquired intangible assets. Development costs are amortised over their estimated useful economic life of between two and five years.

Intangible assets acquired in a business combination

Intangible assets acquired through business combinations are recognised at fair value at the acquisition date. The Group has recognised intangible assets in connection with customer relationships arising from its business combination transactions.

After initial recognition, they are measured at cost less accumulated amortisation and accumulated impairment losses, similar to separately acquired intangible assets.

Derecognition of intangible assets
An intangible asset is derecognised on disposal (i.e., on the date the acquirer obtains control) or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from the disposal of the asset (calculated as the difference between the net disposal proceeds and the book value of the asset) is included in profit or loss.
Patents and trademarks are measured initially at acquisition cost and are amortised on a straight-line basis over their estimated useful life.

Amortisation rates for intangible assets

Amortisation rates	
Concessions, licences and intellectual property rights	6%-20%
Trademark	2%-10%
Customer relationship	9%-11%
Other	6%-20%

p. Impairment of non-financial assets with a finite useful life (property, plant and equipment and intangible assets, excluding goodwill).
At each financial statements date, the Group assesses whether there are any indicators of impairment of its non-financial assets. If so, the Group estimates the recoverable amount to determine the extent of the impairment loss (if any). If the asset does not generate cash flows independent of other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to individual cash-generating units, or otherwise are allocated to the smallest group of cash-generating units for which a reasonable and consistent basis of allocation can be identified.

The recoverable amount is the higher of the fair value of the asset or cash-generating unit, less costs to sell, and its value in use. In determining value in use, the Group discounts estimated future cash flows to present value using a discount rate, which reflects market assessments of the present value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its book value, the book value of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.

The value of an asset that was previously written down may only be reinstated if there have been changes in the assumptions on which the calculation of the determined recoverable amount was based, after the recognition of the last impairment loss. The reversal may not exceed the book value that would have been determined, net of depreciation, had no impairment loss been recognised in prior years. Such reversal is recognised in profit or loss.

q. Inventories
Inventories consist of raw materials, consumables, and supplies, semi-finished and finished products.

Inventories are initially recognised at purchase or production cost and subsequently at the lower of cost and estimated net realisable value.

Purchase cost is the consideration paid at the time of purchase, including related ancillary costs. The purchase cost of materials includes their price, transport costs, customs duties and other directly attributable charges. Returns, trade discounts, rebates and bonuses are deducted from costs.

Cost of production includes direct materials and, where applicable, direct labour and overhead costs incurred in bringing the inventories to their present location and condition, including the reasonably attributable portion of indirect costs incurred during production until the asset is available for use. Cost is determined considering normal production capacity. Production costs do not include general and administrative costs, distribution costs and research and development costs.

The Group has adopted the weighted average cost model.

The estimated net realisable value is the estimated normal selling price in the normal course of business, less estimated completion costs and estimated costs to realise the sale. Obsolescence and turnover are also taken into account in the calculation of the estimated realisable value based on market trends.

Raw materials and supplies used in the manufacture of finished goods are not impaired if the realisable value of such finished goods is expected to be equal to or exceed their cost of production. In addition, if the price of raw materials and supplies decreases and the cost of finished goods exceeds their realisable value, the raw materials and supplies are written down to their net realisable value, which is their best estimate of their market price.

r. Financial Instruments

Financial assets and liabilities are recognised in the Group's balance sheet when the Group becomes the counterparty to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss, 'FVTPL') are added to or deducted from the fair value of those financial assets or financial liabilities, as appropriate, upon initial recognition. Transaction costs directly attributable to the acquisition of FVTPL financial assets or liabilities are recognised immediately in profit or loss.

Financial assets and liabilities

Financial assets mainly comprise trade receivables, derivative financial instruments, cash and cash equivalents.

Financial liabilities consist mainly of debt securities, derivative financial instruments, trade payables and other liabilities.

Classification and measurement

The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial assets and the business model the Group uses to manage them. The Group assesses whether the cash flows of a financial asset represent only principal and interest payments consistent with a financing arrangement. When the contractual terms introduce exposure to risks or volatility that are inconsistent with a basic financing arrangement, the related financial assets are classified and measured at fair value through profit or loss.

Financial asset cash flow business model	Initial measurement [5]	Measurement category [6]
Solely to collect the contractual cash flows (Held to Collect)	Fair value, including transaction costs	Amortised cost
Collect both the contractual cash flows and generate cash flows arising from the sale of assets (Held to Collect and Sell)	Fair value, including transaction costs	Fair value through other comprehensive income ('FVOCI')
Generate cash flows primarily from the sale of assets (Held to Sell)	Fair value	Fair value with change recognised through profit or loss ('FVTPL')

Factors considered by the Group in determining the business model of a group of financial assets include:

[5] A trade receivable without a significant financing component, as defined by IFRS 15, is initially measured at the transaction price.

[6] Upon initial recognition, the Group may irrevocably designate a financial asset, which would otherwise qualify for measurement at amortised cost or FVOCI, as FVTPL if doing so eliminates or significantly reduces an 'accounting mismatch' that would otherwise arise.

- past experiences on how the flows from these activities were collected;
- the frequency, volume and timing of sales of financial assets in previous years, the reasons for such sales and expectations of future sales activity; and
- how the performance of financial activities is evaluated and how it is communicated to key management personnel.

Financial assets are not reclassified after their initial recognition unless the Group changes its business model, in which case all affected financial assets are reclassified as of the first day of the reporting period following the change in business model.

Cash and cash equivalents include sight deposits and cash on hand. Cash and cash equivalents are subject to an insignificant risk of changes in value and are measured at amortised cost.

Impairment of financial assets

The Group's credit risk is related to trade receivables arising from the sale of products, for which the Group is most exposed to the direct risk of counterparty default. These risks are mitigated by the fact that the risk exposure is spread across many counterparties.

IFRS 9 impairment requirements are based on an Expected Credit Losses (ECL) model. ECLs are based on the difference between the contractual cash flows due under the contract and all cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate. The calculation of ECLs is based on the default risk of the counterparty, which is determined by considering the information available at the end of each reporting period regarding the solvency of the counterparty, the fair value of any collateral and the Group's historical experience. The Group considers a financial asset to be in a state of default when: (i) the borrower is unlikely to pay its obligations in full and without compensating guarantees or collateral (if any); or (ii) the financial asset is more than 90 days past due.

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected losses. Therefore, the Group does not monitor changes in credit risk, but recognises the expected loss in full at each reporting date.

For the purpose of impairment testing, individually significant receivables and trade receivables whose recoverability is at risk are assessed individually, while all other receivables are grouped into homogeneous risk categories based on characteristics such as the type of instrument, sector or geographical location of the counterparty.

The simplified approach for the determination of ECLs is performed in two steps:
- All trade receivables whose recoverability is at risk are individually assessed for impairment;
- A general impairment provision is recognised for all other trade receivables (including those not past due), based on historical loss rates.

Derivative financial instruments

Derivative financial instruments are used for economic hedging purposes to reduce currency and interest rate risks. In accordance with IFRS 9, derivative financial instruments are recognised on a settlement date basis and, upon initial recognition, are measured at fair value less directly attributable transaction costs. After initial recognition, all derivative financial instruments are measured at fair value. In addition, derivative financial instruments qualify for hedge accounting when (i) there is a formal and documented designation of the hedging relationship and the Group's risk management objective and strategy related to the implementation of the hedge and (ii) the hedge is expected to be effective.

When derivative financial instruments meet the requirements for hedge accounting, the following accounting treatments are applied:
- Fair value hedges - when a derivative financial instrument is designated as a hedge of exposure to changes in the fair value of a recognised asset or liability attributable to particular risks that could affect the consolidated statements of profit and loss and other comprehensive income, the change in fair value of the hedging derivatives is recognised in the consolidated statements of profit and loss and other comprehensive income. The change in fair value of the hedged item attributable to the hedged risk is recognised as part of the book value (carrying amount) of the hedged item and is also recognised in profit or loss.

- Cash flow hedges - where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognised asset or liability or a highly probable forecasted transaction and could affect consolidated profit or loss, the portion of the gain or loss on the hedged instrument relating to the effective portion of the hedge is recognised in other comprehensive income in the 'cash flow hedge' reserve. If the hedged transaction subsequently results in the recognition of a non-financial component, the amount accumulated in equity is removed from the separate component of equity and included in the cost or other book value of the hedged asset or liability. For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss. The profit or loss associated with a hedge or portion of a hedge that has become ineffective is recognised immediately in the consolidated statements of profit and loss and other comprehensive income .

If cash flow hedge accounting is discontinued, the amount accumulated in OCI must remain there if the hedged future cash flows are expected to occur. Otherwise, the amount must be immediately reclassified to profit/(loss) for the year as a reclassification adjustment. After the suspension, once the hedged cash flows occur, any accumulated amount remaining in OCI must be accounted for depending on the nature of the underlying transaction as described above.

Hedge effectiveness is determined at the inception of the hedging relationship and through periodic prospective effectiveness assessments to ensure that hedging relationships meet effectiveness requirements (including the existence of an economic relationship between the hedged item and the hedging instrument). The Group enters into hedging relationships where the critical terms of the hedging instrument closely or exactly match the terms of the hedged item, and therefore a qualitative assessment of effectiveness is performed.

If hedge accounting cannot be applied, gains or losses arising from the fair value measurement of derivative financial instruments are recognised immediately in the consolidated statements of profit and loss and other comprehensive income.

Write-off of financial assets

The Group derecognises financial assets when the contractual rights to the cash flows from the asset are extinguished or if it transfers substantially all the risks and rewards of ownership of the financial asset. When financial assets are derecognised, the difference between the book value (carrying amount) of the asset and the consideration received or receivable for its transfer is recognised in the consolidated statements of profit and loss and other comprehensive income.

The Group transfers certain financial, commercial and tax receivables, mainly through factoring transactions. Factoring transactions may be with or without recourse. Some transfers do not meet the requirements of IFRS 9 for derecognition of assets, as the risks and rewards of ownership of the financial asset are not substantially transferred; consequently, the Group continues to recognise these receivables within the consolidated financial statements and recognises a financial liability for the consideration received. These types of receivables are classified as held-to-collect, as the business model is consistent with the Group's continued recognition of receivables.

Derecognition of financial liabilities

The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or expired. The difference between the book value of the derecognised financial liability and the consideration paid is recognised in profit or loss.

When the Group exchanges one debt instrument with an existing lender for another with substantially different terms, that exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for a substantial change of the terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. The terms are presumed to be substantially different if the discounted present value of the cash flows under the new terms, including any fees paid and net of any fees received, discounted using the original effective interest rate, is at least 10% different from the current value of the remaining cash flows of the original liability. If the change is not material, the difference between: (1) the book value (carrying amount) of the liability before the change; and (2) the present value of the cash flows after the change is recognised as a profit or loss in profit or loss.

Supplier financing agreements and receivables factoring

The Group may enter into arrangements under which a 'factor' (usually a financial institution) pays a supplier on its behalf, while the Group (i.e. the buyer) reimburses the factor. Such arrangements may be called, for example, 'supplier financing', 'reverse factoring' or 'structured payable arrangements'. When such arrangements are material, information on:

- The Group's approach to the presentation of significant supplier financing arrangements and, in accordance with IAS 1:122, the assessments made in applying this guidance;
- how supplier financing transactions have been reflected in the cash flow statement;
- the book value of the liabilities in question and the item(s) under which they are presented; and
- when supplier financing arrangements have been used as an instrument to manage liquidity risk, the disclosures required by IFRS 7:39(c).

When a Group's company enters into agreements to sell receivables when they are not fully derecognised, it is important that the policy adopted for the treatment of the resulting cash flows is clearly explained and that any non-cash financing transactions are disclosed in accordance with IAS 7:43. In particular, an explanation of whether the cash flows received on the receivables are treated as operating cash inflows with associated cash outflows that are expected to repay the financial liability recognised when the receivables are sold. Balances that will give rise to cash flows should also be included in the disclosure of changes in those balances required by IAS:7.44A-44E

Financial liabilities and equity

i. Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or equity based on the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

ii. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Group are recognised at the consideration received less direct issue costs.

The repurchase of the Group's equity instruments is recognised as a direct reduction of shareholders' equity. No profit or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's equity instruments.

s. Share Capital

i. Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a decrease in equity. Income taxes on the transaction costs of an equity transaction are recognised in accordance with IAS 12.

ii. Preference shares

Redeemable preference shares are classified as financial liabilities, as dividend payments are non-discretionary, and the shares are redeemable at the discretion of the holders. The related non-discretionary dividends are recognised in profit/(loss) for the year on an accrual basis.

Preference shares are classified as equity when they are not redeemable, or when they are redeemable but only at the Company's option, and any dividends are discretionary. Discretionary dividends on preference shares are recognised as distributions in equity when they are approved by the Shareholders' meeting.

iii. Repurchase and re-issue of ordinary shares (treasury shares)

In the event of the repurchase of shares recognised in equity, the consideration paid, including costs directly attributable to the transaction, is recognised as a reduction of equity. Shares repurchased in this manner are classified as treasury shares and recognised in the reserve for treasury shares. The consideration received from the subsequent sale or re-issue of treasury shares is recognised as an increase in shareholders' equity. Any positive or negative difference arising from the transaction is recognised in the share premium reserve.

t. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle this obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties inherent in the obligation. If the effect of the time value of money is material, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to the liability. When the liability is discounted, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Group believes that a provision for liabilities and charges will be partly or fully reimbursed, for example in the case of risks covered by insurance policies, the indemnity is recognised separately as an asset if it is practically certain and its value can be reliably estimated.

Provision for restoration costs

Provisions for the costs of restoring leased assets to their original condition, as required by the terms and conditions of the lease agreements, are recognised when the obligation is incurred, which may occur at the commencement date of the lease or as a result of the use of the underlying asset, based on management's best estimate of the expenditure required to restore the assets. Estimates are regularly reviewed and adjusted to reflect new circumstances.

Contingent liabilities acquired in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. It is subsequently measured at the higher of the amount that should be recognised in accordance with contingent liability recognition requirements (see above) and the amount initially recognised less, where applicable, cumulative amortisation recognised in accordance with revenue recognition requirements.

4. Revenue

The Group earns revenue from the sale of specialty chemicals products. Revenues from contracts with customers amounted to Euro 686,197 thousand (Euro 671,195 thousand in 2023 and Euro 861,885 thousand in 2022) and were entirely generated by the Italmatch Group.

Detailed below, turnover from sales is analysed by geographical segment referring to the Italmatch Group.

	01.01.2024 31.12.2024 €'000s	01.01.2023 31.12.2023 €'000s	01.01.2022 31.12.2022 €'000s
Italy	66,771	70,677	78,557
Rest of Europe [7]	206,727	222,582	297,180
U.S.A.	194,059	203,517	253,853
Rest of North America	16,850	13,766	18,499
Asia Pacific	113,480	96,512	132,118
Middle East & Africa	44,716	45,766	55,465
Latin America	43,594	18,375	26,213
Total	**686,197**	**671,195**	**861,885**

[7] Excluding Italy

Breakdown of revenue from contracts with customers

In the table below, revenue from contracts with customers is disaggregated by geographic market and main products and services. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 5):

The breakdown of revenue by product type is detailed below:

€'000	Breakdown of revenue by customer											
	01.01.2024 - 31.12.2024				01.01.2023 - 31.12.2023				01.01.2022 - 31.12.2022			
	AWS - Advanced Water Solutions	FPP - Functional and Performance Products	LIS - Lubricants and Industrial Solutions	Total	AWS - Advanced Water Solutions	FPP - Functional and Performance Products	LIS - Lubricants and Industrial Solutions	Total	AWS - Advanced Water Solutions	FPP - Functional and Performance Products	LIS - Lubricants and Industrial Solutions	Total
Primary geographic markets												
Italy	19,838	6,505	40,428	66,771	29,621	12,892	28,164	70,677	19,728	9,403	49,426	78,557
Rest of Europe	81,603	50,395	74,729	206,727	93,286	40,600	88,696	222,582	116,187	78,641	102,352	297,180
USA	83,197	50,175	60,687	194,059	85,296	37,123	81,098	203,517	132,030	53,072	68,751	253,853
Rest of North America	7,280	4,033	5,537	16,850	5,770	2,511	5,485	13,766	7,734	3,330	7,435	18,499
Asia Pacific	31,045	1,471	80,964	113,480	40,449	17,604	38,459	96,512	35,258	6,059	90,801	132,118
Middle East & Africa	40,146	1,352	3,218	44,716	19,181	8,348	18,237	45,766	49,523	1,120	4,822	55,465
Latin America	33,232	1,222	9,140	43,594	7,701	3,352	7,322	18,375	15,340	2,394	8,479	26,213
Total	**296,341**	**115,153**	**274,703**	**686,197**	**281,304**	**122,430**	**267,461**	**671,195**	**375,800**	**154,019**	**332,066**	**861,885**
More products/service lines												
Water solution polymers & phoshonate prod.	248,388	48,832	-	297,220	255,573	49,311	-	304,884	345,439	52,321	-	397,760
Chlorides	-	25,536	24,536	50,072	-	30,339	23,268	53,607	-	43,047	36,313	79,360
Lube il performance additives	-	-	220,865	220,865	-	-	209,537	209,537	-	-	248,696	248,696
Flame retardants	-	-	29,302	29,302	-	-	32,103	32,103	-	-	47,057	47,057
Fatty acid derivatives	24,593	40,533	-	65,126	25,731	42,692	-	68,423	30,361	58,651	-	89,012
Other[8]	23,360	252	-	23,612	-	88	2,553	2,641	-	-	-	-
Total	**296,341**	**115,153**	**274,703**	**686,197**	**281,304**	**122,430**	**267,461**	**671,195**	**375,800**	**154,019**	**332,066**	**861,885**

Please refer to the Note below for further information.

5. Operating segments

Criteria for identifying the segments:

The Group has the following three reportable operating segments, as detailed below, which correspond to the end markets of its products ("End-markets"). These segments provide different products and services and are managed separately as they relate to end-markets with very different logics.

The three End Markets are:

1. Advanced Water Solutions (AWS)
2. Lubricants and Industrial Solutions (LIS)

[8] The line "other" includes revenues and rebates non directly allocated to a specific segment.

3. Functional and Performance Products (FPP).

AWS represents the Group's main end-market and includes a wide and diversified range of products, solutions and formulations (e.g., antiscalant, polymers and biocides) with numerous and varied end applications (e.g., industrial water treatment, cleaning, desalination, mining for mineral separation, precious metals and geothermal energy).
The second largest division is LIS (Lubricants and Industrial Solutions). This division provides additives for lubricants (engine oil) used in transportation, industrial lubricants (including for wind turbines) and flame retardants.
Finally, the third end-market is FPP (Functional and Performance Products). It mainly includes the Oleochemicals business, chlorides and chemistry for the “unconventional” energy sub-fund.

The activities of each of the Group's reportable segments are summarised below:

End Market	Operating segments
AWS	A global leader in water additives including phosphonates, water-soluble polymers and biocides, covering a wide range of applications (e.g. cleaning, detergents and industrial water and desalination) and ready-to-use solutions.
LIS	Engine lubricant additives (e.g. ZDDP, a key anti-wear additive). Broad portfolio of additives for industrial lubricants, focusing on extreme pressure and light sulphur content, greases and metalworking fluids. Leader in polymer esters (synthetic functional base oils) for high-performance premium oils. Flame Retardants ('FRs') for electronics and electrical compounds in nylon, particularly based on red phosphorous in Europe. PVC additives.
FPP	Specialty chemical intermediates for agriculture, water treatment and EV batteries, oleochemical products and unconventional energy (Fracking).

	01.01.2024 31.12.2024 €’000s	01.01.2023 31.12.2023 €’000s	01.01.2022 31.12.2022 €’000s
AWS - Advanced Water Solutions	296,341	281,304	375,800
LIS - Lube and Industrial Solutions	274,703	267,461	332,066
FPP - Functional and Performance Products	115,153	122,430	154,019
Total	**686,197**	**671,195**	**861,885**

AWS FY24: Financial year 2024 was characterised by an increase in sales of 6% due to an improvement of the final demand, recovering after the prolonged de-stocking effect along the entire industrial chain, especially in Europe, partly influenced by Chinese competition – especially for more commoditised products – against the weakening of local domestic demand. Volumes and sales benefited from the first consolidation of the equity investment in Alcolina from 1 April 2024.
AWS FY23: Financial year 2023 was characterised by 25% drop of sales compared to the previous year due to a weaker and uncertain global demand, with a prolonged effect of *de-stocking.*
Sales revenues decreased year-on-year, in an environment also characterized by progressive deflation and falling commodity prices, although not yet at pre-pandemic levels.
AWS FY22: In 2022 sales reached € 376 million, improving a sales mix towards an increasing incidence of products with a higher added value knows as “functional Solutions” (desalination, geothermal and mining).
LIS FY24: In 2024 sales increased by 2% compared to the previous year. The segment that contributed the most to supporting profitability was Engine Oil, which benefited from the strong momentum of the Fangcheng plant in China, specialised in the production of lubricant additives (P2S5).
LIS FY23:. In 2023, a 19% decrease of revenues was recorded compared to the previous year, although the latter showed a growth *trend* compared to 2021.
LIS FY22: In 2022 sales reached € 332 million, there was an increase in sales volumes compared to the previous year. The segment that contributed the most to supporting profitability was Engine Oil.
FPP FY24: In 2024 sales decreased by 6% due to the competitive context in which the Group managed to keep the contribution margin stable enough.

FPP FY23: In 2023 sales decreased by 21%, the drop in volumes was the most significant compared to the Group's other end-markets; in particular, weak demand from the construction industry and more recently from Electrical & Electronics. **FPP FY22:** In 2022 sales reached € 154 million, there was a significant increase in sales revenues for the year supported by the pricing strategy, against a reduction in volumes.

Group management uses additional key performance indicators and other non-financial operating data, derived from management estimates, to monitor Group performance, such as contribution margin by end market and/or by specialty. These measures are not directly reconcilable to the Group's financial statements or accounting records and for such reason they are not disclosed in this segment reporting information.

6. Raw materials, consumables and production utilities

The costs of raw materials, consumables and production utilities are detailed below:

	01.01.2024 31.12.2024 €'000s	01.01.2023 31.12.2023 €'000s	01.01.2022 31.12.2022 €'000s
Raw materials	359,745	397,243	498,824
Production utilities	23,228	22,509	38,894
Consumables and others	10,180	9,039	11,620
Total	**393,153**	**428,791**	**549,338**

Raw materials, consumables and production utilities incurred in 2024 amounted to Euro 393,153 thousand, showing a decrease of Euro 35,638 thousand (-8%) compared to the financial year 2023 (which was Euro 428,791 thousand). Raw materials, consumables and production utilities incurred in 2023 amounted to Euro 428,791 thousand, recording a decrease of Euro 120,547 thousand compared to the 2022 financial year.

7. Other operating expenses

	01.01.2024 31.12.2024 €'000s	01.01.2023 31.12.2023 €'000s	01.01.2022 31.12.2022 €'000s
Legal and professional fees	9,911	10,467	10,892
Insurance costs	4,808	4,208	3,435
Travel expense	3,351	3,788	3,948
Utilities and postal expenses	831	828	742
Intermediary commissions	2,957	2,636	2,315
Advertising and representation costs	1,065	901	910
Rent and lease	753	463	554
Plant &Infrastructure	2,170	1,974	1,145
Security, ESG and IT costs	3,049	3,479	2,287
Other tax and duties	1,641	1,882	1,461
Sundry expenses	3,475	2,320	1,245

Total other operating expenses	**34,011**	**32,946**	**28,934**

The caption other operating expenses amounted to Euro 34,011 thousand, Euro 32,946 thousand and Euro 28,934 thousand in 2024, 2023 and 2022 respectively. The sundry expenses mainly include subscriptions and association contributions that amounts to € 446 thousand in 2024, € 315 thousand in 2023 and €212 thousand in 2022, it also includes penalties and fines that amounts to € 218 thousand in 2024, € 215 thousand in 2023 and €21 thousand in 2022, and other.

8. Finance income

	01.01.2024 31.12.2024 €'000s	01.01.2023 31.12.2023 €'000s	01.01.2022 31.12.2022 €'000s
Other financial income	8,422	6,850	1,649
Exchange rate gains	24,042	11,962	32,616
Total Finance Income	**32,464**	**18,812**	**34,265**

In 2024 Financial income amounted to Euro 32,464 thousand. Exchange rate gains of Euro 24,042 include realized foreign exchange gains for Euro 5,359 thousand from foreign currency transactions, primarily denominated in USD, and unrealized foreign exchange gains for Euro 18,683 thousand mainly arising from the translation at year-end rates of foreign currency loans granted to subsidiaries. Both FY2023 and FY2022 recorded a positive financial income, respectively, Euro 18,812 thousand and Euro 34,265 thousand.

9. Finance costs

	01.01.2024 31.12.2024 €'000s	01.01.2023 31.12.2023 €'000s	01.01.2022 31.12.2022 €'000s
Interest and other financial charges	(74,324)	(79,842)	(41,555)
Exchange rate losses	(6,150)	(20,243)	(23,547)
Discounting costs	(1,042)	-	-
Other financial costs	(542)	(967)	(1,852)
Interest on IFRS16	(597)	(584)	(462)
Total Finance Costs	**(82,655)**	**(101,636)**	**(67,416)**

Finance costs amounts to Euro 82,655 thousand for 2024 (Euro 101,636 thousand in 2023), decreasing with respect to 2023 for Euro 18,981 thousand, mainly related to Exchange rate losses decrease for Euro 14,093 thousand. At the opposite, in FY2023 finance costs increased by Euro 34,220 thousand compared to FY2022 (Euro 67,416 thousand), mainly due to the increase in Interest and other financial charges, and particularly those relating to the Senior Secured Floating and Fixed Rate Notes.

Interest and other financial charges include, primarily, interest on Senior Secured and Fixed Floating Rate Notes as well as interest and commissions relating to the Super Senior Revolving Credit Facility for a total of Euro 67,219 thousand (Euro 64,587 thousand in 2023 and 35,302 thousand in 2022), the portion of ancillary costs related to the above loans and Notes, posted using the amortized cost method for Euro 2,682 thousand (Euro 12,541 thousand in 2023 and Euro 3,773 thousand in 2022) and the remaining portion of amortized cost for Euro 6,644 thousand related to the medium/long-term payable repaid and refinanced at the beginning of 2023. Exchange rate losses amount to Euro 6,150 thousand (Euro 20,243 thousand in 2023 and Euro 23,547 thousand in 2022) and include unrealized exchange rate losses of Euro 632 thousand (Euro 11,282 thousand in 2023 and Euro 4,140 thousand in 2022) deriving from the conversion at the year-end rate.

10. Taxation

	01.01.2024 31.12.2024 €'000s	01.01.2023 31.12.2023 €'000s	01.01.2022 31.12.2022 €'000s
Income tax	(14,810)	(4,820)	(11,105)
Deferred tax	(3,187)	(1,305)	1,216
Total	**(17,997)**	**(6,125)**	**(9,889)**

The standard rate of corporation tax applied to reported profit in the parent company is 27.9%, of which 24% IRES and 3.9% IRAP (in 2023 and 2022 it was 29.34% of which 24% IRES and 5.34% IRAP). Taxation in other jurisdictions is calculated according to the rates prevailing in the respective jurisdictions.

The tax charge for the year can be reconciled to the profit before tax as follows:

		01.01.2024 31.12.2024 €'000s		01.01.2023 31.12.2023 €'000s		01.01.2022 31.12.2022 €'000s
Pre-tax consolidated profit (loss)		12.185		(76.462)		37.899
Tax using the Company's domestic tax rate (IRES)	(24,00)%	(2.924)	(24,00)%	18.351	(24,00)%	(9.096)
Effect of tax rates in foreign jurisdictions	6,44%	785	(3,39)%	2.595	(3,34)%	(1.264)
Current year losses for which no deferred tax asset is recognized	(1,25)%	(152)	0,99%	(758)	(3,22)%	(1.221)
Not deductible costs	(116,59)%	(14.207)	37,17%	(28.420)	(14,05)%	(5.323)
Tax benefit (ITC S.p.A.)	-	0	(2,76)%	2.107	24,18%	9.165
Corporate tax	**(135,40)%**	**(16.498)**	**8,01%**	**(6.125)**	**(20,42)%**	**(7.739)**
IRAP tax charge	(3,90)%	(475)	-	-	(5,34)%	(2.024)
Not deductible costs	(8,40)%	(1.024)	-	-	(0,33)%	(126)
IRAP tax	**(12,30)%**	**(1.499)**	**-**	**0**	**(5,67)%**	**(2.150)**
Total income taxes	**(147,70)%**	**(17.997)**	**8,01%**	**(6.125)**	**(26,09)%**	**(9.889)**

11. Goodwill

	€'000s
Carrying amount as at 1 January 2022	**526,722**
Exchange differences	5,952
Recognised on acquisition of a subsidiary	1,151
Impairment losses for the year	-
Carrying amount as at 31 December 2022	**533,825**
Exchange differences	(4,073)
Recognised on acquisition of a subsidiary	-
Impairment losses for the year	(34,077)
Carrying amount as at 31 December 2023	**495,675**
Exchange differences	5,912
Recognised on acquisition of subsidiaries	4,306

Impairment losses for the year	-
As at 31 December 2024	**505,893**

The change in the 2024 financial year is mainly due to the exchange rate difference and the recognized value of the acquisition of Alcolina.

The change of the period in 2023 is mainly due to the impairment losses amounting to Euro 34,077 thousand registered on CGU1 and CGU5 for Euro 21,120 thousand and Euro 12,957 thousand, respectively.

The change of the period in 2022 financial year is mainly due to the exchange rate difference and the recognized value of the acquisition of Aubin.

Impairment test

To perform the impairment test, the group identified its cash-generating units ('CGUs') to which allocate Groups' assets. Unallocated assets were tested at a higher level (second-level impairment). Consistently, unlocatable cash flows (i.e. central overhead costs and central administrative costs) were not included in the determination of the recoverable amount of the CGUs, but were included in the second-level impairment test.

The list of CGUs and unallocated assets is shown below:

CGU	Operating activities
CGU 0	Corporate assets and central costs that cannot be allocated
CGU 1 - Phosphorus Chlorides ("PCL")	Phosphorus chloride processing, mainly used in water treatment and chlorination processes. The main production site is located in Frankfurt, DE.
CGU 2 – Inorganic Performance Products ("IPP")	Processing of phosphorus and production of lubricating and fire-resistant additives. Production is based at the Spoleto site, where the group has been operating since 1997.
CGU 3 – Advanced Water Solutions ("AWS")	Production of a wide range of chemical products used in industrial processes, particularly for water and oil treatment. The main production sites are in Newport (UK), Smyrna (USA) and Qualiano (IT)
CGU 4 - Lube Perf. Additives, Perf. Products and SPEC ("LOPA")	Production of additives and lubricating oils, historically based in Arese (Italy) and Cleveland/Ashtabula (USA) acquired in 2007.
CGU 5 - Fatty Acid Derivatives ("FAD")	Production of chemical products deriving from the processing of fatty acids at the Spanish site in Zaragoza.

The CGUs have therefore been identified, in line with the Group's organisational and business structure, as the smallest groups of assets that generate independent cash flows from their continuous use.

For the purpose of the impairment test, the value of goodwill was allocated to the different CGUs as shown below:

Goodwill	CGU 1 €'000s	CGU 2 €'000s	CGU 3 €'000s	CGU 4 €'000s	CGU 5 €'000s	Total €'000s
Carrying amount as at 1 January 2022	**21,582**	**75,752**	**236,656**	**130,249**	**62,483**	**526,722**
Exchange differences	-	560	5,371	21	-	5,952
Recognised on acquisition of a subsidiary	-	-	1,151	-	-	1,151
Impairment losses for the year	-	-	-	-	-	-
Carrying amount as at 31 December 2022	**21,582**	**76,312**	**243,178**	**130,270**	**62,483**	**533,825**
Exchange differences	1	(654)	(3,311)	(111)	2	(4,073)
Recognised on acquisition of a subsidiary	-	-	-	-	-	-
Impairment losses for the year	(21,120)	-	-	-	(12,957)	(34,077)

Carrying amount as at 31 December 2023	**463**	**75,658**	**239,867**	**130,159**	**49,528**	**495,675**
Exchange differences	-	(23)	5,959	(9)	(15)	5,912
Recognised on acquisition of subsidiaries	-	-	4,306	-	-	4,306
Impairment losses for the year	-	-	-	-	-	-
As at 31 December 2024	**463**	**75,635**	**250,132**	**130,150**	**49,513**	**505,893**

The recoverable value of each CGU corresponds to its value in use determined through the discounted cash flows method, based on the following main assumptions:

- for the determination of the value in use, the present value of the expected operating cash flows associated with the CGUs was estimated for an explicit period of 5 years, excluding hypotheses of innovative and non-ordinary development.

- a terminal value was considered based on the last cash flow of the explicit period and increased by a constant growth rate. This growth rate was determined specifically for each CGU;

- a discount rate equal to the WACC (post-tax) was used to discount cash flows, which was determined analytically for each CGU.

The Group adopted a post-tax discount rate that reflects current market assessments of the cost of money and the specific risk associated with CGUs. In determining the discount rate, financial parameters Beta and Debt/Equity ratio taken from panels of comparable companies were considered in order to take into account both the market risk of companies operating in the same sector and a market financial structure. Regarding the cost of equity (Ke) it includes the rate of return of risk-free assets and is identified as the yield on 10-year Italian government bonds.
The growth rates adopted are based on growth forecasts of the Group's industry sector. Changes in selling prices and direct costs are determined on the basis of past experience and future market expectations. Projected cash flows were also estimated considering historical experience.

Impairment test – 31 December 2024

Here below the Impairment result by CGU with the value of goodwill prior to the impairment test in the CGUs:

	CGU 1	**CGU 2**	**CGU 3**	**CGU 4**	**CGU 5**	**Total including corporate assets**
€ '000	**€'000s**	**€'000s**	**€'000s**	**€'000s**	**€'000s**	**€'000s**
WACC (pre-tax)	*10.2%*	*9.9%*	*10.7%*	*10.2%*	*10.0%*	
WACC (post-tax)	*9.6%*	*9.3%*	*10.1%*	*9.7%*	*9.4%*	
g-rate	*2.1%*	*1.8%*	*2.5%*	*2.2%*	*2.2%*	
Test impairment first level						
Goodwill	463	75,635	250,132	130,150	49,513	
Intangible assets	83	2,655	103,636	13,177	128	
Property, plant and equipment	18,424	53,606	77,003	41,171	12,704	
Right-of-use assets	2,091	167	3,156	580	475	
Inventories	12,815	28,924	79,571	26,487	4,078	
Trade payables	(3,250)	(11,225)	(38,742)	(20,368)	(9,034)	
Trade receivables	1,484	7,074	44,260	10,704	6,798	
Book value	**32,110**	**156,835**	**519,017**	**201,901**	**64,662**	
Value in use	35,914	321,930	782,886	369,507	91,579	
Headroom (impairment)	**3,804**	**165,094**	**263,870**	**167,606**	**26,917**	

Test Impairment second level						
Post-impairment first level book value	32,110	156,835	519,017	201,901	64,661	974,524
Corporate assets						41,471
Book value						**1,015,995**
Value in use including corporate assets	35,914	321,930	782,886	369,507	91,579	**1,601,816**
Headroom (impairment)						**585,821**

No impairments were identified from the first-level impairment test carried out based on the assumptions mentioned above.

Sensitivity analysis

The result of the impairment test was derived from the estimates made by the Group's management based on the information available to date and the assumptions illustrated in the previous paragraph.
The Group took into account the aforementioned uncertainties when developing and defining the basic assumptions used to determine the recoverable amount of the CGUs and therefore prepared a sensitivity analysis on the recoverable amount of the CGUs.
The Group performed the following 'stress test' sensitivity analyses in order to verify for which variables the headroom of an additional CGU would go to zero, among the 5 CGUs present. The following simulations were performed:

- G rate decreased by 47.45%;
- WACC increased by 8.24% was used for discounting cash flows;
- cash flows in the reference period decreased by 10.59%.

With these variables, one CGU would have zero headroom, while the other CGUs would maintain a positive headroom ranging from a total of Euro 459,009 thousand to Euro 469,338 thousand.
Management will continue to monitor business developments and prospects as well as the macroeconomic environment and financial market conditions should any deterioration of the latter affect the recoverable value of the relevant assets.

Impairment test – 31 December 2023

Here below the Impairment result by CGU with the value of goodwill prior to the impairment test in the CGUs:

	CGU1	CGU2	CGU3	CGU4	CGU5	Total including corporate assets
	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s
WACC (pre-tax)	*10.2%*	*10.2%*	*10.8%*	*10.7%*	*10.5%*	
WACC (post-tax)	*9.6%*	*9.6%*	*10.2%*	*10.0%*	*9.9%*	
g-rate	*2.0%*	*2.0%*	*2.3%*	*2.2%*	*2.2%*	
Test Impairment first level						
Goodwill allocated	21,583	75,658	239,867	130,159	62,485	
Identifiable intangible assets	464	2,648	110,300	13,665	111	
Fixed assets	14,475	53,152	63,347	43,609	13,219	
Right of use asset	2,277	186	2,559	582	308	
Inventories	10,739	29,583	62,631	24,233	4,288	
Trade payables	(3,074)	(11,482)	(28,488)	(18,135)	(10,076)	
Trade receivables	1,778	6,100	36,159	10,063	5,769	

Net book value of assets	**48,243**	**155,845**	**486,374**	**204,176**	**76,104**	
Calculated value in use	27,123	169,673	593,161	337,956	63,148	
Headroom (impairment)	**(21,120)**	**13,828**	**106,787**	**133,780**	**(12,957)**	
Test Impairment second level						
Value after first level impairment	27,123	155,845	486,373	204,175	63,148	936,664
Corporate assets						45,532
Net book value of assets						**982,196**
Calculated value in use including corporate assets	27,123	169,673	593,161	337,956	63,148	**1,191,060**
Headroom (impairment)						**208,864**

In 2023, the first-level impairment test performed based on the above assumptions showed an impairment loss allocated to CGU1 of Euro -21,120 thousand and CGU5 of Euro -12,957 thousand.

Sensitivity analysis

The result of the impairment test was derived from the estimates made by the Group's *management based on* the information available to date and the assumptions illustrated in the previous paragraph.
The Group took into account the aforementioned uncertainties when developing and defining the basic assumptions used to determine the recoverable amount of the CGUs and therefore prepared a sensitivity analysis on the recoverable amount of the CGUs.
The group performed the following sensitivity analyses in order to verify for which variables the *headroom of* an additional CGU would go to zero, among the 5 CGUs present. The following simulations were performed:

- a reduced G rate of -43%;
- an increased WACC by +6.92% was used for discounting cash;
- a decrease in cash flow by 8.15%

With these variables, 3 CGUs would have headroom equal to zero or negative, while the remaining CGUs would maintain positive headroom between Euro 148,729 thousand and Euro 157,336 thousand.
Management will continue to monitor business developments and prospects as well as the macroeconomic environment and financial market conditions should any deterioration of the latter affect the recoverable value of the relevant assets.

Impairment test – 31 December 2022

Here below the Impairment result by CGU with the value of goodwill prior to the impairment test in the CGUs:

	CGU1	CGU2	CGU3	CGU4	CGU5	Total including corporate assets
	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s
WACC (pre-tax)	*9.6%*	*10.2%*	*10.5%*	*10.1%*	*10.0%*	
WACC (post-tax)	*9.1%*	*9.7%*	*9.9%*	*9.6%*	*9.5%*	
g-rate	*2.0%*	*1.8%*	*2.1%*	*2.1%*	*2.0%*	
Test Impairment first level						
Goodwill allocated	21,582	75,657	243,901	130,201	62,484	
Identifiable intangible assets	116	2,901	131,441	10,463	201	
Fixed assets	13,422	58,695	65,282	43,299	12,355	
Right of use asset	3,349	168	1,205	512	418	
Inventories	16,915	40,770	122,510	33,152	5,297	
Trade payables	(4,626)	(18,156)	(38,852)	(28,629)	(9,543)	

Trade receivables	2,357	5,775	43,909	17,418	10,072	
Net book value of assets	**53,115**	**165,810**	**569,395**	**206,416**	**81,284**	
Calculated value in use	87,049	255,795	652,826	283,715	110,986	
Headroom (impairment)	**33,934**	**89,985**	**83,431**	**77,299**	**29,703**	
Test Impairment second level						
Value after first level impairment	53,115	165,810	569,395	206,416	81,284	1,076,020
Corporate assets						51,576
Net book value of assets						**1,127,597**
Calculated value in use including corporate assets	87,049	255,795	652,826	283,715	110,986	**1,390,371**
Headroom (impairment)						**262,774**

In 2022, both the first and second level of impairment test performed on the basis of the above assumptions did not give rise to any impairment loss. Forecast cash flows were estimated considering historical experience.

Sensitivity analysis

The result of the impairment test is derived from the estimates made by the Group's Management on the basis of the information available to date and the assumptions described in the previous paragraph.
The Group took into account the above uncertainties in the development and definition of the basic assumptions used to determine the recoverable amount of the CGUs and therefore prepared a sensitivity analysis on the recoverable amount of the CGU groups.
The Group performed the following sensitivity analysis in order to verify for which variables the headroom of one of the 5 CGUs went to zero:

- G rate decreased by -74.03%;
- a WACC increased by +11.68% was utilized for discounting cash;
- cash flows decreased by 12.79%.

With these variables, CGU 3 would have a headroom equal to 0 while the other CGUs would maintain a positive headroom between €15,113 thousand and €62,442 thousand.
In light of the above, the impairment test as of December 31, 2022 showed no impairment, despite the increase in the discount rate, as the value in use of the assets is higher than the carrying value. Management will continue to monitor business developments and prospects, especially of CGU3, as well as the macroeconomic environment and financial market conditions should any deterioration of the same affect the recoverable value of the relevant assets.

12. Other intangible assets

€'000s	Customer relations	Internally developed intangible assets	Industrial patents	Concessions, licences, trademarks and similar rights	Assets under development and advances	Other	Total €'000s
Carrying amount at 1 January 2022	**111,395**	**7,732**	**34,864**	**46,040**	**3,296**	**3,409**	**206,736**
Additions	-	1,261	-	-	3,035	586	4,882

Additions from PPA	3,920	-	-	-	-	169	4,089
Reclassification	-	1,007	-	43	(1,837)	787	-
Exchange differences	6,703	80	442	59	73	1,287	8,644
Amortisation	(15,772)	(2,233)	(3,309)	(1,925)	-	(3,664)	(26,903)
Carrying amount at 31 December 2022	**106,246**	**7,847**	**31,997**	**44,217**	**4,567**	**2,574**	**197,448**
Exchange differences	(2,727)	(15)	(246)	(289)	(94)	(552)	(3,923)
Additions	-	1,070	-	13	3,640	604	5,327
Reclassification	-	1,860	-	-	(3,270)	1,410	-
Amortisation	(15,114)	(2,192)	(3,021)	(1,830)	-	(3,975)	(26,132)
Carrying amount at 31 December 2023	**88,405**	**8,570**	**28,730**	**42,111**	**4,843**	**61**	**172,720**
Additions	-	136	-	-	3,212	162	3,510
Additions from PPA	4,131	-	-	3,488	1,179	62	8,860
Reclassification	-	1,241	-	(6,717)	(2,753)	8,229	-
Exchange differences	4,040	(46)	347	731	(1,270)	258	4,060
Amortisation for the year	(15,142)	(2,748)	(3,472)	(4,158)	-	(2,480)	(28,000)
Net book value as at 31 December 2024	**81,434**	**7,153**	**25,605**	**35,455**	**5,211**	**6,292**	**161,150**

The amortisation periods for each class of intangible assets disclosed on footnote 3, letter o.

In 2024, as in 2023, the Group mainly capitalised Assets under development and advance for internally developed intangible assets. Other capitalisations mainly refer to IT investments.
In 2024, following the acquisition of the company Alcolina, an increase of Euro 8,860 is recorded from PPA.

In 2022, the increase for the year is mainly attributable to exchange rate differences relating to the “Customer Relations” category. The increase of Euro 1,373 thousand in the caption “other” is mainly due to software and IT infrastructure.

13. Property, plant and equipment

€’000s	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other property, plant and equipment	Assets under development and advances	Total
Carrying amount at 1 January 2022	**56,833**	**110,454**	**795**	**3,712**	**20,391**	**192,185**
Additions	(182)	13,850	303	1,384	9,208	24,563
Reclassification	781	8,291	225	88	(9,385)	-
Additions from PPA	1,071	109	6	-	-	1,186
Exchange differences	345	414	39	29	(109)	718
Depreciation	(3,956)	(20,241)	(400)	(1,080)	-	(25,677)

Carrying amount at 31 December 2022	**54,892**	**112,877**	**968**	**4,133**	**20,105**	**192,975**
Additions	721	12,077	29	377	11,558	24,762
Reclassification	1,635	9,250	28	337	(11,250)	-
Exchange differences	(1,514)	(2,885)	(13)	(53)	(225)	(4,690)
Depreciation	(3,666)	(20,455)	(315)	(1,137)	-	(25,573)
Carrying amount at 31 December 2023	**52,068**	**110,864**	**697**	**3,657**	**20,188**	**187,474**
Additions	767	6,228	216	678	20,921	28,810
Additions from PPA	1,721	2,964	-	7,740	-	12,425
Reclassifications	3,427	8,026	73	359	(11,885)	-
Exchange differences	1,390	2,369	23	(1,984)	604	2,402
Depreciation for the year	(3,860)	(21,595)	(329)	(2,420)	-	(28,204)
Net book value as at 31 December 2024	**55,513**	**108,856**	**680**	**8,030**	**29,828**	**202,907**

The depreciation periods for each class of property, plant and equipment are disclosed on footnote3, letter n.

In more detail, the Group's investments in property, plant, and equipment in 2024 amounted to Euro 28,810 thousands
Main investments included:

- Euro 5,454 thousand for the Spoleto business unit;
- Euro 5,382 thousand for the Italmatch USA Corporation (Smyrna);
- Euro 4,005 thousand for the Italmatch Middle East (Saudiphos);
- Euro 2,591 thousand for the Arese business unit;
- Euro 2,106 thousand for the GRS site in Qualiano (Naples);
- Euro 1,620 thousand for Fangchenggang Yue Yang Chemicals Co. Ltd (YYCO);
- Euro 1,453 thousand for the Spanish site in Zuera (Zaragoza);
- Euro 968 thousand for the German site in Frankfurt;
- Euro 1,178 thousand for the Elco Corporation (Ashtabula);
- Euro 264 thousand for the Alcolina Quimica & Derivados.

In 2023 the Group investments in property, plant and equipment amounted to Euro 24,762 thousand.
Main investments included:

- Euro 3,247 thousand for the Spoleto business unit;
- Euro 2,940 thousand for the Italmatch UK (Newport);
- Euro 2,761 thousand for the Spanish site in Zuera (Zaragoza);
- Euro 2,690 thousand for the Arese business unit;
- Euro 2,162 thousand for the Italmatch USA Corporation (Smyrna);
- Euro 1,965 thousand for the Italmatch Middle East (Saudiphos
- Euro 1,705 thousand for the Elco Corporation (Ashtabula);
- Euro 1,577 thousand for the GRS site in Qualiano (Naples).

In 2022 Group investments in tangible fixed assets amounted to Euro 24,563 thousands, including:

- Euro 10,750 thousand for Italian business sites;
- Euro 5,895 thousands for the Spanish site in Zuera (Zaragoza);

- Euro 2,385 thousands for the UK site in Newport;
- Euro 1,520 thousands for Fangchenggang Yue Yang Chemicals Co.Ltd (YYCO)

14. Right of use assets

The Group's leases, as defined by IFRS 16, relate to containers, tanks, buildings, vehicles, industrial and office equipment.

The Group makes subjective assessments when determining whether a contract contains a lease. The Group has analysed all contracts, defining for each of them the duration, given by the 'non-cancellable' period.

The increases for the period are mainly attributable to the renewal of the container and tanker rental contract.

	€'000s
Carrying amount as at 1 January 2022	**6,851**
Additions	3,880
Disposal	(802)
Exchange differences	(28)
Depreciation	(4,249)
Carrying amount as at 31 December 2022	**5,652**
Additions	5,029
Disposal	(334)
Exchange differences	(59)
Depreciation	(4,376)
Carrying amount as at 31 December 2023	**5,912**
Additions	5,184
Acquisition of Alcolina	697
Disposal	(243)
Exchange differences	(31)
Depreciation	(5,049)
Amount as at 31 December 2024	**6,470**

The maturity analysis of lease liabilities is presented in note 20.

Amounts recognised in profit and loss	01.01.2024 31.12.2024 €'000s	01.01.2023 31.12.2023 €'000s	01.01.2022 31.12.2022 €'000s
Depreciation of right-of-use assets	5,049	4,376	4,249
Interest expense on lease liabilities	597	584	462

15. Inventories

	31.12.2024 €'000s	31.12.2023 €'000s	31.12.2022 €'000s
Raw materials, consumables and supplies	51,819	49,513	114,911
Finished goods	105,159	82,600	122,262
Total inventory, gross	**156,978**	**132,113**	**237,173**
Inventory provision	*(5,104)*	*(2,695)*	*(21,980)*

Total inventory, net	**151,874**	**129,418**	**215,193**

The value of final inventories as at 31 December 2024 amounted to Euro 151,874 thousand (Euro 129,418 thousand in 2023 and Euro 215,193 thousand in 2022). There was an increase compared to the FY2023 of Euro 22,456 thousand. Otherwise a decrease in inventory of Euro 85,775 thousand occurred between fiscal year 2023 and fiscal year 2022, mainly due to the implementation of a de-stocking policy.

Here below we have summarized changes occurred in the period 1 January 2022 – 31 December 2024:

	€'000s
Balance at 1 January 2022	**1,130**
Accruals	20,850
Utilisation	-
Balance at 31 December 2022	**21,980**
Accruals	-
Utilisation	(19,285)
Balance at 31 December 2023	**2,695**
Accrual	2,621
Utilisation	(212)
Balance at 31 December 2024	**5,104**

The 2024 accrual to the inventory provision is almost entirely due to the new production strategy adopted by the Group at the end of the financial year, which impacts a different utilisation of the inventory items and aims to improve inventory management.
As at 2022 the inventory provision has increased in order to adjust the finished products to their presumed realisable value and raw materials and semi-finished goods at their value in use determined according to their use in related finished products.

16. Trade and other receivables

	31.12.2024 €'000s	31.12.2023 €'000s	31.12.2022 €'000s
Trade receivables	**70,325**	**59,870**	**79,348**
'Trade and other receivables ICO (Receivables from parent companies)	**102**	**173**	**77**
Total trade receivables and 'Trade and other receivables ICO	**70,427**	**60,043**	**79,425**

The average credit period on sales is 37 days. No interest is charged on outstanding trade receivables.

The Group measures the allowance for doubtful trade receivables in an amount equal to the estimated ECLs. Expected credit losses on trade receivables are estimated using an allowance matrix, based on historical experience of customer default and an analysis of the debtor's current financial position, adjusted to take into account customer-specific factors; the general economic conditions of the industry in which the customers operate; and an assessment of both current and expected conditions at the reporting date. The Group recognized a 100% write-down on all receivables past due by more than 120 days, as historical experience has indicated that such receivables are generally not recoverable.

The Group has not changed the impairment rates for trade receivables at the previous year's level based on its assessment of the impact of current economic conditions and expected trends at the reporting date. No changes were made to the estimation techniques during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the customer is in serious financial difficulty and there is no realistic prospect of recovery, e.g. when the customer has been placed in liquidation or has entered bankruptcy proceedings; or when the trade receivables are more than two years past due, whichever comes first.

The table below details the risk profile of trade receivables based on the Group's provisioning matrix. Since the Group's historical experience does not show significantly different loss patterns for different customer segments, provisioning based on past due status is not further distinguished between the Group's different customer segments.

	31.12.2024			31.12.2023			31.12.2022		
	Current - less than 90 days past due	90 days or more past due	Total	Current - less than 90 days past due	90 days or more past due	Total	Current - less than 90 days past due	90 days or more past due	Total
Gross Amount	70,773	1,202	71,975	59,776	1,452	61,212	78,396	2,716	80,929
ECL allowance	(925)	(725)	(1,650)	(617)	(725)	(1,342)	(1,432)	(149)	(1,581)
Net book value	69,848	477	70,325	59,159	727	59,870	76,964	2,567	79,348

The value of receivables past due over 90 days as at 31 December 2024 amounted to Euro 1,202 thousand, while the Group wrote down receivables in the amount of Euro 725 thousand. The write-down made is sufficient on the amount of receivables as at 31 December 2024. The Group constantly monitors the receivables situation.

In 2023, the value of receivables past due over 90 days as at 31 December 2023 amounted to Euro 1,452 thousand, while the Group wrote down receivables in the amount of Euro 725 thousand. The write-down made was sufficient on the amount of receivables as at 31 December 2023.

In 2022, the receivables past due over 90 days at 31 December 2022 amounted to Euro 2,716 thousand while the Group wrote down receivables for Euro 149 thousand. The reason for the smallness of the write-down made, compared to the amount past due, lied in the fact that most of the past due receivables were from Biolab Arabia. These receivables had not been paid by the customer. However, the Group has retained its receivable positions for the same amount from this customer, as the latter is also a supplier of the Group.

Movement of allowance of impairment of trade receivables are shown below:

Movements of allowance of impairment of Trade receivables	€'000s
Balance at 1 January 2022	**1,589**
Accurals	-
Utilisation	(8)
Balance at 31 December 2022	**1,581**
Accurals	0
Utilisation	(239)
Balance at 31 December 2023	**1,342**
Accruals	308
Utilisation	0
Balance as at 31 December 2024	**1,650**

As at 31 December 2024, the Group had trade receivables from Russian, Belarusian and Ukrainian customers for a total of Euro 620 thousand (Euro 451 thousand as of 31 December 2023 and Euro 66 thousand as of 31 December 2022).

The table below provides a detailed breakdown of other receivables:

	31.12.2024 €'000s	31.12.2023 €'000s	31.12.2022 €'000s
Tax receivable (VAT)	8,282	6,980	9,644
Short-term deposits	1,651	1,692	2,803
Receivables from factors	1,624	95	537
Receivables from insurance for claims	1,584	1,550	0
Payments on account	1,144	1,669	3,652
Other prepayments	2,118	1,798	3,393
Prepayments to suppliers	917	615	344
Insurance premiums	985	847	464
Service provider deposit	854	1,052	799
Other receivables	4,640	8,515	7,157
Total Other receivables	**23,799**	**24,813**	**28,793**

17. Cash and cash equivalents

	31.12.2024 €'000s	31.12.2023 €'000s	31.12.2022 €'000s
Bank and postal deposit	112,055	116,892	26,871
Cash on hand	5	11	2
Total	**112,060**	**116,903**	**26,873**

Cash and cash equivalents as at the end of the year 2024 amounted to Euro 112,060 thousand (Euro 116,903 thousand in 2023 and Euro 26,873 thousand in 2022).

Between 2023 and 2022, Cash and Cash equivalents increased by 90,030 thousand mainly due to the cash flows for the year, which was positively impacted by the reduction in working capital (especially inventory) and the capital increase by the parent company.

18. Borrowings

	31.12.2024 €'000s	31.12.2023 €'000s	31.12.2022 €'000s
Unsecured borrowing			
Bank loans	4,823	7,652	20,198
Loans from third parties	1,088	759	1,040
	5,911	**8,411**	**21,238**
Secured borrowing at amortised cost			
Secured non-convertible bonds	661,322	658,694	644,324
Bank loans	213	249	65,627
Total borrowings	**661,535**	**658,943**	**709,951**
Non-current	**661,535**	**658,943**	**709,951**
Current	**5,911**	**8,411**	**21,238**

Bonds

Tranches	Currency	Coupon %	Maturity	31.12.2024	31.12.2023	31.12.2022
Secured non-convertible bonds – Floating	€'000s	Euribor + 4.75%	30 Sept 2024	-	-	644,324
Secured non-convertible bonds - Fixed	€'000s	10%	06-feb-28	296,526	295,498	-
Secured non-convertible bonds – Floating	€'000s	Euribor + 5.5%	06-feb-28	364,796	363,196	-

On 6 February 2023 (settlement date), Italmatch Chemicals S.p.A. successfully issued (settlement date) Senior Secured Fixed Rate Notes in the amount of Euro 300,000 thousand and Senior Secured Floating Rate Notes in the amount of Euro 390,000 thousand, expiring in 2028.

Bonds, with a total principal value of Euro 690,000 thousand, are listed on the Luxembourg Stock Exchange and traded on the Euro MTF segment of the Luxembourg Stock Exchange. The Bond Issue redefined the maturity profile of the medium- and long-term debt, refinancing the nominal value of the Euro 650,000 thousand Senior Secured Floating Rate Notes to 31 December 2022 and maturing in September 2024.
The coupon of the 5-year Senior Secured Fixed Rate Notes is equal to 10% (at par issue), while the coupon of the 5-year Senior Secured Floating Rate Notes is equal to 3-month Euribor + 5.50%.
It should be noted that the company has around Euro 305,000 thousand IRS contract in place to hedge interest rate volatility that, due to its characteristics, has been designated as a cash flow hedge for the new underlying Senior Secured Floating Rate instrument. As at 30 September 2024, the derivative reached maturity and was not renewed.

Bonds are secured by a pledge on the shares of the parent company, on certain bank accounts of the parent company and on receivables arising from intra-group loan agreements, as well as a pledge on the shares and certain bank accounts of certain subsidiaries.

Bonds were recognised at amortised cost, net of all direct transaction costs, and amounted to Euro 31,306 thousand at year-end (Euro 31,306 thousand as at 31 December 2023 and Euro 5,676 thousand in 2022). Fair value, calculated on the basis of prices at the end of December 2024, amounted to Euro 713,680 thousand (Euro 700,145 thousand in 2023 and Euro 622,629 thousand in 2022).

In 2022, bonds refer to the secured non-convertible bonds, (floating rate notes, FRN) issued for Euro 650,000 thousand in three tranches (Euro 410,000 thousand, Euro 200,000 thousand and Euro 40,000 thousand), respectively issued on 28 September 2018, 17 April 2019 and on 20 September 2020, with floating interest accruing at the Euribor plus a 4.75% spread, quarterly coupons and redeemable on 30 September 2024. The interest rate applied in 2018 and 2019 was 4.75%.

Medium/long-term bank loans and borrowings

On 22 October 2018, the Parent Company Fire (BC) entered into a new medium/long-term loan agreement, which provided for a bullet line of Euro 70,000 thousand on which floating interest accrues at the Euribor plus a spread of 3.5%, spread on a quarterly basis and maturing on 4 April 2024. In addition, on 13 February 2020, an extension of Euro 30,000 thousand was granted to the bullet line for the acquisition of BWA by the Italmatch Group, bringing the total amount of the bullet line to Euro 100,000 thousand. This amount was further increased in May 2020 to Euro 107,000 thousand.

The loan is secured by a pledge on the shares of the Company, on certain current accounts of the parent company and on receivables from intra-group loan agreements, as well as on the shares and current accounts of certain subsidiaries.

At the beginning of 2023, the Amendment & Extension of the Euro 107,000 thousand Super Senior Revolving Credit Facility (known as SsRCF) was also completed, with joining to the pool of leading banks. The maturity date of the Committed Facility was October 2027.

As at 31 December 2024, the SsRCF line was fully available (Euro 107,000 thousand, at nominal value). It was already fully available as at 31 December 2023, as the amount drawn at the end of December 2022, equal to Euro 66,500 thousand, was repaid following the proceeds of the capital contribution of Dussur.

Bank loans

“Payables to others” amounted to Euro 1,080 thousand as at 31 December 2024 (Euro 759 thousand as at 31 December 2023 and Euro 1,040 thousand as of 31 December 2022).

The amounts as at 31 December 2024, 31 December 2023, 31 December 2022 and 31 December 2021 correspond to the amount of the recourse factoring (amounts exceeding the transferable plafond with non-recourse).

19. Derivative financial instruments

Derivatives as at 31 December 2024 amounted to Euro 0 thousand (Euro 4,851 thousand as at 31 December 2023 and Euro 10,933 thousand as at 31 December 2022). They are detailed as follows:

	31.12.2024 €’000s	31.12.2023 €’000s	31.12.2022 €’000s
Fair value of foreign currency commercial transactions	-	-	1,118
Fair value of IRSs	-	4,851	9,815
Total derivative financial instruments assets	**-**	**4,851**	**10,933**
Fair value of IRSs	-	-	-
Fair value of foreign currency commercial transactions	-	-	-
Total derivative financial instruments liabilities	**-**	**-**	**-**

Interest rate swaps are used as hedging instruments in a cash flow hedge relationship to hedge the interest rate risk of issued bonds.

The fair value amounted to Euro 0 thousand as at 31 December 2024 (Euro 4,851 thousand as at 31 December 2023 and Euro 9,815 thousand at 31 December).
As at 30 September 2024, the derivative reached maturity and was not renewed. They are measured at fair value through other comprehensive income ('FVOCI'), see Significant Accounting Policies, letter 'r', for more information.

On 28 April 2023, financial instruments on foreign currencies not formally designated as hedging instruments were terminated. The fair value amounted to Euro 1,118 thousand as at 31 December 2022 and Euro 1,442 thousand at the time of closing in 2023, resulting in a financial gain. These instruments were measured at Fair Value through Profit and Loss ("FVTPL"), see Significant Accounting Policies, letter "r", for more information.

20. Lease liabilities

	31.12.2024 €’000s	31.12.2023 €’000s	31.12.2022 €’000s
Maturity analysis:			
Within 1 year	2,621	2,942	2,282
Within 1 to 5 years	3,759	2,826	3,082
Over 5 years	116	132	155

	6,496	**5,900**	**5,519**
Analysed as:			
Non-current	3,875	2,958	3,237
Current	2,621	2,942	2,282
	6,496	**5,900**	**5,519**

In 2024, lease liabilities arising from the application of IFRS 16 amounted to Euro 6,496 thousand (Euro 5,900 thousand as at 31 December 2023 and Euro 5,519 thousand as of 31 December 2022), of which Euro 2,621 thousand was current (Euro 2,942 thousand as at 31 December 2023 and Euro 2,282 thousand as of 31 December 2022) and Euro 3,875 thousand non-current (Euro 2,958 thousand as at 31 December 2023 and Euro 3,237 thousand as of 31 December 2022).

Liabilities refer to the present value of payments due and unpaid at the effective date of the lease agreement increased by implicit interest accrued and decreased by payments made during the period.

The Group assesses, on a case-by-case basis, the likelihood of exercising contractual purchase options, if any. Cash flows related to purchase options are included in the measurement of the lease liability if there is a reasonable certainty of exercising that option.

Group management has estimated the additional costs to be incurred to return the assets to the physical condition required and specified in the terms and conditions of the lease. The most significant impact relates to the containers that must be decontaminated and cleaned at the date of their return; the estimate is included in the provisions for liabilities and charges.

The Group is not exposed to a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored as part of the Group's treasury function.

21. Trade and other payables

	31.12.2024 €'000s	31.12.2023 €'000s	31.12.2022 €'000s
Payables to employees (Employeess payable)	12,141	7,982	6,737
Tax Payables (VAT)	11,935	9,500	9,701
Other payables including deferred income	4,411	4,617	8,464
Liabilities for claims (Claim payables)	2,553	2,948	3,007
Payables relating to M&A transactions	2,819	1,823	2,110
Accrued expenses	1,843	1,622	425
Social security charges payable	717	1,241	1,201
Payables for tax repayments	-	1,082	-
Payments on account	194	354	60
Other payables for royalties	-	324	-
Total Other payables	**36,613**	**31,493**	**31,705**
Trade payables	82,618	70,391	99,383
Trade and other payables ICO (associated companies)	-	-	294
Total trade and other payables	**119,231**	**101,884**	**131,382**

It is reported that during 2024, the Group signed agreements with leading financial institutions to extend certain payment terms, as summarised in the table below, in order to optimise the management of working capital for some commercial supplies. These contracts involved trade payables amounting to approximately Euro 2,091 million as at 31 December 2024.

(thousands of Euro)	31/12/2024
Book value of loan agreements for supplies included in the item Trade payables	2,091
- for which the suppliers have received payment at the reference date	2,091
Payment terms (days)	
Trade payables that fall under the agreements	92
Comparable trade payables	72

Trade payables and accruals and deferrals mainly comprise outstanding amounts for trade purchases and current costs. The average credit period used for trade purchases is 60 days (49 days in 2023 and 42 days in 2022).

The book value of trade payables approximates the fair value.

The increase in deferred income is mainly related to tax credits accrued in 2023 based on investments in property, plant and equipment that are released to the consolidated statements of profit and loss and other comprehensive income over several years according to the depreciation schedule of the assets to which they relate. The deferred amount represents the portion pertaining to subsequent years.

It is noted that the accounting values of the liabilities mentioned above do not include impacts from non-monetary changes.

22. Deferred tax assets and liabilities

The tax rate applied is calculated according to the prevailing rates in the respective jurisdictions.

Deferred tax assets

The total amount of deferred tax assets is broken down as follows:

	31.12.2024 €'000s	31.12.2023 €'000s	31.12.2022 €'000s
Italmatch Chemicals S.p.A.	7,608	7,579	11,873
Changzhou Italmatch Chemical Co. Ltd.	871	846	902
GRS Chemical Technologies S.r.l	128	124	77
Italmatch UK Ltd.	-	-	-
ITC Middle East Ltd.	122	-	115
Italmatch Chemicals India	5	114	-
BWA Water Additives FZE	11	21	-
Aubin Energy DMCC	20	16	-
Alcolina Quimica e Derivados	138	-	-
Other	-	-	22
Totale	**8,903**	**8,700**	**12,990**

Italmatch UK's deferred tax assets relate to the UK tax regime for property, plant and equipment (tangible fixed assets).

A detailed table is provided below.

Deferred Tax assets	31.12.2024					31.12.2023					31.12.2022					1 January 2022				
	Opening balance	IRES 24%	IRAP 5,34%	Income taxes 25%	Deferred tax assets	Opening balance	IRES 24%	IRAP 5,34%	Income taxes 25%	Deferred tax assets	opening balance €/000s	IRES 24%	IRAP 5,34%	Income tax 25%	Deferred Tax assets	Opening balance €/000s	IRES 24%	IRAP 3,90%	Income tax 25%	Deferred Tax assets €/000s
Italmatch Chemicals S.p.A.																				
Interest expenses	15,475	3,714	-		3,714	15,475	3,714	-		3,714	15,475	3,713	-		3,713	15,475	3,714	-		3,714
Goodwill amortisation	4,257	1,022	223		1,244	3,718	892	199		1,091	3,141	754	168		922	3,325	798	178		976
Non-tax-related allowance for doubtful debts	367	88	-		88	367	88	-		88	367	88	-		88	367	88	-		88
Provision for disposal costs	667	160	35		195	610	146	33		179	610	146	33		179	610	146	33		179

Provision for pending disputes	-	-	-		-	-	-	-		-	755	181	40		221	80	19	4		23
Provision for obsolete goods	1,925	462	88		550	900	216	48		264	19,737	4,737	1,020		5,757	1,584	380	85		465
Goods in transit	5,045	1,211	269		1,480	4,593	1,102	245		1,347	-	-	-		-	-	-	-		-
LIFE capital grants	-	-	-		-	-	-	-		-	21	5	1		6	21	5	1		6
agent's termination indemnity	-	-	-		-	395	95	-		95	590	142	-		142	872	209	-		209
Services not completed	6	2	-		2	143	34	-		34	308	74	-		74	406	97	-		97
MBO and other incentive systems	1,307	314	-		314	1,757	422	-		422	200	48	-		48	633	152	-		152
Consultancy expenses at amortised cost	-	-	-		-	-	-	-			312	75	17		91	475	114	25		139
Exchange rate losses	-	-	-		-	846	203	-		203	2,613	627	-		627	1,980	475	-		475
Unpaid contributions and taxes	-	-	-		-	2	1	-		1	4	1	-		1	-	-	-		-
Fair value IRS (no P&L)	-	-	-		-	-	-	-		-	-	-	-		-	929	223	50		273
Plant and expansion (no P&L)	15	4	1		4	15	4	1		4	15	4	1		4	15	4	1		4
Taxes paid in the following year	72	17	-		17	-	-	-		-	-	-	-		-	-	-	-		-
Other	-	-	-		-	137	118	19		137	-	-	-		-	-	-	-		-
Sub-total	**29,136**	**6,994**	**616**		**7,608**	**28,958**	**7,035**	**545**		**7,579**	**44,148**	**10,595**	**1,280**		**11,873**	**26,772**	**6,424**	**377**		**6,800**
GRS Chemical Technologies S.r.l																				
Statutory exceeding Tax Amortization	155	37	7		44	171	41	8		49	193	46	9		55	215	52	10		62
MBO and other incentives plan	202	48	-		48	154	37	-		37	20	5	-		5	15	4	-		4
maintenance costs deductable in future period	-	-	-		-	4	1	-		1	9	2	-		2	13	3	-		3
Provision for disposal costs	50	12	2		14	50	12	2		14	50	12	2		14	50	12	2		14
Research grant ex. L.46/82	-	-	-		-	8	2	-		2	4	1	-		1	-	-	-		-
Other	88	22			22	88	21	-		21	-	-	-		-	-	-	-		-
Sub-total	**495**	**119**	**9**	**-**	**128**	**475**	**114**	**10**	**-**	**124**	**276**	**66**	**11**		**77**	**293**	**71**	**12**		**83**
Changzhou Italmatch Chemical Co. Ltd.																				
Deductible loss	2,386	-	-	597	597	2,317	-	-	579	579	2,472			618	618	9,211			2,303	2,303
Impairment reserve of assets	1,043	-	-	261	261	1,013	-	-	253	253	1,080			270	270	42			10	10
Special reserve	55	-	-	13	13	53	-	-	13	13	57			14	14	-			-	-
Deferred Tax assets	-	-	-		-	-				-	-			-	-	47			12	12
Sub-total	**3,484**	**-**	**-**	**871**	**871**	**3,383**	**-**	**-**	**845**	**845**	**3,609**	**-**	**-**	**902**	**902**	**9,300**	**-**	**-**	**2,325**	**2,325**
Other																				
Alcolina Quimica e Derivados					138					-					-					184
ITC Middle East Ltd.					122					-					115					2
Aubin Energy DMCC					20					16					-					-
BWA Water Additives FZE					11					21					-					-
Italmatch Chemicals India					5					114					-					-
Other					-					-					22					-
Sub-total					**296**					**151**					**137**					**186**
Total					**8,903**					**8,700**					**12,990**					**9,394**

Deferred tax liabilities

The total amount of deferred tax liabilities is broken down as follows:

	31.12.2024 €'000s	31.12.2023 €'000s	31.12.2022 €'000s
Italmatch Chemicals S.p.A.	7,906	11,776	17,607
Italmatch Chemicals Conso GB	2,609	3,350	3,889
Italmatch UK Ltd.	2,348	893	887
Alcolina Quimica e Derivados	4,639	-	-
Changzhou Italmatch Chemical Co. Ltd.	866	637	536
Italmatch Chemicals GB Ltd	222	258	55
IBIC	613	242	-
UNION DERIVAN, S.A.	215	-	-
Italmatch Spain S.l.	-	127	127
GRS Chemical Technologies S.r.l	98	114	2
Changzhou Italmatch Trading Co. Ltd.	8	-	-
Italmatch JP Ltd.	2	1	2
Italmatch Chemicas India Priv. Ltd	-	-	106
ITC Middle East Ltd.	-	-	3
Group adjustments	681	670	-
Total	**20,207**	**18,068**	**23,215**

Italmatch UK's deferred tax liabilities relate to the UK tax regime for property, plant and equipment. In 2023 and 2022, Italmatch Spain deferred tax liabilities relate to the allocation of the consolidation difference ITC Spain – Undesa.Below is the calculation, according to Italian regulations, for Italmatch Chemicals Spa, according to UK regulations for Italmatch Chemicals GB Ltd Consolidated.

	31.12.2024				31.12.2023				31.12.2022							1 January 2022						
Deferred Tax Liabilities	Opening balance €/000	IRES 24%	IRAP 5,34%	Deferred tax liabilities €/000	Opening balance €/000	IRES 24%	IRAP 5,34%	Deferred tax liabilities €/000	opening balance €/000	IRES 24%	IRAP 5,34%	Income tax 19%	Income tax 36,2%	Income tax 25%	DTL €/000	Opening balance €/000	IRES 24%	IRAP 5,34%	corporate tax 19% €/000	corporate tax 36,2% €/000	Other 25%	Deferred tax liabilities €/000
Italmatch Chemicals S.p.A.																						
2011 Merger difference Allocation on ITC trademark									-	-	-				-							
2011 Merger difference Allocation on ITC PPE	797	191	43	234	797	191	43	234	797	191	43				234	797	191	43				234
2014 Pentachimica Merger difference Allocation	1,523	366	-	366	1,523	366	-	366	1,523	366	-				366	1,523	366	-				366
2020 Fire (BC) Merger difference Allocation on patents (no P&L)	28,467	6,832	1,110	7,942	28,467	6,832	1,110	7,942	28,467	7,776	1,264				9,039	28,467	7,776	1,264				9,039
2020 Fire (BC) Merger difference Allocation on patents	(7,587)	(1,821)	(296)	(2,117)	(5,223)	(1,254)	(204)	(1,457)	(2,860)	(385)	(823)				(1,208)	(4,116)	1,478	293				1,772
2020 Fire (BC) Merger difference Allocation on trademarks (no P&L)	6,379	1,531	249	1,780	6,379	1,531	249	1,780	6,379	1,478	240				1,719	6,379	(2,875)	240				(2,635)
2020 Fire (BC) Merger difference Allocation on trademarks	(2,306)	(553)	(90)	(643)	(1,844)	(443)	(72)	(515)	(1,383)	(443)	(242)				(685)	(922)	(116)	152				35
Non taxable Goodwill	337	81	17	98	263	63	14	77	125	30	7				37	798	192	43				234
Life capital grants	-	-	-	-	66	16	-	16	133	32	-				32	199	48	-				48
Unrealized exchange rate gains	-	-	-	-	6,498	1,559	-	1,559	16,668	4,000	-				4,000	4,025	966	-				966
Unrealized exchange rate losses	-	-	-	-	-	-	-	-	-	-	-				-	-	-	-				-
Fair value IRS (no P&L)	-	-	-	-	4,851	1,164	259	1,423	9,815	2,356	524				2,880							-
First IFRS transition adjustments (no P&L)	533	128	28	157	897	215	48	263	1,294	311	69				380	1,742	418	93				511
Allocation of goodwill to ITM IP in Spain	-	-	-	-	-	-	-	-	2,953	-	-			738	738	3,226	-	-			806	806
Allocation of goodwill to ITM IP in Italy									-	-	-			-	-							
Allocation of goodwill to ITM Know-how									-	-	-			-	-							
Allocation of goodwill to ITM trademark									-	-	-			-	-							
Goodwill amortisation (no P&L)	228	55	12	67	260	62	14	76	260	62	14				76	260	62	14				76
IAS severance indemnity (TFR IAS)	76	18	4	22	40	10	2	12	-	-	-											-
Sub-total	**28,447**	**6,828**	**1,077**	**7,906**	**42,974**	**10,312**	**1,463**	**11,776**	**64,171**	**15,774**	**1,095**	**-**	**-**	**738**	**17,607**	**42,379**	**8,506**	**2,141**	**-**	**-**	**806**	**11,453**
Italmatch Chemicals Conso GB																						
Consolidation difference allocation UK - TM				2,061				2,599	3,004	-	-	465	-		465	3,192	-	-	494	-		494
Consolidation difference allocation UK - IP				-				-	3,047	-	-	471	-		471	3,555	-	-	550	-		550
Consolidation difference allocation UK - CR				-				-	10,789	-	-	1,669	-		1,669	12,947	-	-	2,003	-		2,003
Consolidation difference allocation JP -TM				-				-	243	-	-	-	72		72	258	-	-	-	76		76
Consolidation difference allocation JP -CR				-				-	1,561	-	-	-	460		460	1,873	-	-	-	552		552
Consolidation difference allocation Aubin - CR				548				751	-	-	-	-	-		753	-	-	-	-	-		-
Sub-total	**-**	**-**	**-**	**2,609**	**-**	**-**	**-**	**3,350**	**18,643**	**-**	**-**	**2,605**	**532**	**-**	**3,889**	**21,824**	**-**	**-**	**3,047**	**628**	**-**	**3,675**
Other																						
Italmatch UK Ltd.				2,348				893							887							405
Alcolina Quimica e Derivados				4,639				127							-							-
Italmatch Spain S.I.				-				245							127							122
Italmatch Chemicals GB Ltd				222				2							55							9
UNION DERIVAN, S.A.				215				-							-							-
Changzhou Italmatch Trading Co. Ltd.				8				637							-							-
Italmatch Chemicas India Priv. Ltd				-				-							106							-
Italmatch JP Ltd.				2				-							2							3
ITC Middle East Ltd.				-				-							3							-
Changzhou Italmatch Chemical Co. Ltd.				866				258							536							-
Italmatch Biolab				-				-							-							-
GRS Chemical Technologies S.r.l				98				114							2							-
IBIC				613				(4)							-							-
Other				681				670							-							-
Sub-total	**-**	**-**	**-**	**9,692**	**-**	**-**	**-**	**2,942**	**-**	**-**	**-**	**-**	**-**	**-**	**1,719**	**-**	**-**	**-**	**-**	**-**	**-**	**539**
Total	**28,447**	**6,828**	**1,077**	**20,207**	**42,974**	**10,312**	**1,463**	**18,068**	**82,814**	**15,774**	**1,095**	**2,605**	**532**	**738**	**23,215**	**64,203**	**8,506**	**2,141**	**3,047**	**628**	**806**	**15,667**

The Group offsets deferred tax assets and deferred tax liabilities are offset when there is a legal right to offset current tax assets against current tax liabilities and when they relate to income taxes owed to the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

It is noted that, based on Italian tax regulations, interest expenses can be deducted up to 30% of the taxable ROL, and any portion not deducted can be carried forward indefinitely to subsequent years.

The subsidiary Italmatch USA did not recognise deferred tax assets deriving from tax losses that can be carried forward in subsequent years and other temporary changes including interest expense not deducted for tax purposes.
As at 31 December 2024 and 31 December 2022 there are no unrecognised deferred tax assets or liabilities.

23. Provisions for liabilities and charges

	Other provisions €'000s	Provisions for risk €'000s	Total €'000s
At 1 January 2022	**4,420**	**4**	**4,424**
Charged/(credited) to the consolidated statements of profit and loss and other comprehensive income :	843	105	948
Increase in provisions due to change in discount rate	-	-	-
Set up/(release) of provisions	-	-	-
Increase due to consolidation scope variation	1,909	-	1,909
Utilised during the year	(252)	-	(252)
At 31 December 2022	**6,920**	**109**	**7,029**
Charged/(credited) to the consolidated statements of profit and loss and other comprehensive income :	-	59	59
Increase in provisions due to change in discount rate	(338)	-	(338)
Release of provisions	(675)	(45)	(720)
Currency translation differences	(58)	-	(58)
At 31 December 2023	**5,849**	**123**	**5,972**
Accrual	707	21	728
Additions due to PPA	210	-	210
Exchange rate differences on PPA Additions	(10)	-	(10)
Utilisation of provision	(1,428)	-	(1,428)
Release of provisions	(5)	-	(5)
As at 31 December 2024	**5,323**	**144**	**5,467**
Due within 1 year	**-**	**-**	**-**
Due after 1 year	**5,323**	**144**	**5,467**

The provision for environmental costs of Elco Corp., which amounts Euro 1,145 thousand, Euro 1,119 thousand and Euro 1,132 thousand respectively as at 31 December 2024 as at 31 December 2023 and as at 31 December 2022, is included in the consolidated financial statements. It reflects the costs expected to be incurred to clean, monitor and regularly maintain the various properties that the subsidiary currently owns. The amount accrued at year-end is the best estimate of the total costs incurred by the group. Based on current conditions and current available information, management believes that this amount is sufficient to meet the requirements for the clean-up of contaminated sites.

Other provisions include the accumulated provision for restoration costs pursuant to IFRS 16 amounting to Euro 1,250 thousand (Euro 1,287 thousand in 2023 and Euro 1,293 thousand in 2022), the accumulated provision for disposal costs amounting to Euro 717 thousand (Euro 660 thousand in 2023 and Euro 660 thousand in 2022) and the provision for the year for restructuring of Euro 600 thousand.

24. Employee benefit obligations

Employee benefits include the estimated liability for Employee termination benefit (TFR) to be paid to employees upon termination of employment.

	€'000s
Value as at 01.01.2022	**2,099**
Increase	1,905
IAS 19	-
Other movements	(166)
Value as at 31.12.2022	**3,838**
Increase	978
IAS 19	50
Other movements	(1,738)
Value as at l 31.12.2023	**3,128**
Addition	980
IAS 19	35
Other movements	(910)
Value as at 31.12.2024	**3,233**

The main assumptions for determining the present value of liabilities are explained below:

	31.12.2024	31.12.2023	31.12.2022
Discount rate	3.38%	3.15%	3.70%
Inflation rate	2.00%	2.25%	2.60%
Nominal rate of wage growth	2.00%	2.25%	2.60%
Labour turnover rate	1.40%	2.80%	2.80%
Probability of request odf advances of TFR	1.20%	1.60%	1.60%
Percentage required n case of advance	70.00%	70.00%	70.00%
Life table - Male	SIM2019	SIM2019	SIM2019
Life table - Female	SIF2019	SIF2019	SIF2019

Reasonably possible changes in actuarial assumptions at the reporting date would have influenced the defined benefit obligation equal to the amounts shown in the table.

	2024		2023		2022	
€'000	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (5% change)	853	949	860	953	944	1,037
Growth rate of payment flows (5% change)	902	896	906	903	990	987
Inflation rate (5% change)	932	869	935	875	1,019	959
Salary growth rate (5% change)	910	896	907	902	991	986
Retirement age (1 year change)	895	904	903	907	987	991
Longevity (1 year change)	899	899	905	905	989	989

Although the analysis does not consider the entire distribution of the expected cash flows from the plan, it reflects an approximation of the sensitivity of the assumptions used.

The group has the following employee breakdown:

	31.12.2024		31.12.2023		31.12.2022	
	at year-end	average	at year-end	average	at year-end	average
Top Managers	6	6	6	6	7	5
Manager	170	163	159	175	191	185
White collars	349	348	341	344	347	345
Blue collars	568	545	503	523	543	503
Total	**1,093**	**1,062**	**1,009**	**1,048**	**1,088**	**1,038**

Defined contribution plans

The Group operates defined contribution retirement benefit plans for employees of different subsidiaries. Usually, subsidiaries are required to pay a specified percentage of their personnel costs periodically. The Group's only obligation in respect of pension plans is to pay the specified contributions.

Investment risk	The present value of the defined benefit plan's liability is calculated using a discount rate determined by the yields on high-quality corporate bonds; if the return on the plan's assets is lower than this rate, it will create a deficit in the plan. Currently, the plan has a relatively balanced investment in equities, and funds.
Interest risk	A decrease in the bond interest rate would lead to an increase in the plan's liability, but this would be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated based on the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of plan participants would increase the liability for the plan.
Salary risk	The present value of the liability for defined benefit plans is calculated based on the future salaries of plan participants. As such, an increase in the salary of plan participants would increase the liability of the plans.

The most recent actuarial valuations of plan assets and the present value of the defined benefit liability were performed as at 31 December 2023. The current value of the defined benefit liability, the related current service cost and past service cost were measured using the Projected Unit Credit Method.

25. Share capital and reserves

Share Capital

On March 7, 2023, the entry of the minority shareholder Dussur (The Saudi Arabian Investments Company) - also through the purchase of shares and a capital increase - into the holding company Fire (BC) Midco (which indirectly holds 100% of Italmatch Chemicals S.p.A.) with a resulting minority stake of less than 20% successfully took place. The signing of the transaction was announced on 8 December 2022. The capital increase, about Euro 99,994 thousand, also took place at the level of Italmatch Chemicals SpA already in March 2023. The capital structure of the Group following the minority shareholder transaction includes BAIN Capital as majority shareholder.

Holders of ordinary shares are entitled to dividends declared from time to time and are entitled to one vote per share at the Company's general meetings. All rights attached to the Company's shares held by the Group are suspended until such shares are reissued.

	%	Number of shares	Nominal value €	31.12.2024 €'000s	31.12.2023 €'000s	31.12.2022 €'000s	31.12.2021 €'000s
Ordinary share capital	100%	10,420,470	1	10,420	10,420	9,421	9,421
Share premium				444,640	472,530	373,535	373,535
Total share capital				**455,060**	**482,950**	**382,956**	**382,956**

Other reserves are detailed below:

Other Reserves - Details €/000	31.12.2024 €'000s	31.12.2023 €'000s	31.12.2022 €'000s	31.12.2021 €'000s
Legal Reserve	2,084	3,150	3,146	1,567
Hedging Reserve	-	3,428	6,936	(656)
Extraordinary reserve	-	25,352	25,352	25,352
Reserve for Future Share Capital Increase	10,030	10,030	10,030	10,030
IAS 19	70	40	-	-

Total other reserves	**12,184**	**42,000**	**45,464**	**36,293**

26. Subsidiaries

Information about the composition of the Group at the reporting date is provided in the table below.

Company name	2024 Share Capital	% held		2023 Share capital	% held		2022 Share capital	% held	
Registered office	€'000s	direct	indirect	€'000	direct	indirect	€'000	direct	indirect
1) Italmatch International Trading (Shanghai) Co. Ltd.	47,764	100%	0%	46,380	100%	0%	49,486	100%	0%
Room 16, 4 / F, Building 3, No.39, Jiatai Road, Free Trade Pilot Zone, Shanghai, China									
2) Italmatch Spain S.l.	500	99%	0%	500	99%	0%	500	99%	0%
Comte d'Urgell 240, 4th D, 08036 Barcelona - Spain									
3) Italmatch Polska	1,876	100%	0%	1,844	100%	0%	1,709	100%	0%
Narutowicza 15, PL-41503 Chorzow									
4) Italmatch UK Ltd.	0	100%	0%	0	100%	0%	0	100%	0%
One Glass Wharf, BS2 0ZX, Bristol, Great Britain									
5) Italmatch USA Corp.	10	100%	0%	9	100%	0%	9	100%	0%
5544 Oakdale Rd SE - Smyrna, GA 30082									
6) Italmatch Singapore	542	100%	0%	512	100%	0%	531	100%	0%
101 THOMSON ROAD #9-01 UNITED SQUARE, SINGAPORE 307591									
7) Italmatch Belgium Sprl	8	99%	1%	8	99%	1%	6	99%	1%
Boulevard Auguste Reyers 80 - 1030 Schaerbeek - Belgium									
8) Italmatch Deutschland GmbH	825	100%	0%	825	100%	0%	825	100%	0%
Brüningstraße 50, 65926 Frankfurt am Main									
9) GRS Chemical Technologies S.r.l.	600	100%	0%	600	100%	0%	600	100%	0%
Area Industriale Consorzio ASI - Qualiano (NA)									
10) Italmatch Do Brasil Partecipacao Ltda	86	100%	0%	103	100%	0%	98	100%	0%
Av. Mario Lopes Leao - 1350 Sao Paulo - Brazil									
11) Italmatch Investment Jiangsu Co. Ltd	48,768	100%	0%	47,355	100%	0%	50,525	100%	0%
58 Guanqu Middle Road, Changzhou - China									
12) Nantong Italmatch Chemicals Co.	7,046	100%	0%	6,842	100%	0%	7,300	100%	0%
58 Binhe Road, Rugaogang Economic Development Zone, Nantong City, Jiangsu Province, China									
13) Italmatch Chemicals India Plc	2,240	100%	0%	2,176	100%	0%	2,268	100%	0%
Shed-19 Plot No. 81, IDA Cherlapally, Medchal Malkajgiri Hyderabad – 500051, Telangana, India									
14) Italmatch Chemicals GB Ltd	4,280	100%	0%	4,085	100%	0%	4,003	100%	0%
Ashburton Road West, Trafford Park, Manchester M17 -GB									
15) Italmatch Middle East Limited	536	100%	0%	504	100%	0%	0	100%	0%
Riyadh 11576, P.O Box 11512, Kingdom of Saudi Arabia									
16) Italmatch Quimica do Brasil Ltda	830	0%	100%	1,002	0%	100%	953	0%	100%
Av.Prof. Alceu Maynard Araujo 153, 04726-160 San Paulo									
17) Compass Chemicals International Holding LLC	18,146	0%	100%	17,150	0%	100%	17,768	0%	100%
5544 Oakdale Rd SE - Smyrna, GA 30082									
18) Fangchenggang Yueyang Chemicals Co., Ltd.	46,889	0%	100%	45,530	0%	100%	48,579	0%	100%
No.11, Qingcaoping Road, Gangkou District, Fangchenggang City, Guangxi, China 538001									
19) Detrex Corporation	24,035	0%	100%	22,717	0%	100%	23,534	0%	100%
1000 Belt Line St, Cleveland, Ohio -44109									
20) Elco Corporation	275	0%	100%	260	0%	100%	269	0%	100%
1000 Belt Line St, Cleveland, Ohio -44109									
21) Union Derivan SA	4,648	0%	100%	4,647	0%	100%	4,647	0%	100%
Comte d'Urgell 240, 4th D, 08036 Barcelona - Spain									
22) Italmatch Japan Ltd	18	0%	100%	19	0%	100%	21	0%	100%
Burex Kojimachi 2F, 3-5-2 Kojimachi, Chiyoda-ku Tokyo, 102-0083 Japan									
23) Italmatch SC LLC	2,968	0%	100%	2,805	0%	100%	2,906	0%	100%
5544 Oakdale Rd SE - Smyrna, GA 30082									
24) Changzhou Italmatch Chemical Co ltd	41,680	0%	100%	40,472	0%	100%	43,182	0%	100%
Weicun Industrial Park of Chunjiang Village, China									
25) Changzhou Italmatch Trading Co ltd	262	0%	100%	255	0%	100%	272	0%	100%
58 Guanqu Middle Road, Changzhou - China									
26) BWA Water Additives US LCC	-	0%	100%	-	0%	100%	-	0%	100%
5544 Oakdale Rd SE - Smyrna, GA 30082									
27) BWA Water Additives UK Limited	723	0%	100%	690	0%	100%	676	0%	100%
Ashburton Road West, Trafford Park, Manchester, United Kingdom, M17 1SX									
28) BWA Water Additives FZE	259	0%	100%	245	0%	100%	254	0%	100%
National Industries Park -Jebal Ali, Dubai, United Arab Emirates									
29) BWA Water Additives DMCC	13	0%	100%	12	0%	100%	13	0%	100%
Unit 1802, Jumeirah Bay Tower X3, Jumeirah Lakes Towers, Dubai, UAE									
30) Water Science Technologies, LLC	49,065	0%	100%	46,374	0%	100%	48,044	0%	100%
1701 Vanderbilt Road Birmingham, AL - 35234 - USA									

31) Saudi Phosphorus Industrial Company LLC	257	0%	51%	2,235	0%	51%	-	0%	51%
3909 Prince Mamdooh Bin Abdulaziz, Sulaymaniyah, Riyadh 12242-7574, Saudi Arabia.									
32) Italmatch DW	3,275	0%	100%	3,096	0%	100%	3,207	0%	100%
5544 Oakdale Rd. SE - Smyrna - GA 30082									
33) Aubin Ltd	8	0%	100%	8	0%	100%	8	0%	100%
13 Queens Road Aberdeen AB15 1YL									
34) Aubin Energy DMCC	26	0%	100%	25	0%	100%	26	0%	100%
Unit No: OneJLT-05-114 One JLT Plot No: DMCC-EZ1-1AB Jumeirah Lakes Towers Dubai United Arab Emirates									
35) Aubin INC	1,201	0%	100%	91	0%	100%	0	0%	100%
Three Sugar Creek, Ste.100 Houston TX 77478									
36) Italmatch Biolab Industrial Co	128	0%	60%	121	0%	60%	125	0%	60%
Cooperation Council road, Al Khozama District, Al Aziziyah - Alkhobar, 34 718 – 8331, Saudi Arabia									
37) Alcolina Quimica e Derivados S.A:	11,278	0%	90%*						
Rua Paletrans, n°400-Distrito Industrial - Cravinhos (SP)									

* The percentage legally held as at 31 Dec 2024 is 70%

27. Equity-accounted investees

The Italmatch Group does not own any associated companies in 2024 and 2023.

In 2022, The consolidation scope also included the following associates, which are not consolidated on a line-by-line basis but are instead measured using the equity method:

Company Share/quota	Share Capital	% held		% consolidated	Share Capital
Registered office	**€'000**	**directly**	**indirectly**		**CNY/000**
Kunming Italphos Chemicals Co. *Yangling, Songming County, Kunming City, Yunnan Province*	1,087	50%	-	50%	8,000
Yunnan Xundian Italphos YP *Jinsuo Industrial Park, Xundian County, Yunnan Province*	3,398	50%	-	50%	25,000

28. Business combination

31 December 2024

On 4 March 2024, Italmatch completed the acquisition of a majority stake in Alcolina- Quimica & Derivados ("Alcolina"), a leading Brazilian chemical company in water treatment for bioethanol, sugar production and other industrial applications, including paints and the paper industry. The transaction is part of Italmatch's growth strategy in Latin America and strengthens the Group's product portfolio for water treatment, with complementary applications and end markets. Commercial synergies are expected, also due to the promotion of sales of the new SugarMaxx® technology (for which the Italmatch Group has signed a collaboration and licence agreement for the use of chemical solutions in the cane sugar colour stabilisation process). Following the acquisition of Alcolina, the current CEO and shareholder of Alcolina confirmed his commitment to the group's growth project.

The acquisition price estimated and discounted at the acquisition date was Euro 24,783 thousand for 90% of the share capital of the target companies; Euro 9,653 thousand were paid in 2024 and the remaining Euro 14,697 thousand will be paid to the seller between 2025 and 2031. As at 31 December 2024, the Group incurred acquisition costs of Euro 169 thousand relating to external legal costs and due diligence.

Valuation of the assets and liabilities of the business combination at the acquisition date
The accounting for the acquisition has been finalised; the fair values of the acquired assets have been determined based on the best estimate available at the acquisition date and are shown in the table below:

€'000	Acquisition situation	Adjustment of acquisition situation	Assets acquired and liabilities assumed
			100%
Non-current assets			
Other intangible assets	62	8,798	8,860
Property, plant and equipment	4,744	7,681	12,425
Right of use of assets	697		697
Other receivables	246		246
Total non-current assets	**5,749**	**16,479**	**22,228**
Current assets			
Inventories	3,131		3,131
Trade receivables	5,413		5,413
Other receivables	601		601
Tax assets	349		349
Cash and cash equivalents	2,753		2,753
Total current assets	**12,248**		**12,248**
Total assets	**17,997**	**16,479**	**34,476**
Current liabilities			
Trade payables	(2,824)		(2,824)
Other payables	(358)		(358)
Tax liabilities	(141)		(141)
Lease liabilities	(367)		(367)
Total current liabilities	**(3,690)**		**(3,690)**
Non-current liabilities			
Deferred tax liabilities		(5,603)	(5,603)
Other non-current provisions		(210)	(210)
Financial liabilities	(1,957)		(1,957)
Lease liabilities	(263)		(263)
Total non-current liabilities	**(2,220)**	**(5,813)**	**(8,033)**
Total liabilities	**(5,910)**	**(5,813)**	**(11,723)**
Equity	**(12,087)**	**(10,666)**	**(22,753)**
Total equity and liabilities	**(17,997)**	**(16,479)**	**(34,476)**

The acquisition situation column shows the opening balance values determined on the basis of the accounting situation on the date of first consolidation (31 March 2024) of the target company expressed according to international accounting standards:

- other intangible assets: software recognised at purchase cost including additional charges, costs directly attributable to the asset;
- property, plant and equipment: buildings, land, machinery recognised at purchase cost including additional charges, costs directly attributable to the asset and adjusted by the corresponding accumulated depreciation;

- rights of use of leased assets: recognition of the right of use according to the provisions of international accounting standard IFRS 16;
- other receivables: recognition of restricted receivables;
- inventories: recognition of warehouse products adjusted by the corresponding provisions;
- trade receivables: recognition of receivables from third parties;
- other receivables (current): recognition of other non-trade receivables from third parties;
- tax assets: recognition of tax assets;
- cash and cash equivalents: liquidity on hand;
- trade payables: payables to suppliers related to the company's business;
- other payables: recognition of various types of payables due to others, including amounts due to personnel;
- tax liabilities: recognition of tax liabilities;
- financial liabilities: medium/long-term portion of payables to banks and recognition of accrued interest;
- short-term and long-term portions of lease liabilities: recognition of the present value of payments due for the right of use on land.

The following fair values were included in the column adjustment to the acquisition situation:
- goodwill emerging from the allocation;
- other intangible assets: added value attributed at the time of recording the acquisition; this added value was recorded under the item ‘Trademark’, ‘Customer relations’; ‘Non-competition clause’ taking into account a time horizon of activity equal to a period of 4,9 years for ‘Customer relations’, equal to 6,8 years for the ‘Trademark’ and 5 years for the ‘Non-competition clause’.
- property, plant and equipment: added value attributed at the time of recognition of the acquisition; this added value was recorded under 'Buildings', 'Improvements' and 'Land';
- other non-current financial assets: recognition of 'special indemnities' determined at the time of acquisition;
- deferred tax liabilities referring to the above allocation; other non-current provisions: recognition of charges for potential liabilities recognised at the time of acquisition.

Determination of goodwill

The difference between the total consideration of the acquisition and the net value of the assets and liabilities acquired was recognised on a residual basis as goodwill as illustrated in the following table:

€'000	
Acquisition consideration	24,783
Fair value of the assets acquired	(22,753)
Fair value of the assets acquired (90%)	(20,477)
Goodwill	4,306

Contribution of Alcolina in 2024

In the period between the date of first consolidation (31 March 2024) and the reference date of these Consolidated Financial Statements, Alcolina contributed to the Group's results with revenue of Euro 24,780 thousand and profit net of taxes of Euro 4,392 thousand. If the acquisition had taken place on 1 January 2024, the acquired company would have contributed to the Group's results with revenue of Euro 30,603 thousand and profit net of taxes of Euro 3,554 thousand.

In determining these amounts, the management assumed that the fair value adjustments, determined definitively, would have been the same if the acquisition had taken place on 1 January 2024.

31 December 2022

On June 6th, 2022, the Group acquired Aubin Group which is, a key strategic developer and supplier of innovative chemical solutions for the Oil and Gas industries and renewable energies. With office and warehouses across the UK and Middle East, Aubin is internationally recognized as a key player for specialty chemical products in the Oilfield. This acquisition is strategic for our Group and represents a great opportunity to strengthen our presence in oil & gas industry in key regions, including the Middle East. We also add a deeper know-how on sustainable chemical solutions to strengthen our ESG portfolio and R&D projects, including products for renewable energy market as well as “decommissioning” activities.

The acquisition price (inclusive of the Earn Out estimate) was Euro 4,7 million for the acquisition of 100% of the share capital of the target companies.

From the acquisition date to 31 December 2022, Aubin Group contributed revenue of Euro 3,383 thousands and loss after tax of Euro 529 thousand to the Group’s results. If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue would have been Euro 7,027 thousands, and consolidated profit after tax for the year would have been Euro 682 thousand.

In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Acquisition-related costs

As at 31 December 2022, the Group incurred acquisition-related costs of Euro 182 thousand relating to external legal fees and due diligence costs.

Identifiable assets acquired and liabilities assumed

The acquisition has been finalised and the following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

€’000s	
Intangible assets	4,089
Property, plant and equipment	1,186
Inventory	542
Trade receivables	1,332
Current tax assets	140
Cash and bank balances	510
Deferred tax liabilities	(753)
Trade payables	(634)
Other payables	(268)
Borrowings	(734)
Provisions	(1,909)
Total identifiable net asset acquired	**3,501**

The only adjustment at the date of acquisition regarded “Provisions” and amounted to Euro 1,9 thousand.

Purchase Price Allocation

Purchase price allocation arising from the acquisition has been recognized as follows:

€’000s	
Total consideration calculated	4,652
Fair value of identifiable net assets	(3,501)
Goodwill	1,151

As at 31 December 2022, a portion of the total consideration calculated amounted to Euro 2,085 thousand was still outstanding and to be paid in the following years.

29. Fair value measurements

Assets and liabilities measured at fair value on a recurring basis

The fair value of derivative financial assets and liabilities is measured by considering market parameters at the reporting date and using valuation techniques widely accepted in the context of financial assets, as described below:

- The fair value of foreign currency derivatives is determined using valuation techniques common in financial markets and taking market parameters at the reporting date (in particular, exchange rates, interest rates and volatility rates);
- The fair value of interest rate swaps and forward rate agreements is determined by taking interest rates prevailing at the reporting date and using the discounted expected cash flow method.

The following table shows the fair value hierarchy based on observable inputs for financial assets and liabilities measured at fair value on a recurring basis.

€'000s	31.12.2024				31.12.2023				31.12.2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Fair value of foreign currency commercial transactions	-	-	-	-	-	-	-	-	-	1,118	-	**1,118**
Fair value of IRSs	-	-	-	-	-	4,851	-	**4,851**	-	9,815	-	**9,815**
Total derivative financial instruments assets (assets)	**-**	**-**	**-**	**-**	**-**	**4,851**	**-**	**4,851**	**-**	**10,933**	**-**	**10,933**
Fair value of IRSs	-	-	-	-	-	-	-	-	-	-	-	-
Fair value of foreign currency commercial transactions	-	-	-	-	-	-	-	-	-	-	-	-
Total derivative financial instruments liabilities (liabilities)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Assets and liabilities not measured at fair value on a recurring basis

The book value of current receivables and payables is a reasonable approximation of fair value because the present value of future cash flows does not differ significantly from the carrying value.
The book value of cash and cash equivalents is usually close to fair value due to their short maturity.

The following table shows the book value and fair value of financial assets and liabilities not measured at fair value on a recurring basis:

	31.12.2024		31.12.2023		31.12.2022	
	Book value	*fair value*	Book value	*fair value*	Book value	*fair value*
Trade and other receivables	94,124	94,124	84,683	84,683	108,141	108,141
Notes	661,322	713,680	658,695	700,145	644,324	622,629
Loans	6,124	6,124	8,659	8,659	86,866	86,866
Lease liabilities	6,496	6,496	5,900	5,900	5,519	5,519
Trade and other payables	119,231	119,231	101,884	101,884	131,382	131,382

Debt securities traded in active markets for which a sale price is available are classified as level 1 in the fair value hierarchy. Assets for which such prices are not available are valued at the last available price or based on prices received from dealers trading in such securities and are classified as level 2.
The fair value of lease liabilities classified in level 3 of the fair value hierarchy was estimated using models based on discounting future cash flows, which require significant adjustments based on unobservable inputs.

30. Financial instruments

The Group is exposed to the following financial risks associated with its operations:

- Credit risk, which highlights the possibility of default of a counterparty or the possible deterioration of the assigned creditworthiness;

- Market risk, arising from exposure to fluctuations in interest rates, exchange rates, and changes in the prices of products sold and commodity purchases (commodity price volatility risk);
- Liquidity risk, which expresses the risk that available financial resources will be insufficient to meet payment commitments.

These risks could have a significant impact on the Company's financial position and results and, for this reason, the Group systematically identifies and monitors these risks in order to identify potential negative effects in advance and to take the necessary actions to mitigate them, mainly through operational and financial activities and, if necessary, through the use of derivative financial instruments according to established risk management policies.

The following section provides qualitative and quantitative disclosures on the effect these risks may have on the Group. The quantitative data provided below has no predictive value, and in particular the sensitivity analysis on financial market risks does not reflect the complexity of the market or the reaction that may result from any changes that are expected to take place.

Credit risk

The maximum credit risk to which the Group is potentially exposed as at 31 December 2024, 31 December 2023 and 31 December 2021 is represented by the book values (carrying amounts) of financial assets in these financial statements. The Group's exposure to credit risk is mainly due to the individual characteristics of each counterparty. For further information regarding the credit risk exposure and ECLs of trade and other receivables as at 31 December 2024, 2023 and 2022 please refer to Note 16. Exposure to credit risk, inherent in the probability that a given counterparty fails to meet its contractual obligations, is managed through appropriate analysis and evaluation. Concentration risk, both by customer and by sector, is also monitored on an ongoing basis without ever having presented alert situations.

Credit risk by country

As at 31 December 2024, 31 December 2023 and 31 December 2022 the maximum exposure to credit risk on trade receivables, broken down by geographic region, is as follows:

	31.12.2024	**31.12.2023**	**31.12.2022**
	€'000s	**€'000s**	**€'000s**
Countries	***Book value***	***Book value***	***Book value***
US	18,776	16,645	13,876
IT	5,381	1,755	-
ES	4,574	716	2,625
CN	4,095	3,984	4,701
SG	3,941	3,131	2,994
JP	3,452	3,577	3,297
CY	2,884	2,595	1,148
DE	2,432	2,369	3,939
IN	2,250	1,772	1,530
FR	2,214	1,649	1,819
SA	1,837	654	13,009
QA	1,775	3,793	3,850
GB	1,742	2,713	3,295
MX	1,701	773	800
BR	1,674	1,852	1,315
AE	1,328	1,650	2,133
CA	993	1,553	754
BE	973	880	674
CH	853	1,168	851

PL	731	1,394	880
NL	606	784	1,650
NO	576	-	-
BY	518	-	-
ZA	510	-	-
TR	509	-	-
PT	319	-	-
AU	276	-	-
TH	232	-	-
DK	224	-	-
EG	200	461	954
MY	177	-	-
CL	175	-	-
TW	164	-	-
LU	-	-	581
KW	-	-	584
RO	-	-	509
EN	-	-	4,270
Other	2,233	4,002	7,310
	70,325	**59,870**	**79,348**

The item “Other” does not include amounts exceeding 10%.

Credit risk arises from the loss the Group may incur as a result of the inability of a contractual counterparty to fulfil its obligations, in particular to meet its payment obligations. The Group manages credit risk with the aim of optimising the risk profile in the pursuit of commercial and business objectives by means of structured processes and by adopting the necessary procedures for monitoring receivables as they fall due, implementing the necessary credit recovery procedures.

The Group assigns each counterparty a specific level of credit that cannot be exceeded or, alternatively, upon presentation of suitable collateral (e.g. cash against documents, letter of credit, stand-by).

The Group's credit policy is based on subjecting customers requesting deferred payment terms to creditworthiness verification procedures with the support of international databases, as well as on the observation of delinquency of newly acquired customers. In addition, the balance is constantly monitored during the financial year to ensure timely intervention and to reduce the risk of losses.

The amount of the risk is equal to the allowance for doubtful debts allocated in the respective balance sheets, which is considered adequate in relation to the credit risk (also depending on the type of receivables). In particular, the following are considered:

- sales in 'at risk' countries are made exclusively by advance payment or credit letter;
- In the other countries sales are primarily made to large multinational companies, with which strategic partnership agreements for the development of new products are also in place.

Cash and cash equivalents

As at 31 December 2024, the Group held cash and cash equivalents in the amount of Euro 112,060 thousand (Euro 116,903 thousand as at 31 December 2023 and Euro 26,873 as of 31 December 2022). Cash and cash equivalents are held with banking counterparties and financial institutions, which are rated B- to AA+, based on Moody's or S&P ratings.

It should be noted that the Group – through the Treasury department of the parent company – adopts a prudent policy of monitoring counterparty risk and investment of cash and cash equivalents. With a view to managing and controlling the Group's liquidity, the Treasury department also adopts a policy of centralising cash flows and financial investments.

The impairment of cash and cash equivalents was assessed on the basis of expected losses at 12 months and reflects the short maturities of the exposures. The Group considers its cash and cash equivalents to have a low credit risk based on the external ratings of the counterparties.

Derivatives

Derivatives are entered into with banking counterparties and financial institutions that have an Investment Grade rating of A+ to AA+, based on Moody's or S&P ratings

Liquidity risk

Liquidity risk is the risk that the Group will not be able to obtain the resources necessary to carry out its operations and related investments to meet its obligations. The conditions of the macroeconomic environment as well as the uncertainties that characterise the financial markets require particular attention to liquidity risk management.

The Group manages liquidity risk by constantly monitoring cash flows and maintaining an adequate level of resources and availability (i.e., liquidity). The Group believes that the Group's total available liquidity, in addition to the cash flows that will be generated by its operating and financial activities, as well as its ability to access the banking and financial markets, will allow the Company to meet the needs of its investment activities and working capital, as well as meet its debt repayment obligations at natural maturities and ensure an adequate level of operational and strategic flexibility.

The bonds in place contain certain covenants known as Incurrence, that according to which default can only occur if - as financial and equity conditions deteriorate - the Group takes actions that cause certain conditions to be breached in violation of the aforementioned financial covenants. In addition, the company and some of its subsidiaries must comply with additional covenants, both positive and negative, subject to certain exceptions and so-called 'grace periods'.

The parent company and some of its subsidiaries are therefore only subject to the incurrence test if they intend to incur further debt (in addition to that which the parent company and its subsidiaries may incur under other provisions of the Indenture of Bonds), in which case certain 'ratios' on a contractual basis must be satisfied for the incurrence of such debt.

The SsRCF agreement also requires that it is monitored - with reference to the last day of each financial quarter - whether the sum of drawings (albeit with certain exclusions), net of cash and cash equivalents as well as temporary cash investments held by the Group, exceeds 35% of the total SsRCF; if so, the super senior RCF drawn leverage ratio must not exceed 1.50x. Whenever this test is not passed, a "freeze" on further use of the available residual RCF line is triggered and, if breached, will not in itself trigger a default or event of default under the SsRCF. If necessary, the company also has certain rights of so-called equity cure in such cases. As at 31 December 2024, the aforementioned SsRCF was fully available and not used.

All of these tests and certain other provisions of the Indenture and the SsRCF contract are designed to ensure that the company and certain of its subsidiaries do not incur additional debt unless certain parameters are met.

The remaining contractual maturities of the financial liabilities at the reporting date are shown below:

€000s	Within one year	Within 5 years	More 5 years	Total
31 December 2022				
Unsecured borrowing	-	65,627	-	**65,627**
Secured non-convertible bonds	-	644,324	-	**644,324**
Bank loans	21,238	-	-	**21,238**
Total	**21,238**	**709,951**	**-**	**731,190**

Interest Rate Swaps - positive	-	1,118	-	**1,118**
MTM exchange rate derivatives - positive	-	-	-	**-**
MTM exchange rate derivatives - negative	9,815	-	-	**9,815**
Total	**9,815**	**1,118**	**-**	**10,933**
31 December 2023				
Unsecured borrowing at amortised cost	-	249	-	**249**
Secured non convertible bonds	-	658,695	-	**658,695**
Bank loans	8,411	-	-	**8,411**
Total	**8,411**	**658,944**	**-**	**667,355**
Interest Rate Swaps - positive	4,851	-	-	**4,851**
MTM exchange rate derivatives - positive	-	-	-	**-**
MTM exchange rate derivatives - negative		-	-	
Total	**4,851**	**-**	**-**	**4,851**
31 December 2024				
Unsecured borrowings at amortised cost	-	213	-	**213**
Secured non-convertible bonds	-	661,322	-	**661,322**
Bank loans	5,911	-	-	**5,911**
Total	**5,911**	**661,535**	**-**	**667,446**
Interest Rate Swaps - positive	-	-	-	**-**
MTM exchange rate derivatives - positive	-	-	-	**-**
MTM exchange rate derivatives - negative	-	-	-	**-**
Total	**-**	**-**	**-**	**-**

For more information on credit lines, please refer to Note 18.

Financial market risks

Due to the nature of its business, the Group is exposed to several market risks, including foreign currency exchange risk, interest rate risk and commodity price risk. The Company's exposure to foreign currency exchange risk arises both in relation to the geographical distribution of the Company's industrial activities with respect to the markets in which it sells its products, and in relation to the use of external borrowings denominated in foreign currencies.

The Group's exposure to interest rate risk arises from the need to finance industrial and financial operating activities and the need to deploy surplus funds. Changes in market interest rates can have the effect of increasing or decreasing the Group's net income, indirectly affecting the costs and returns of financing and investment transactions.

The Group's exposure to commodity price risk arises from the risk of price changes, which could have a significant effect on the Group's results, indirectly affecting product costs and margins.

These risks could have a significant impact on the Group's financial position and results and are therefore systematically detected and monitored, in order to identify potential negative effects in advance and take the necessary actions to mitigate them, mainly through operating and financing activities and, if necessary, through the use of derivative financial instruments according to its risk management policies.

Quantitative information on foreign currency exchange risk

The Group is exposed to risk from changes in foreign currency exchange rates, which may affect its earnings and equity. In particular:

- If a company of the Group incurs costs in a currency different from that of its revenue, any change in exchange rates may affect the operating results of that company.
- The main exchange rates to which the Group is exposed are:

- EUR/USD, relating to USD sales and purchases made, and to intercompany loans granted in foreign currency.
- EUR/GBP, relating to sales and purchases in GBP

At year-end, Italmatch Group held receivables and payables in currencies other than the Group currency. The table shows the most significant Group values:

31.12.2024	CAD	CNY	EUR	GBP	JPY	QAR	PLN	SAR	SGD	USD
Trade receivables	2	-	4,025	306	-	42	60	219	39	10,243
Trade payables	-	(1)	(11)	(816)	(2,298)	-	-	-	-	(3,572)
Net financial exposure	2	(1)	4,014	(510)	(2,298)	42	60	219	39	6,671
2 months sales - actual	-	-	3,224	417	-	-	-	-	39	7,299
2 months purchases - actual	-	-	(15)	(24.630)	-	-	-	-	-	(9,686)
2 months exposure - actual	-	-	3,209	(24,213)	-	-	-	-	39	(2,387)
NET EXPOSURE	2	(1)	7,223	(24,723)	(2,298)	42	60	219	78	(4,284)

31.12.2023	CAD	CNY	EUR	GBP	JPY	QAR	PLN	SAR	SGD	USD
Trade receivable	2	-	4,025	306	-	42	60	219	39	6,168
Trade payable	-	-	(622)	(983)	-	(4)	(-)	-	-	(1,793)
Net statement of financial position exposure	**2**	**-**	**3,403**	**(676)**	**-**	**38**	**60**	**219**	**39**	**4,375**
2 months sales - actual	-	-	4,365	604	-	-	-	-	-	6,442
2 months purchases - actual	-	-	(8)	(905)	-	-	-	-	-	(9,773)
Net actual transaction exposure 2 months actual	**-**	**-**	**4,357**	**(301)**	**-**	**-**	**-**	**-**	**-**	**(3,331)**

NET EXPOSURE	**2**	**-**	**7,760**	**(978)**	**-**	**38**	**60**	**219**	**39**	**1,044**

31.12.2022	CAD	CNY	EUR	GBP	JPY	QAR	PLN	SAR	SGD	USD
Trade receivable	-	-	3,429	596	-	4,073	21	240	(-)	15,799
Trade payable	-	(74)	(698)	(2,005)	(2,529)	(24)	(-)	(3,987)	(26)	(5,271)
Net statement of financial position exposure	**-**	**(74)**	**2,731**	**(1,409)**	**(2,529)**	**4,049**	**21**	**(3,747)**	**(27)**	**10,528**
2 months sales - actual	68	-	6,241	566	-	42	-	1,307	-	11,469
2 months purchases - actual	-	(166)	(1,628)	(1,507)	-	-	-	-	-	(7,469)
Net actual transaction exposure 2 months actual	**68**	**(166)**	**4,613**	**(941)**	**-**	**42**	**-**	**1,307**	**-**	**4,001**
NET EXPOSURE	**68**	**(240)**	**7,345**	**(2,350)**	**(2,529)**	**4,091**	**21**	**(2,439)**	**(27)**	**14,528**

The following table shows the main exchange rates applied by the Group:

Currency	Average exchange rate FY 24	Average exchange rate FY 23	Average exchange rate FY 22	31/12/2024	31/12/2023	31/12/2022
PLN	4.31	4.54	4.69	4.27	4.34	4.68
CNY	7.79	7.66	7.08	7.62	7.85	7.36
BRL	5.83	5.4	5.44	6.48	5.36	5.64
USD	1.08	1.08	1.05	1.04	1.11	1.07
JPY	163.85	151.99	138.03	164.57	156.33	140.66
GBP	0.85	0.87	0.85	0.83	0.87	0.89
INR	90.56	89.3	82.69	89.27	91.9	88.17
SAR	4.06	4.05	3.95	3.9	4.14	4.00

The Group may have trade receivables or payables denominated in a currency other than the respective functional currency. Changes in exchange rates may result in exchange rate gains or losses arising from these situations.

Some of the Group's companies are located in countries outside the Euro zone, notably the US, China and the UK. Since the Group's currency is the Euro, the consolidated statements of profit and loss and other comprehensive income s of entities with a currency other than the Euro are translated into Euro using the average exchange rate for the year. In addition, the assets and liabilities of these consolidated companies are translated into Euro at the period-end exchange rate. The effects of these changes in exchange rates are recognised directly in the translation reserve included in other comprehensive income. Changes in exchange rates may affect the translated balances of revenue, expenses and assets and liabilities reported in euros, even when the corresponding items are unchanged in the respective local currencies of these companies.

In 2024, 2023 and 2022 there were no material changes in the nature or structure of the Group's foreign currency risk exposure or hedging policies.

The Group reports realised losses/gains directly to the Consolidated statements of profit and loss and other comprehensive income as it has no hedge accounting instruments.
Sensitivity analyses were performed for the main foreign currency items outstanding as at 31 December 2024, 31 December 2023 and 31 December 2022 for which there were no entries in the consolidated statements of profit and loss and other comprehensive income at the time of the creation of the Financial Statements. These analyses assume that all other variables, in particular interest rates, are unchanged and don't consider the effects of expected sales and purchases.

	Exchange rate Profit or loss		Equity (result net of tax)	
€'000s	Strengthening	Weakening	Strengthening	Weakening
31 December 2024				
GBP (5% movement)	-	-	-	-
QAR (5% movement)	-	-	-	-
SAR (5% movement)	(3)	3	2	(2)
USD (5% movement)	199	(199)	(143)	143
	exchange rate Profit or loss		Equity (result net of tax)	
€'000	Strenghthening	Weakening	Strenghthening	Weakening
31 December 2023				
GBP (5% movement)	14	(14)	(10)	10
QAR (5% movement)	(-)	-	-	(-)
SAR (5% movement)	(3)	3	2	(2)
USD (5% movement)	(183)	183	131	(131)
	exchange rate Profit or loss		Equity (result net of tax)	
€'000	Strenghthening	Weakening	Strenghthening	Weakening
31 December 2022				
GBP (5% movement)	3	(3)	(2)	2
QAR (5% movement)	(47)	47	34	(34)
SAR (5% movement)	45	(45)	(32)	32
USD (5% movement)	(252)	252	181	(181)

Quantitative information on interest rate risk

The companies of the Group make use of external loans. In addition, Group companies sell receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of the various forms of financing, including the sale of receivables, or the return on investments and the employment of funds, thus negatively impacting the net financial expenses incurred by the Group.

In order to manage interest rate risk on issued bonds, in 2023 the Group used interest rate swaps with the objective of mitigating the potential variability of interest rates on the Group's Net profit that was not affected by changes in interest rate.

If interest rates had changed by 100 bps at the end of the year, the net equity and loss for the year would have changed by the amounts shown in the table below. The analysis was performed assuming that the other variables, in particular exchange rates, remain constant.

Impact in € '000s	Loss for 2024		Loss for 2023		Loss for 2022	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
Floating rate financial instruments	(1,833)	1,833	(4,121)	4,121	(426)	1,243
Interest rate swap			3,050	(3,050)		
Sensitivity of cash flows (net)	**(1,833)**	**1,833**	**(1,071)**	**1,071**	**(426)**	**1,243**

31. Related Party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been deleted on consolidation and are not disclosed in this note.

32. Capital management

In 2024, the Group's equity amounts to Euro 406,468 thousand (Euro 412,531 thousand in 2023 and Euro 405,052 thousand in 2022).

The Group's policy is to maintain a strong capital base to maintain the confidence of investors, creditors and the market and support future business development.

33. Remuneration of the Independent Auditors and of the Board of Statutory Auditors

Pursuant to Article 2427.1.16 of the Civil Code, the remuneration of the directors and the Board of Statutory Auditors is set out below:

	31.12.2024	31.12.2023	31.12.2022
	€'000s	€'000s	€'000s
Board of Statutory auditors	152,608	151,760	151,760
Auditors	668,815	618,880	432,131

In FY24 the remuneration of key managers represents 3,3% of the total employee expenses (in 2023 it was 4,1%, in 2022 it was 2,96%). In financial year 2024 the total employee expenses were Euro 75,914 thousand (Euro 73,525 thousand in 2023 and Euro 74,347 thousand in 2022). Remuneration of key managers consists of short-term employee benefits. At present, there are no long-term benefits based on shares of the Parent Company and its subsidiaries, or other post-employment benefits, that are attributable to the Company or can otherwise be estimated/considered material.

34. Commitments, guarantees and contingent liabilities

In 2024, the group gave sureties to third parties to guarantee services and the procurement of goods for Euro 92 thousand (in 2023 it was Euro 4,529 thousand and in 2022 it was Euro 4,443 thousands).

35. Reconciliation of movements of liabilities to cash flows arising from financing activities

Here below the table of Reconciliation of movements of liabilities to cash flows arising financing activities for the year:

Liabilities	Equity	Derivatives (assets)/liabilities

€'000s	Short term borrowing	Lease liability	Borrowings	Borrowings ICO	Other reserves	Retained earnings *	NCI	Fair value of IRSs and Fair value of foreign currency commercial transactions – liabilities/asset	Derivative financial instruments – assets
Balance at 1 January 2022 (a)	**22,804**	**6,899**	**677,273**	**139**	**36,293**	**(53,736)**	**897**	**22**	**2,062**
Changes from financing cash flows									
Payment of lease liabilities	-	(5,808)	-	-	-	-	-	-	-
Factor	84	-	-	-	-	-	-	-	-
New Loan				81					
Increase/(Decrease) in Revolving Credit Facility	-	-	29,000	-	-	-	-	-	-
Repayment loan	(1,786)	-	-						
Total changes from financing cash flows (b)	**(1,702)**	**(5,808)**	**29,000**	**81**	**-**	**-**	**-**	**-**	**-**
The effect of changes in foreign exchange rates (c)	136	86	-	-		3,196	(156)	-	-
Changes in fair value (d)	-	-	-	-	-	-	-	10,911	(2,062)
Other changes									
Liability-related									
New leases	-	3,880		-	-	-	-	-	-
Capitalised borrowing costs	-	-	3,773	-	-	-	-	-	-
Interest expense	1,852	462	35,302	-	-	-	-	-	-
Interest paid	(1,852)	-	(35,397)	-	-	-	-	-	-
Total liability-related other changes (e)	-	4,342	3,678	-	-	-	-	-	-
Total equity-related other changes (f)					9,171	25,952	479		
Balance at 31 December 2022 (a+b+c+d+e+f)	**21,238**	**5,519**	**709,951**	**220**	**45,464**	**(24,588)**	**1,220**	**10,933**	**-**
Balance at 1 January 2023 (a)	**21,238**	**5,519**	**709,951**	**220**	**45,464**	**(24,588)**	**1,220**	**10,933**	**-**
Changes from financing cash flows									
Payment of lease liabilities	-	(5,175)	-	-	-	-	-	-	-
Factor	(281)	-	-	-	-	-	-	-	-
New Loan			652,797	-					
Increase/(Decrease) in Revolving Credit Facility	-	-	(66,500)	-	-	-	-	-	-
Repayment loan	(13,038)	-	(650,000)	(193)					
Total changes from financing cash flows (b)	**(13,319)**	**(5,175)**	**(63,703)**	**(193)**	**-**	**-**	**-**	**-**	**-**
The effect of changes in foreign exchange rates (c)	492	(57)	-	-		(7,427)	(54)	-	-
Changes in fair value (d)	-	-	-	-	-	-	-	(6,082)	-
Other changes									
Liability-related									
New leases	-	5,029		-	-	-	-	-	-
Capitalised borrowing costs	-		12,541	-	-	-	-	-	-
Interest expense	967	584	64,587	-	-	-	-	-	-
Interest paid	(967)	-	(64,433)	-	-	-	-	-	-
Total liability-related other changes (e)	-	5,613	12,695	-	-	-	-	-	-
Total equity-related other changes (f)					(3,464)	(84,207)	2,637		
Balance at 31 December 2023 (a+b+c+d+e+f)	**8,411**	**5,900**	**658,943**	**27**	**42,000**	**(116,222)**	**3,803**	**4,851**	**-**
Balance restated as at 1 January 2024**	**8,411**	**5,900**	**658,943**	**27**	**42,000**	**(116,222)**	**3,803**	**4,851**	**-**
Changes from cash flows from financing activities									
Payment of lease liabilities	-	(5,254)	-	-	-	-	-	-	-

Factor	329	-	-	-	-	-	-	-	-
New loans			-	-					
Increase/(Decrease) in Revolving Credit Facility	-	-	-	-	-	-	-	-	-
Repayment of loans	(3,321)	-	-	2					
Total changes from cash flows from financing activities (b)	**(2,992)**	**(5,254)**	**-**	**2**	**-**	**-**	**-**	**-**	**-**
Effect of changes in foreign exchange rates	492	69	-	-	-	572	306	-	-
Changes in fair value	-	-	-	-	-	-	-	(4,851)	-
Other changes									
Liability-related									
New leases	-	5,184	-	-	-	-	-	-	-
Capitalised financial expenses	-	-	2,628	-	-	-	-	-	-
Interest expenses	542	597	67,219	-	-	-	-	-	-
Interest paid	(542)	-	(67,255)	-	-	-	-	-	-
Total other liability-related changes	-	5,781	2,592	-	-	-	-	-	-
Total other equity-related changes	-	-	-	-	(29,816)	44,723	6,042	-	-
Balance as at 31 December 2024	**5,911**	**6,496**	**661,535**	**29**	**12,184**	**(70,927)**	**10,151**	**-**	**-**

36. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI:

	€/000					
	NCI Saudi Phosphorus	**NCI Italmatch Spain S.I.**	**Italmatch Biolab Industrial Co**	**Alcolina**	**Other**	**Total**
NCI percentage	***49%***	***1%***	***40%***	***10%***		
Non-current assets	6,521	13,248	40	4,705		
Current assets	400	17,535	21,876	11,644		
Non-current liabilities	(29)	(1,196)	(726)	(810)		
Current liabilities	(658)	(12,423)	(15,624)	(2,358)		
Equity (Net assets)	***6,234***	***17,164***	***5,565***	***13,181***		
Net assets attribuitable to NCI	*3,070*	*1,959*	*726*	*2,073*	*153*	*7,981*
Profit allocated to NCI	*(11)*	*417*	*1,500*	*264*	*-*	*2,170*

37. Ultimate controlling party

Italmatch Chemicals Group is controlled by Fire (BC) Holdco Limited which is the ultimate controlling party of the Italmatch Chemicals Group.

38. Subsequent Events

In FY2025 we have experienced some incidents on some manufacturing sites.

In detail fires occurred in July 2025 in the storage area of our Zuera manufacturing site and in September 2025 in the building housing one of the four production lines at our Qualiano facility. While these incidents were swiftly managed without reported injuries or environmental damage, the fire at both Zuera and Qualiano facilities resulted in a temporary production pause.

As the dated of this report insurance cover has been successfully kicked in. No material impact on business performance deriving from these events is foreseen on year end results.

The project to construct a cogeneration plant in Arese (Milan, Italy), following initial delays in the authorisation process, received approval from the relevant authorities in November 2024 to proceed with the start of the works. The project aims to achieve operational efficiency and reduce the facility's energy costs, supporting future energy recovery initiatives. While execution was underway, the technical contracting partners re-evaluated the project's timeline, also to implement further adjustments, as required during the local authorization process (successfully completed). The external technical supplier engaged by Italmatch Chemicals S.p.A. (also through a dedicated leasing "in construendo" contract with a leasing provider) to build certain installation/equipment at Arese plant started a litigation process in September 2024, being currently fully settled at the date of this report with no significant impact. Italmatch Chemicals S.p.A. has actively and constructively secured the progress of the project and its timeline, involving new technical counterparties to start the project's construction in the coming months: the notice related to the starting of the activities has been communicated to the Municipality within the deadline."

ISSUER

Italmatch Chemicals S.p.A.
Via E. Vismara, 114
20044 Arese (MI)
Italy

LEGAL ADVISORS TO THE ISSUER

as to U.S. federal, New York state and Italian law
Latham & Watkins
Corso Matteotti, 22
20121 Milan
Italy

as to English law
Latham & Watkins
99 Bishopsgate
London EC2M 3XF
United Kingdom

as to Italian tax law
Pirola Pennuto Zei & Associati
Via Vittor Pisani, 20
20124 Milan
Italy

LEGAL ADVISORS TO THE INITIAL PURCHASERS

as to U.S. federal, New York state and English law
Milbank LLP
100 Liverpool Street
London EC2M 2AT
United Kingdom

as to Italian law
PedersoliGattai
Via Principe Amedeo, 5
20121 Milan
Italy

INDEPENDENT AUDITORS TO THE ISSUER

KPMG S.p.A.
Via Giovanni Battista Pirelli (snc)
20124 Milan
Italy

TRUSTEE

U.S. Bank Trustees Limited
5th Floor
125 Old Broad Street
London EC2N 1AR
United Kingdom

REGISTRAR, PAYING AGENT, CALCULATION AGENT AND TRANSFER AGENT

U.S. Bank Europe DAC
Block F1,
Cherrywood Business Park
Cherrywood, Dublin 18
Ireland D18 W2X7

SECURITY AGENT

BNP PARIBAS, Italian Branch
Piazza Lina Bo Bardi, 3
20124 Milan
Italy

LEGAL ADVISOR TO THE TRUSTEE

Alston & Bird (City) LLP
6th Floor, LDN:W
3 Noble Street
London EC2V 7EE
United Kingdom

€690,000,000

€300,000,000 6¼% Senior Secured Notes due 2031

€390,000,000 Senior Secured Floating Rate Notes due 2031

OFFERING MEMORANDUM

Joint Global Coordinators and Joint Physical Bookrunners

BNP PARIBAS

Goldman Sachs International
(Billing and Delivery)

Joint Global Coordinators and Joint Bookrunners

Citigroup **Crédit Agricole CIB** **UniCredit**

The date of this Offering Memorandum is February 5, 2026.